

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
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www.sblafco.org ♦ lafco@sblafco.org

May 6, 2021 (Agenda)

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

Final LAFCO Budget for Fiscal Year 2021-2022

Dear Members of the Commission:

RECOMMENDATION:

Consider recommendations regarding the Final Budget for Fiscal Year (FY) 2020-2021, and consider adoption of a Resolution that takes the following actions:

- a) Review the Final Budget for FY 2021-2022, accept all public testimony and approve the Budget as presented;
- b) Direct staff to distribute the approved Final Budget to Cities, Special Districts and the County as required by Government Code Section 56381; and
- c) 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 1, 2021. The Commission adjusted the proposed budget by increasing the contingency reserves to \$18,000. Following the April 1, 2021 Commission meeting, the County Auditor informed the executive officer fiscal year 2020-2021 included a revised distribution to member agencies that included the remaining excess of reserves from FY 2019-2020 in the amount of \$36,818. This effectively lowered the net operating costs to be distributed to County, Cities and Independent Special Districts, from \$321,800 to \$284,982.

Commissioners: Roger Aceves ♦ Cynthia Allen ♦ Jay Freeman ♦ Craig Geyer ♦ Joan Hartmann ♦ Steve Lavagnino
Holly Sierra ♦ Shane Stark ♦ Etta Waterfield, Chair ♦ Roger Welt, Vice-Chair ♦ Das Williams **Executive Officer:** Mike Prater

Unfortunately, when you couple this reduction in net operating costs along with lower actual application revenues and interest, the fiscal year end financial impact will now result in a net loss. This was not anticipated at our April 1, 2021 Commission meeting. Staff will work with the Auditors Office to use contingency reserves to cover any necessary fund balance. This will result in use of contingency reserves lowering the expected balance adjusted by the Commission for FY 2021-2022 Final Budget.

Following the April 1, 2021 Commission meeting, the approved Proposed Budget was transmitted to the County Executive Office, City Managers, and Special Districts.

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."

The funding formula for LAFCO's budget is established in the Cortese-Knox-Hertzberg Act. LAFCO's budget is funded primarily by the County, Cities and Independent Special Districts, with each group paying one-third of the LAFCO adopted budget. The Final Budget has been distributed to the County, Cities, and Special Districts.

The recommended Final Budget for Fiscal Year 2021-2022 has been adjusted to reflect an increase in contingency reserves of \$18,000 which increased Line Item 4840 for Other Gov't Agencies to \$437,690. This adjustment increased the total projected appropriations from \$437,490 to \$455,490. In addition, appropriations expended during FY 2020-2021 will need to be covered with the use of contingency reserves decreasing the available fund balance to finance the Commission in FY 2021-2022.

The final budget and signed resolution will be submitted to the County Auditor's Office. The City and District shares are pro-rated based on general revenues reported to the State Controller's Office by the jurisdictions. The County Auditor will calculate the cost to each jurisdiction and distribute invoices for payment to the Cities and Special Districts within the County in the first quarter of the 2021-2022 fiscal year.

Attachments

Attachment A - Recommended Final LAFCO Budget for FY 2021-2022

Attachment B - Draft Proposed LAFCO Budget for FY 2021-2022

Attachment C - LAFCO Resolution Approving the Final Budget for FY 2021-2022

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Prater".

Mike Prater
Executive Officer

cc: County Executive Officer
Each City Manager
Each Special District Manager

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

RECOMMENDED FINAL 2021-2022 BUDGET - May 6, 2021

Final 5/6/2021

Account Name and Number	2020-21 Final Budget	As of 3/31/21	Projected Year-End	2021-22 Recommend Budget	Inc/Dec	% Inc/Dec
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REVENUES

Interest Income - 3380	5,000	965	4,000	4,000	-1,000	-20%
Unrealized Gain/Loss - 3381	0	-385	0	0	0	0%
Other Gov't Agencies - 4840	321,800	220,189	284,982	437,690	115,890	36%
Planning Studies Service - 5738	35,000	2,788	4,788	13,800	-21,200	-61%
Misc. Revenue - 5909	500	0	0	0	0	0%
Total Revenues	362,300	223,557	293,770	455,490	93,190	26%

EXPENDITURES

Salaries and Benefits

Commissioner Stipends - 6210	15,000	15,574	20,163	15,000	0	0%
Regular Salary - 6100	0	18,176	50,359	161,034	161,034	1174%
FICA Contribution - 6500	1,000	883	4,717	10,914	9,914	991%
FICA/Medicare - 6550	200	207	1,104	2,535	2,335	1167%
Retirement-Employer Contribution - 6400	0	5,725	8,230	11,961	11,961	0%
Retirement - Employee Contribution - 5771	0	5,725	8,230	11,961	11,961	0%
Unemployment Insurance - 6700	600	821	1,864	5,193	4,593	765%
Fed Unemploy Tax-Employer Cont - 6700	0	50	105	504	504	0%
Fixed Costs (\$):						
Health Plan/Contribution - 6600	0	480	2,880	11,000	11,000	0%
Life/Disability Insurance - 6610	0	0	1,000	5,200	5,200	0%
Def Comp - EO Employer - 6100	0	1,737	2,431	4,200	4,200	0%
Phone/Cash Allowance - 7811	0	579	1,351	2,400	2,400	0%
Auto Allowance - 7326	0	2,916	4,083	7,000	7,000	0%
Total Salaries and Benefits	16,800	52,872	106,516	236,940	220,140	1310%

