

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

September 9, 2015

**To:** LAFCo Commissioners

**From:** Martha Poyatos, Executive Officer *M. Poyatos*

**Subject:** Recommended Revision to the Adopted 2015-16 LAFCo Budget

At the May LAFCo meeting, the Commission adopted a final 2015-16 Appropriations Budget of \$421,406 and Net Operating Budget of \$391,406<sup>1</sup>, which reflected application of the 2014-15 estimated fund balance of \$54,068. Following the close of the fiscal year, the final actual fund balance for the 2014-15 Fiscal Year was \$111,331, or \$57,263 greater than estimated. The excess fund balance results from lower than anticipated expenditures in legal, carryover of payment for consulting contracts into the current fiscal year, and an overpayment of \$12,416 by the County of San Mateo for the one-third apportionment. This change in fund balance necessitates revising the Commission's 2015-16 Adopted Operating Budget. A line item has been added to refund the County for the overpayment (\$12,416), a balance of consulting fees of \$16,557 is included for payment of the balance of consultant contracts, and the one-time reserve has been adjusted by \$15,000 to \$65,000 (spending from this account requires Commission approval). Please see the attached budget spreadsheet. These adjustments result in an Appropriations Budget of \$476,248 and Net Operating Budget (appropriations less fund balance and fee revenue) of \$334,917.

While these changes result in an Appropriations Budget that is \$54,842 greater than the budget adopted in May, the appropriation of less than one-half of the actual fund balance results in a reduced Net Operating Budget and reduction in the one-third apportionment to funding agencies. The one-third shares of the Net Operating Budget to be funded by the County, 20 cities, and 22 independent special districts<sup>2</sup> for 2015-16 originally adopted at \$130,469 is reduced to \$111,639.

<sup>1</sup> Net Operating Budget is the appropriations budget less fund balance and application fees. Government Code Section 56381(b)(1)(A) sets forth that the County, cities, and independent special districts shall each provide a one-third share of the Commission's operational costs. This section establishes that the cities' and districts' shares shall be apportioned in proportion to each city's and district's total revenues as a percentage of the combined city and district revenues within the County, as reported in the most recent edition of the Annual Report published by the State Controller.

<sup>2</sup> Dissolution of Los Trancos County Water District effective 10-1-2015 will require adjusting special district apportionment accordingly.

Recommended Amendment to the Adopted 2015-16 LAFCo Budget

September 9, 2015

Page 2

Recommendation

Adopt the Recommended Amended 2015-16 Budget of \$476,248 to reflect application of a portion of actual surplus final fund balance to the special reserve account and a refund to the County of San Mateo for overpayment in the 2014-15 Fiscal Year. The Revised Budget would then be transmitted to the County, cities, and independent special districts. The County Controller will invoice funding agencies for their share of the Net Operating Budget based on the formula set forth in Government Code Section 56381(b)(1)(A).

Attachment: Budget Spreadsheet

cc: County of San Mateo  
Cities  
Special Districts

Recommended Final 2015-16 LAFCo Budget				Adopted	Final	September
	September Revision 9-9-15	Actual	Actual	Revised	Actual	Revised
		2012-13	2013-14	2014-15	2014-15	2015-16
4111	Salary & Benefits Executive Officer	196,760	196,912	205,258	208,804	223,164
4111	Salary & Benefits Executive Secretary	3,900	24,115	52,000	40760	54,000
4141	Admin. Leave Cash Out (E.O.)	2,000	5,074	5,300	4848	6000
4161	Commissioner Compensation	5,152	4,200	4,800	3400	4800
	County Annuity		5,048	7,853	1986	0
	<b>SALARIES &amp; BENEFITS</b>	<b>207,812</b>	<b>235,349</b>	<b>275,211</b>	<b>259,798</b>	<b>287,964</b>
	<b>Prior Year Refund/withdrawn application</b>				<b>1,287</b>	
	<b>Refund County overpayment in 2014/15</b>					<b>12,416</b>
5191	Outside Printing (other special printing)	199	113	1,000	0	1,000
5193	General Office Supplies	500	583	500	514	500
5196	Photocopy - in-house copier	500	0	500	500	500
5197	Postage & Mailing Service	1,110	572	1,500	168	1,500
<b>5212</b>	<b>Computer Equipment under \$5,000</b>	-	4,002			
5331	Memberships (CALAFCo/CSDA)	6,110	6,281	6,268	6,455	6,649
5341	Legal Advertising	1,229	1,624	1,500	310	1,500
5712	Mileage Allowance/Motor Pool	103	107	250	250	250
5721	Meetings & Conferences	4,736	6,171	8,000	5,338	8,000
5733	Training	0	0	250	0	250
5810	Fiscal Office Specialist	950	988	988	988	988
5218	Corovan Records Storage (new 09/10)	164	234	200	209	200
5848	Graphics	0	0	4,500	0	4,500
<b>5858</b>	<b>Consulting**</b>		-	<b>100,000</b>	<b>95,398</b>	<b>16,557</b>
5962	Admin Asst. Shared with Parks.	8,132	2,561	0	0	0
5861	GIS Mapping	0	0	2,500	0	2500
5872	Controller Admin**	2,440	1,740	2,440	1,552	1,660
6712	Telephone	571	502	670	391	500
6713	ISD (Automation Services)	6,383	5,480	4,650	4,238	8,377
6714	Rent	2,944	2,703	2,703	2,703	3,540
6722	countywide security and hr	0	<b>105</b>	0	34	90
6725	Gen'l Liability & bond ins.	3,418	3,423	4,229	3,319	4,651
6732	County Counsel	5,871	8,366	30,000	10,983	30,000
6821	A 87 Charges	-2,636	4,135	4,135	2,576	5,178
	<b>Subtotal Appropriations</b>	<b>250,536</b>	<b>285,039</b>	<b>451,994</b>	<b>397,011</b>	<b>399,270</b>
<b>8612</b>	<b>Reserve 3%</b>		<b>0</b>	<b>13,560</b>	<b>0</b>	<b>11,978</b>
	<b>one time reserve (portion of fund balance)</b>		<b>0</b>	<b>29,068</b>	<b>0</b>	<b>65,000</b>
	<b>Total Appropriations Budget</b>	<b>\$250,536</b>	<b>\$285,039</b>	<b>\$494,622</b>	<b>\$397,011</b>	<b>476,248</b>
	<b>Revenues</b>					
	Fund Balance ***	66,176	91,865	122,268	122,268	111,331
	<b>Unanticipated Rev-Env. Review Fee</b>				<b>14,745</b>	
	Application Fees	36,497	19,533	30,000	16,559	30,000
	<b>Intergov. Revenue (County/City/Dist)</b>	<b>232,377</b>	<b>295,909</b>	<b>342,354</b>	<b>354,770</b>	<b>334,917</b>
	<b>Total Revenues</b>	<b>\$335,050</b>	<b>\$407,307</b>	<b>\$494,622</b>	<b>\$508,342</b>	<b>476,248</b>
	<b>County/City/District 1/3 Apportionment</b>	<b>\$77,459</b>	<b>\$98,636</b>	<b>\$114,118</b>	<b>114,118</b>	<b>111,639</b>

\*\*RFP for consulting reissued and funded in FY 2014/15, a portion which was paid in 2015/16 FY

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