



Solano Local Agency Formation Commission

3700 Hilborn Rd. Ste. 600 • Fairfield, California 94534
(707) 439-3897 • FAX: (707) 438-1788

Staff Report

DATE: June 10, 2013
TO: Local Agency Formation Commission
FROM: Elliot Mulberg, Interim Executive Officer
Michelle McIntyre, Analyst
SUBJECT: **FINAL BUDGET FISCAL YEAR 2013-2014**

RECOMMENDATION:

It is recommended that the Commission review the Final Budget and Resolution for Fiscal Year 2013-2014, accept public testimony, and adopt or adopt with modifications the Final Budget and Resolution.

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 (CKH) Act. Pursuant to GC§56381, “[a]t minimum, the proposed and final budget shall be equal to the budget for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes programs of this chapter.” Furthermore, GC§56381 states, “[i]f, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget.”

At its April 8, 2013 meeting, the LAFCO adopted a proposed budget and directed staff to distribute it to the Cities and County pursuant to GC 56381. As of the writing of this report, staff has not received any comments from the cities.

Subsequently at the May 15 workshop the commission voted to go to a paperless agenda which required the purchase of four iPads. The items were purchased with FY12/13 funds and is reflected in the projection table that estimates the fund balance that is credited against FY13/14 expenses.

At the same workshop the Commission voted to relocate the LAFCO office to the County Administration building if feasible. The timing of the move will depend on whether the landlord is willing to allow another commercial entity to sublet the Hilborn office space and then finding a suitable tenant. Should the move take place the County has guaranteed that administrative costs of

the lease, utilities, and maintenance will be the same or less than staying at the current location. Any savings will be added to the fund balance that is credited against FY14/15 expenses. An additional cost of moving the office of \$1,000 was added to the budget should the move occur.

The Final Budget shows the projected fund balance was increased from \$107,588 to \$114,041 which lowers the funding request to the County and Cities by \$6,453.

DISCUSSION:

The Final Budget for 2013-2014 is \$530,162, an increase of \$11,256 or 2% above the current year budget. The Proposed Budget was developed by reviewing actual expenses for Fiscal Year (FY) 10/11 and FY 11/12 along with FY 12/13 projections.

Tables 1 shows a summary of the Final Budget. Table 2 shows how the fund balance for FY 2013/14 was calculated. The values in Table 2 are based on a revised estimate of projected expenses.

Table 1 - Summary of Expenses

	2012-13 Budget (As originally adopted)	2012-13 Budget Adjusted April 8, 2013	2013-14 Final
Salaries and Benefits (1000s)	\$283,836	\$227,043	\$286,669
Services and Supplies (2000s)	\$235,070	\$235,070	\$213,493
Other Charges (3000s)	\$0	\$56,793	\$30,000
Total Expenses	\$518,906	\$518,906	\$530,162
Other Governmental Agencies (9511)	\$357,745	\$357,745	\$394,621
Licenses & Permits (9229)	\$20,000	\$20,000	\$20,000
Interest Income (9401)	\$1,000	\$1,000	\$1,500
Fund Balance From Previous Fiscal year (740)	\$140,161	\$140,161	\$114,041
Total Revenues	\$518,906	\$518,906	\$530,162

Table 2 Fund Balance Calculation FY 2012-13

	2012-13 Projection
Salaries and Benefits (1000s)	\$196,292
Services and Supplies (2000s)	\$182,802
Other Charges (3000s)	\$56,793
Total Expenses	\$435,888
Other Governmental Agencies (9511)	\$357,745
Licenses & Permits (9229)	\$50,000
Interest Income (9401)	\$2,023
Fund Balance From Previous Fiscal year (740)	\$140,161
Total Revenues	\$549,929
Fund Balance (Total Revenues less Total Expenses)	\$114,041

Agency Contribution:

The CKH Act mandates funding for LAFCO shall be apportioned among the agencies represented on LAFCO by a formula provided in GC §56381. The County's share of the budget is fixed at 50% annually, while the share for each city must be determined each year by the general revenues of each city (per an earlier agreement of Solano's Cities) as reported in the most recent State Controller's Cities Annual Report. Currently, the most recent report available is 2010-2011.

The estimated cost share for each city is shown in Table 4. Compared to the proposed budget the costs to each city and the County are slightly lower. The calculations are unofficial estimates as the final calculation will be based on actual savings that can contribute to the fund balance. All final contributions are statutorily subject to the calculations of the Auditor/Controller.

Table 3 - Cities/County Estimated Share of LAFCO 2013-14 Final Budget

City	General Revenue	% of LAFCO Budget	Estimated Share
Benicia	\$27,389,207	7.211%	\$28,455.01
Dixon	\$9,323,542	2.455%	\$9,686.35
Fairfield	\$ 43,157,212	11.362%	\$44,837.60
Rio Vista	\$ 2,972,315	0.783%	\$3,087.98
Suisun City	\$ 7,379,528	1.943%	\$7,666.69
Vacaville	\$ 45,867,716	12.076%	\$47,652.57
Vallejo	\$ 53,830,587	14.172%	\$55,925.31
Total City Share			\$197,311.50
Total County Share			\$197,310.50
Total			\$394,621

Important Budgetary Deadlines:

- May 1 – The LAFCO adopted a proposed budget on April 8, 2013.
- June 15 - Commission must approve a final budget.
LAFCO is scheduled to adopt a final budget on June 10, 2013.
- July 1 - County Auditor shall request payment from required entities prior to this date.
- August 30 - Payments must be received by County Auditor.

Attachments:

- A - Resolution Adopting Final Budget
- B – 2013-14 Final Budget

Attachment A

RESOLUTION NO. 13-___
RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SOLANO COUNTY APPROVING THE
FISCAL YEAR 2013-14 FINAL BUDGET

WHEREAS, the Local Agency Formation Commission of Solano County has conducted a public hearing on June 10, 2013, during which all additions and deletions amending the Final Budget for Fiscal Year 2013-2014 (FY 2013-14) were considered and made.

WHEREAS, in accordance with Government Code Section 56381, that the Final Budget for FY 2013-14 is hereby allocated in accordance to the following:

Salaries and Employee Benefits	\$ 286,669
Services and Supplies	\$ 213,493
Other Charges	<u>\$ 30,000</u>
TOTAL BUDGET REQUIREMENTS	\$ 530,162

WHEREAS, the Final Budget for FY 2013-14 is 2% greater than the previous Fiscal Year's Budget pursuant to Government Code Section 56381; and,

WHEREAS, the means of financing the expenditures program will be by monies derived from revenue, fund balance available, and contributions from the County and Cities totaling \$530,162.

NOW, THEREFORE, BE IT RESOLVED that the Final Budget for FY 2013-14 be and is hereby adopted with Attachment A which shows in detail the approved appropriations subject to limitations attached hereto and by reference made a part hereof.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 10th day of June, 2013 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

John Saunderson, Chair
Local Agency Formation Commission
County of Solano, State of California

ATTEST:

Elliot Mulberg, Interim Executive Officer