



AGENDA ITEM 7A

MEETING: March 19, 2014
TO: Humboldt LAFCo Commissioners
FROM: George Williamson, Executive Officer
SUBJECT: **Proposed Budget for Fiscal Year 2014-15**

The Commission will consider approving a proposed budget for Fiscal Year 2014-2015. The proposed budget is being presented to the Commission for approval and authorization to circulate to local funding agencies for their review in anticipation of adopting a final budget in May.

BACKGROUND

Local Agency Formation Commissions (LAFCo) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless LAFCo finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

DISCUSSION

LAFCo Funding Sources:

Humboldt LAFCo's annual operating expenses are principally funded through appropriations from the county, cities and independent special districts, in addition to application fees and interest earnings. Each fiscal year, after the Commission adopts the final budget, the County Auditor apportions the net operating expenses in the following manner: the County pays 1/3 of the net operating costs; the cities, as a whole, pays 1/3 of the net operating costs; and the independent special districts, as a whole, pays 1/3 of the net operating costs. Statutory authority provides mechanisms for the County Auditor to collect the amounts apportioned.

Proposed Operating Expenses:

The proposed operating expenses reflect the Amended Budget for FY 2013-14. The Amended Budget for FY 2013-14 accounts for the current level of staffing services for day-to-day operations and for conducting municipal service reviews. In addition, a number of changes to services and supplies was included in the Amended Budget for FY 2013-14 to reflect current fiscal year expense trends.

Proposed Operating Revenues:

The proposed budget increases operating revenues from \$34,132 to \$35,684; a difference of \$1,552 or 4.3%. Nearly this entire amount of new revenues to be collected would be drawn from agency contributions. Budgeted service charges and interest earnings on the fund balance invested by the County Treasurer represent the remaining portion of revenues in the draft.

RECOMMENDATION

This item has been agendized for consideration as part of a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing and invite testimony (mandatory); and
- 3) Discuss item and – if appropriate – close the hearing and consider action on recommendation:

"I move to: 1) adopt Resolution No. 14-03, approving the proposed budget for fiscal year 2014-15 as provided in Attachment A (with any desired changes); and 2) to direct the Executive Officer to circulate the adopted proposed budget to funding agencies for review and comment."

Attachments

Attachment A: Proposed Budget for FY 2014-15

Attachment B: Resolution No. 14-03

Humboldt LAFCo: FY 2014-15 Operating Budget - Proposed

Revenues:

		FY 2013-14		FY 2014-15
<u>Account</u>	<u>Title</u>	ADOPTED	AMENDED	PROPOSED
Intergovernmental				
671181	Cities	34,131.67	34,132.00	35,684.00
671182	Special Districts	34,131.67	34,132.00	35,684.00
671183	County	34,131.67	34,132.00	35,684.00
Intergovernmental Total		\$ 102,395.00	\$ 102,396.00	\$ 107,052.00
Service Charges				
631100	Professional Services (Application Fees)	-	7,500.00	7,500.00
682238	Charges for Services	-	-	-
707010	Miscellaneous	-	-	-
Service Charges Total		\$ -	\$ 7,500.00	\$ 7,500.00
Investments				
401000	Interest	450.00	450.00	450.00
Interest Total		\$ 450.00	\$ 450.00	\$ 450.00
Revenue Total		\$ 102,845.00	\$ 110,346.00	\$ 115,002.00

Expenses:

		FY 2013-14		FY 2014-15
<u>Account</u>	<u>Title</u>	ADOPTED	AMENDED	PROPOSED
Staffing				
2255	Legal Fees	7,000.00	5,000.00	5,000.00
2118	Professional & Special Services (Task Order 1)	27,100.00	30,000.00	30,000.00
2118	Professional & Special Services (Task Order 2)	50,400.00	55,000.00	55,000.00
2118	Professional & Special Services (Application Review)	-	7,500.00	7,500.00
2325	Contract Services	-	-	-
Staffing Total		\$ 84,500.00	\$ 97,500.00	\$ 97,500.00
Services and Supplies				
2106	Communications	460.00	300.00	300.00
2147	Media	600.00	400.00	400.00
2121	Rents & Leases - Structures	5,100.00	5,400.00	5,400.00
2117	Office Supplies	300.00	100.00	100.00
2107	Duplicating	500.00	200.00	200.00
2116	Postage	500.00	100.00	102.00
2119	Publications and Legal Notices	2,000.00	1,000.00	1,000.00
2110	Insurance	2,000.00	2,100.00	2,100.00
2115	Memberships	3,235.00	3,500.00	3,500.00
2123	Special Departmental Expense	800.00	500.00	500.00
2125	Transportation & Travel	350.00	400.00	400.00
2225	Transportation Out of County	2,000.00	2,500.00	2,500.00
2614	Staff Development and Training	500.00	1,000.00	1,000.00
Services and Supplies Total		\$ 18,345.00	\$ 17,500.00	\$ 17,502.00
Contingency/ Carryover				
2020	Contingency	-	-	-
Contingency Total		\$ -	\$ -	\$ -
Expense Total		\$ 102,845.00	\$ 115,000.00	\$ 115,002.00

Operating Difference

Negative Balance Indicates Use of Reserves

\$ - \$ (4,654.00) \$ -

Unreserved/Unrestricted Fund Balance

	FY 2013-14	FY 2014-15
Beginning	79,409.13	52,529.12
Ending	52,529.12	52,529.12



RESOLUTION NO. 14-03

**ADOPTING A PROPOSED BUDGET
FOR FISCAL YEAR 2014-15**

WHEREAS, the Humboldt Local Agency Formation Commission ("Commission") is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt an proposed budget for the next fiscal year no later than May 1; and

WHEREAS, the Executive Officer prepared a report concerning the proposed budget, including recommendations thereon; and

WHEREAS, the Executive Officer's report was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public hearing on the proposed budget held on March 19, 2014; and

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the agency as accurately and appropriately as is possible.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The proposed budget as outlined in Exhibit A is approved.
2. The overall operating costs provided in the proposed budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381(a).

PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 19th day of March, 2014, by the following roll call vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:

Attest:

Virginia Bass, Chair
Humboldt LAFCo

George Williamson, Executive Officer
Humboldt LAFCo