

MEMORANDUM

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer
Jill Broderon, Management Analyst

SUBJECT: Agenda Item 3.1 – Review and Consideration of Final Budget for FY 2018/19

DATE: April 25, 2018 for the Meeting of May 3, 2018

On April 5, 2018, the Commission reviewed and approved the Proposed Budget for FY 2018/19, as unanimously recommended by the Budget Committee, and continued the item to May 3, 2018 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 12, 2018, no comments have been received throughout the budget proceedings for Fiscal Year 2018/19.

The Final Budget for FY 2018/19, as presented:

1. Authorizes the continuation of permanent employee furloughs by 10-15%; and
2. Authorizes a two percent cost of living adjustment (COLA) to the adopted Salary Plan, as amended June 1, 2017; and
3. Increases member agencies' assessments by two percent and advises member agencies of the potential necessity to incrementally increase assessment rates in future fiscal years in order for the Commission to achieve its expanding state mandated responsibilities, consistent with Government Code Section 56381.
4. Authorizes a \$9,000 increase to the Appropriation for Reserve.

ACTION REQUESTED:

1. Receive comments from the public and affected agencies and adopt Resolution No. 09 2017/18 approving the Final Budget for FY 2018/19.

Attachments:

1. Proposed Final Budget for FY 2018/19
2. Resolution No. 09 2017/18

Butte Local Agency Formation Commission
Proposed Budget for FY 2018/19

	2017/18			2018/19		
	Adopted: June 1, 2017			Proposed		
	Base Budget	Special Projects	Total	Base Budget	Special Projects	Total
FUNDING SOURCES						
441000 Interest	5,000	-	5,000	6,000	-	6,000
441001 Unrealized Gain/Loss	2,320	-	-	-	-	-
453006 Other Government Agencies (County)	271,967	-	271,967	277,406	-	277,406
453008 Other Government Agencies (Cities)	271,967	-	271,967	277,406	-	277,406
453008 Other-In-Lieu Revenue (Special Districts)	60,438	-	60,438	61,647	-	61,647
454000 Other-In-Lieu Revenue	-	-	-	-	-	-
462005 Charges for Services	26,580	-	26,580	21,424	-	21,424
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
Total Funding Sources	664,272	-	664,272	669,883	-	669,883
EXPENDITURES						
Wages						
511000 Regular Help Wages	323,257	-	323,257	309,258	-	309,258
511010 Extra Help Wages	-	-	-	19,780	-	19,780
Total Wages	323,257	-	323,257	329,038	-	329,038
Benefits						
512010 ER PERS	29,038	-	29,038	29,459	-	29,459
512035 PERS EMPC	7,525	-	7,525	9,676	-	9,676
513000 Health Insurance	59,000	-	59,000	37,000	-	37,000
513010 Basic Life	106	-	106	144	-	144
513020 LTD Department Heads	786	-	786	752	-	752
513030 State Unemployment Insurance	644	-	644	735	-	735
515000 FICA & Medicare	24,730	-	24,730	23,946	-	23,946
516000 Employee Assistance Program	336	-	336	334	-	334
516001 Flex Spending Fees	30	-	30	236	-	236
516002 SDI	2,827	-	2,827	3,018	-	3,018
516004 EE PERS	22,628	-	22,628	21,649	-	21,649
516010 Cash Back Payments	6,067	-	6,067	12,133	-	12,133
Total Benefits	153,717	-	153,717	139,082	-	139,082
Total Wages and Benefits	476,974	-	476,974	468,120	-	468,120
Services & Supplies						
523000 Telephone Charges	3,102	-	3,102	3,102	-	3,102
523010 Fax, Pagers & Cell Phones	840	-	840	840	-	840
525020 Janitorial	500	-	500	500	-	500
526010 Insurance: Outside Purchase	4,600	-	4,600	4,875	-	4,875
531000 Associations Memberships	5,200	-	5,200	5,365	-	5,365
533030 Small Office Equipment	5,000	-	5,000	5,000	-	5,000
534000 Consultants						
County Accounting Services	3,401	-	3,401	3,401	-	3,401
County Treasury Services	35	-	35	35	-	35
County Human Resource Services	13,500	-	13,500	13,500	-	13,500
Annual Audit Fees	10,000	-	10,000	10,000	-	10,000
Legal Counsel Fees	24,000	-	24,000	24,000	-	24,000
GIS Consulting Services	15,000	-	15,000	18,000	-	18,000
Total	65,936	-	65,936	68,936	-	68,936
534005 Claims Administration	2,300	-	2,300	2,200	-	2,200
534020 Data Processing	6,680	-	6,680	6,680	-	6,680
535000 Legally Required Publications	2,000	-	2,000	2,000	-	2,000
536000 Equipment: Rent and Lease	300	-	300	300	-	300
537000 Building: Rent and Lease	14,500	-	14,500	14,675	-	14,675
539001 Special Departmental Expense	3,500	-	3,500	3,750	-	3,750
540010 Vehicle Expense Reimbursement	11,040	-	11,040	11,040	-	11,040
540020 Travel/Transportation	11,000	-	11,000	11,000	-	11,000
541000 Electricity/Gas/Water/Sewer/CAM Charges	4,800	-	4,800	6,500	-	6,500
Total Services & Supplies	141,298	-	141,298	146,763	-	146,763
Appropriations						
580010 Appropriation Contingency	30,000	-	30,000	30,000	-	30,000
101001 Appropriation Reserve	16,000	-	16,000	25,000	-	25,000
Total Appropriations	46,000	-	46,000	55,000	-	55,000
Total Services & Supplies and Appropriations	187,298	-	187,298	201,763	-	201,763
Total	664,272	-	664,272	669,883	-	669,883

