



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

May 11, 2016

To: LAFCo Commissioners
From: Martha Poyatos, Executive Officer
Subject: Recommended Final 2016-17 LAFCo Budget

Recommendations

1. Open the public hearing on the LAFCo 2016-17 recommended Final Budget and receive public comment.
2. Consider and adopt the Recommended Final Appropriations Budget of \$450,230 for the 2016-17 Fiscal Year with any desired changes and direct the Executive Officer to distribute it to the County, cities, and independent special districts.

Background

Section 56381 of the Cortese-Knox-Hertzberg Act, which covers adoption of the LAFCo budget, requires Commission consideration of both a Proposed and a Final Budget at the following intervals:

1. By May 1, the Commission shall adopt a Proposed Budget at a noticed public hearing
2. By June 15, the Commission shall adopt a Final Budget at a noticed public hearing following circulation of the recommended Final Budget to the County, all cities, and all independent special districts.

This process requires distribution of both the Proposed Budget and Final Budget to all funding agencies prior to Commission action. The Act also provides for carryover of unused funds to the subsequent year's budget and requires that the LAFCo net operating budget be funded in thirds by the County, the cities, and independent special districts.¹ Also, because the Proposed and Final Budgets are adopted before the end of the fiscal year and include an *estimate* of fund balance carryover, once the current fiscal year closes and the actual fund balance carryover is determined, it is necessary for the Commission to consider revisions to the budget to reflect application of the actual fund balance carryover.

¹ Apportionment of the one-third shares to individual cities and special districts is calculated by the County Controller based on proportionate share of revenues reported in the most recent edition of the State Controller's reports on cities and special districts. These reports are not yet available. For estimation purposes, agencies can reference the apportionment rates calculated for the 2016-17 Fiscal Year.

At the March 16, 2016 Commission meeting, the Commission considered and approved the Proposed 2016-17 Budget as recommended by the Budget Committee consisting of Commissioners Cosgrove, Garbarino and Horsley. The Proposed Budget was based in part on estimated actuals for the current fiscal year and costs provided by the County for services provided by contract.

Components of the budget include appropriations for salaries, services, and supplies, which are provided by contract with the County of San Mateo, in this fiscal year consulting and appropriations for reserve.²

2016-17 Estimated Actual Budget

Changes since the March review of the budget include cost of computer replacement for the Executive Officer and Clerk and replacement of a monitor for the Executive Officer in the amount of \$1,728, which reduces the fund balance carryover by the same amount.

2016-17 Proposed Final Budget

The recommended 2016-17 budget includes a reduction in salary and benefits of \$6,452 based on updated data from the County Budget Office. Other changes include a correction in the rent from \$3,504 to \$3,540, updated A-87 amount of \$6,193 (compared to \$4,656), and a slight reduction in 3% reserve to \$12,685 (compared to \$12,810) in the March budget. The amended recommended appropriations budget for 2016-17 is \$450,230, or \$4,305 less than recommended in March. The net operating budget (Appropriations less fund balance and application revenues) is \$321,244, or \$2,577 less than the recommendation in March. The one-third apportionment to the County, cities, and special districts is \$107,081 or \$859 less than the recommended budget in March.

Apportionment to County, Cities, and Special Districts

As noted above, the Net Operating Budget is apportioned in thirds to the County, cities, and independent special districts with the cities' shares based on general fund revenues as reported to the State Controller and the independent special districts' shares based on the same formula. After September revisions to the budget based on actual fund balance, the County Controller prepares apportionment tables indicating each agency's share of the LAFCo net operating budget and invoices cities and special districts. The County's apportionment is transferred to the LAFCo budget via intrafund transfer. The Recommended Final LAFCo Net Operating Budget of \$321,244 as proposed results in one-third apportionments of \$107,081.

The May 11, 2016 budget spreadsheet (Attachment A) and the March 9, 2016 budget spreadsheet (Attachment B) are attached for your reference.

² The Commission's reserve amount is re-established each year and does not accumulate.

