

## **M E M O R A N D U M**

**TO:** Local Agency Formation Commission

**FROM:** Budget Committee

**SUBJECT:** **Agenda Item 3.1 – Review and Consideration of Final Budget for FY 2023/24**

**DATE:** April 18, 2023 for the Meeting of May 4, 2023

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On April 6, 2023, the Commission reviewed and approved the Proposed Budget for FY 2023/24, as unanimously recommended by the Budget Committee, and continued the item to May 4, 2023 for final adoption. Pursuant to California Government Code Section 56381, the Proposed Budget has been circulated to all affected agencies. Aside from the initial meeting of the Budget Committee on March 23, 2023, no comments have been received throughout the budget proceedings for Fiscal Year 2023/24.

The Final Budget for FY 2023/24, as presented:

1. Continue to place language within the budget resolution that advises member agencies of the potential need to incrementally increase agency contribution rates in order to achieve the state mandated responsibilities consistent with GC56381; and
2. Approves a five percent cost of living adjustment (COLA) to the currently adopted Salary Plan, as amended May 5, 2022.

### **ACTION REQUESTED:**

Receive comments from the public and affected agencies and adopt Resolution No. 21 2022/23 approving the Final Budget for FY 2023/24.

Attachments:

1. Proposed Final Budget for FY 2023/24
2. Resolution No. 21 2022/23



## Butte Local Agency Formation Commission Proposed Final Budget for FY 2023/24

	2022/23			2023/24		
	Adopted: May 5, 2022			Proposed Final		
	Base Budget	Special Projects	Total	Base Budget	Special Projects	Total
<b>FUNDING SOURCES</b>						
441000 Interest	15,000	-	15,000	15,000	-	15,000
441001 Unrealized Gain/Loss	-	-	-	-	-	-
453000 Other Government Agencies (County)	355,683	-	355,683	355,683	-	355,683
453000 Other Government Agencies (Cities)	355,683	-	355,683	355,683	-	355,683
453000 Other-In-Lieu Revenue (Special Districts)	79,043	-	79,043	79,043	-	79,043
454000 Other-In-Lieu Revenue	-	-	-	-	-	-
462005 Charges for Services - Other	26,018	-	26,018	50,083	-	50,083
473000 Miscellaneous Revenue	6,000	-	6,000	6,000	-	6,000
473000 Miscellaneous Revenue (SOI Trust Fund)	20,000	-	20,000	20,000	-	20,000
<b>Total Funding Sources</b>	<b>857,427</b>	<b>-</b>	<b>857,427</b>	<b>881,492</b>	<b>-</b>	<b>881,492</b>
<b>EXPENDITURES</b>						
<b>Salaries and Wages</b>						
511000 Regular Wages	380,188	-	380,188	422,000	-	422,000
<b>Total Salaries and Wages</b>	<b>380,188</b>	<b>-</b>	<b>380,188</b>	<b>422,000</b>	<b>-</b>	<b>422,000</b>
<b>Benefits</b>						
512000 Retirement	84,735	-	84,735	94,000	-	94,000
513000 Employee Group Insurance	129,904	-	129,904	97,000	-	97,000
515000 FICA/Medicare/OASDI	29,282	-	29,282	32,300	-	32,300
516000 Other Benefits	4,480	-	4,480	3,920	-	3,920
<b>Total Benefits</b>	<b>248,401</b>	<b>-</b>	<b>248,401</b>	<b>227,220</b>	<b>-</b>	<b>227,220</b>
<b>Total Salaries and Wages and Benefits</b>	<b>628,589</b>	<b>-</b>	<b>628,589</b>	<b>649,220</b>	<b>-</b>	<b>649,220</b>
<b>Services &amp; Supplies</b>						
523000 Communications	3,942	-	3,942	3,942	-	3,942
525000 Household Expense	1,000	-	1,000	1,000	-	1,000
526000 Insurance	6,696	-	6,696	6,551	-	6,551
531000 Memberships	8,025	-	8,025	8,000	-	8,000
533000 Office Supplies	6,000	-	6,000	6,000	-	6,000
534000 Professional & Specialized Services	93,139	-	93,139	94,889	-	94,889
535000 Publication & Legal Notice	3,500	-	3,500	3,500	-	3,500
537000 Rents/Leases Buildings & Improvements	15,996	-	15,996	16,350	-	16,350
539000 Special Departmental Expense	7,000	-	7,000	7,000	-	7,000
540000 Transportation/Travel	22,040	-	22,040	22,040	-	22,040
541000 Utilities	6,500	-	6,500	8,000	-	8,000
<b>Total Services &amp; Supplies</b>	<b>173,838</b>	<b>-</b>	<b>173,838</b>	<b>177,272</b>	<b>-</b>	<b>177,272</b>
<b>Appropriations</b>						
580010 Appropriation Contingency	30,000	-	30,000	30,000	-	30,000
101001 Appropriation Reserve	25,000	-	25,000	25,000	-	25,000
<b>Total Appropriations</b>	<b>55,000</b>	<b>-</b>	<b>55,000</b>	<b>55,000</b>	<b>-</b>	<b>55,000</b>
<b>Total Services &amp; Supplies and Appropriations</b>	<b>228,838</b>	<b>-</b>	<b>228,838</b>	<b>232,272</b>	<b>-</b>	<b>232,272</b>
<b>Total</b>	<b>857,427</b>	<b>-</b>	<b>857,427</b>	<b>881,492</b>	<b>-</b>	<b>881,492</b>

