

**LOCAL AGENCY FORMATION COMMISSION**  
SAN BENITO COUNTY

2301 Technology Parkway  
Hollister, CA 95023  
Phone: (831) 637-5313

March 26, 2015 (Agenda)

Local Agency Formation Commission  
2301 Technology Parkway  
Hollister CA 95023

**Proposed LAFCO Budget for FY 2015-16**

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission:

1. Review the Proposed Budget for Fiscal Year 2015-16, accept all public testimony and approve the Proposed Budget as presented.
2. Direct the staff to distribute the Proposed Budget to cities, special districts and the County as required by Government Code Section 56381.
3. Schedule a public hearing for May 28 to consider and adopt the Final Budget.
4. Direct the staff to advise the Commission of any changed conditions that could adversely affect LAFCO's ability to fulfill its responsibilities in the coming year.

DISCUSSION

We are presenting the Proposed Budget for Fiscal Year 2015-2016 at this meeting so it can be distributed to local agencies for their review, followed by adoption of the Final Budget at the Commission meeting on May 28.

There are no changes in the Proposed Budget from the current year budget. There is sufficient funding for the Commission to meet its statutory obligations and provide an acceptable level of services for local agencies and the public.

While they don't affect the adoption of the Proposed Budget, the staff is continuing to work with the County Auditor-Controller and County Administrative staffs to resolve some pre-existing accounting issues.

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**Commissioners:** Ignacio Velazquez, Chair ♦ Anthony Botelho ♦ Richard Bettencourt ♦ Rick Edge ♦ Robert Rivas  
**Alternate Commissioners:** Margie Barrios ♦ Victor Gomez ♦ Mark Tognazzini      **Executive Officer:** Bob Braitman

**AGENDA NO.** 8

### Introduction

LAFCO is an independent commission established by the legislature to carry out specific duties. It is responsible for adopting its own budget to fulfill the purposes described in the Cortese/Knox/Hertzberg Act. The law does not require approval of the budget by the County, the cities or any other local agencies

Government Code Section 56381(a) governs the preparation of the LAFCO budget. It reads as follows:

The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15.

At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter.

The commission shall transmit its proposed and final budgets to the board of supervisors, to each city, and to each independent special district.

### Appropriations

The Proposed Budget is \$143,416 which is identical to the current year budget.

A chart of accounts and descriptions of individual accounts are attached. There are fewer accounts shown in this budget than in prior years since we have chosen not to list those accounts that do not contain appropriations.

This chart of accounts shows the current year budget, expenditures through February and the recommended appropriations for the coming year.

Appropriations that are not expended during one fiscal year become part of the Available Fund Balance to finance the following fiscal year budget.

Thus far, with 66.6% of the fiscal year elapsed we have expended 34% of the approved budget. This figure will increase significantly as the Commission's contributions to the Cost Allocation Plan and contribution to the GIS program are processed.

### Revenues

Contributions from the County and cities represent the great majority of LAFCO revenue.

In addition the Commission receives fees for processing boundary changes and modifying spheres of influence. In the current fiscal year revenues of \$2,240 have been received as of February 25 and are anticipated to total \$3,394 for the entire fiscal year.

Designation for Contingency

The Commission maintains a \$10,000 designation for contingency. These funds should be available should the need arise due to unforeseen circumstances.

The amount of the designation for contingency remains unchanged from year to year but interest earned on this fund is allocated as revenue to the Commission's working budget.

Conclusion

In consideration of this information, it is recommended the Proposed Budget be approved for distribution to local agencies as required by Government Code Section 56381 and that a public hearing on the Final Budget be scheduled for the May 28 Commission meeting.

While a specific financial program is being recommended, the Commission should retain flexibility to make adjustments in the Final Budget should this prove warranted.

Please let me know if you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Bob Braitman", followed by a horizontal line.