Proposed Budget Narrative for Fiscal Year 2018-2019

May 3, 2018

FUNDING SOURCES:

441000 – Interest Earned	\$6,000
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Interest income is accrued on treasury cash.

453006; 453008 – Member Agency Funding	\$616,459
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Allocation and Proportionate Share of Funding Requirement:

453006: Other Governmental Agencies (County @ 45%)	\$277,406
453008: Other Governmental Agencies (Cities @ 45%)	\$277,406
453008: Other-In-Lieu Revenue (Special Districts @(10%))	\$61,647

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.

462005 – Charges for Services	\$21,424
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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.

473000 – Miscellaneous Revenue	\$6,000
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CALAFCO Stipend.

473000 – Miscellaneous Revenue (SOI Trust Fund)	\$20,000
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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 **\$329,038**

Salaries reflect base wages pursuant to the adopted Salary Plan.

5120010 thru 516010 – Benefits **\$139,082**

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

523000 – Telephone Charges **\$3,102**

Communication County Services (\$162); Communications (\$2,940).

523010 – Fax, Pagers & Cell Phones **\$840**

Cell Phone Allowance.

525020 – Janitorial **\$500**

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

526010 – Insurance: Outside Purchase **\$4,875**

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

531000 – Associations Memberships **\$5,365**

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

533030 – Small Office Equipment **\$5,000**

General offices supplies, including computer software upgrades.

534000 – Consultants **\$68,936**

County Accounting Services (\$3,401); County Treasury Services (\$35); County Human Resources Services (\$13,500); Annual Audit Fees & CalPERS GASB 68 Report (\$10,000); Legal Counsel Fees (\$24,000) and GIS Mapping Services (\$18,000).

534005 – Claims Administration **\$2,200**

Workers' Compensation and Employer's Liability coverage, provided through Special District Risk Management Authority.

Expenditures: *Continued*

534020 – Data Processing	\$6,680
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County Data Processing/Information Services.

535000 – Legally Required Publications	\$2,000
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Subscriptions and publishing of legal notices, as required by LAFCO Policies and State Law.

536000 – Equipment: Rent & Lease	\$300
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Office security system.

537000 – Building: Rent & Lease	\$14,675
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Pursuant to H.P. Downer Business Center, LLC lease agreement.

539001 – Special Departmental Expense	\$3,750
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Website maintenance, including security updates; professional development and training.

540010 – Vehicle Expense Reimbursement	\$11,040
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Vehicle allowances.

540020 – Transportation/Travel	\$11,000
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Attendance at conferences, meetings, trainings; and CALAFCO participation.

541000 – Electricity/Gas/Water/Sewer/CAM Charges	\$6,500
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Electricity, natural gas, water, garbage disposal, janitorial and landscaping.

Appropriations:

580 - Contingency	\$30,000
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Unanticipated costs, i.e., budget shortfall coverage, special studies or legal fees.

797 - Reserve	\$25,000
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Isolated funding for accrued leave liabilities and other post employment benefits.

**RESOLUTION ADOPTING THE
BUTTE LOCAL AGENCY FORMATION COMMISSION
FINAL BUDGET FOR FISCAL YEAR 2018/19**

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; 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 5, 2018 for the purpose of developing a Final Budget for the Fiscal Year 2018/19; and

WHEREAS, the Proposed Fiscal Year 2018/19 Budget has been circulated to all affected agencies pursuant to Government Code Section 56381; 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 the Butte Local Agency Formation Commission; which:

1. Authorizes the continuation of permanent employee furloughs by 10-15%; and
2. Authorizes a 2% cost of living adjustment (COLA) to the adopted Salary Plan, as amended June 1, 2017; and
3. Authorizes a \$9,000 increase to the Appropriation for Reserve.

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

RESOLUTION NO. 09 2017/18

PASSED AND ADOPTED by the Butte Local Agency Formation Commission
this 3rd day of May 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Carl Leverenz, Chair
Butte Local Agency Formation Commission

ATTEST:

Stephen Lucas, Executive Officer