

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

**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 2015/16**

**DATE:** April 29, 2015 for the Meeting of May 7, 2015

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On April 2, 2015, the Commission reviewed and unanimously approved the Proposed Budget for FY 2015/16, as recommended by the Budget Committee, and continued the item to May 7, 2015 for final adoption. Pursuant to California Government Code §56381, the Proposed Budget was initially circulated on March 27, 2015 to all affected agencies. Aside from the initial meeting of the Budget Committee on March 4, 2015, no comments have been received throughout the budget proceedings for Fiscal Year 2015/16.

The Final Budget for FY 2015/16, as presented:

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 May 1, 2014; and
3. Increases member agency assessments by five 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. 17 2014/15 approving the Final Budget for FY 2015/16.

Attachments:

1. Proposed Final Budget for FY 2015/16
2. Resolution No. 17 2014/15



## Butte Local Agency Formation Commission Proposed Final Budget for FY 2015/16 - May 7, 2015

	2014/15			2015/16		
	Adopted: May 1, 2014			Proposed		
	Base Budget	Special Projects	Total	Base Budget	Special Projects	Total
<b>FUNDING SOURCES</b>						
101001 Fund Balance	7,654	-	7,654	-	-	-
4410101 Interest Earned	5,000	-	5,000	5,000	-	5,000
4410103 Unrealized Gain/Loss	-	-	-	-	-	-
4547970 County Funding	251,423	-	251,423	263,994	-	263,994
4547971 Cities Funding	251,423	-	251,423	263,994	-	263,994
4547972 Special District Funding	55,872	-	55,872	58,666	-	58,666
4617230 Filing Fees	35,000	-	35,000	35,000	-	35,000
4712523 Miscellaneous - Revenue	-	-	-	2,000	-	2,000
47125237 Miscellaneous - Refunds	-	-	-	-	-	-
4711308 Sphere of Influence Trust Fund Transfers	21,638	-	21,638	15,503	-	15,503
4712531 Reimbursement of P/Y Expenditures	-	-	-	-	-	-
<b>Total Funding Sources</b>	<b>628,010</b>	<b>-</b>	<b>628,010</b>	<b>644,157</b>	<b>-</b>	<b>644,157</b>
<b>EXPENDITURES</b>						
<b>Salaries &amp; Wages</b>						
511 Salaries & Wages	304,612	-	304,612	310,704	-	310,704
<b>Benefits</b>						
518002 CalPERS (Employer)	38,523	-	38,523	42,206	-	42,206
518003 ICMA Deferred Compensation & Medicare Tax	23,303	-	23,303	23,769	-	23,769
518004 Health, Dental & Vision Insurance	43,623	-	43,623	48,880	-	48,880
518005 Employee Assistance Program	528	-	528	528	-	528
518006 SUI, ETT & SDI	3,967	-	3,967	3,593	-	3,593
518007 CalPERS (Employee)	21,323	-	21,323	21,750	-	21,750
518010 Cash Back Payments	6,067	-	6,067	6,067	-	6,067
518012 Flexible Spending Program	-	-	-	25	-	25
518014 Basic Life Insurance	132	-	132	132	-	132
518024 Long Term Disability Insurance	945	-	945	964	-	964
<b>Total Benefits</b>	<b>138,411</b>	<b>-</b>	<b>138,411</b>	<b>147,914</b>	<b>-</b>	<b>147,914</b>
<b>Total Salaries &amp; Wages and Benefits</b>	<b>443,023</b>	<b>-</b>	<b>443,023</b>	<b>458,618</b>	<b>-</b>	<b>458,618</b>
<b>Services &amp; Supplies</b>						
523 Communications County Services	162	-	162	162	-	162
523201 Communications	2,900	-	2,900	2,950	-	2,950
523203 Communications - Cell Phone Allowance	840	-	840	840	-	840
	3,902	-	3,902	3,952	-	3,952
526201 Household Expense	750	-	750	500	-	500
527201 General Insurance-Outside Purchase	4,096	-	4,096	3,700	-	3,700
528 Compensation Insurance	2,300	-	2,300	1,900	-	1,900
533 Memberships	4,167	-	4,167	4,350	-	4,350
535201 Office Expense-Outside Purchase	6,313	-	6,313	6,000	-	6,000
536 Professional & Specialized Services						
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	7,571	-	7,571	8,000	-	8,000
Legal Counsel Fees	24,000	-	24,000	24,000	-	24,000
GIS Consulting Services	15,000	-	15,000	15,000	-	15,000
	63,507	-	63,507	63,936	-	63,936
537 Publications & Legal Notices	1,900	-	1,900	1,900	-	1,900
538 Rents & Leases-Buildings	24,122	-	24,122	24,661	-	24,661
539 Rents & Leases-Equipment	300	-	300	300	-	300
541 Special Departmental Expense	3,500	-	3,500	3,500	-	3,500
542 County Data Processing/Information Services	6,680	-	6,680	6,680	-	6,680
543201 Transportation & Travel/Outside Purchase	19,750	-	19,750	19,750	-	19,750
544201 Utilities - Non-ISF Payments	3,700	-	3,700	4,410	-	4,410
<b>Total Services &amp; Supplies</b>	<b>144,987</b>	<b>-</b>	<b>144,987</b>	<b>145,539</b>	<b>-</b>	<b>145,539</b>
<b>Appropriations</b>						
580 Contingency	30,000	-	30,000	30,000	-	30,000
7970 Reserve	10,000	-	10,000	10,000	-	10,000
<b>Total Appropriations</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>
<b>Total Services &amp; Supplies and Appropriations</b>	<b>184,987</b>	<b>-</b>	<b>184,987</b>	<b>185,539</b>	<b>-</b>	<b>185,539</b>
<b>Total</b>	<b>628,010</b>	<b>-</b>	<b>628,010</b>	<b>644,157</b>	<b>-</b>	<b>644,157</b>

