

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street #100
Sacramento, California 95814
(916) 874-6458

May 4, 2005

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **LAFCo FY 2005-06 Proposed Budget**

RECOMMENDATION

1. Approve the FY 2005-06 Proposed Budget Appropriations of \$833,000 (see attached Resolution).
2. Direct the Executive Officer to schedule the Public Hearing on the Final Budget for June 1, 2005.

DISCUSSION

On April 6, 2005, your Commission authorized the Executive Officer to distribute the Proposed Budget FY 2005-06 to all affected agencies for review and comment. No comments from contributing agencies have been received by staff. The Commission is required to adopt the Proposed Budget by May and a Final Budget by June 15. The Final Fund Balance will not be available until late July/ early August after year-end closing. Staff will provide a Budget Update at the August/ September meeting. The following table summarizes the major changes in appropriations for FY 2005-06.

Summary of Changes in Appropriations

<u>Account</u>	<u>Amount</u>	<u>Explanation</u>
Salary and Benefits	\$20,000	Cost-of-Living Increase
Part-time Help	\$30,000	Training/ Commission Clerk
Other Professional Service	\$100,000	SMUD-Yolo Annexation (Consultants)
Web Site [OCIT]	\$ 2,802	Cost-of-Living (Allocated Cost)
Messenger Services	\$ 198	Cost-of-Living (Allocated Cost)
Office Lease	\$ 4,000	Cost-of-Living Increase
Telephone	(\$3,000)	Reduction
Reserve	<u>(\$2,000)</u>	Reduction
Total Increase	\$152,000	

The FY 2005-06 Proposed Budget includes increases in allocated costs, salary and benefits, and office lease for estimated cost-of-living increases. These increases in fixed costs total \$22,000.

In addition, staff is recommending an increase of \$30,000 to hire and train a new Commission Clerk. I anticipate that the Commission Clerk will retire during the next 12 months. The additional funding will allow an adequate overlap to train a new Clerk and provide funding to pay for benefit buyout of unused vacation upon retirement. The projected increase should not be a permanent increase but only necessary during the transition of staff. It is not known when this transition will occur.

The Proposed Budget also includes appropriations and funding of \$100,000 for consultants and legal costs related to a likely SMUD application to annex portions of Yolo County. Thirty Four Thousand dollars [\$34,000] has been allocated to a long term reserve account. This will bring the Reserve total to \$70,000. The following table summarizes the changes in funding for FY 2005-06.

<u>Summary of Changes in Funding</u>	
<u>Account</u>	<u>Amount</u>
Revenue for SMUD Application	\$100,000
Increase in Year End Fund Balance	\$ 10,000
Increase in Contributions	<u>\$ 42,000</u>
INCREASE	\$152,000

The appropriations increase will be funded by an increase in revenue (\$100,000); an increase in year end fund balance (\$10,000); and an increase in contributions from others (\$42,000).

<u>Contributions From Others</u>		
<u>Year</u>	<u>Amount</u>	<u>1/3 Share</u>
04-05	\$544,500	\$181,500
05-06	<u>\$586,500</u>	<u>\$195,500</u>
	\$ 42,000	\$ 14,000 ¹

Contributions from others will increase by \$42,000, or \$14,000 for cities, special districts and the County of Sacramento. The one-third share will be allocated to all cities and special districts based on their relative share of revenue.

¹ All special district share of cost contributions EXCEPT SMUD should decrease because Regional County Sanitation District and County Sanitation District No. 1 will be included as contributing special districts in the FY 2005-06 assessment.

