

MEMORANDUM

TO: Local Agency Formation Commission

FROM: Budget Committee

SUBJECT: Agenda Item 3.1 – Review and Consideration of Final Budget for FY 2019/20

DATE: April 24, 2019 for the Meeting of May 2, 2019

On April 4, 2019, the Commission reviewed and approved the Proposed Budget for FY 2019/20, as unanimously recommended by the Budget Committee, and continued the item to May 2, 2019 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 21, 2019, no comments have been received throughout the budget proceedings for Fiscal Year 2019/20.

The Final Budget for FY 2019/20, as presented:

1. Approves a 3% cost of living adjustment (COLA) to the adopted Salary Plan, as amended January 3, 2019.
2. Approves a 3% structural adjustment to the base Salary Plan which has never been adjusted for parity since adoption in 2007.
3. Increases member agencies' assessments by six 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.

ACTION REQUESTED:

1. Receive comments from the public and affected agencies and adopt Resolution No. 07 2019/20 approving the Final Budget for FY 2019/20.

Attachments:

1. Proposed Final Budget for FY 2019/20
2. Resolution No. 07 2018/19



Butte Local Agency Formation Commission Proposed Budget for FY 2019/20

	2018/19			2019/20		
	Adopted: May 3, 2018			Proposed		
	Base Budget	Special Projects	Total	Base Budget	Special Projects	Total
FUNDING SOURCES						
441000 Interest	6,000	-	6,000	15,000	-	15,000
441001 Unrealized Gain/Loss	-	-	-	-	-	-
453006 Other Government Agencies (County)	277,406	-	277,406	294,050	-	294,050
453008 Other Government Agencies (Cities)	277,406	-	277,406	294,050	-	294,050
453008 Other-In-Lieu Revenue (Special Districts)	61,647	-	61,647	65,346	-	65,346
454000 Other-In-Lieu Revenue	-	-	-	-	-	-
462005 Charges for Services	21,424	-	21,424	18,726	-	18,726
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	669,883	-	669,883	713,172	-	713,172
EXPENDITURES						
Wages						
511000 Regular Help Wages	309,258	-	309,258	339,123	-	339,123
511010 Extra Help Wages	19,780	-	19,780	10,383	-	10,383
Total Wages	329,038	-	329,038	349,506	-	349,506
Benefits						
512010 ER PERS	29,459	-	29,459	35,336	-	35,336
512035 PERS EMPC	9,676	-	9,676	11,591	-	11,591
513000 Health Insurance	37,000	-	37,000	50,000	-	50,000
513010 Basic Life	144	-	144	96	-	96
513020 LTD Department Heads	752	-	752	825	-	825
513030 State Unemployment Insurance	735	-	735	625	-	625
515000 FICA & Medicare	23,946	-	23,946	26,094	-	26,094
516000 Employee Assistance Program	334	-	334	334	-	334
516001 Flex Spending Fees	236	-	236	48	-	48
516002 SDI	3,018	-	3,018	3,381	-	3,381
516004 EE PERS	21,649	-	21,649	23,739	-	23,739
516010 Cash Back Payments	12,133	-	12,133	6,067	-	6,067
Total Benefits	139,082	-	139,082	158,136	-	158,136
Total Wages and Benefits	468,120	-	468,120	507,642	-	507,642
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	1,000	-	1,000
526010 Insurance: Outside Purchase	4,875	-	4,875	5,411	-	5,411
531000 Associations Memberships	5,365	-	5,365	6,075	-	6,075
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	7,500	-	7,500
Legal Counsel Fees	24,000	-	24,000	25,440	-	25,440
GIS Consulting Services	18,000	-	18,000	18,000	-	18,000
Total	68,936	-	68,936	67,876	-	67,876
534005 Claims Administration	2,200	-	2,200	2,310	-	2,310
534020 Data Processing	6,680	-	6,680	6,680	-	6,680
535000 Legally Required Publications	2,000	-	2,000	3,500	-	3,500
536000 Equipment: Rent and Lease	300	-	300	300	-	300
537000 Building: Rent and Lease	14,675	-	14,675	14,896	-	14,896
539001 Special Departmental Expense	3,750	-	3,750	5,000	-	5,000
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	6,500	-	6,500	6,500	-	6,500
Total Services & Supplies	146,763	-	146,763	150,530	-	150,530
Appropriations						
580010 Appropriation Contingency	30,000	-	30,000	30,000	-	30,000
101001 Appropriation Reserve	25,000	-	25,000	25,000	-	25,000
Total Appropriations	55,000	-	55,000	55,000	-	55,000
Total Services & Supplies and Appropriations	201,763	-	201,763	205,530	-	205,530
Total	669,883	-	669,883	713,172	-	713,172

