



Solano Local Agency Formation Commission

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Staff Report

DATE: June 9, 2014

TO: Local Agency Formation Commission

FROM: Elliot Mulberg, Interim Executive Officer
Michelle McIntyre, Analyst

SUBJECT: **FINAL BUDGET FISCAL YEAR 2014-2015**

RECOMMENDATION:

It is recommended that the Commission:

1. Review the Final Budget for Fiscal Year 2014-2015, accept public testimony, and adopt or adopt with modifications the final budget along with the proposed resolution.
2. Direct staff to distribute the Final Budget to Cities, the County, and the County Auditor pursuant to Government Code section (GC§) 56381.

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 the LAFCO’s April 14, 2014 meeting, the Commission amended the proposed budget by eliminating the GIS costs for mapping services. At the meeting, the County Administrator informed the Commission there would be no additional GIS costs for mapping. The County is in the process of amending the MOU with LAFCO to provide GIS mapping at no cost.

At the time of the proposed budget LAFCO had issued a Request for Proposals for two MSRs, one for the resource conservation districts and the other for two water districts. Funds were available from contract services line item which had budgeted \$80,000 this past fiscal year. Of that total \$39,455 had been approved for the fire district MSR, leaving approximately \$40,000 for the two additional studies.

Proposals were due after the proposed budget was to be adopted. The proposed budget assumed the costs for two municipal service review studies would be \$30,000 leaving approximately \$10,000 of the contract services allocation going toward fund balance; however, the total approved contracts were \$35,702. As a result, the fund balance was reduced from the estimated \$96,809 to \$91,107.

Since the April meeting the State Controller’s Cities Annual Report was updated with the 2011-2012 data. As a result, the estimated cost to each City is slightly different from the earlier proposed budget.

DISCUSSION:

The Final Budget is \$462,402, a decrease of \$67,760 or approximately 13% of the current fiscal year budget. This is mostly due to reducing the Contracted Services used for municipal service reviews and studies budget item by \$30,000 and eliminating the Judgments and Damages budget item which was used for the termination settlement for the previous executive officer. The budget assumes an executive officer will be hired full time beginning the first full day of the fiscal year. Tables 1 and 2 summarize the expenses and sources of funding by budget categories for the current and upcoming fiscal year. The difference in projected Salaries and Benefits and Services and Supplies compared to the proposed costs is attributed primarily to the full time executive officer assumption.

Table 1 - Summary of Expenses

	2013-14 Budget (Adjusted)	2013-14 Projection	2014-2015 Proposed
Salaries and Benefits (1000s)	\$247,803	\$124,516	\$282,403
Services and Supplies (2000s)	\$252,359	\$286,561	\$179,999
Other Charges (3000s)	\$30,000	\$27,978	\$0
Total Expenses	\$530,162	\$439,055	\$462,402

Table 2 - Summary of Funding Sources

	2013-14 Budget (Adjusted)	2013-14 Projection	2014-2015 Proposed
Other Governmental Agencies (9511)	\$408,662	\$408,662	\$350,795
Licenses & Permits (9229)	\$20,000	\$20,000	\$20,000
Interest Income (9401)	\$1,500	\$500	\$500
Fund Balance From Previous Fiscal year (740)	\$114,041	\$114,041	\$91,107
Total Funding Source	\$544,203	\$543,203	\$462,402

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 2011-2012. Table 3 summarizes the Cities and County’s share of the LAFCO budget. The following calculations are unofficial estimates; all final contributions are statutorily subject to the calculations of the Auditor/Controller.

Table 3 - Cities/County Estimated Share of LAFCO 2014-15 Budget

City	General Revenue	% of LAFCO Budget	Estimated Share
Benicia	\$28,722,733	7.14%	\$25,036
Dixon	\$10,459,914	2.60%	\$9,117
Fairfield	\$48,703,582	12.10%	\$42,451
Rio Vista	\$3,083,152	0.77%	\$2,687
Suisun City	\$6,455,476	1.60%	\$5,627
Vacaville	\$47,160,706	11.72%	\$41,107
Vallejo	\$56,644,083	14.07%	\$49,373
Total City Share			\$175,398
Total County Share			\$175,398
Total			\$350,795

The resolution adopting the budget follows as Attachment A and proposed budget follows as Attachment B.