Budget Summary
Appropriations

Salaries and Benefits (Staff of Three)	\$360,000
Secretary & Clerk Training	\$ 42,000
Commission Stipend	\$ 9,000
Office Rent	\$ 61,000
Copier Lease	\$ 20,000
Computer/ Website/ Maintenance Support	\$ 23,530
Alarm Service	\$ 2,900
Liability Insurance	\$ 11,000
Audit	\$ 10,000
Telephone	\$ 13,000
CALAFCo Dues	\$ 2,200
Office Supplies	\$ 8,000
Advertising	\$ 7,500
Messenger Services	\$ 2,315
Legal	\$ 60,000
Environmental Documents	\$ 25,000
SMUD Project	\$100,000
Miscellaneous	\$ 18,455
Contingency	\$ 25,000
Reserve	<u>\$ 34,000</u>
Total	\$833,000

Summary of Funding

Project Revenue	\$120,000
Interest Earnings	\$ 2,500
Carryover	\$124,000
Contributions	<u>\$586,500</u>
	\$833,000

Summary of Reserve Funding²

FY 04-05	\$36,000
FY 05-06	<u>\$34,000</u>
Total	\$70,000

Proposed Work Plan for FY 2005-06

- Complete Open Space Policies
- Develop Sphere of Influence Factors to be Considered for Sphere of Influence Amendments
- Municipal Service Reviews
 - Sacramento Municipal Utility District
 - Sacramento Regional County Sanitation District
 - County Sanitation District No. 1
- Municipal Service Reviews Related to Growth Areas
- Coordinate Municipal Service Review and Sphere of Influence Updates For Cities with the City General Plan Update/ General Plan Amendments
- SMUD Sphere of Influence in Yolo County and Proposed Annexation of Territory in Yolo County

FY 2004-05 Work Plan

- Commenced Update of Open Space Policies
- Del Paso Manor Municipal Service Review
- Herald Fire Protection District Municipal Service Review
- Freeport Reorganization to City of Sacramento
- Reorganization of Fair Oaks Cemetery District and Sylvan Cemetery District
- Development of Legislation with Sacramento Regional Transit District

² Reserve Funding - long term savings.

- Completed Property Tax Procedures/ Process Between Cities, Special Districts and County
- Rio Linda/ Elverta Water District Annexation
- SMUD Annexation of Sacramento Regional County Sanitation District's South River Pump Station Site in Yolo County of Sacramento
- Amended Sacramento Suburban Water District Resolution No. LAFC 1237
- Issued Final Program Completion Certificate for City of Elk Grove Incorporation Mitigation Measures

PB:Maf
(May Memo FY 2005-06 Budget. doc)

RESOLUTION NO. LAFC 1298

**RESOLUTION OF THE SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION ADOPTING THE
FY 2005-06 PROPOSED BUDGET**

WHEREAS, the Sacramento Local Agency Formation Commission conducted a public hearing on May 4, 2005, during which all additions and deletions to the Proposed Budget for Fiscal Year 2005-06 were made, and

WHEREAS, IT IS HEREBY RESOLVED, in accordance with Government Code Section 56381, that the Proposed Budget for Fiscal Year 2005-06 is hereby adopted in accordance to the following:

(1)	Salaries and Employees Benefits	\$ 9,500
(2)	Services and Supplies	\$764,500 ³
(3)	Other Charges	-0-
(4)	Fixed Assets	
	(A) Land	-0-
	(B) Structures and Improvements	-0-
	(C) Equipment	-0-
(5)	Expenditure Transfers	-0-
(6)	Contingencies	\$ 25,000
(7)	Provision for Reserve Increases	<u>\$ 34,000</u>
	TOTAL BUDGET REQUIREMENTS	\$833,000

BE IT FURTHER RESOLVED that means of financing the expenditures program will be by monies derived from Revenue to Accrue, Fund Balance Available and Contributions from Affected Agencies.

BE IT FURTHER RESOLVED that the Proposed Budget for FY 2005-06 be and is hereby adopted with the listed attachments which show in detail the approved appropriations subject to limitations attached hereto and by reference made a part hereof.

³ Includes reimbursement to County of Sacramento for Reimbursements of Salary and Benefits for Executive Officer and Commission Clerk.

