

MEMORANDUM

TO: Local Agency Formation Commission

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

SUBJECT: Agenda Item 3.1 – Review and Consideration of Final Budget for FY 2013/14

DATE: April 24, 2012 for the Meeting of May 2, 2013

On April 4, 2013, the Commission reviewed and approved the Proposed Budget for FY 2013/14, as unanimously recommended by the Budget Committee, and continued the item to May 2, 2013 for final adoption. Pursuant to California Government Code §56381, the Proposed Budget was initially circulated on March 28, 2013 to all affected agencies. Aside from the initial meeting of the Budget Committee on February 28, 2013, no comments have been received throughout the budget proceedings for Fiscal Year 2013/14.

The Final Budget for FY 2013/14, as presented:

1. Authorizes the continuation of a furlough program to be executed at the discretion of the Executive Officer based on application activity and projected revenues for Fiscal Year 2013/14; and
2. Accepts employee's voluntary elimination of cost of living adjustments (COLA) to the adopted 2008 Salary Plan and Incentive Pay provisions of the Personal Policies for Fiscal Year 2013/14; and
3. Increases member agency assessments by ten 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 2012/13 approving the Final Budget for FY 2013/14.

Attachments:

1. Proposed Final Budget for FY 2013/14
2. Resolution No. 17 2012/13



**Butte Local Agency Formation Commission
Proposed Final Budget for FY 2013/14 - May 2, 2013**

	2012/13			2013/14			
	Adopted	Special Project	Total	Proposed	Special Project	Total	
FUNDING SOURCES							
101001 Fund Balance	97,511	-	97,511	93,986	-	93,986	
101001 Fund Balance, Reserve	50,000	-	50,000	-	-	-	
4410101 Interest Earned	9,000	-	9,000	7,000	-	7,000	
4547970 County Funding	198,753	-	198,753	218,628	-	218,628	
4547971 Cities Funding	198,753	-	198,753	218,628	-	218,628	
4547972 Special District Funding	44,167	-	44,167	48,584	-	48,584	
4617230 Filing Fees	35,000	15,786	50,786	35,000	-	35,000	
4711308 Sphere of Influence Trust Fund Transfers	50,000	-	50,000	50,000	-	50,000	
4712523 Miscellaneous Income	3,000	-	3,000	-	-	-	
4712531 Reimbursement of P/Y Expenditures	-	-	-	-	-	-	
Total Funding Sources	686,184	15,786	701,970	671,826	-	671,826	-4%
EXPENDITURES							
Salaries & Wages							
511 Salaries & Wages	335,470	-	335,470	338,870	-	338,870	
Benefits							
518002 PERS Miscellaneous Contribution	38,840	-	38,840	40,294	-	40,294	
518003 ICMA Deferred Compensation & Medicare Tax	25,665	-	25,665	25,924	-	25,924	
518004 Health, Dental & Vision Insurance	54,450	-	54,450	36,426	-	36,426	
518005 Employee Assistance Program	528	-	528	528	-	528	
518006 SUI, ETT & SDI	5,224	-	5,224	4,397	-	4,397	
518007 PERS Buyout	23,483	-	23,483	23,721	-	23,721	
518010 Cash Back Payments	6,067	-	6,067	6,067	-	6,067	
518014 Basic Life Insurance	132	-	132	132	-	132	
518024 Long Term Disability Insurance	1,041	-	1,041	1,051	-	1,051	
Total Benefits	155,430	-	155,430	138,540	-	138,540	-11%
Total Salaries & Wages and Benefits	490,900	-	490,900	477,410	-	477,410	-3%
Services & Supplies							
523201 Communications	2,995	-	2,995	2,900	-	2,900	
523203 Communications - Cell Phone Allowance	840	-	840	840	-	840	
526201 Household Expense	750	-	750	750	-	750	
527201 General Insurance-Outside Purchase	3,816	-	3,816	4,096	-	4,096	
528 Compensation Insurance	2,200	-	2,200	2,000	-	2,000	
533 Memberships	3,900	-	3,900	4,220	-	4,220	
535201 Office Expense-Outside Purchase	3,750	-	3,750	3,750	11,000	14,750	
536 Professional & Specialized Services							
Annual Audit Fees	6,600	-	6,600				
Legal Counsel Fees	24,000	-	24,000	7,350	-	7,350	
GIS Consulting Services	15,000	-	15,000	24,000	-	24,000	
El Medio MSR Update & SOI Plan	-	15,786	15,786	15,000	-	15,000	
	45,600	15,786	61,386	46,350	-	46,350	
537 Publications & Legal Notices	1,900	-	1,900	1,900	-	1,900	
538 Rents & Leases-Buildings	22,737	-	22,737	23,419	-	23,419	
539 Rents & Leases-Equipment	300	-	300	300	-	300	
541 Special Departmental Expense	3,622	-	3,622	3,500	-	3,500	
543201 Transportation & Travel/Outside Purchase	19,750	-	19,750	19,750	-	19,750	
544201 Utilities - Non-ISF Payments	3,300	-	3,300	3,300	-	3,300	
Total Services & Supplies	115,460	15,786	131,246	117,075	11,000	128,075	-2%
County Support Services							
554571 Administration	1,264	-	1,264	-	-	-	
554572 Procurement Services	8,204	-	8,204	2,563	-	2,563	
554573 Auditor	1,366	-	1,366	3,401	-	3,401	
554575 Treasurer - Tax Collector	34	-	34	35	-	35	
554576 Human Resources	3,762	-	3,762	13,500	-	13,500	
554578 Information Systems	6,979	-	6,979	6,842	-	6,842	
554579 Finance Management	2,035	-	2,035	-	-	-	
554599 Carry Forward	16,180	-	16,180	-	-	-	
Total County Support Services	39,824	-	39,824	26,341	-	26,341	-34%
Appropriations							
580 Contingency	30,000	-	30,000	30,000	-	30,000	
7970 Reserve	10,000	-	10,000	10,000	-	10,000	
Total Appropriations	40,000	-	40,000	40,000	-	40,000	0%
Total Services & Supplies, County Support Services and Appropriations	195,284	15,786	211,070	183,416	11,000	194,416	-8%
Total	686,184	15,786	701,970	660,826	11,000	671,826	-4%

