

Chairman

Sam Abed
Mayor
City of Escondido

March 6, 2017

Vice Chairwoman

Jo MacKenzie
Vista Irrigation District

TO: Local Agency Formation Commission

Members

Bill Horn
County Board of
Supervisors

FROM: Executive Officer

SUBJECT: FY 2017-18 LAFCO Budget Resolution

Dianne Jacob
County Board of
Supervisors

Executive Summary

Andrew Vanderlaan
Public Member

On February 6, 2017, the Commission held a public hearing and adopted the Proposed/Final LAFCO Budget for FY 2017-18. Attached is the draft resolution formalizing the Commission's February 6th budget action. The Commission should review and ratify the budget resolution so that it can be transmitted to the County of San Diego Auditor and the various governmental membership categories represented on the Commission (city, county, independent special district). Therefore, it is

Lorie Zapf
Councilmember
City of San Diego

Vacant
City Member

RECOMMENDED: That your Commission

Ed Sprague
Olivenhain Municipal
Water District

Alternate Members

Greg Cox
County Board of
Supervisors

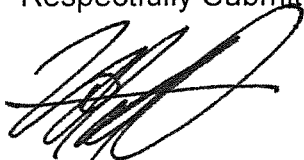
(1) Review and ratify the FY 2017-18 LAFCO Budget resolution.

(2) Direct the Executive Officer to transmit the LAFCO budget resolution to the membership categories represented on the Commission.

Chris Cate
Councilmember
City of San Diego

Respectfully Submitted,

Racquel Vasquez
Mayor
City of Lemon Grove



Harry Mathis
Public Member

MICHAEL D. OTT
Executive Officer

Judy Hanson
Leucadia Wastewater
District

MDO:ra

Executive Officer

Attachment

Michael D. Ott

FY 2017-18 LAFCO Budget Resolution

Legal Counsel

Michael G. Colantuono

DRAFT
RESOLUTION
ADOPTING THE PROPOSED/FINAL FY 2017–18 BUDGET
SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

LAFCO BUDGET MINUTE ITEM NO. 7

WHEREAS, the Local Agency Formation Commission adopted the FY 2017–18 Budget at its regular meeting on February 6, 2017 and authorized its Executive Officer to implement all related budget recommendations and provisions; and

WHEREAS, the San Diego LAFCO's FY 2017–18 Budget was adopted on motion of ***Commissioner Sprague, seconded by Commissioner Vasquez, and carried by a unanimous vote of the following commissioners present at the February 6, 2017 hearing: Special District Representatives: Jo MacKenzie and Ed Sprague; County Representatives: Supervisors Bill Horn and Dianne Jacob; Cities Representatives: Mayors Sam Abed and Racquel Vasquez, and Councilmember Lorie Zapf; and Public Member Andy Vanderlaan;*** and

WHEREAS, at a minimum, State Law requires that the LAFCO budget be equal to the budget adopted for the previous year unless the Commission finds that the proposed staffing or program costs will allow the Commission to fulfill its purposes under State Law [Government Code Section 56381]; and

WHEREAS, the Commission finds that the proposed staffing or program costs will allow the Commission to fulfill its purposes under State Law and accordingly approves the FY 2017-18 Budget [Government Code Section 56381]; and

WHEREAS, the net operating cost fixed by the Commission subject to *Government Code Section 56381* is \$1,635,099 and is apportioned as follows:

County of San Diego:	\$467,171.14
City of San Diego:	\$233,585.57
Remaining Cities (17):	\$467,171.14
Independent Districts (61):	\$467,171.14

WHEREAS, the Commission hereby adopts the net amount of \$1,635,099 and a total apportionment of \$1,986,899, and notifies the County Auditor and Controller that no later than July 1, 2017, a request for payment from the Board

of Supervisors, each city, and each independent special district shall be made in accordance with the provisions in Government Code Section 56381(c).

WHEREAS, the Commission authorized the Executive Officer to retain a commitment designation for \$100,000 (Account 46725) in FY 2017–18 for proposed jurisdictional reorganizations involving County Islands 2–4; Julian–Cuyamaca FPD; CSA No. 17; CSA No. 115; and Alpine FPD, and the commitment of \$75,000 (Account 46725) for litigation expenses.