ON A MOTION made by Commissioner _____, seconded by
Commissioner _____, the foregoing Resolution No. LAFC 1298
was adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION** on
the date of May 4, 2005, by the following vote, to wit:

AYES:

NOES:

ABSENTIONS:

ABSENT:

Robert King Fong, Chair
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

ATTEST:

Marilyn Ann Flemmer
Commission Clerk

PB:Maf
Attachments:
Expenditure Detail Schedule
Revenue Detail Schedule

(Reso 1298 Adopts FY 2005-06 Budget)

Sacramento Local Agency Formation Commission

Proposed Budget FY 2005-06

Acct	Description	Final Budget	Final Budget	Variance
		05-06	04-05	
1000	Total Salaries & Benefits	350,600	330,600	20,000.00
1005	Secretary Part time	42,000	12,000	30,000.00
1124	Commission Reimbursement	9,000	9,000	0.00
1240	Worker's Comp	245	245	0.00
1250	Unemployment	0	0	0.00
Total 1000's Account		401,845	351,845	50,000.00
2005	Advertising-public notice, meetings stc.	7,500	7,500	0.00
2022	Periodicals, Books, Subs	1,300	1,300	0.00
2029	Business & Conf Expenses	7,500	7,500	0.00
2035	Education/Training	1,200	1,200	0.00
2039	Employee Transportation	200	200	0.00
2051	Liability Insurance for Commission	11,000	11,000	0.00
2061	Membership CaLAFCo Dues	2,070	2,070	0.00
2076	Office Supplies	7,500	7,500	0.00
2081	Postage	3,746	3,746	0.00
2275	Rents/Leases Equipment-Copier	20,000	20,000	0.00
2505	Accounting/Audit Fees	10,000	10,000	0.00
2531	Legal	60,000	60,000	0.00
2591	Other Professional Services	125,000	25,000	100,000.00
2911	System Dev Svc Web & Desktop Support	19,000	17,500	1,500.00
2912	System Dev Sup Maintenance	1,630	430	1,200.00
2915	Compass Costs	2,902	2,500	402.00
2917	Security Alarm Monitoring	2,900	3,200	(300.00)
2921	Printing Services/Duplication	3,000	3,000	0.00
2923	GS Messenger Services	2,315	2,200	115.00
2926	GS Stores	800	800	0.00
2934	P/W Charges	8,000	8,000	0.00
2943	Lease Facility Charges	61,000	57,000	4,000.00
2987	Telephone	13,000	16,000	(3,000.00)
2990	GS Other Dept Svc	592	509	83.00
	Cable Broadcast	0	0	0.00
Total 2000's Account		372,155	268,155	104,000.00
7900	Contingency Base	25,000	25,000	0.00
7901	Contingency Surplus	0	68,178	68,178.00
General Purpose Reserve		34,000	36,000	(2,000.00)
		59,000	129,178	70,178.00
TOTAL APPROPRIATIONS/CONTINGENCY		833,000	749,178	83,822.00
Less: Revenue		120,000	20,000	100,000.00
Interest Earnings		2,500	2,500	0.00
Fund Balance/Carryover		124,000	182,178	(58,178.00)
Contributions from Others		586,500	544,500	42,000.00
				0.00
TOTAL FUNDING		833,000	749,178	83,822.00

