

Santa Barbara LAFCO

Recommended Final 2026-2027 Santa Barbara LAFCO Budget

May 7, 2026

Background

- 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.
- Government Code Section 56381 requires LAFCO, after conducting public hearings, to:
- 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. The proposed budget was approved by the Commission on April 2, 2026
- Adopt the final budget for the next fiscal year by June 15.

Summary of Recommended Final Budget

- The recommended Final Budget is \$680,280 an increase of \$44,476 above the current year budget. This represents a 7.0 percent increase; Primary reasons are:
 - 1) 3.6% CPI for EO; Mid-year Senior/Analyst & Clerk/Analyst positions filled increase by \$13%
 - 2) The General Fund Cost Allocation (CAP) increased by \$101% compared to the current year's budget, and
 - 3) Pension contribution rate increase to 11.75% (up from 10.64)
 - 4) It is recommended \$25,000 from contingency reserve be used to off-set member agency contributions as the Commission's reserve policy to fund unanticipated expenses. It is also recommended to increase reserve policy up to 70%. Any year-end fund balance will also be added to reserves.

Recommended Final 2026-27 LAFCO Budget

Proposed Budget Summary	Adjusted Budget 2025-2026	Proposed 2026-2027	Change
Salaries and Benefits	\$440,356	\$503,161	\$62,805
Services & Supplies	\$202,062	\$198,733	-\$3,329
Other Charges	\$3,386	\$3,386	\$0
Total	\$645,804	\$705,280	\$53,823
Contingencies	-\$10,000	-\$25,000	\$15,000
Total Appropriations	\$635,804	\$680,280	\$44,476
Revenues	\$635,804	\$680,280	\$44,476

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

RECOMMENDED FINAL 2026-2027 BUDGET - MAY 7, 2026

Final 5/7/2026

Account Name and Number	2025-26 Final Budget	As of 3/31/26	Projected Year-End	2026-27 Recommended Budget	Inc/Dec	% Inc/Dec
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REVENUES

Interest Income - 3380	6,000	11,410	11,410	6,000	0	0%
Unrealized Gain/Loss - 3381	0	0	0	0	0	0.0%
Other Gov't Agencies - 4840	603,704	603,370	603,704	627,580	23,876	4.0%
Planning Studies Service - 5738	20,000	11,010	19,510	25,000	5,000	25.0%
Misc. Revenue - 5909	6,100	13,225	14,665	21,700	15,600	256%
Total Revenues	635,804	639,015	649,289	680,280	44,476	7.0%

EXPENDITURES

Salaries and Benefits

Commissioner Stipends - 6210	22,000	12,262	17,000	22,000	0	0%
Regular Salary - 6100	303,652	182,258	280,000	342,819	39,167	13%
FICA Contribution - 6500	19,130	11,485	18,300	21,598	2,468	13%
FICA/Medicare - 6550	6,680	2,905	4,720	7,542	862	13%
Retirement-Employer Contribution - 6400	29,104	15,550	26,680	39,833	10,729	37%
Retirement - Employee Contribution - 5771	29,104	15,550	26,680	39,833	10,729	37%
Unemployment Insurance - 6700	7,490	3,536	6,050	7,885	395	5%
Fed Unemploy Tax-Employer Cont - 6700	550	376	550	550	0	0%

Fixed Costs (\$):

Health Plan/Contribution - 6600	35,100	27,318	36,427	44,285	9,185	26%
Life/Disability Insurance - 6610	3,000	1,977	2,965	3,000	0	0%
Def Comp - EO Employer - 6100	4,200	3,150	4,200	4,200	0	0%
Phone/Cash Allowance - 7811	2,450	1,624	2,436	2,450	0	0%
Auto Allowance - 7326	7,000	4,666	7,000	7,000	0	0%
Total Salaries and Benefits	440,356	267,107	406,328	503,161	62,805	14%

Account Name and Number	2025-26 Final Budget	As of 3/31/26	Projected Year-End	2026-27 Recommended Budget	Inc/Dec	% Inc/Dec
Services and Supplies						
Audit Fees - 7324	13,090	12,465	12,465	13,090	0	0%
Memberships - 7430	10,567	10,630	10,630	10,893	326	3%
Office Expense - 7450	1,500	363	625	1,500	0	0%
Equipment Maintenance - 7120	0	0	0	0	0	0%
Copier Expense - 7453	1,000	75	700	1,000	0	0%
Prof & Special Services - 7460	70,000	9,435	70,000	60,000	-10,000	-14%
ADP Payroll Fees - 7507	2,400	1,635	2,500	2,400	0	0%
Legal Services -7508	65,000	5,193	50,000	65,000	0	0%
Pubs & Legal Notices - 7530	3,000	1,473	2,500	3,000	0	0%
Postage - 7451	1,000	339	400	750	-250	0%
Gen Fund Cost Allocation - 7669	8,505	6,378	8,505	17,100	8,595	101%
Training and Travel - 7732	26,000	20,889	24,000	24,000	-2,000	-8%
Total Services and Supplies	202,062	68,875	182,325	198,733	-3,329	-2%

Other Charges

Electricity – 7801	650	521	649	650	0	0%
Natural Gas – 7802	175	148	175	175	0	0%
Water – 7803	150	138	150	150	0	0%
Refuse – 7804	200	118	200	200	0	0%
Utility Services – 7806	100	33	100	100	0	0%
Liability Insurance – 6900	1,661	0	1,661	1,661	0	0%
Telephone Services - 7897	450	368	450	450	0	0%
Total Other Charges	3,386	1,326	3,385	3,386	0	0%

Contingency Reserve - 9600	-10,000		0	-25,000	0	0
Total Contingency Reserve	316,607		373,858	0	348,858	10.2%
Total Exp/Appropriations	635,804	337,308	592,038	680,280	44,476	7.0%
Net Financial Impact	0	301,707	57,251	0	0	0.0%

*\$57,000 contingency is estimated to be added into reserves in FY 26/27. While \$25,000 of contingency will also be deducted from reserves off-setting a balance. The estimated contingency reserve balance will be \$349,000

Recommendation

It is recommended that the Commission:

- a) Review the Final Budget for FY 2026-2027, accept all public testimony and approve the Final Budget;
- 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.