NOW, THEREFORE, BE IT RESOLVED, that the Commission held a public hearing on February 6, 2017 and took the following actions per Budget Minute Order Item 7:

- (1) Opened the hearing on the Proposed/Final Budget FY 2017–18 LAFCO and received a budget update for FY 2016–17 and summary of the FY 2017–18 Proposed/Final Budget. Closed the hearing after receiving public comments; and
- (2) Adopted the Proposed/Final FY 2017–18 Budget and directed the Executive Officer to implement all related budget recommendations in the staff report, including but not limited to:
 - (a) Directed the County Auditor/Chief Financial Officer to request payment from the Board of Supervisors and each city and independent district no later than July 1 for the amount owed and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity (Government Code Section 56381).
 - (b) Authorized the Executive Officer and the County Auditor/Chief Financial Officer to determine an appropriate method of collecting the required payment if payment is not remitted within 60 days. Per State Law, the Executive Officer may request the Auditor to collect an equivalent amount from the property tax or any fee or eligible revenue owed to the County, City, or District. Any expenses incurred by the Commission or Auditor in collecting late payments shall be added to the payment owed the Commission [Government Code Section 56381(c)]. Request the Auditor to use the budget adoption date as the basis for selecting the most recent editions of the accounting publications that must be used under State Law to prepare the cost apportionment allocation.
 - (c) Authorized the Executive Officer to remove the “commitment” of \$175,000 of trust fund 46725 monies when and if these funds are transferred into LAFCO’s operating account.

- (d) Ratified the continuation of the fund balance designations and amount of funds contained within each designation for FY 2017–18.
- (e) Directed the Executive Officer to make conforming changes to LAFCO’s fund balance designations based on amounts added to or removed from associated fund balance accounts, and to advise the Commission upon making such changes.
- (f) Authorized the transfer of unspent funds from LAFCO’s FY 2016–17 and FY 2017–18 Budgets to Accounts 46725, 46726, or 46727 and directed the Executive Officer to inform the Commission of the amount of the fund transfer during the quarterly budget update.
- (g) Directed the Executive Officer to make appropriations adjustments and fund transfers (additions or deletions, services and supplies adjustments, and staffing level changes) to contain LAFCO’s FY 2017–18 at or below \$1,986,899 and net costs at or below \$1,635,099.
- (h) Directed the Executive Officer to return to the Commission with a report and recommendations after the County of San Diego adopts new wage and benefit plan for its employees for FY 2017–18.
- (j) Authorized the Executive Officer to direct the County Auditor to establish LAFCO’s budget and appropriations at the gross and net levels contained in Figures 1–3 of the Proposed/Final FY 2017–18 LAFCO Budget.

The foregoing represents a true transcript of the resolution adopted by the San Diego Local Agency Formation Commission on February 6, 2017 and the Executive Officer is hereby authorized to transmit this resolution to the local agencies in San Diego County responsible for funding LAFCO’s budget.

Signed at San Diego, California, on March 6, 2017.

MICHAEL D. OTT
Executive Officer

MDO:trl

Attachment: LAFCO Budget Figures 1-2 (FY 2017-18)