Sacramento Local Agency Formation Commission

FY 2004-05 Year End Fund Balance Estimate

Acct	Description	Final		Amount Over/Under
		Budget	Actual	
		04-05	04-05	
1000	Total Salaries & Benefits	330,600	330,600	0.00
1005	Secretary Part time	12,000	5,000	7,000.00
1124	Commission Reimbursement	9,000	7,000	2,000.00
1240	Worker's Comp	245	252	(7.00)
1250	Unemployment	0	0	0.00
	Total 1000's Account	351,845	342,852	8,993.00
2005	Advertising-public notice, meetings stc.	7,500	8,200	(700.00)
2022	Periodicals, Books, Subs	1,300	1,200	100.00
2029	Business & Conf Expenses	7,500	6,300	1,200.00
2035	Education/Training	1,200	600	600.00
2039	Employee Transportation	200	160	40.00
2051	Liability Insurance for Commission	11,000	10,613	387.00
2061	Membership CaLAFCo Dues	2,070	2,070	0.00
2076	Office Supplies	7,500	7,000	500.00
2081	Postage	3,746	2,700	1,046.00
2275	Rents/Leases Equipment-Copier	20,000	21,000	(1,000.00)
2505	Accounting/Audit Fees	10,000	10,000	0.00
2531	Legal	60,000	58,000	2,000.00
2591	Other Professional Services	25,000	24,000	1,000.00
2911	System Dev Sve Web & Desktop Support	17,500	17,500	0.00
2912	System Dev Sup Maintenance	430	430	0.00
2915	Compass Costs	2,500	2,500	0.00
2917	Security Alarm Monitoring	3,200	3,200	0.00
2921	Printing Services/Duplication	3,000	2,500	500.00
2923	GS Messenger Services	2,200	2,200	0.00
2926	GS Stores	800	800	0.00
2934	P/W Charges	8,000	6,000	2,000.00
2943	Lease Facility Charges	57,000	57,000	0.00
2987	Telephone	16,000	16,853	(853.00)
2990	GS Other Dept Svc	509	0	509.00
	Cable Broadcast	0	0	0.00
	Total 2000's Account	268,155	260,826	7,329.00
7900	Contingency Base	25,000	0	25,000.00
7901	Contingency Surplus	68,178	0	68,178.00
	General Purpose Reserve	36,000	36,000	0.00
		129,178	36,000	93,178.00
TOTAL APPROPRIATIONS/CONTINGENCY		749,178	639,678	109,500.00
	Less: Revenue	20,000	35,000	15,000.00
	Interest Earnings	2,500	2,500	0.00
	Fund Balance/Carryover	182,178	182,178	0.00
	Contributions from Others	544,500	544,000	(500.00)
TOTAL FUNDING		749,178	763,678	14,500.00
ESTIMATED FUND BALANCE				124,000
Less Reserve				

12-Apr-05

FISCAL YEAR 2005 PRELIMINARY BUDGET

FINANCING REQUIREMENTS SCHEDULE FOR FUND 067A

LOCAL AGENCY FORMAT

APPROPRIATIONS BY OBJECT OF EXPENDITURE
OBJECT 10 - SALARIES AND EMPLOYEE BENEFITS 9,500
OBJECT 20 - SERVICES AND SUPPLIES 764,500
OBJECT 30 - OTHER FINANCING USES
LOAN AND LEASE REPAYMENTS
INTEREST AND PRINCIPLE
TAXES/LICENSES/ASSESSMENTS
JUDGEMENTS/DAMAGES
TOTAL OBJECT 30 - OTHER FINANCING USES
OBJECT 40 - FIXED ASSETS
OBJECT 41 - LAND
OBJECT 42 - STRUCTURES AND IMPROVEMENT
OBJECT 43 - EQUIPMENT
TOTAL OBJECT 40 - FIXED ASSETS

OBJECT 50 - FUND TRANSFERS OUT
OBJECT 59 - FUND TRANSFER IN
OBJECT 60 - INTRAFUND TRANSFERS IN OR OUT
OBJECT 79 - APPROPRIATIONS FOR CONTINGENCIE 25,000
OBJECT 80-OTHER COMMODITIES

PROVISIONS FOR RESERVE INCREASES
GENERAL RESERVES
OTHER RESERVES **34,000**
TOTAL BUDGETARY REQUIREMENT **\$833,000**
TOTAL DIFFERENCE

MEANS OF FINANCING THE BUDGET REQUIREMENTS
ESTIMATED REVENUE \$709,000
RESERVE TO BE DECREASED
GENERAL RESERVE DECREASE
ENCUMBRANCE DECREASE
OTHER RESERVE DECREASE
TOTAL RESERVES TO BE DECREASED
FUND BALANCE AVAILABLE DECREASE
ESTIMATED LONG TERM LOAN PROCEEDS 124,000
TOTAL AVAILABLE FINANCING **\$833,000**