STAFF SUPPORT

Contractual Staff Services - 7510	240,000	28,840	60,000	60,000	-180,000	-75%
Total Staff Support	240,000	28,840	60,000	60,000	(180,000)	-75%

Services and Supplies

Audit Fees - 7324	7,200	1,227	7,200	7,200	0	0%
Memberships - 7430	6,500	9,137	9,137	8,800	2,300	35%
Office Expense - 7450	1,000	50	1,000	1,000	0	0%
Prof & Special Services - 7460	45,000	32,000	45,000	40,000	-5,000	-11%
ADP Payroll Fees - 7507	1,800	1,641	2,212	2,000	200	11%
Legal Services -7508	50,000	77,553	88,450	50,000	0	0%
Pubs & Legal Notices - 7530	1,700	827	1,200	1,700	0	0%
Postage - 7451	0	55	55	250	250	0%
Gen Fund Cost Allocation - 7669	-35,000	-34,661	-34,661	14,300	49,300	-141%
Training and Travel - 7732	26,000	1,104	13,000	13,000	-13,000	-50%
Total Services and Supplies	104,200	88,933	132,593	138,250	34,050	33%

Other Charges

Electricity - 7801	500	286	500	500	0	0%
Natural Gas - 7802	100	86	100	100	0	0%
Water - 7803	100	73	100	100	0	0%
Refuse - 7804	100	98	100	100	0	0%
Utility Services - 7806	100	29	100	100	0	0%
Liability Insurance - 6900	0	965	965	1,000	1,000	0%
Telephone Services - 7897	400	279	400	400	0	0%
Total Other Charges	1,300	1,816	2,265	2,300	1,000	77%

Contingency Reserve - 9600	0	0	0	18,000	0	0
Total Contingency Reserve	200,000	0	192,396	0	210,396	5.2%
Total Exp/Appropriations	362,300	172,461	301,374	455,490	93,190	25.7%
Net Financial Impact	0	51,096	-7,604	0	0	0.0%

*\$10,000 contingency will be added to reserves in FY 21/22. The estimated contingency reserve balance will be \$210,000

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

RECOMMENDED DRAFT 2021-2022 BUDGET - April 1, 2021

Proposed 4/1/2021

Account Name and Number	2020-21 Final Budget	As of 3/31/21	Projected Year-End	2021-22 Proposed Budget	Inc/Dec	% Inc/Dec
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Training and Travel - 7732	26,000	1,104	13,000	13,000	-13,000	-50%
Total Services and Supplies	104,200	88,933	132,593	138,250	34,050	33%

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Natural Gas - 7802	100	86	100	100	0	0%
Water - 7803	100	73	100	100	0	0%
Refuse - 7804	100	98	100	100	0	0%
Utility Services - 7806	100	29	100	100	0	0%
Liability Insurance - 6900	0	965	965	1,000	1,000	0%
Telephone Services - 7897	400	279	400	400	0	0%
Total Other Charges	1,300	1,816	2,265	2,300	1,000	77%

Contingency Reserve - 9600	0	0	0	18,000	0	0
Total Contingency Reserve	200,000	0	192,396	0	210,396	5.2%
Total Exp/Appropriations	362,300	172,461	301,374	455,490	93,190	25.7%
Net Financial Impact	0	51,096	-7,604	0	0	0.0%

*\$10,000 contingency will be added to reserves in FY 21/22. The estimated contingency reserve balance will be \$210,000

ATTACHMENT B

LAFCO RESOLUTION NO. 21 -XX

RESOLUTION OF THE SANTA BARBARA LOCAL AGENCY FORMATION
COMMISSION ADOPTING THE FINAL BUDGET FOR 2021-2022

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of the proposed budget to officer, persons, and public agencies proscribed by law; and

WHEREAS, matter was set for public hearing at 1:00 p.m. on May 6, 2021, and a public hearing was duly conducted; and

WHEREAS, at said hearing, the Commission heard and received all oral and written protests, objections and evidence which were made, presented 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

NOW, THEREFORE BE IT 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. Pursuant to Government Code section 56381(a), the Commission hereby adopts the Final Budget for Fiscal Year 2021-22 in the amount of \$455,490 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 \$437,690; and
3. Pursuant to Government Code section 56381(a), the Final Budget is found to be adequate for the Commission to fulfill the purpose and programs of Chapter 3 (“Powers”) of Part 2 of the Cortese Knox Hertzberg Act;
4. Staff is directed to distribute the Final Budget to the County, Cities, and Special Districts as required by Government Code section 56381; and
5. Staff shall 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.

Santa Barbara LAFCO
LAFCO RESOLUTION NO. 21 -XX

This resolution was adopted on May 6, 2021 and is effective on the date signed by the
Chair.

AYES:

NOES:

ABSTAINS:

Dated: _____
Etta Waterfield, Chair
Santa Barbara Local Agency Formation Commission

ATTEST:

Jacquelyne Alexander, Clerk
Santa Barbara Local Agency Formation Commission