Figure 1
LAFCO Budget: FY 2015-16 to FY 2017-18

Ordinary Income/Expense	Actual FY15-16 Budget	Adopted FY15-16 Budget	Est. Actual FY16-17 Budget	Adopted FY16-17 Budget	Recommended FY17-18 Budget
Income					
45918 · LAFCO Apportionment (net cost)	1,394,945.74	1,394,946.00	1,577,636.08	1,578,564.00	1,635,099.00
46234 · Service to Property Owner	76,510.00	125,000.00	75,000.00	150,000.00	125,000.00
47540 · Operating Transfers	175,000.00	370,365.00	100,000.00	250,000.00	175,000.00
47615 · Other Sales - Taxable	0.00	0.00	0.00	0.00	0.00
49000 · Processing Fee	0.00	0.00	0.00	0.00	0.00
44105 · Interest & Dividends	5,255.31	5,500.00		5,500.00	6,800.00
0000 · Miscellaneous Revenue /Transfer	101,912.86	0.00	50,000.00	0.00	45,000.00
80100 · Receipts Sch TR & Agency	0.00	0.00	0.00	0.00	0.00
TOTAL Income	1,753,623.91	1,895,811.00	1,802,636.08	1,984,064.00	1,986,899.00
Expense					
51110 · Salaries & Benefits					
Total	785,911.87	1,073,205.00	948,803.00	1,073,177.00	1,100,599.00
52074 · Telecommunications	0.00	500.00	0.00	500.00	500.00
52138 · Public Liability Insurance	0.00	0.00	0.00	0.00	0.00
52178 · Auto Maintenance	903.79	2,000.00	1,815.62	2,000.00	2,000.00
52182 · Vehicle Fuel	1,274.24	500.00	11,110.72	1,500.00	1,500.00
52270 · Memberships	7,577.00	9,000.00	10,000.00	10,107.00	15,000.00
52304 · Miscellaneous	0.00	0.00	0.00	50.00	50.00
52330 · Office Expense	0.00	1,000.00	0.00	1,000.00	1,000.00
52332 · Postage	0.00	500.00	0.00	500.00	500.00
52334 · Printing	7,194.18	2,000.00	2,500.00	7,500.00	7,500.00
52336 · Books - Office Library	110.03	2,000.00	2,000.00	2,000.00	2,000.00
52338 · Drafting/Engineering	0.00	50.00	0.00	50.00	50.00
52344 · Stores Unallocated	13,974.13	15,000.00	10,554.76	17,500.00	18,000.00
52354 · Mail/Postage-ISF	9,228.40	8,000.00	7,022.54	9,500.00	9,000.00
52370 · Professional Services					
52370.A · Special Counsel	0.00	0.00	1,000.00	2,500.00	2,500.00
52370.B · General Counsel Litigation	0.00	2,500.00	87,904.66	75,000.00	90,000.00
52370.C · General Counsel	66,154.45	35,000.00	21,833.86	35,000.00	35,000.00
52370.D · GIS Support	82,282.00	60,000.00	33,880.00	60,000.00	60,000.00
52370.E · Web & Doc Support	82,282.00	65,000.00	33,880.00	65,000.00	65,000.00
52370.F · Local Govt Services	34,679.00	50,000.00	39,820.50	50,000.00	50,000.00
52370.G · Legislation	23,087.00	15,000.00	11,928.00	15,000.00	15,000.00
52370.H · Accounting	16,478.00	25,000.00	15,000.00	25,000.00	15,000.00
52370.I · Other (Doc. Mgt)	69,927.00	175,000.00	42,030.00	75,000.00	50,000.00
Total 52370 · Professional Services	374,889.45	427,500.00	287,277.02	402,500.00	382,500.00
52490 · Publications	126.61	2,500.00	7,500.00	2,500.00	7,500.00
52504 · Copy Equipment	5,604.89	1,166.24	3,651.54	0.00	4,000.00
52530 · Office Lease	73,874.68	75,000.00	75,412.52	77,000.00	80,000.00
52550 · Special Department					
52550.A · Service Review	47,964.00	25,000.00	25,000.00	25,000.00	50,000.00
52550.B · County Overhead Costs	41,000.00	31,000.00	49,253.00	35,000.00	55,000.00
52550.C · Other	0.00	0.00	0.00	0.00	0.00
52550.D · Minor Expense	60,167.88	15,000.00	50,972.16	35,000.00	45,000.00
52550.E · Other (Doc. Mgt)	34,104.32	10,000.00	30,000.00	5,000.00	5,000.00
Total 52550 · Special Department	183,236.20	81,000.00	155,225.16	100,000.00	155,000.00
52562 · Investigative Tech.	93.25	0.00	250.00	1,000.00	1,000.00
52566 · Minor Equipment	0.00	1,000.00	0.00	2,000.00	2,000.00
52602 · Computer-Related Training	0.00	2,000.00	0.00	0.00	0.00
52610 · Non-Travel/In-County	0.00	500.00	0.00	500.00	500.00
52612 · Emp. Auto mileage	9,083.83	10,000.00	9,125.64	15,000.00	10,000.00
52622 · Training/Regis	0.00	1,000.00	0.00	1,000.00	1,000.00
52704 · Purchasing ISF	0.00	500.00	0.00	500.00	500.00
52706 · Document Svcs ISF	0.00	200.00	0.00	200.00	200.00
52721 · Network Services IT	26,472.73	32,000.00	24,234.54	32,000.00	30,000.00
52722 · Computing Power ISF	0.00	800.00	0.00	800.00	800.00
52723 · Data Center Service	52,409.89	50,545.56	42,660.14	51,000.00	45,000.00
52725 · Cross Functional Svcs I	20,871.15	6,000.00	18,881.12	6,000.00	20,000.00
52726 · Microfiche & Print	101.00	200.00	200.00	200.00	200.00
52728 · Application Service	2,126.00	10,000.00	955.28	10,000.00	2,500.00
52732 · Desktop Computing	22,505.53	30,000.00	19,725.90	30,000.00	25,000.00
52734 · Help Desk	4,636.94	2,500.00	3,776.10	2,500.00	2,500.00
52750 · Catalog Items	18,303.50	40,309.92	1,600.01	116,480.00	50,000.00
52752 · Other Services	1,019.50	500.00	0.00	500.00	500.00
52754 · Non Catalog Items	0.00	500.00	0.00	500.00	500.00
52758 · Vehicle Lease	772.65	2,500.00	2,500.00	2,500.00	3,000.00
53585 · Equipment Dep Expense	1,850.42	2,500.00	1,682.20	2,500.00	2,500.00
54955 · Fixed Asset	0.00	1,500.00	0.00	1,500.00	1,500.00
54958 · Office Equip - prior year	0.00	0.00	0.00	0.00	0.00
54961 · Furniture & Equipment	0	1,000.00	3,500.00	1,000.00	1,000.00
Subtotal Services & Supplies	838,239.99	823,771.72	703,160.81	911,887.00	886,300.00
TOTAL Salaries & Bens and Serv. & Supplies	1,624,151.86	1,896,976.72	1,651,963.81	1,984,064.00	1,986,899.00