FUND EQUITY SCHEDULE

<u>RESERVES</u>	<u>EST</u>	<u>DECREASES</u>	<u>ADJUSTED FUND</u>
	<u>BALANCE</u>		<u>BALANCE</u>
	<u>AS OF</u>		
	<u>03/31/05</u>		
<u>GENERAL</u>			
<u>ENCUMBRANCE</u>			
<u>OTHER</u>			
<u>FUND BALANCE</u>			
<u>AVAILABLE</u>			
<u>TOTALS</u>			
<u>APPROPRIATIONS LIMIT</u>			
<u>APPROPRIATIONS</u>			
<u>SUBJECT TO LIMIT</u>			
<u>OVER/UNDER LIMIT</u>			

SECTION 29009 OF ARTICLE I OF CHAPTER 1 OF TITLE 3 OF THE GOVERNMENT CODE READS:
 IN THE FINAL BUDGET THE BUDGETARY REQUIREMENTS MUST EQUAL THE AVAILABLE FINANCING

**EXPENDITURE DETAIL – FY 2005-06 PRELIMINARY BUDGET
SPECIAL DISTRICT - SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

FUND CENTER	COMMITTEE ITEM	DESCRIPTION	FY 02-03 HISTORY	FY 03-04 HISTORY	FY 04-05 HISTORY	FY 04-04 AS OF 03-31-05	COMPUTED EST FOR FY 04-05	PRELIMINARY
FUND	067A	LOCAL AGENCY FORMATION						
4544540	10111000	SALARIES & WAGES - REGULAR EMPLOY	85,880	325,000	104,000	57,477	102,000	0
4544540	10112400	SALARIES & WAGES - COMMISSION & CO	8300	9,000	9,000	4,000	7,000	9,000
4544540	10122000	OASDHI - EMPLOYER COST	574	0	0	352	252	500
		OBJECT 10	94,754	334,000	113,000	61,829	109,250	9,500
4544540	20200500	ADVERTISING/LEGAL NOTICES	2,489	8,000	7,500	8,693	9,000	7,500
4544540	20202200	BOOKS/PERIODICAL SUPPLY	1572	500	1300	1,452	16,000	1,300
4544540	20202900	BUSINESS/CONFERENCE EXPENSE	9,700	7,500	7,500	6,783	75,000	7,500
4544540	20203500	EDUCATION & TRAINING SERVICE	810	1,000	1,200	0	500	1,200
4544540	20203900	EMPLOYEE TRANSPORTATION	222	0	200	176	200	200
4544540	20204500	FREIGHT/EXPRESS/CARTAGE	0	0	0	0	0	0
4544540	20205100	INSURANCE - LIABILITY	10,705	0	11,000	0	10,613	1,100
4544540	20205200	INSURANCE - PREMIUM	2,099	0	0	0	0	0
4544540	20207600	OFFICE SUPPLIES	5,045	7,500	7500	4,769	7,000	7,500
4544540	20208100	POSTAL SERVICES	5000	2,500	3,746	1,500	2,000	3,746
4544540	20211100	BUILDING MAINTENANCE SERVICE	0	0	0	0	0	
4544540	20226400	OFFICE EQUIPMENT MODULAR FURNITURE	0	142	0	0	0	
4544540	20227500	RENT/LEASES EQUIPMENT	19,650	20,000	26,000	17,574	21,000	20,000
4544540	20250500	AUDIT FEES	-43	0	0	0	0	10,000
4544540	20253100	LEGAL FEES						60,000
4544540	20253100	OTHER PROFESSIONAL SERVICES	293,736	25,000	245,6000	162,659	241,000	518,917
4544540	20281200	DATA PROCESSING SUPPLIES	634	0	0	576	6,00	500
4544540	20291100	SYSTEMS DEVELOPMENT SERVICES	16,422	0	17,500	11,945	15,925	19,000
4544540	20291200	SYSTEMS DEVELOPMENT SUPPLIES	1,158	25,000	430	490	653	1,630
4544540	20291500	COMPASS COSTS	893	0	2,500	65	87	2,902
4544540	20291700	GENERAL SERVICES ALARM SERVICES	6,840	0	3,200	2,435	3,247	2,900