Important Budgetary Deadlines:

- May 1 – Commission must adopt a proposed budget.
LAFCO adopted a proposed budget on April 14, 2014.
- June 15 - Commission must approve a final budget.
LAFCO is scheduled to adopt a final budget on June 9, 2014.
- 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
- B- 2014-2015 Final Budget

Attachment A

RESOLUTION NO. 14-__
RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SOLANO COUNTY APPROVING THE
FISCAL YEAR 2014-15 FINAL BUDGET

WHEREAS, the Local Agency Formation Commission of Solano County has conducted a duly noticed public hearing on June 9, 2014, during which all additions and deletions amending the Final Budget for Fiscal Year 2014-2015 (FY 2014-15) were considered and made.

WHEREAS, in accordance with Government Code Section 56381, that the Final Budget for FY 2014-15 is hereby allocated in accordance to the following:

Salaries and Employee Benefits	\$ 282,403
Services and Supplies	<u>\$ 179,999</u>
TOTAL BUDGET REQUIREMENTS	\$ 462,402

WHEREAS, the Final Budget for FY 2014-15 is approximately 13% less than the previous Fiscal Year’s Budget; and,

WHEREAS, the Commission finds that the reduced program costs will nevertheless allow the Commission to fulfill the purposes of LAFCO; 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 \$462,402.

NOW, THEREFORE, BE IT RESOLVED that the Final Budget for FY 2014-15 be and is hereby adopted with Attachment B 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 9th day of June, 2014 by the following roll call vote:

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

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

ATTEST:

