

LAFCO

Santa Barbara Local Agency Formation Commission

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February 3, 2011 (Agenda)

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

Proposed LAFCO Budget for FY 2011-2012

Dear Members of the Commission:

RECOMMENDATION

It is recommended that the Commission:

1. Review the Proposed Budget for Fiscal Year 2011-12, accept all public testimony and approve the Proposed Budget as presented or as modified by the Commission.
2. Direct the staff to distribute the Proposed Budget to cities, special districts and the County as required by Government Code Section 56381.
3. Conduct a public hearing on April 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

Introduction

As an independent commission established by the legislature to carry out specific duties and objectives, LAFCO is responsible for adopting a budget to fulfill the purposes described in the Cortese/Knox/Hertzberg Act. The statute directing LAFCO operations 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."

Commissioners: Bob Short, Chair ♦ Lupe Alvarez ♦ Doreen Farr ♦ Jeff Moorhouse ♦ Bob Orach ♦ Cathy Schlottmann
Janet Wolf ♦ Joe Armendariz ♦ John Fox ♦ Steve Lavagnino ♦ Roger Welt **Executive Officer:** Bob Braitman

AGENDA ITEM NO. 14

The Proposed Budget presented herewith for the coming fiscal year is quite similar to the current year’s budget, with proposed adjustments based on actual experience and anticipated expenses.

Streaming and Archiving LAFCO Meetings

Silvio Motta, the manager of the County’s television office (CSBTv-20), has contacted us about LAFCO participating in a new program to broadcast and archive LAFCO meetings.

As we understand, this program would provide live “streaming” for LAFCO meetings, archived records on our website and indexed access to these video archives. SBCAG is considering enacting this program and they are seeking other agencies to share in the expense.

We are informed our cost to participate would be an upfront, one-time fee of \$4,000 and about \$4,800 a year (\$400 a month) depending on how other agencies are involved in this program.

We are presenting this matter to the Commission for your consideration. This program is not included in the Proposed Budget but can be added at your direction.

Proposed Budget – Detailed Description of Individual Accounts

The Proposed Budget as recommended is \$248,846, a decrease of \$12,738 (about 4.9%) below the current year budget. Following is a summary.

<u>Proposed Budget Summary</u>	<u>Final Budget 2010-11</u>	<u>Proposed 2011-12</u>	<u>Change</u>
Salaries and Benefits	\$ 25 835	\$25 835	\$ 0
Services & Supplies	230 649	221 270	- 9 379
Other Charges	<u>5 100</u>	<u>1 741</u>	<u>-3 359</u>
Total Appropriations	261 584	248 846	-12 738
Revenues *	311 020	<i>To be determined</i>	

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

The following table of accounts describes current year appropriations and revenues, year-end projections, proposed appropriations and revenues for the coming year and changes from the current budget. Please note that amounts that are appropriated and not expended during the year provide “hold over” funding for the following year’s budget.

	<u>2010-2011 Final Budget</u>	<u>Projected Year End</u>	<u>2011-2012 Draft Budget</u>	<u>Change</u>
SALARIES AND BENEFITS				
Commissioner Stipends – 6210	23 100	11 250	23 100	0
This account funds Commissioner per diem stipends. The amount is based on 11 Commissioners attending 14 meetings at \$150 per meeting. Funds are expended only if meetings are held.				
FICA Contribution – 6500	1 500	960	1 500	0
Per the County Auditor this account is budgeted at .062% of taxable salaries and benefits.				
FICA/Medicare – 6550	335	115	335	0
Per the County Auditor this account is budgeted at .0145% of taxable salaries and benefits.				
Unemployment Insurance – 6700	900	480	900	0
This account is based on experience.				
SERVICES AND SUPPLIES				
Audit Fees – 7324	5 000	5 000	5 000	0
The Commission finances are subject to annual audit; based upon which firm is selected to audit the current fiscal year, this amount of this account may need to be adjusted in the future.				
Memberships – 7430	3 035	3 035	3 035	0
Membership in the California Association of LAFCOs.				
Office Expense – 7450	2 000	390	2 000	0
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	3 000	966	3 000	0
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.				

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	<u>2010-11 Final Budget</u>	<u>Projected Year End</u>	<u>2011-2012 Draft Budget</u>	<u>Change</u>
Copier Expense - 7453	5 000	5 284	5 000	0
This account funds printing of notices, reports, resolutions, correspondence and other materials.				
Professional & Specialized Services – 7460	20 000	20 000	20 000	0
The account funds services not provided directly by the LAFCO staff, including televising LAFCO meetings and the County Surveyor updating and maintaining city and special district maps for the Commission’s Directory of Public Agencies.				
ADP Payroll Services - 7507	1 125	915	1 125	0
This account funds ADP Small Business Services charges to process per diem stipends.				
Legal Services - 7508	40 000	34 035	40 000	0
This account funds estimated services. .				
Contractual Staff Services – 7510	171 355	171 355	176 475	5,120
The current staffing contract was approved by the Commission in September 2009 and became effective July 1, 2010. It is a four-year contract. Annual adjustments are tied to the Consumer Price Index, not to exceed 3% in any one year, based on CPI experience in the prior 12 months.				
The draft budget reflects a 1.3% increase; based on the Bureau of Labor Statistics, Consumer Price Index for Los Angeles-Riverside-Orange County for 12 months ending December 2010. If the actual CPI differs this amount will be adjusted in the final budget.				
Publications/Legal Notices– 7530	1 000	615	1 000	0
Costs to publish legal notices for LAFCO hearings.				
Gen Fund Cost Allocation – 7669	-41 8668	-41 8668	- 56 365	- 14 499
This account funds the County Auditor to keep the Commission’s books, make payments and process deposits, the County Treasurer to retain and invest LAFCO funds and the LAFCO share of building and grounds maintenance.				