Proposed Final Budget Narrative for FY 2013/14

May 2, 2013

Funding Sources:

101001 - Fund Balance	Proposed:	\$93,986
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4410101 - Interest	Proposed:	\$7,000
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Interest income is accrued on treasury cash.

4547970; 4547971; 4547972 - Member Agency Funding	Proposed:	\$485,840
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Allocation and Proportionate Share of Funding Requirement:

County	45%	\$218,628
Cities	45%	\$218,628
Special Districts	10%	\$ 48,584

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	Proposed:	\$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	Proposed:	\$50,000
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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:

511 - Salaries & Wages	Proposed:	\$338,870
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Salaries reflect base wages pursuant to the adopted Salary Plan.

518 - Employee Benefits	Proposed:	\$138,530
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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	Proposed:	\$3,740
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Communication expense (\$2,995) and cell phone allowance (\$840).

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

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

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

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

528 - Workers' Compensation Insurance **Proposed: \$2,000**

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

533 - Memberships **Proposed: \$4,220**

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

535 - Office Expense **Proposed: \$14,750**

Offices supplies, server replacement (\$5,500) and computer software upgrades, i.e., Microsoft Office 2013 (\$2,200) & GIS licenses (\$5,550).

536 - Professional & Specialized Services **Proposed: \$46,350**

Annual professional services include legal counsel fees (\$24,000); GIS mapping services (\$15,000) and financial audit (\$7,350).

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

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

538 - Rents & Leases - Buildings **Proposed: \$23,419**

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

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

Office security system.

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

Website maintenance; professional development and training.

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

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

544 - Utilities **Proposed: \$3,300**

Electricity, natural gas, water, garbage disposal and landscaping.

County Support Services:

554 - Support Services**Proposed: \$26,341**

Pursuant to Contractual Services Agreement between Butte County and Butte Local Agency Formation Commission.

554572: Procurement Services @ \$2,563
554573: Auditor @ \$3,401
554573: Treasurer - Tax Collector @ \$35
554576: Human Resources @ \$13,500
554578: Information Systems @ \$6,842

Appropriations:

580 - Contingency**Proposed: \$30,000**

Unanticipated costs, i.e., budget shortfall coverage, special studies or legal fees.

797 - Reserve**Proposed: \$10,000**

Isolated funding for accrued leave liabilities and other post employment benefits.

Summary:

Proposed Budget for FY 2013-14	
Funding Sources	<u>\$671,826</u>
Expenditures:	
Salaries & Wages	477,410
Services & Supplies	128,075
County Support Services	26,341
Appropriations	<u>40,000</u>
	<u>\$671,826</u>

RESOLUTION NO. 17 2012/13

**RESOLUTION ADOPTING THE
BUTTE LOCAL AGENCY FORMATION COMMISSION
FINAL BUDGET FOR FISCAL YEAR 2013/14**

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 4, 2013 for the purpose of developing a Final Budget for the Fiscal Year 2013/14; and

WHEREAS, the Proposed Fiscal Year 2013/14 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 ten 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 a furlough program to be executed at the discretion of the Executive Officer based on application activity and projected revenues for Fiscal Year 2013/14; and
2. Accepts employee's voluntary elimination of cost of living adjustments (COLA) to the adopted 2008 Salary Plan and Incentive Pay provisions of the Personal Policies for Fiscal Year 2013/14.

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 2012/13

PASSED AND ADOPTED by the Butte Local Agency Formation Commission
this 2nd day of May 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Carl Leverenz, Chair
Butte Local Agency Formation Commission

ATTEST:

Stephen Lucas, Executive Officer