Recommended Action

It is respectfully recommended that the Commission open the public hearing, accept comments, and consider and adopt the Recommended Final Budget for 2016-17 of \$452,230 as proposed or with any desired changes and direct the Executive Officer to distribute it to the County, cities, and independent special districts and forward it to the County Controller.

cc: John Maltbie, County Manager, County of San Mateo
Members, County of San Mateo Board of Supervisors
City Managers, Cities of the County of San Mateo
Finance Directors, Cities of the County of San Mateo
General Managers, Independent Special Districts of the County of San Mateo

LAFCo	Rec. Final 2016-17		Adopted	Final	September	Estimated	Proposed
	Wednesday, May 11, 2016	Actual	Revised	Actual	Revised	Actual	Draft
		2013-14	2014-15	2014-15	2015-16	2015-16	2016-17
4111	Salary & Benefits Executive Office	196,912	205,258	208,804	223,164	223,164	222,349
4111	Salary & Benefits Executive Sec	24,115	52,000	40,760	54,000	48,000	45,203
4141	Admin. Leave Cash Out (E.O.)	5,074	5,300	4,848	6,000	6,000	6,000
4161	Commissioner Compensation	4,200	4,800	3,400	4,800	4,800	4,800
	County Annuity	5,048	7,853	1,986	0	0	0
	SALARIES & BENEFITS	235,349	275,211	259,798	287,964	281,964	278,352
	Prior Year Refund/withdrawn application			1,287			
	Refund County overpayment in 2014/15				12,416	12,416	0
5191	Outside Printing (other special p	113	1,000	0	1,000	0	1,000
5193	General Office Supplies	583	500	514	500	500	500
5196	Photocopy - in-house copier	0	500	500	500	500	500
5197	Postage & Mailing Service	572	1,500	168	1,500	350	1,500
5212	Computer Equipment under \$5,	4,002				1,728	
5331	Memberships (CALAFCo/CSDA)	6,281	6,268	6,455	6,649	6,637	7,100
5341	Legal Advertising	1,624	1,500	310	1,500	950	1,500
5712	Mileage Allowance/Motor Pool	107	250	250	250	200	250
5721	Meetings & Conferences	6,171	8,000	5,338	8,000	7,500	8,000
5733	Training	0	250	0	250	0	250
5810	Fiscal Office Specialist	988	988	988	988	988	988
5218	Corovan Records Storage	234	200	209	200	150	200
5848	Graphics	0	4,500	0	4,500	0	4,500
5858	Consulting	-	100,000	95,398	16,557	16,557	60,000
5962	Admin Asst. Shared with Parks.	2,561	0	0	0	0	0
5861	GIS Mapping	0	2,500	0	2,500	0	2,500
5872	Controller Admin**	1,740	2,440	1,552	1,660	1,660	1,641
6712	Telephone	502	670	391	500	425	500
6713	ISD (Automation Services)	5,480	4,650	4,238	8,377	6,800	8,377
6714	Rent	2,703	2,703	2,703	3,540	3,540	3,540
6722	countywide security and hr	105	0	34	90	90	53
6725	Gen'l Liability & bond ins.	3,423	4,229	3,319	4,651	4,651	5,387
6732	County Counsel	8,366	30,000	10,983	30,000	18,000	30,000
6821	A 87 Charges	4,135	4,135	2,576	5,178	4,656	6,193
	Subtotal Appropriations	285,039	451,994	397,011	399,270	370,262	422,831
8612	Reserve 3%	0	13,560	0	11,978	-	12,685
	one time reserve (portion of fur	0	29,068	0	65,000	-	14,714
	Total Appropriations Budget	\$285,039	\$494,622	\$397,011	476,248	370,262	450,230
	Revenues						
	Fund Balance ***	91,865	122,268	122,268	111,331	111,331	98,986
	Unanticipated Rev-Env. Review Fee			14,745			
	Application Fees	19,533	30,000	16,559	30,000	23,000	30,000
	Intergov. Revenue (County/City	295,909	342,354	354,770	334,917	334,917	321,244
	Total Revenues	\$407,307	\$494,622	\$508,342	476,248	469,248	450,230
	County/City/District 1/3 Apportionmen	\$98,636	\$114,118	114,118	111,639	111,639	107,081