Butte Local Agency Formation Commission Proposed Budget Narrative for Fiscal Year 2019-2020

May 2, 2019

FUNDING SOURCES:

441000 – Interest Earned **\$15,000**

Interest income is accrued on treasury cash.

453006; 453008 – Member Agency Funding **\$653,446**

Allocation and Proportionate Share of Funding Requirement:

453006: Other Governmental Agencies (County @ 45%)
453008: Other Governmental Agencies (Cities @ 45%)
453008: Other-In-Lieu Revenue (Special Districts @ (10%))

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 **\$18,726**

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**

CALAFCO Stipend.

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

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:

511000/511010 – Wages **\$349,506**

Salaries reflect base wages pursuant to the adopted Salary Plan.

Expenditures: *Continued*

5120010 thru 516010 – Benefits	\$158,136
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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
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Communication County Services (\$162); Communications (\$2,940).

523010 – Fax, Pagers & Cell Phones	\$840
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Cell Phone Allowance.

525020 – Janitorial	\$1,000
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Toiletries, cleaning supplies, floor tile buffing and other household items.

526010 – Insurance: Outside Purchase	\$5,411
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Property and General Liability coverage, provided through Special District Risk Management Authority.

531000 – Associations Memberships	\$6,075
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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.

533030 – Small Office Equipment	\$5,000
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General offices supplies, including computer software upgrades.

534000 – Consultants	\$67,876
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County Accounting Services (\$3,401); County Treasury Services (\$35); County Human Resources Services (\$13,500); Annual Audit Fees (\$7,500); Legal Counsel Fees (\$25,440) and GIS Mapping Services (\$18,000).

534005 – Claims Administration	\$2,310
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Workers' Compensation and Employer's Liability coverage, provided through Special District Risk Management Authority.

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

Expenditures: *Continued*

535000 – Legally Required Publications	\$3,500
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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	\$14,896
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Pursuant to H.P. Downer Business Center, LLC lease agreement.

539001 – Special Departmental Expense	\$5,000
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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 NO. 17 2018/19

**RESOLUTION ADOPTING THE
BUTTE LOCAL AGENCY FORMATION COMMISSION
FINAL BUDGET FOR FISCAL YEAR 2019/20**

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 4, 2019 for the purpose of developing a Final Budget for the Fiscal Year 2019/20; and

WHEREAS, the Proposed Fiscal Year 2019/20 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 2019/20 for the Butte Local Agency Formation Commission; which:

1. Approves a 3% cost of living adjustment (COLA) to the adopted Salary Plan, as amended January 3, 2019.
2. Approves a 3% structural adjustment to the base Salary Plan which has never been adjusted for parity since adoption in 2007.

BE IT FURTHER RESOLVED that aforementioned Final Budget for Fiscal Year 2019/20 is officially adopted and ordered to be circulated to all affected agencies pursuant to Government Code Section 56381(a); and

RESOLUTION NO. 17 2018/19

PASSED AND ADOPTED by the Butte Local Agency Formation Commission
this 2nd day of May 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Carl Leverenz, Chair
Butte Local Agency Formation Commission

ATTEST:

Stephen Lucas, Executive Officer