

## MEMORANDUM

TO: Local Agency Formation Commission

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

**SUBJECT: Agenda Item 4.2 – Review and Consideration of Final Budget for FY 2014/15**

DATE: April 23, 2014 for the Meeting of May 1, 2014

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On April 3, 2014, the Commission reviewed and approved the Proposed Budget for FY 2014/15, as unanimously recommended by the Budget Committee, and continued the item to May 1, 2014 for final adoption. Pursuant to California Government Code §56381, the Proposed Budget was initially circulated on March 28, 2014 to all affected agencies. Aside from the initial meeting of the Budget Committee on February 26, 2014, no comments have been received throughout the budget proceedings for Fiscal Year 2014/15.

The Final Budget for FY 2014/15, as presented:

1. Authorizes permanent employee furloughs by 10-15%; and
2. Authorizes a 2% cost of living adjustment (COLA) for Fiscal Year 2014/15 and amend Salary Plan and Incentive Pay provisions of the Personal Policies; and
3. Increases member agency assessments by 15% 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. 26 2013/14 approving the Final Budget for FY 2014/15.

Attachments:

1. Proposed Final Budget for FY 2014/15
2. Resolution No. 26 2013/14



**Butte Local Agency Formation Commission  
Proposed Final Budget for FY 2014/15 - May 1, 2014**

**ATTACHMENT 1**

	2013/14			2013/14			2014/15		
	As Adopted May 2, 2013			Reference Note Below			Proposed	Special Project	Total
	Adopted	Special Project	Total	Adopted	Special Project	Total			
<b>FUNDING SOURCES</b>									
101001 Fund Balance	93,986	-	93,986	93,986	6,224	100,210	7,654	-	7,654
4410101 Interest Earned	7,000	-	7,000	7,000	-	7,000	5,000	-	5,000
4547970 County Funding	218,628	-	218,628	218,628	-	218,628	251,423	-	251,423
4547971 Cities Funding	218,628	-	218,628	218,628	-	218,628	251,423	-	251,423
4547972 Special District Funding	48,584	-	48,584	48,584	-	48,584	55,872	-	55,872
4617230 Filing Fees	35,000	-	35,000	35,000	-	35,000	35,000	-	35,000
4711308 Sphere of Influence Trust Fund Transfers	50,000	-	50,000	50,000	-	50,000	21,638	-	21,638
4712523 Miscellaneous Income	-	-	-	-	-	-	-	-	-
4712531 Reimbursement of P/Y Expenditures	-	-	-	-	-	-	-	-	-
<b>Total Funding Sources</b>	<b>671,826</b>	<b>-</b>	<b>671,826</b>	<b>671,826</b>	<b>6,224</b>	<b>678,050</b>	<b>628,010</b>	<b>-</b>	<b>628,010</b>
<b>EXPENDITURES</b>									
<b>Salaries &amp; Wages</b>									
511 Salaries & Wages	338,870	-	338,870	338,870	-	338,870	304,612	-	304,612
<b>Benefits</b>									
518002 PERS Miscellaneous Contribution	40,294	-	40,294	40,294	-	40,294	38,523	-	38,523
518003 ICMA Deferred Compensation & Medicare Tax	25,924	-	25,924	25,924	-	25,924	23,303	-	23,303
518004 Health, Dental & Vision Insurance	36,426	-	36,426	36,426	-	36,426	43,623	-	43,623
518005 Employee Assistance Program	528	-	528	528	-	528	528	-	528
518006 SUI, ETT & SDI	4,397	-	4,397	4,397	-	4,397	3,967	-	3,967
518007 PERS Buyout	23,721	-	23,721	23,721	-	23,721	21,323	-	21,323
518010 Cash Back Payments	6,067	-	6,067	6,067	-	6,067	6,067	-	6,067
518012 Flexible Spending Program	-	-	-	-	-	-	-	-	-
518014 Basic Life Insurance	132	-	132	132	-	132	132	-	132
518024 Long Term Disability Insurance	1,051	-	1,051	1,051	-	1,051	945	-	945
<b>Total Benefits</b>	<b>138,540</b>	<b>-</b>	<b>138,540</b>	<b>138,540</b>	<b>-</b>	<b>138,540</b>	<b>138,411</b>	<b>-</b>	<b>138,411</b>
<b>Total Salaries &amp; Wages and Benefits</b>	<b>477,410</b>	<b>-</b>	<b>477,410</b>	<b>477,410</b>	<b>-</b>	<b>477,410</b>	<b>443,023</b>	<b>-</b>	<b>443,023</b>
<b>Services &amp; Supplies</b>									
523 Communications Services	-	-	-	162	-	162	162	-	162
523201 Communications	2,900	-	2,900	2,900	-	2,900	2,900	-	2,900
523203 Communications - Cell Phone Allowance	840	-	840	840	-	840	840	-	840
526201 Household Expense	750	-	750	750	-	750	750	-	750
527201 General Insurance-Outside Purchase	4,096	-	4,096	4,096	-	4,096	4,096	-	4,096
528 Compensation Insurance	2,000	-	2,000	2,000	-	2,000	2,300	-	2,300
533 Memberships	4,220	-	4,220	4,220	-	4,220	4,167	-	4,167
535201 Office Expense-Outside Purchase/County General Services	3,750	11,000	14,750	6,313	11,000	17,313	6,313	-	6,313
536 Professional & Specialized Services	-	-	-	-	-	-	-	-	-
County Accounting Services	-	-	-	3,401	-	3,401	3,401	-	3,401
County Treasury Services	-	-	-	35	-	35	35	-	35
County Human Resources	-	-	-	13,500	-	13,500	13,500	-	13,500
Annual Audit Fees	7,350	-	7,350	7,350	-	7,350	7,571	-	7,571
Legal Counsel Fees	24,000	-	24,000	24,000	-	24,000	24,000	-	24,000
GIS Consulting Services	15,000	-	15,000	15,000	-	15,000	15,000	-	15,000
El Medio MSR Update & SOI Plan	-	-	-	-	6,224	6,224	-	-	-
	46,350	-	46,350	63,286	6,224	69,510	63,507	-	63,507
537 Publications & Legal Notices	1,900	-	1,900	1,900	-	1,900	1,900	-	1,900
538 Rents & Leases-Buildings	23,419	-	23,419	23,419	-	23,419	24,122	-	24,122
539 Rents & Leases-Equipment	300	-	300	300	-	300	300	-	300
541 Special Departmental Expense	3,500	-	3,500	3,500	-	3,500	3,500	-	3,500
542 Data Processing/County Information Services	-	-	-	6,680	-	6,680	6,680	-	6,680
543201 Transportation & Travel/Outside Purchase	19,750	-	19,750	19,750	-	19,750	19,750	-	19,750
544201 Utilities - Non-ISF Payments	3,300	-	3,300	3,300	-	3,300	3,700	-	3,700
<b>Total Services &amp; Supplies</b>	<b>117,075</b>	<b>11,000</b>	<b>128,075</b>	<b>143,416</b>	<b>17,224</b>	<b>160,640</b>	<b>144,987</b>	<b>-</b>	<b>144,987</b>
<b>County Support Services (See Note Below)</b>									
554572 Procurement Services	2,563	-	2,563	-	-	-	-	-	-
554573 Auditor	3,401	-	3,401	-	-	-	-	-	-
554575 Treasurer - Tax Collector	35	-	35	-	-	-	-	-	-
554576 Human Resources	13,500	-	13,500	-	-	-	-	-	-
554578 Information Systems	6,842	-	6,842	-	-	-	-	-	-
<b>Total County Support Services</b>	<b>26,341</b>	<b>-</b>	<b>26,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Appropriations</b>									
580 Contingency	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000
7970 Reserve	10,000	-	10,000	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>40,000</b>	<b>-</b>	<b>40,000</b>
<b>Total Services &amp; Supplies, County Support Services and Appropriations</b>	<b>183,416</b>	<b>11,000</b>	<b>194,416</b>	<b>183,416</b>	<b>17,224</b>	<b>200,640</b>	<b>184,987</b>	<b>-</b>	<b>184,987</b>
<b>Total</b>	<b>660,826</b>	<b>11,000</b>	<b>671,826</b>	<b>660,826</b>	<b>17,224</b>	<b>678,050</b>	<b>628,010</b>	<b>-</b>	<b>628,010</b>