# Proposed Final Budget Narrative for Fiscal Year 2023-2024

May 4, 2023

## FUNDING SOURCES:

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<b>441000 – Interest</b>	<b>\$15,000</b>
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Interest income is accrued on treasury cash.

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<b>453000 – Other Govt. Agencies (County, Cities, Special Districts)</b>	<b>\$790,409</b>
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Allocation and Proportionate Share of Funding Requirement:

Other Governmental Agencies (County @ 45%)	\$355,683
Other Governmental Agencies (Cities @ 45%)	\$355,683
Other-In-Lieu Revenue (Special Districts @ (10%))	\$79,043

Calculations are prepared by the Butte County Auditor. Individual city shares are based on revenue as reported in the most recent edition of the Cities Annual Report published by the State Controller. Individual special district shares are based on revenues as reported in the most recent report of the "Financial Transactions Concerning Special Districts" published by the State Controller.

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<b>454000 – Other In Lieu Revenue</b>	<b>\$0</b>
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Other in lieu revenue.

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<b>462000 – Charges for Services - Other</b>	<b>\$50,083</b>
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Pursuant to the adopted Fee Schedule, application filing fees are charged to applicants for the processing of applications submitted for sphere of influence amendments, formations of special districts and changes of organization and reorganization. Application processing fees vary widely depending on the complexity of the action requested.

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<b>473000 – Miscellaneous Revenue</b>	<b>\$6,000</b>
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CALAFO Stipend.

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<b>473000 – Miscellaneous Revenue (SOI Trust Fund)</b>	<b>\$20,000</b>
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Restricted monies held within the Sphere Trust Fund for the explicit purpose of funding Commission directed staff level review and maintenance of municipal service reviews and sphere of influence plans and related actions

## EXPENDITURES:

**511000 – Regular Help Wages** **\$422,000**

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Salaries reflect base wages pursuant to the adopted Salary Plan.

**512000 thru 516000 – Benefits** **\$227,220**

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CalPERS Retirement, including UAL, GASB and Survivor; ICMA Deferred Compensation & Medicare; State Unemployment Insurance, Employment Training & State Disability Insurance; Health, Dental & Vision; Employee Assistance Program; Flexible Spending Fees and Basic/Long Term Life Insurance.

**523000 – Communications** **\$3,942**

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Communication Services, including Telephone Charges (\$3,102); Cell Phone Allowance (\$840).