Elliot Mulberg, Interim Executive Office

SOLANO LAFCO					
FINAL BUDGET 2014-2015					
SUBJECT CATEGORY					
DESCRIPTIONS	2013-2014 Adopted	2013-2014 Adjusted	2013-2014 End of Year Projection	2014-2015 FINAL	
1000 - Salaries and Employee Benefits					
0001110	SALARY/WAGES REGULAR	\$ 196,542.00	\$ 157,676.00	\$ 83,754.10	\$ 190,876.00
0001210	RETIREMENT-EMPLOYER	\$ 42,240.00	\$ 42,240.00	\$ 18,624.38	\$ 42,870.00
0001212	DEFERRED COMP-COUNTY MATCH	\$ 130.00	\$ 130.00	\$ 136.00	\$ 260.00
0001220	FICA-EMPLOYER	\$ 12,186.00	\$ 12,186.00	\$ 7,226.22	\$ 11,834.00
0001230	HEALTH INS-EMPLOYER	\$ 21,645.00	\$ 21,645.00	\$ 6,840.53	\$ 22,003.00
0001231	VISION CARE INSURANCE	\$ 341.00	\$ 341.00	\$ 165.92	\$ 420.00
0001240	COMPENSATION INSURANCE	\$ 822.00	\$ 822.00	\$ 1,300.00	\$ 1,430.00
0001241	LT DISABILITY INSURANCE ER	\$ 1,473.00	\$ 1,473.00	\$ 573.38	\$ 1,387.00
0001250	UNEMPLOYMENT INSURANCE	\$ 798.00	\$ 798.00	\$ 798.00	\$ 798.00
0001260	DENTAL INS-EMPLOYER	\$ 2,050.00	\$ 2,050.00	\$ 1,414.40	\$ 1,872.00
0001270	ACCRUED LEAVE CTO PAYOFF	\$ 7,266.00	\$ 7,266.00	\$ 3,112.00	\$ 7,266.00
0001290	LIFE INSURANCE-EMPLOYER	\$ 1,176.00	\$ 1,176.00	\$ 571.47	\$ 1,387.00
	TOTAL Salaries and Employee Benefits	\$ 286,669.00	\$ 247,803.00	\$ 124,516.41	\$ 282,403.00
2000 - Services and Supplies					
0002025	CELLULAR COMMUNICATION SERVICES	\$ 1,200.00	\$ 1,200.00	\$ 50.00	\$ -
0002028	TELEPHONE SERVICES	\$ 2,200.00	\$ 2,200.00	\$ 1,383.44	\$ 2,000.00
0002035	HOUSEHOLD EXPENSE	\$ 3,600.00	\$ 3,600.00	\$ 248.00	\$ 300.00
0002051	LIABILITY INSURANCE	\$ 3,836.00	\$ 3,836.00	\$ 3,926.51	\$ 3,927.00
0002120	MAINTENANCE EQUIPMENT	\$ 400.00	\$ 400.00	\$ -	\$ 50.00
0002140	MAINTENANCE-BLDGS & IMPROVE	\$ -	\$ -	\$ -	\$ 500.00
0002170	MEMBERSHIPS	\$ 3,822.00	\$ 3,822.00	\$ 4,091.00	\$ 4,238.00
0002171	PROFESSIONAL LICENSES & CERT	\$ 800.00	\$ 800.00	\$ -	\$ 800.00
0002180	BOOKS & SUBSCRIPTIONS	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
0002200	OFFICE EXPENSE	\$ 4,000.00	\$ 4,000.00	\$ 2,328.74	\$ 4,000.00
0002201	EQUIPMENT UNDER \$1,500	\$ -	\$ -	\$ -	\$ -
0002202	CONTROLLED ASSETS \$1500-\$4999	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 2,000.00
0002203	COMPUTER COMPONENTS <\$1,500	\$ 500.00	\$ 500.00	\$ 171.98	\$ 500.00
0002205	POSTAGE	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
0002235	ACCOUNTING & FINANCIAL SERVICE	\$ 7,315.00	\$ 7,315.00	\$ 7,315.00	\$ 20,410.00
0002245	CONTRACTED SERVICES	\$ 85,000.00	\$ 85,000.00	\$ 70,497.00	\$ 50,000.00
0002250	OTHER PROFESSIONAL SERVICES	\$ 41,000.00	\$ 79,866.00	\$ 139,363.00	\$ 32,400.00
0002261	SOFTWARE MAINTENANCE & SUPPORT	\$ -	\$ -	\$ 39.96	\$ -
0002266	CENTRAL DATA PROCESSING SVCE	\$ 8,520.00	\$ 8,520.00	\$ 8,520.00	\$ 8,674.00
0002270	SOFTWARE	\$ 500.00	\$ 500.00	\$ 199.68	\$ 500.00
0002280	PUBLICATIONS AND LEGAL NOTICES	\$ 1,500.00	\$ 1,500.00	\$ 400.00	\$ 1,000.00
0002285	RENTS & LEASES - EQUIPMENT	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 5,500.00
0002295	RENTS & LEASES-BUILDINGS/IMPR	\$ 28,500.00	\$ 28,500.00	\$ 28,500.00	\$ 28,500.00
0002310	EDUCATION & TRAINING	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
0002311	TUITION REIMBURSEMENT	\$ 2,200.00	\$ 2,200.00	\$ 1,490.00	\$ 2,200.00
0002335	TRAVEL EXPENSE	\$ 2,700.00	\$ 2,700.00	\$ 3,836.37	\$ 5,500.00
0002339	MANAGEMENT BUSINESS EXPENSE	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
0002355	PERSONAL MILEAGE	\$ 1,200.00	\$ 1,200.00	\$ 1,000.00	\$ 1,200.00
0002360	UTILITIES	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,600.00
	TOTAL Services and Supplies	\$ 213,493.00	\$ 252,359.00	\$ 286,560.68	\$ 179,999.00
3000 - Other Charges					
3697	Interfund Transfer Postage				
0003300	JUDGEMENTS AND DAMAGES	\$ 30,000.00	\$ 30,000.00	\$ 27,978.03	\$ -
	TOTAL Other Charges	\$ 30,000.00	\$ 30,000.00	\$ 27,978.03	\$ -
9200 - Licenses, Permits & Franchise					
0009229	LICENSES & PERMITS-OTHER	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
	TOTAL Licenses, Permits & Franchise	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
9400 - Revenue From Use Of Money/Prop					
0009401	INTEREST INCOME	\$ 1,500.00	\$ 1,500.00	\$ 436.00	\$ 500.00
	TOTAL Revenue From Use Of Money/Prop	\$ 1,500.00	\$ 1,500.00	\$ 436.00	\$ 500.00
000740	Fund Balance (from previous Fiscal Year)	\$ 114,041.00			\$ 91,106.88
9500 - Intergovernmental Revenues					
0009511	OTHER GOVERNMENTAL AGENCIES	\$ 394,621.00	\$ 408,662.00		\$ 350,795.12
	TOTAL Intergovernmental Revenues				
	TOTAL EXPENSE	\$ 530,162.00	\$ 530,162.00	\$ 439,055.12	\$ 462,402.00
	TOTAL REVENUE	\$ 530,162.00			

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