

LAFCO

Santa Barbara Local Agency Formation Commission
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December 8, 2022 (Agenda)

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

Consider Policy Regarding Annual Contribution to Commission Net Operating Expenses Policy

Dear Members of the Commission

RECOMMENDATION

Consider giving direction to add a policy amendment to the Commissioner Handbook Section 9, Budget and Financial, Sub-Section M “Annual Contribution to Commission Net Operating Expenses” that would delegate authority to the Executive Officer to make requests to County Auditor pursuant to Government Code section 56381(c) regarding late payment of annual contribution by the County, Cities and Special Districts.

DISCUSSION

On June 2, the Local Agency Formation Commission adopted its Final FY 22/23 Budget that implements the adopted work program. The Cortese-Knox-Hertzberg Act contains mandatory provisions for annual contributions from the County, cities, and special districts. The final budget is transmitted to the County Auditor for distribution and allocation for each entity per State law methodology. The LAFCO billing is due 60-days from the invoice date.

Mandatory Payment of Annual Contributions

Assuming the Auditor makes the request for payment no later than statutory deadline of July 1st, then if the annual contribution is not forthcoming by August 29th. The Commission may request that the County Auditor to collect and pay to LAFCO an equivalent amount of property tax, fees or other eligible revenue owed by any contributing agency. A December deadline is not explicit in State law but coincides with an opportune time for the County Auditor to forward revenue to the Commission. This type of policy provisions may be adopted at the discretion of the Commission. If required payments are not forthcoming,

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

the policy would authorize the Executive Officer to request the County Auditor to make the transfer payment for the unpaid balance of the annual contribution.

The primary purpose of establishing a policy would be to set the specific deadline for any contributing entity, with an unpaid balance for Annual Contributions, of December 7 of each fiscal year. The Executive Officer would then be authorized to request that the County Auditor collect an equivalent amount from the property tax, or any fee or eligible revenue owed by the County, City, or Special District. Pursuant to Government Code Section 56381(c), the Auditor shall provide written notice to the County, City, or District prior to appropriating a share of the property tax or other revenue to the Commission for the payment due pursuant to this Section. Any expenses incurred by the Commission or the Auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the Commission.

BACKGROUND

After evaluating the past ten-years of adopted LAFCO Budgets and agency funding payments, a handful of agencies have either not made their payment or have been allowed to roll over the accrual to the next years allocation. This has made it difficult to establish a steady budget and predict a reliable contingency reserve. LAFCOs budget has had highs and lows ranging from minus -\$46K to + \$129K over the ten years. Over the last year it has taken over 20-hours to follow-up with as many as 24 agencies to encourage timely payments by staff. LAFCOs budget is largely funded by revenues, with over 95% coming from member agencies. As of November 2022, we have received 30 payments and have 12 payments outstanding. Totaling over \$118,175 in revenue past due.

A draft policy could create consistency with State law regarding the mandatory payment of annual contributions. It would establish a process ensuring that LAFCO will continue to receive sufficient funds to undertake its statutorily mandated duties.

Attachments

Attachment A – FY 22-23 LAFCO Payment Status

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M Prater", with a horizontal line extending to the right.

Mike Prater
Executive Officer

Entity	Amount	D518305	D518306	D518307	D470165	D470166	D518308	D518309	D470167	D470169	D470171	OVER	J.E. Amount	JE Number	PAID	DUE
Cachuma Resource Conservation District	198					198									198	-
Carpinteria Cemetery District	569														-	569
Carpinteria Sanitary District	7,172								7,172						-	7,172
Carpinteria Valley Water District	15,904				15,904										15,904	-
Carpinteria-Summerland Fire Protection District	12,430												12,430	JE - 0238960	12,430	-
Casmalia Community Services District	85		85												85	-
Cuyama Community Services District	531							531							531	-
Cuyama Valley Recreation Park District	214														-	214
Embarcadero Municipal Improvement District	-														-	-
Goleta Cemetery District	1,105														-	1,105
Goleta Sanitary District	14,943														-	14,943
Goleta Water District	37,218						37,218								37,218	-
Goleta West Sanitary District	9,460														-	9,460
Guadalupe Cemetery District	246														-	246
Isia Vista Community Services District	1,084														-	1,084
Isia Vista Recreation Park District	1,702														-	1,702
Lompoc Cemetery District	911					911									911	-
Lompoc Valley Medical Center	4,053									4,076					4,053	-
Los Alamos Cemetery District	48		48												48	-
Los Alamos Community Services District	1,547			1,547											1,547	-
Mission Hills Community Services District	2,702							2,702							2,702	-
Montecito Fire Protection District	22,330												22,330	JE - 0238964	22,330	-
Montecito Sanitary District	8,498						8,498								8,498	-
Montecito Water District	23,129									23,129					23,129	-
Mosquito and Vector Management District	1,433												1,433	JE - 0238960	1,433	-
Oak Hill Cemetery District	522						522								522	-
Santa Barbara Metropolitan Transit District	6,260						6,260								6,260	-
Santa Maria Cemetery District	2,501						2,515								2,501	-
Santa Maria Public Airport District	5,942				5,942										5,942	-
Santa Maria Valley Water Conservation District	988			994											988	-
Santa Ynez Community Services District	1,723									1,723					1,723	-
Santa Ynez River Water Conservation Dist. No 1	-														-	-
Santa Ynez River Water Conservation District	1,026					1,026									1,026	-
Summerland Sanitary District	1,466														-	1,466
Vandenberg Village Community Services	5,417														5,417	-
City of Buellton	2,965						2,965								2,965	-
City of Carpinteria	4,800									4,800				D/E - 0158532	4,800	-
City of Goleta	8,445														-	8,445
City of Guadalupe	2,673														2,673	-
City of Lompoc	27,966														-	27,966
City of Santa Barbara	91,829										91,829				91,829	-
City of Santa Maria	50,975														-	50,975
City of Solvang	3,704									3,704					3,704	-
County of Santa Barbara	193,357												193,357	JE - 0238965	193,357	-
	580,071	5,465	85	5,214	21,846	2,135	9,020	52,191	7,172	32,632	91,829	43	234,350		461,896	118,175

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Payments Received 30
Payments Outstanding 12