**NOTE: Beginning in FY 2013/14, County Support Services have been integrated within Services & Supplies.**

# Proposed Final Budget Narrative for Fiscal Year 2014-2015

May 1, 2014

## Funding Sources:

**101001 - Fund Balance** **\$7,654**

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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** **\$558,718**

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Allocation and Proportionate Share of Funding Requirement:

4547970: County (45%) @ \$251,423  
4547971: Cities (45%) @ \$251,423  
4547972: Special Districts (10%) @ \$55,872

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.

**4711308 - Sphere of Influence Trust Fund Transfers** **\$21,638**

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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** **\$304,612**

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Salaries reflect base wages pursuant to the adopted Salary Plan.

**518 - Employee Benefits** **\$138,411**

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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.

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**523 - Communications** **\$3,902**

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County Communication Services (\$162); Monthly expense (\$2,900) and cell phone allowance (\$840).

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**526 - Household Expenses** **\$750**

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

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**527 - General Insurance** **\$4,096**

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

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**528 - Workers' Compensation Insurance** **\$2,300**

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

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**533 - Memberships** **\$4,167**

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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.

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**535 - Office Expense** **\$6,313**

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County General Services, i.e., copier, printing and postage (\$2,563); General offices supplies, including computer software upgrades (\$3,750).

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**536 - Professional & Specialized Services** **\$63,507**

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County Accounting Services (\$3,401); County Treasury Services (\$35); County Human Resources Services (\$13,500); and other annual professional services including legal counsel fees (\$24,000), GIS mapping services (\$15,000) and financial audit (\$7,571).

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

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

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**538 - Rents & Leases - Buildings** **\$24,122**

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Pursuant to H.D. Downer Business Center, LLC lease agreement.

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**539 - Rents & Leases - Equipment** **\$300**

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Office security system.

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**541 - Special Department Expense** **\$3,500**

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Website maintenance; professional development and training.

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**542 - Data Processing** **\$6,680**

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County Information Services.

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**543 - Transportation & Travel** **\$19,750**

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Attendance at conferences, meetings, trainings; CALAFCO participation and monthly vehicle allowances.

<b>544 - Utilities</b>	<b>\$3,700</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 NO. 26 2013/14**

**RESOLUTION ADOPTING THE  
BUTTE LOCAL AGENCY FORMATION COMMISSION  
FINAL BUDGET FOR FISCAL YEAR 2014/15**

**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 3, 2014 for the purpose of developing a Final Budget for the Fiscal Year 2014/15; and

**WHEREAS**, the Proposed Fiscal Year 2014/15 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 fifteen 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 permanent employee furloughs by 10-15%; and
2. Authorizes a 2% cost of living adjustment (COLA) for Fiscal Year 2014/15 and amend Salary Plan and Incentive Pay provisions of the Personal Policies.

**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. 26 2013/14**

**PASSED AND ADOPTED** by the Butte Local Agency Formation Commission  
this 1st day of May 2014 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