	<u>2010-2011</u> <u>Final Budget</u>	<u>Projected</u> <u>Year End</u>	<u>2011-2012</u> <u>Draft Budget</u>	<u>Change</u>
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The Commission approved an appropriation of \$12,698 in this account when it adopted this year's budget; this amount was adjusted to the negative figure of -\$41,866 by the County Auditor based, we understand, on overcharges to this account in prior years. The County Auditor directed us to budget a figure of - \$56,365 in this account for Fiscal Year 20011-2012.

Transportation and Travel - 7730	21 000	22 000	21 000	0
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This account travel expenses and mileage for Commissioners and staff, including participation in CALAFCO conferences and Board meetings. No change is recommended.

OTHER CHARGES

These figures are provided by the County. The reduced figure for liability insurance is provided to us by the County General Services Agency.

Electricity – 7801	900	667	900	0
Natural Gas – 7802	150	79	150	0
Water – 7803	150	75	150	0
Refuse – 7804	50	59	50	0
Utility Services – 7806	50	27	50	0
Liability Insurance - 7895	3 500	2 672	141	- 3 359
Telephone Services – 7897	300	315	300	0

REVENUES

Interest Income - 3380	2 000	1 837	2 000	0
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This is revenue from investing available LAFCO funds.

Processing Fee Income - 5738	12 000	14 404	12 240	240
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This is revenue from fees to process proposals. It is difficult to predict future proposal workload since to some degree it follows economic activity. The budget is based on seven boundary changes at an average of \$1,466 (\$10,260) and two sphere of influence applications (\$1,980).

Miscellaneous Revenue – 5860, 5909	1 000	61	1 000	0
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These are revenues from the sale of documents, maps etc. .

Other Gov't Agencies – 4840	296 020	296 020	To be determined	
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The law directs the County, cities and independent special districts to fund the Commission. The amounts depend on (a) the adopted budget, (b) the available fund balance at the end of the fiscal year and (c) projected operational revenues. The figure will be developed in the coming weeks.

Projected Available Fund Balance

The actual year-end fund balance will be refined in the coming weeks. The year-end available balance reduces amounts collected from the local agencies that support the LAFCO budget.

Attachment A shows expenditure and revenue accounts without the detailed explanations.

Conclusion

In consideration of information contained in this letter, 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 April 7 Commission meeting.

While we are recommending a specific financial program, we urge that flexibility be retained by the Commission to make adjustments in the Final Budget should this prove warranted.

Very truly yours,



BOB BRAITMAN
Executive Officer

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

Proposed Budget for Fiscal Year 2011-12

Operating Fund #5320, Santa Barbara LAFCO, Department # 815

<u>Account name and number.</u>	<u>2010-2011 Adjusted Budget</u>	<u>Projected Expense</u>	<u>2011-2012 Prop. Budget</u>	<u>Change</u>
Salaries and Benefits				
Commissioner Stipends – 6210	23 100	11 250	23 100	0
FICA Contribution – 6500	1 500	960	1 500	0
FICA/Medicare - 6550	335	115	335	0
Unemployment Insurance – 6700	<u>900</u>	<u>480</u>	<u>900</u>	<u>0</u>
Total Salaries and Benefits	25 835	12 805	25 835	0
Services and Supplies				
Audit Fees – 7324	5 000	5 000	5 000	0
Memberships – 7430	3 035	3 035	3 035	0
Office Expense – 7450	2 000	390	2 000	0
Postage – 7451	3 000	966	3 000	0
Copier Expense - 7453	5 000	5 284	5 000	0
Prof & Spec Services - 7460	20 000	20 000	20 000	0
ADP Payroll Fees – 7507	1 125	915	1 125	0
Legal Services - 7508	40 000	34 035	40 000	0
Contractual Staff Services – 7510	171 355	171 355	176 475	5 120
Pubs & Legal Notices– 7530	1 000	615	1 000	0
Gen Fund Cost Allocation – 7669	- 41 866	-41 866	-56 365	-14 499
Transportation and Travel - 7730	<u>21 000</u>	<u>22 000</u>	<u>21 000</u>	<u>0</u>
Total Services and Supplies	230 649	221 729	221 270	-9 379
Other Charges				
Electricity - 7801	900	667	900	0
Natural Gas – 7802	150	79	150	0
Water - 7803	150	75	150	0
Refuse – 7804	50	59	50	0
Utility Services - 7806	50	27	50	0
Liability Insurance - 7895	3 500	2 672	141	-3 359
Telephone Services - 7897	<u>300</u>	<u>315</u>	<u>300</u>	<u>0</u>
Total Other Charges	5 100	3 894	1 741	-3 359
Total Appropriations	261 584	238 428	248 846	-12 738

<u>Account name and number.</u>	<u>2010-2011 Adjusted Budget</u>	<u>Projected Revenue</u>	<u>2011-2012 Prop. Budget</u>	<u>Change</u>
Revenues				
Interest Income - 3380	2 000	1 837	2 000	0
Processing Fee Income - 5738	12 000	14 404	12 000	0
Misc. Revenue – 5860, 5909	1 000	61	1 000	0
Other Gov't Agencies – 4840 *	<u>296 020</u>	<u>296 020</u>	<i>To be determined</i>	
Total Revenues *	311 020	312 322	<i>To be determined</i>	

* These amounts depend on the actual Available Fund Balance at the end of this fiscal year. The figures will be refined in the coming weeks.