***Fund balance for 15/16 - savings in various accounts, county overpayment and carry over of consulting.

LAFCo	Proposed Draft 2016-17	Actual 2013-14	Adopted	Final	September	Estimated	Proposed
	3/9/2016		Revised 2014-15	Actual 2014-15	Revised 2015-16	Actual 2015-16	Draft 2016-17
4111	Salary & Benefits Executive Office	196,912	205,258	208,804	223,164	223,164	222,136
4111	Salary & Benefits Executive Sec	24,115	52,000	40,760	54,000	48,000	51,868
4141	Admin. Leave Cash Out (E.O.)	5,074	5,300	4,848	6,000	6,000	6,000
4161	Commissioner Compensation	4,200	4,800	3,400	4,800	4,800	4,800
	County Annuity	5,048	7,853	1,986	0	0	0
	SALARIES & BENEFITS	235,349	275,211	259,798	287,964	281,964	284,804
	Prior Year Refund/withdrawn application			1,287			
	Refund County overpayment in 2014/15				12,416	12,416	0
5191	Outside Printing (other special p	113	1,000	0	1,000	0	1,000
5193	General Office Supplies	583	500	514	500	500	500
5196	Photocopy - in-house copier	0	500	500	500	500	500
5197	Postage & Mailing Service	572	1,500	168	1,500	350	1,500
5212	Computer Equipment under \$5,	4,002					
5331	Memberships (CALAFCo/CSDA)	6,281	6,268	6,455	6,649	6,637	7,100
5341	Legal Advertising	1,624	1,500	310	1,500	950	1,500
5712	Mileage Allowance/Motor Pool	107	250	250	250	200	250
5721	Meetings & Conferences	6,171	8,000	5,338	8,000	7,500	8,000
5733	Training	0	250	0	250	0	250
5810	Fiscal Office Specialist	988	988	988	988	988	988
5218	Corovan Records Storage	234	200	209	200	150	200
5848	Graphics	0	4,500	0	4,500	0	4,500
5858	Consulting	-	100,000	95,398	16,557	16,557	60,000
5962	Admin Asst. Shared with Parks.	2,561	0	0	0	0	0
5861	GIS Mapping	0	2,500	0	2,500	0	2,500
5872	Controller Admin**	1,740	2,440	1,552	1,660	1,660	1,641
6712	Telephone	502	670	391	500	425	500
6713	ISD (Automation Services)	5,480	4,650	4,238	8,377	6,800	8,377
6714	Rent	2,703	2,703	2,703	3,540	3,540	3,504
6722	countywide security and hr	105	0	34	90	90	90
6725	Gen'l Liability & bond ins.	3,423	4,229	3,319	4,651	4,651	4,651
6732	County Counsel	8,366	30,000	10,983	30,000	18,000	30,000
6821	A 87 Charges	4,135	4,135	2,576	5,178	4,656	4,656
	Subtotal Appropriations	285,039	451,994	397,011	399,270	368,534	427,011
8612	Reserve 3%	0	13,560	0	11,978	-	12,810
	one time reserve (portion of fur	0	29,068	0	65,000	-	14,714
	Total Appropriations Budget	\$285,039	\$494,622	\$397,011	476,248	368,534	454,535
	Revenues						
	Fund Balance ***	91,865	122,268	122,268	111,331	111,331	100,714
	Unanticipated Rev-Env. Review Fee			14,745			
	Application Fees	19,533	30,000	16,559	30,000	23,000	30,000
	Intergov. Revenue (County/City	295,909	342,354	354,770	334,917	334,917	323,821
	Total Revenues	\$407,307	\$494,622	\$508,342	476,248	469,248	454,535
	County/City/District 1/3 Apportionmen	\$98,636	\$114,118	114,118	111,639	111,639	107,940

***Fund balance for 15/16 - savings in various accounts, county overpayment and carry over of consulting.