

# LAFCO

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

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April 7, 2005 (Agenda)

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

### **Proposed LAFCO Budget for FY 2005-06**

Dear Members of the Commission:

#### RECOMMENDATION

It is recommended that the Commission:

1. Receive this Proposed Budget for Fiscal Year 2005-06, accept any public testimony and approve the financial program as presented herein or as modified.
2. Direct the staff to distribute the Proposed Budget to the County and local agencies as required by Government Code Section 56381.
3. Appoint an ad hoc committee to consider staff performance and compensation, with a report to be made to the Commission prior to adoption of the Final Budget
4. Schedule a public hearing to consider and adopt the Final Budget on June 2.
5. 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

The Commission on March 3 approved a schedule to review and adopt the LAFCO Budget for the coming fiscal year. Approval of the Proposed Budget is scheduled for April 7 and adoption of the Final Budget will occur on June 2.

The staff presents herewith a Proposed Budget for the coming fiscal year. It is very similar to the current year's budget, with minor adjustments based on actual experience or anticipated expenses.

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**Commissioners:** Tim Campbell, Chair ♦ Joe Centeno ♦ Dick DeWees ♦ John Fox ♦ Bob Orach ♦ Susan Rose ♦ Bernice Stableford

Jack Hawxhurst ♦ Brooks Firestone ♦ Penny Leich ♦ Cathy Schlottmann ♦ **Executive Officer:** Bob Braitman

No changes in staff compensation are included in the proposed budget. It is recommended that the Commission appoint an *ad hoc* committee to consider staff performance and compensation, with a report to be made to the Commission prior to adoption of the Final Budget.

The recommended Proposed Budget is \$255,750, \$1,050 more than the current year. Following is a summary of the Proposed Budget, followed by a detailed discussion of individual line items.

Proposed Budget - Summary for FY 2005-2006

	<u>Current 2004-05</u>	<u>Proposed 2005-06</u>	<u>Difference</u>
Services & Supplies	\$ 253 850	\$ 253 500	- 350
Other Charges	<u>850</u>	<u>2 250</u>	<u>1 400</u>
<b>Total Expenditures</b>	<b>254 700</b>	<b>255 750</b>	<b>1 050</b>
Interest income	4 600	2 500	- 2 100
Processing Fees	25 500	23 375	- 2 125
Other Misc. Revenue	0	300	300
Local Gov't Agencies	<u>124,600</u>	<u>124,600</u>	<u>0</u>
	154 700	150 775	- 3 925
Proj. Avail. Fund Balance	100,000	104 975	4 975
<b>Total Financing Sources</b>	<b>254 700</b>	<b>255 750</b>	<b>1 050</b>

Discussion of Individual Accounts

For each account the table presents current budget, year-end projection, proposed budget for next year and the change from the current year, if any.

<u>Account name and number.</u>	<u>2004-2005 Final Budget</u>	<u>Projected Year End</u>	<u>2005-2006 Draft Budget</u>	<u>Change</u>
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**APPROPRIATION ACCOUNTS**

<b>Communications – 7050</b>	\$ 1 600	600	1 000	- 600
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Telephone and fax expenses. \$600 reduction is recommended based on actual experience.

<b>Audit Fees – 7324</b>	2 100	2 200	2 300	+ 200
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Costs reflect prior experience with the firm of Moss, Levy & Hartzheim. \$100 increase proposed.

<b>Memberships – 7430</b>	1 350	1 350	1 400	+ 50
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Membership in the California Association of LAFCOs. Reflects \$50 dues increase.

<b>Office Expense – 7450</b>	6 500	2 500	6 500	0
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Supplies and equipment to support Commission activities. The recommended amount is the same as the current year, but more than projected actual expenses. Increased costs are anticipated next year to complete the municipal service reviews and update spheres of influence.

<b>Postage – 7451</b>	4 000	1 600	4 000	0
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This account funds postage and courier services. Projected expenses this year are \$1,600. The recommended amount is the same as the current year based on anticipated costs to distribute municipal service reviews and sphere of influence updates.

<b>Copier Expense - 7453</b>	3 600	3 700	3 600	0
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This account funds printing of notices, reports, resolutions, correspondence and other materials.

<b>Professional &amp; Specialized Services - 7460</b>	25 000	8 000	25 000	0
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The account funds research, services and specialized studies that are not provided by the LAFCO staff, including charges by County departments, funding for televising LAFCO meetings and maintenance of the website. The recommendation is unchanged from the current year.

<b>Legal Services - 7508</b>	20 000	12 000	20 000	0
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This account funds legal services. The recommendation is unchanged from the current year based on actual experience and the need to retain funds for unanticipated legal issues.

<b>Contract Staff Services – 7510</b>	148 200	148 200	148 200	0
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Executive Officer and Commission Clerk services are provided through a professional services agreement. The amount in the Proposed Budget is unchanged from the current year.



**Processing Fee Income - 5738**                      25 500              12 000                      23 375              - 2 125

Revenues from fees to process proposals. It is difficult to predict future proposal workload. To some extent it follows economic activity. The budget is based on 18 boundary changes at an average of \$600 (\$16,200) and two sphere of influence applications (\$1,650).

**Other Gov't Agencies – 4840**                      124 600              120 000                      124 600              0

Revenue from the County, cities and special districts to fund the Commission. The figure will be refined in the coming weeks based on the available year-end fund balance.

**Other Misc. Revenue - 5909**                      0              1 120                      300              + 300

These are revenues from the sale of documents, maps etc.

**Projected Fund Balance**                      100 000              97 380                      103 725              3 725

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

Conclusion

LAFCO is an independent commission established by the legislature to carry out specific duties and objectives. It is responsible for adopting a financial program to fulfill the purposes described in the Cortese/Knox/Hertzberg Act. The statute directing LAFCO's operations does not require approval of the financial program by the County or any other local agencies.

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.

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.

Very truly yours,

BOB BRAITMAN  
Executive Officer