**525000 – Household Expense** **\$1,000**

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Toiletries, cleaning supplies, floor tile buffing and other household items.

**526000 – Insurance** **\$6,551**

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Property and General Liability Coverage, provided through Special District Risk Management Authority.

**531000 – Memberships** **\$8,000**

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Memberships to professional organizations, including various publications and subscriptions that support staff development on current issues affecting the agency's responsibilities.

**533000 – Office Supplies** **\$6,000**

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General office supplies, including computer software upgrades.

**534000 – Professional & Specialized Services** **\$94,889**

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Worker's Compensation Insurance (\$3,000); Annual Audit, including CalPERS GASB Reporting (\$10,000); County Auditor-Controller (\$3,401); County Treasurer-Tax Collector (\$350); County Human Resources (\$27,000); GIS Mapping (\$18,000); Legal Counsel (\$26,458) and County Information Systems (\$6,680).

**535000 – Publication & Legal Notice** **\$3,500**

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Legal notice publishing, as required by LAFCO Policies and State Law.

**537000 – Rents/Leases Buildings & Improvements** **\$16,350**

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Office Space, pursuant to H.P. Downer Business Center, LLC Lease Agreement (\$15,810); Office Space security (\$540).

**539000 – Special Departmental Expense** **\$7,000**

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Website maintenance, including security updates; professional development/training; County Copier services (\$1,563).

**Expenditures: *Continued***

**540000 – Transportation/Travel** **\$22,040**

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Attendance at conferences, meetings, trainings; and CALAFCO participation (\$11,000); and vehicle expense reimbursements (\$11,040).

**541000 – Utilities** **\$8,000**

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Electricity, natural gas, water, sewer, garbage disposal, janitorial and landscaping.

**Appropriations:**

**Contingency** **\$30,000**

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Unanticipated costs, i.e., budget shortfall coverage, special studies or legal fees.

**Reserve** **\$25,000**

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Isolated funding for accrued leave liabilities and other post employment benefits.

RESOLUTION NO. 21 2022/23

**RESOLUTION ADOPTING THE  
BUTTE LOCAL AGENCY FORMATION COMMISSION  
FINAL BUDGET FOR FISCAL YEAR 2023/24**

**WHEREAS**, the Cortese-Knox-Hertzberg Act of 2000 requires that each LAFCO within the State of California adopt a budget pursuant to Government Code Section 56381(a); and

**WHEREAS**, at a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter pursuant to Government Code Section 56381(a); and

**WHEREAS**, the Butte Local Agency Formation Commission has heretofore approved a Proposed Budget for the Commission and held a duly noticed hearing thereon as required by law on April 6, 2023 for the purpose of developing a Final Budget for the Fiscal Year 2022/23; and

**WHEREAS**, the Proposed Final Fiscal Year 2023/24 Budget has been circulated to all affected agencies pursuant to Government Code Section 56381(a); and

**WHEREAS**, the Butte Local Agency Formation Commission hereby advises member agencies of the potential necessity to incrementally increase agency assessment rates in the fiscal years to follow in order for the Commission to achieve its expanding state mandated responsibilities, consistent with Government Code Section 56381; and

**NOW, THEREFORE, BE IT RESOLVED** by the Butte Local Agency Formation Commission, that the Proposed Budget is hereby adopted as the Final Budget for Fiscal Year 2023/24 for the Butte Local Agency Formation Commission; which approves a five percent cost of living adjustment (COLA) to the currently adopted Salary Plan, as amended May 5, 2022; and

**BE IT FURTHER RESOLVED** that aforementioned Final Budget for Fiscal Year 2023/24 is officially adopted and ordered to be circulated to all affected agencies pursuant to Government Code Section 56381(a); and

**PASSED AND ADOPTED** by the Butte Local Agency Formation Commission this 4th day of May 2023 by the following vote:

**RESOLUTION NO. 21 2022/23**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINS:**

**ATTEST:**

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Stephen Lucas,  
Executive Officer

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William Connelly, Chair  
Butte Local Agency Formation Commission