

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

April 2, 2015 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street, Room 407
Santa Barbara CA 93101

Proposed LAFCO Budget for FY 2015-2016

Dear Members of the Commission:

RECOMMENDATION

It is recommended that the Commission:

1. Review the Proposed Budget for Fiscal Year 2015-16, accept all public testimony and approve the Proposed Budget as presented.
2. Direct the staff to distribute the approved Proposed Budget to cities, special districts and the County as required by Government Code Section 56381.
3. Schedule a public hearing for May 7, 2015 to consider and adopt the Final Budget.

DISCUSSION

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.

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."

Government Code Section 56381 requires LAFCO, after conducting public hearings, to:

Commissioners: Doreen Farr, Chair ♦ Roger Aceves ♦ Bob Short ♦ Craig Geyer ♦ Jeff Moorhouse ♦ Bob Orach ♦ Janet Wolf ♦ John Fox ♦ Steve Lavagnino ♦ Jim Richardson ♦ Roger Welt ♦ **Executive Officer:** Paul Hood

- Adopt a proposed budget for the next fiscal year not later than May 1. This is transmitted to the County, each city and each independent special district for their review and comment.
- Adopt the final budget for the next fiscal year by June 15.

Summary of Proposed Budget

The recommended Proposed Budget is \$354,561, a decrease of \$46,388 under the current year budget. Following is a budget summary.

<u>Proposed Budget Summary</u>	<u>Adjusted Budget 2014-15</u>	<u>Proposed 2015-16</u>	<u>Change</u>
Salaries and Benefits	\$ 14 046	16 100	\$ 2 054
Contracted Staff Support	206 757	210 508	3 751
Services & Supplies	138 432	106 137	-32 295
Other Charges	<u>1 714</u>	<u>1 816</u>	<u>102</u>
Total	360 949	334 561	-26 388
Contingencies	40 000	20 000	-20 000
Total Appropriations	400 949	354 561	-46 388
Revenues	400 949	354 561	-46 388

Detailed Description of Individual Accounts

The proposed budget and descriptions of specific accounts are attached. These illustrate current year revenues and appropriations and projected revenues and appropriations for the coming year. There is also a column for current year-to-date revenues and expenditures, projected year-end revenues and expenditures, the increase/decrease between the current and proposed budget and percentage increase/decrease. Appropriations not expended during one fiscal year become part of the available fund balance to finance the Commission in the following fiscal year.

Designation for Contingency

During 2012-13, \$20,000 was transferred from the contingency account to the operating budget to compensate the Executive Officer-Elect from March 2013 to the end of June 2013. The \$20,000 was restored to the designation for contingencies in 2013-14. As part of the 2014-15 budget, the Commission added \$40,000 to contingencies. For the 2015-16 budget an additional \$20,000 is recommended to be added to the Contingency Reserve Account, Line Item 9600. The additional reserves will be used for unanticipated expenses such as legal services and other unbudgeted expenses.

Commission Clerk Services

The Commission will continue to utilize the County Clerk to the Board (COB) for Commission Clerk services. In March 2014, the Commission opted to pick up the cost of Clerk services for the remainder of 2013-14 and all of 2014-15. The cost of Clerk Services were previously paid by the Executive Officer from Contractual Staff Service – Line Item 7510. The Contractual Staff Service account for the Executive Officer was reduced by \$30,000. An additional \$30,000 was included in 2014-15 for a total of \$60,000 for Commission Clerk services. It is recommended \$60,000 also be allocated for Clerk services for 2015-16.

Services and Supplies

In the area of Services and Supplies, the Commission will note one major change, Line Item 7669, is reduced by -\$32,014. As explained by the County Auditor-Controller's Office, the main reason for the decrease is a reduction of County Counsel charges by -\$35,705 between 2014-15 and 2015-16 for the General Fund Cost Allocation Plan (CAP). In 2014-15, County Counsel's direct billings were lower than their allocated costs (\$50,437 in allocated costs less \$40,002 in direct billings) while in 2015-16 the direct billings were closer to the costs allocated in the plan (\$42,428 in allocated costs less \$41,610 in direct bills). This change, along with the roll forward (the roll forward is an adjustment that brings CAP from 2 years prior to the actual costs in that year), resulted in the net decrease in county counsel charges of (\$35,705). This results in a \$6,697 credit for the current year.