Figure 2
LAFCO Budget FY 2015-16 to FY 2017-18

Fund Activity	Actual FY15-16 Budget	Adopted (Adj.) FY15-16 Budget	Est. Actual FY16-17 Budget	Adopted FY16-17 Budget	Recommended FY17-18 Budget
44595 - Fund Balance¹	240,105.87	118,327.28	240,105.87	240,105.87	240,105.87
46725 - Contingency²	766,733.70	528,480.82	798,376.36	692,659.33	627,722.36
Transfer to operating account	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)
Transfer to operating account				(175,000.00)	(100,000.00)
Transfer to operating account			(100,000.00)	(100,000.00)	
Deposit	102,296.66	-	-		
Interest	4,346.00	-	4,346.00		
46725 -Contingency [Total]	798,376.36	453,480.82	0	342,659.33	452,722.36
46726 - Special Project³	298,857.09	295,486.26	200,480.01	199,217.85	202,102.93
Transfer to operating account	(100,000.00)	(150,000.00)		-	
Transfer to operating account	0	0	(22,075.00)	-	
Deposit	-	-	-		
Interest	1,622.92	-	1,622.92		
Deposit to Special Project account	-	7,779.40	-		
46726 -Special Project [Total]	200,480.01	153,265.66	180,027.93	199,217.85	202,102.93
46727 - Jurisdictional⁴	148,606.27	147,731.57	149,463.42	148,785.67	150,320.57
Transfer to operating account	-	-	-	-	
Deposit	-	-	-	-	
Interest	857.15	-	857.15		
46727 - Jurisdictional [Total]	149,463.42	147,731.57	150,320.57	148,785.67	150,320.57
FUND Interest	-	5,500.00	-	5,500.00	6,800.00
Other: Demand Deposit	56,645.00				25,000.00
FUND ACTIVITY TOTAL	\$ 1,445,070.66	\$ 878,305.33	\$ 1,198,176.73	\$ 936,268.72	\$ 1,077,051.73

Notes and Transaction Detail for Figures 1 & 2:

¹Account 44595: All funds designated as **UNASSIGNED** per Minute Item No. 9 adopted 06/03/13.

²Account 46725: All funds designated as **UNASSIGNED** per Minute Item No. 9 adopted 06/03/13, except as follows:

\$75,000 designated as **COMMITTED** for litigation expenses per LAFCO Minute Item No. 9 (2)(c) adopted 04/04/16, reaffirmed 02/06/17.

\$175,000 designated as **COMMITTED** for fire agency and island reorganizations per LAFCO Minute Item No.9 (2)(c) adopted 04/04/16.

\$100,000 designated as **COMMITTED** for fire agency reorganizations per LAFCO Minute Item No. (9)(b) adopted 10/03/16, reaffirmed 02/06/17.

³Account 46726 All funds designated as **UNASSIGNED** per 06/03/13 Minute Item No. 9, except as follows:

\$22,075 designated as **ASSIGNED** for the Montecito Ranch Project per Minute Item No. 9 adopted 06/02/13.

\$50,000 designated as **COMMITTED** for fee waivers per Minute Item No. 9 adopted 06/03/13.

⁴Account 46727: All funds designated as **UNASSIGNED** per Minute Item No. 9 adopted 06/03/13.