**EXPENDITURE DETAIL SCHEDULE - FY 2005-06 PRELIMINARY BUDGET
SPECIAL DISTRICT - SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

Center Fund	Commitment Item	Description	FY 02-03 History	FY 03-04 History	FY 04-05 BUDGET	FY 04-05 As Of03/31/05	COMPUTED EST FOR FY 04-05	PRELIMINARY
4544540	20291800	GENERAL SERVICES SCANNING SERVICE	87	0	0	0	0	
4544540	20292100	GS PRINTING SERVICES	2,972	3,600	3,000	1,786	2,381	3,000
4544540	20292200	GS MAIL/POSTAGE CHARGES	31	6,000	0	5	7	
4544540	20292300	GS MESSENGER SERVICES	2,052	11,000	2,200	1,652	2,203	2,313
4544540	20292600	GS STORE CHARGES	892	5,000	800	540	720	800
4544540	20293400	PUBLIC WORKS SERVICES	0	4,000	8,000	0	0	8,000
4544540	20293410	PIPFS SVCS	3,070	0	0	0	0	
4544540	20293414	DPW BUILDING DESIGN SERVICES	0	0	0	0	0	
4544540	20294200	COUNTY FACILITY USE CHARGES	0	57,000	0	0	0	
4544540	20294300	LEASED PROPERTY USE CHARGESGS	52,982	0	57,000	42,102	56,136	61,000
4544540	20298700	GS TELEPHONE SERVICES	8,389	6,000	16,000	9,595	12,793	13,000
4544540	20298900	GS TELEPHONE INSTALLATIONS	206	0	0	0	0	
4544540	20299000	GS OTHER COUNTY DEPARTMENT SERVICES	7,583	0	509	0	0	592
		Object 20	455,286	189,742	422,685	274,797	392,165	
		*FUNDCENTER 4544540	550,040	523,742	535,685	336,626	501,415	774,000
		FUND TOTAL 067A	550,040	523,742	535,685	336,626	501,415	774,000
		DISTRICT TOTAL	550,040	523,742	535,685	336,626	501,415	774,000
		CONTINGENCIES						25,000
		25,000						
		CONTINGENCIES						34,000
		CONTINGENCIES						<u>34,000</u>
		34,000						<u>34,000</u>
		\$59,000						<u>\$59,000</u>
						CONTINGENCIES		25,000
						GENERAL RESERVE		<u>34,000</u>
								\$833,000

**EXPENDITURE DETAIL – FY 2005-06 PRELIMINARY BUDGET
SPECIAL DISTRICT - SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

FUND CENTER	COMMITTEE ITEM	DESCRIPTION	FY 02-03 HISTORY	FY 03-04 HISTORY	FY 04-05 HISTORY	FY 04-04 AS OF 03-31-05	COMPUTED EST FOR FY 04-05	PRELIMINARY
FUND	067A	LOCAL AGENCY FORMAT						
4544540	94941000	INTEREST INCOME	(8,793)	(5,000)	(2,500)	(2,657)	(2,657)	(2,500)
		OBJECT 94	(8,793)	(5,000)	(2,500)	(2,657)	(2,657)	(2,500)
4544540	96969900	SVC FEES OTHER	(326,454)	0	(20,000)	(418,254)	(418,254)	(120,000)
		OBJECT 96	(326,454)		(20,000)	(418,254)	(418,254)	(120,000)
4544540	97979000	MISCELLANEOUS OTHER REVENUES	(145,050)	(20,000)	(544,500)	(181,500)	(181,500)	(586,500)
		OBJECT 97	(145,050)	(20,000)	(544,500)	(181,500)	(181,500)	(586,500)
		FUNDCENTER 4544540	(480,297)	(25,000)	(567,000)	(602,411)	(602,411)	(709,000)
		FUND TOTAL 067A	(480,297)	(25,000)	(567,000)	(602,411)	(602,411)	(709,000)
		DISTRICT TOTAL	(480,297)	(25,000)	(567,000)	(602,411)	(602,411)	(709,000)