In other areas, memberships are recommended for a slight increase so the Santa Barbara LAFCO can join the California Special Districts Association (CSDA). CALAFCO dues are also include id this line item. Postage and Copying expenses are lower because these expenses are now included in the billings from the Clerk to the Board's Office. The Professional and Special Services line item is recommended to remain the same as the current year for continued use of the County Surveyor for LAFCO mapping and to utilize outside contractors, when necessary. The Travel and Training account is recommended to remain the same as the current year. This account includes Commissioner mileage to and from LAFCO meetings and staff mileage within the County of Santa Barbara. It also includes travel for Commissioners and staff to the CALAFCO Annual

Conference, the CALAFCO Staff Workshop, and other training sessions. Lastly, this account provides for travel to the CALAFCO Board of Directors meetings for Commissioner Welt and travel to the CALAFCO Legislative Committee meeting for the Executive Officer.

Revenue Accounts

In the area of Revenues, LAFCO Billings to the County of Santa Barbara, Cities, and Special Districts will decrease by \$46,388. Much of the decrease is a result of the CAP billings being reduced by -\$32,295. This means less is billed to the funding agencies. LAFCO Processing Fees are also projected to increase by \$5,000 based on current year projections.

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 4, 2015, Commission meeting.

EXHIBIT

Exhibit A Proposed LAFCO Budget for FY 2015-16

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
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

PROPOSED 2015-16 BUDGET

Account Name and Number	2014-15 Final Budget	As of 3/21/2015	Projected Year-End	2015-16 Proposed Budget	Inc/Dec	% Inc/Dec
-------------------------	----------------------------	--------------------	-----------------------	-------------------------------	---------	-----------

Revenues

Interest Income - 3380	750	444	650	650	-100	-13.3%
Unrealized Gain/Loss - 3381	0	-350	0	0	0	0.0%
Other Gov't Agencies - 4840	379,949	379,107	379,949	328,411	-51,538	-13.6%
Planning Studies Service - 5738	20,000	17,320	27,820	25,000	5,000	25.0%
Misc. Revenue - 5909	250	396	500	500	250	100.0%
Total Revenues	400,949	396,917	408,919	354,561	-46,388	-11.6%

Expenditures

Salaries and Benefits

Commissioner Stipends - 6210	12,000	10,400	12,000	14,000	2,000	16.7%
FICA Contribution - 6500	1,172	632	1,172	1,200	28	2.4%
FICA/Medicare - 6550	274	148	274	300	26	9.5%
Unemployment Insurance - 6700	600	429	600	600	0	0.0%
Total Salaries and Benefits	14,046	11,609	14,046	16,100	2,054	14.6%

Staff Support

Contractual Staff Services - 7510	206,757	156,316	206,757	210,508	3,751	1.8%
Total Staff Support	206,757	150,519	206,757	210,508	3,751	1.8%

Services and Supplies

Audit Fees - 7324	6,000	5,600	5,600	6,000	0	0.0%
Memberships - 7424	3,115	3,115	3,115	4,334	1,219	39.1%
Office Expense - 7450	1,500	661	1,200	1,500	0	0.0%
Postage - 7451	1,000	0	0	0	-1,000	-100.0%
Copier Expense - 7453	2,500	640	750	1,000	-1,500	-60.0%
Prof & Special Services - 7460	36,000	0	32,635	36,000	0	0.0%
ADP Payroll Fees - 7507	1,500	1,496	1,500	2,000	500	33.3%
Legal Services - 7508	35,000	10,843	21,600	35,000	0	0.0%
Pubs & Legal Notices 7530	500	703	750	1,000	500	100.0%
Gen Fund Cost Allocation - 7669	25,317	12,804	25,317	-6,697	-32,014	-126.5%
Training and Travel- 7732	26,000	11,960	15,000	26,000	0	0.0%
Total Services and Supplies	138,432	47,822	107,467	106,137	-32,295	-23.3%

Other Charges

Electricity - 78701	700	499	700	795	95	13.6%
Natural Gas - 7802	150	84	150	135	-15	-10.0%
Water - 7803	150	87	150	135	-15	-10.0%
Refuse - 7804	110	77	75	135	25	22.7%
Utility Services - 7806	60	35	50	65	5	8.3%
Liability Insurance - 7895	194	0	2,188	196	2	1.0%
Telephone Services - 7897	350	250	350	355	5	1.4%
Total Other Charges	1,714	1,032	3,663	1,816	102	6.0%

Contingency Reserve - 9600	40,000	0	0	20,000	-20,000	-50.0%
Total Contingency Reserve	40,000	0	0	20,000	-20,000	-50.0%
Total Exp/Appropriations	400,949	210,982	331,933	354,561	-46,388	-11.6%