BOB BRAITMAN  
Executive Officer



# SAN BENITO LOCAL AGENCY FORMATION COMMISSION

## Proposed Budget for Fiscal Year 2015-16

Account	Description.	FY 2014-15 Adopted	As of 2/28/15 *	FY 2015-16 Proposed	Change
619.166	CALAFCO Membership	800	769	800	0
619.172	Office Expense - Postage	1,320	680	1,320	0
619.174	Office Expense Copies & Supplies	2,820	1,666	2,820	0
619.180	Public – Legal Noticing	750	387	750	0
619.194	Training & Education	500	860	500	0
619.196	Travel - Lodging	1,520	804	1,520	0
619.198	Travel – Meals	565	280	565	0
619.200	Travel – Mileage	5,116	1,852	5,116	0
619.210	Legal Counsel Services	10,000	570	10,000	0
619.222	LAFCO Staff Services	61,200	35,700	61,200	0
619.226	Prof. Services/Public Works	7,825	0	7,825	0
619.252	GIS Contribution	9,000	0	9,000	0
649.101	Cost Allocation Plan	22,000	0	22,000	0
645.704	Retiree Medical Insurance	10,000	5,530	10,000	0
999.999	Contingency Reserve	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>
	Totals	143,416	44,098	143,416	0

\* Rounded to the nearest dollar.

Proposed Budget as of March 16, 2015

# SAN BENITO LOCAL AGENCY FORMATION COMMISSION

## Proposed Budget for Fiscal Year 2015-16

### Explanation of Accounts

Account	Description	FY 2014-15 Adopted	As of 2/28/15*	FY 2015-16 Proposed	Change
619.166	CALAFCO Membership	800	769	800	0
	Membership dues are anticipated to increase from \$769 to \$785 for FY 2015-16.				
619.172	Office Expense - Postage	1,320	680	1,320	0
	No change in postage expenditures are anticipated for FY 2015-16				
169.174	Office Expense Copies & Supplies	2,820	1,666	2,820	0
	We expend on average per month \$176 for copying and \$25 for office supplies.				
169.180	Public – Legal Noticing	750	387	750	0
	We estimate we will be required to publish 15 notices at an estimated cost of \$750.				
619.194	Training & Education	500	860	500	0
	The 2015 CALAFCO Annual Conference will be held in Sacramento in September. Funding is included for the staff to attend this conference. In FY 2014-15 the staff was authorized to attend the annual UCLA Land Use Law and Planning Conference and we anticipate a similar request may be submitted for FY 2015-16.				
619.196	Travel – Lodging	1,520	804	1,520	0
	Lodging - We are expending on average \$95 per month for travel lodging. We think this amount will remain essentially the same for the coming year.				
619.198	Travel – Meals	565	280	565	0
	Meals - We are expending on average \$47 per month for travel meals. We think this amount will remain essentially the same for the coming year.				
619.200	Travel – Mileage	5,116	1,852	5,116	0
	We are expending on average \$343 per month for travel mileage.				
619.210	Legal Counsel Services	10,000	570	10,000	0
	Legal services are provided by the County Counsel Office.				

\* Rounded to the nearest dollar.



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Account	Description	FY 2014-15 Adopted	As of 2/28/15	FY 2015-16 Proposed	Change
623507	LAFCO Staff Services	61,200	35,700	61,200	0
	The staff services contract includes the Executive Officer and Commission Clerk. It became effective July 1, 2013 and no adjustments in the contract are proposed.				
619.226	Prof. Services – Public Wks	7,825	0	7,825	0
	Funding was approved in FY 2014-15 to develop and maintain a mapping program for city and special districts boundaries and Spheres of Influence. It is recommended that funding for this program be continued for FY 2015-16.				
623602	GIS Contribution	9,000	0	9,000	0
	The Commission participates in the County GIS Program. The amount is provided by the County as the LAFCO share of annual Basic Maintenance Expense.				
640101	Cost Allocation Plan	22,000	0	22,000	0
	The Commission participates in the County A87 Cost Allocation Plan. The amount is provided by the County as the LAFCO share of this program.				
640704	Retiree Medical/OPEB	10,000	5,530	10,000	0
	This account is related to the prior LAFCO staff.				
999901	Contingency Reserve	10,000	0	10,000	0
	This Contingency Reserve is recommended at the current amount for next year.				
	Totals	\$143,416	\$44,098	143,416	0