

**LAFCO OF COLUSA COUNTY**

**EXECUTIVE OFFICER'S REPORT**

June 4, 2009

TO: Local Agency Formation Commission  
FROM: John Benoit, Executive Officer  
RE: Recommended Final Budget for FY 2009-2010

Since the passage of AB-2838 in 2000, LAFCO has become independent from the County. Costs for the operation of LAFCO were entirely paid by the County including costs for the annual audit, staff time, legal services, miscellaneous office expenses, and insurance.

I provided a "recommended" budget at April 2009 meeting, which was adopted. A Budget Justification Report was prepared for the Proposed Budget Hearing. Please refer the Budget Justification Report for further information on each of the items below.

**SUMMARY OF EXPENSES:**

Insurance The Commission recommended in its proposed budget \$2,500. This covers liability for the Commission and Staff.

Office Supplies The Commission recommended in its proposed budget \$3,750.00 for this item combined with copies and postage. This budget includes \$750.00 for Office Supplies, \$1,000.00 for Postage and \$2,000 for copies.

Memberships The Commission recommended in its proposed budget \$725.00 for Calafco dues and \$725.00 for California Special Districts Assoc. Dues.

Legal Services The Commission recommended in its proposed budget \$21,000 for this item. LAFCO Counsel attends all LAFCO meetings.

Clerk Support The Commission recommended in its proposed budget \$2,100 for this item.

Executive Officer Services The Commission recommended in its proposed budget \$48,000 for this item. This translates into an average of \$4,000.00 per month for LAFCO administration.

Notwithstanding a very complex reorganization or incorporation project for Colusa LAFCO, this amount should cover LAFCO administration. Complex projects would be fee supported thereby increasing revenue to LAFCO.

Legal Notices/Publications The Commission recommended in its proposed budget \$1,500 for legal notices. Given the cost of increased legal advertising and the projected workload this amount remains reasonable.

Transportation/Mileage/Training The Commission recommended in its proposed budget \$8,500 for this item. This includes miscellaneous mileage, the Calafco Annual Conference and Annual Staff Workshop.

Communications The Commission recommended in its proposed budget \$1,000.00 for this item.

Municipal Service Reviews The Commission recommended in its proposed budget \$22,000 for this effort. Since A-87 costs are lower than expected, \$1,570. will be added to this amount to total \$23,570 for this effort. This would cover additional costs of preparing reviews as required by the LAFCO Act including some carryover from this fiscal year and initiating the reviews in the work program for next fiscal year .

Sphere of Influence Updates The Commission recommended in its proposed budget \$22,000 to cover the costs of updating Spheres of Influence as required by the LAFCO Act.

Sphere of Influence Mapping The Commission recommended in its proposed budget \$10,000 for mapping.

Contingency The Commission recommended in its proposed budget a contingency of \$14,736.50

Other Charges A-87 While LAFCO is an independent agency, claims processing and other functions are performed by the County Auditor's office. This amount of \$1,430 reflects the cost of various county services used by LAFCO (see attached Co. Cost Allocation Plan). Since the required amount (\$1,430) is lower than previously contemplated (\$3,000), \$1,570.00 will be allocated to Municipal Service Reviews. Those county services not used by LAFCO are not included in the A-87 calculation.

General Reserve The commission would have a general reserve of \$50,000.

## SUMMARY OF ANTICIPATED REVENUE

\$6,482.68 of Anticipated Revenue is included in this budget as well as \$5,000 in Interest Payments to LAFCO.

## CARRYOVER

This year LAFCO will not expend its entire budget. Therefore, an anticipated rollover of \$110,498 will be realized this year. Most of this amount will be needed to fund ongoing Municipal Service Reviews and Sphere of Influence Updates as well as the reserve fund.

### **Recommendation:**

- a. Review, discuss, amend, and consider the 2009-2010 Final Budget. A budget justification report for FY 2009-2010 was prepared by staff prior to the adopted proposed budget.
- b. Adopt LAFCO Resolution 2009-10 approving a final budget.