# Proposed Final Budget Narrative for Fiscal Year 2015-2016

May 7, 2015

## FUNDING SOURCES:

**101001 - Fund Balance** **\$0.00**

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**4410101 - Interest Earned** **\$5,000**

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Interest income is accrued on treasury cash.

**4547970; 4547971; 4547972 - Member Agency Funding** **\$586,654**

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Allocation and Proportionate Share of Funding Requirement:

4547970: County (45%) @ \$263,994  
4547971: Cities (45%) @ \$263,994  
4547972: Special Districts (10%) @ \$58,666

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.

**4617230 - Filing Fees** **\$35,000**

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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.

**4712523 - Miscellaneous Revenue** **\$2,000**

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CALAFCO Stipend.

**4711308 - Sphere of Influence Trust Fund Transfers** **\$15,503**

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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:**

**511 - Salaries & Wages** **\$310,704**

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Salaries reflect base wages pursuant to the adopted Salary Plan.

**518 - Employee Benefits** **\$147,914**

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

**523 - Communications** **\$3,952**

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Communication County Services (\$162); Communications (\$2,950); Cell Phone Allowance (\$840).

**526 - Household Expenses** **\$500**

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

**527 - General Insurance** **\$3,700**

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

**528 - Workers' Compensation Insurance** **\$1,900**

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

**533 - Memberships** **\$4,350**

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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.

**535 - Office Expense** **\$6,000**

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General offices supplies, including computer software upgrades.

**536 - Professional & Specialized Services** **\$63,936**

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County Accounting Services (\$3,401); County Treasury Services (\$35); County Human Resources Services (\$13,500); Annual Audit Fees (\$8,000); Legal Counsel Fees (\$24,000) and GIS mapping services (\$15,000).

**537 - Publications & Legal Notices** **\$1,900**

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Subscriptions and publishing of legal notices, as required by LAFCO Policies and State Law.

## **Expenditures: *Continued***

<b>538 - Rents &amp; Leases - Buildings</b>	<b>\$24,661</b>
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Pursuant to H.D. Downer Business Center, LLC lease agreement.

<b>539 - Rents &amp; Leases - Equipment</b>	<b>\$300</b>
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Office security system.

<b>541 - Special Department Expense</b>	<b>\$3,500</b>
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Website maintenance; professional development and training.

<b>542 - Data Processing/Information Services</b>	<b>\$6,680</b>
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County Data Processing/Information Services.

<b>543 - Transportation &amp; Travel</b>	<b>\$19,750</b>
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Attendance at conferences, meetings, trainings; CALAFCO participation and monthly vehicle allowances

<b>544 - Utilities</b>	<b>\$4,410</b>
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Electricity, natural gas, water, garbage disposal and landscaping.

## **Appropriations:**

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

<b>797 - Reserve</b>	<b>\$10,000</b>
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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 2015/16**

**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**, the Butte Local Agency Formation Commission has heretofore approved a Proposed Budget for the Commission and held a duly noticed public hearing thereon as required by law on April 2, 2015 for the purpose of developing a Final Budget for the Fiscal Year 2015/16; and

**WHEREAS**, the Proposed Fiscal Year 2015/16 Budget has been circulated to all affected agencies pursuant to Government Code Section 56381(a); and

**WHEREAS**, the Butte Local Agency Formation Commission has increased member agencies assessments by five percent and 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 May 1, 2014.

**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(a); and

**RESOLUTION NO. 17 2014/15**

**PASSED AND ADOPTED** by the Butte Local Agency Formation Commission  
this 7th day of May 2015 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINS:**

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Carl Leverenz, Chair  
Butte Local Agency Formation Commission

**ATTEST:**

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Stephen Lucas, Executive Officer