

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 2016/17

DATE: April 27, 2016 for the Meeting of May 5, 2016

On April 7, 2016, the Commission reviewed and approved the Proposed Budget for FY 2016/17, as unanimously recommended by the Budget Committee, and continued the item to May 5, 2016 for final adoption. Pursuant to California Government Code §56381, the Proposed Budget was initially circulated on March 29, 2016 to all affected agencies. Aside from the initial meeting of the Budget Committee on March 10, 2016, no comments have been received throughout the budget proceedings for Fiscal Year 2015/16.

The Final Budget for FY 2016/17, 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; and
3. Does not increase member agencies' assessments; however, 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. 12 2015/16 approving the Final Budget for FY 2016/17.

Attachments:

1. Proposed Final Budget for FY 2016/17
2. Resolution No. 12 2015/16



Butte Local Agency Formation Commission Proposed Final Budget for FY 2016/17

	2015/16			2016/17		
	Adopted: May 7, 2015			Preliminary		
	Base Budget	Special Projects	Total	Base Budget	Special Projects	Total
FUNDING SOURCES						
441000 Interest	5,000	-	5,000	5,000	-	5,000
453006 Other Government Agencies (County)	263,994	-	263,994	263,994	-	263,994
453008 Other Government Agencies (Cities)	263,994	-	263,994	263,994	-	263,994
454000 Other-In-Lieu Revenue (Special Districts)	58,666	-	58,666	58,666	-	58,666
462005 Charges for Services	35,000	-	35,000	29,571	-	29,571
473000 Miscellaneous Revenue	2,000	-	2,000	6,000	-	6,000
473000 Miscellaneous Revenue (SOI Trust Fund)	15,503	-	15,503	20,000	-	20,000
Total Funding Sources	644,157	-	644,157	647,225	-	647,225
EXPENDITURES						
Wages						
511000 Regular Help Wages	310,704	-	310,704	316,925	-	316,925
Benefits						
512010 ER PERS	42,206	-	42,206	22,000	-	22,000
512025 POB Safety SDI	-	-	-	2,760	-	2,760
512035 PERS EMPC	21,750	-	21,750	6,500	-	6,500
513000 Health Insurance	48,880	-	48,880	54,500	-	54,500
513010 Basic Life	132	-	132	144	-	144
513020 LTD Department Heads	964	-	964	1,046	-	1,046
513030 State Unemployment Insurance	3,593	-	3,593	757	-	757
515000 FICA & Medicare	23,769	-	23,769	24,100	-	24,100
516000 Employee Assistance Program	528	-	528	528	-	528
516001 Flex Spending Fees	25	-	25	40	-	40
516004 EE PERS	-	-	-	22,185	-	22,185
516010 Cash Back Payments	6,067	-	6,067	6,067	-	6,067
Total Benefits	147,914	-	147,914	140,627	-	140,627
Total Wages and Benefits	458,618	-	458,618	457,552	-	457,552
Services & Supplies						
523000 Telephone Charges	3,112	-	3,112	3,102	-	3,102
523010 Fax, Pagers & Cell Phones	840	-	840	840	-	840
525020 Janitorial	500	-	500	500	-	500
526010 Insurance: Outside Purchase	3,700	-	3,700	4,000	-	4,000
531000 Associations Memberships	4,350	-	4,350	4,850	-	4,850
533030 Small Office Equipment	6,000	-	6,000	6,000	-	6,000
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	8,000	-	8,000	11,625	-	11,625
Legal Counsel Fees	24,000	-	24,000	24,000	-	24,000
GIS Consulting Services	15,000	-	15,000	15,000	-	15,000
Total	63,936	-	63,936	67,561	-	67,561
534005 Claims Administration	1,900	-	1,900	2,300	-	2,300
534020 Data Processing	6,680	-	6,680	6,680	-	6,680
535000 Legally Required Publications	1,900	-	1,900	2,000	-	2,000
536000 Equipment: Rent and Lease	300	-	300	300	-	300
537000 Building: Rent and Lease	24,661	-	24,661	14,250	-	14,250
539001 Special Departmental Expense	3,500	-	3,500	3,500	-	3,500
540010 Vehicle Expense Reimbursement	-	-	-	11,040	-	11,040
540020 Travel/Transportation	19,750	-	19,750	18,000	-	18,000
541000 Electricity/Gas/Water/Sewer/CAM Charges	4,410	-	4,410	4,750	-	4,750
Total Services & Supplies	145,539	-	145,539	149,673	-	149,673
Appropriations						
580010 Appropriation Contingency	30,000	-	30,000	30,000	-	30,000
101001 Appropriation Reserve	10,000	-	10,000	10,000	-	10,000
Total Appropriations	40,000	-	40,000	40,000	-	40,000
Total Services & Supplies and Appropriations	185,539	-	185,539	189,673	-	189,673
Total	644,157	-	644,157	647,225	-	647,225

Proposed Final Budget Narrative for Fiscal Year 2016-2017

May 5, 2016

FUNDING SOURCES:

441000 – Interest Earned **\$5,000**

Interest income is accrued on treasury cash.

453006; 453008; 454000 – Member Agency Funding **\$586,654**

Allocation and Proportionate Share of Funding Requirement:

453006: Other Governmental Agencies (County @ 45%)	\$263,994
453008: Other Governmental Agencies (Cities @ 45%)	\$263,994
454000: Other-In-Lieu Revenue (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.

462005 – Charges for Services **\$29,571**

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 – Regular Help Wages **\$316,925**

Salaries reflect base wages pursuant to the adopted Salary Plan, including a 2% COLA.

5120010 thru 516010 – Benefits **\$140,627**

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 **\$4,000**

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

531000 – Associations Memberships **\$4,850**

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 **\$6,000**

General offices supplies, including computer software upgrades.

534000 – Consultants **\$67,561**

County Accounting Services (\$3,401); County Treasury Services (\$35); County Human Resources Services (\$13,500); Annual Audit Fees (\$11,625); Legal Counsel Fees (\$24,000) and GIS mapping services (\$15,000).

534005 – Claims Administration **\$2,300**

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	\$14,250
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Pursuant to H.P. Downer Business Center, LLC lease agreement.

539001 – Special Departmental Expense	\$3,500
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Website maintenance; professional development and training.

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

540020 – Transportation/Travel	\$18,000
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Attendance at conferences, meetings, trainings; and CALAFCO participation.

541000 – Electricity/Gas/Water/Sewer/CAM Charges	\$4,750
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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	\$10,000
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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 2016/17**

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 hearing thereon as required by law on April 7, 2016 for the purpose of developing a Final Budget for the Fiscal Year 2016/17; and

WHEREAS, the Proposed Fiscal Year 2016/17 Budget has been circulated to all affected agencies pursuant to Government Code Section 56381(a); and

WHEREAS, the Butte Local Agency Formation Commission has not increased member agencies' assessments; however, 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 7, 2015.

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. 12 2015/16

PASSED AND ADOPTED by the Butte Local Agency Formation Commission
this 5th day of May 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Carl Leverenz, Chair
Butte Local Agency Formation Commission

ATTEST:

Stephen Lucas, Executive Officer