

LAFCO

*Yolo County Local Agency Formation Commission
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To: Olin Woods, Chair and Members of the
Yolo Local Agency Formation Commission

From: Elisa Carvalho, Assistant Executive Officer

Date: May 10, 2010

Subject: Public Hearing for the Final 2010 -11 Yolo County LAFCO Budget

Recommended Action

1. Receive and consider the final budget report for the 2010-11 fiscal year; and
2. Open the Public Hearing for comments on the Final 2010-11 Yolo County LAFCO Budget; and
3. After Commission and public input on the Final Budget, close the Public Hearing and approve the Final Budget for fiscal year 2010-11 as depicted in Attachment A.

Fiscal Impact

The retirement and continuing part-time assistance of the Executive Officer allows costs to remain stable and staff to continue to provide a high level of professional support to the Commission.

Reason for Recommended Action

The Yolo County LAFCO adopts its own budget with notice to all affected cities, independent special districts, and the County of Yolo. The final budget as recommended will provide ongoing transition phasing for the Commission to address

COMMISSIONERS

★ *Public Member* Olin Woods, Chair ★
★ *County Member* Matt Rexroad, Vice Chair ★
★ *City Members* Stephen Souza, Skip Davies ★ *County Member* Helen M. Thomson ★

ALTERNATE COMMISSIONERS

★ *Public Member* Robert Ramming ★ *City Member* Bill Kristoff ★ *County Member* Jim Provenza ★

STAFF

★ *Executive Officer* Elizabeth Castro Kemper ★ *Assistant Executive Officer* Elisa Carvalho ★
★ *Commission Clerk* Terri Tuck ★ *Commission Counsel* Robyn Truitt Drivon ★

current economic issues while maintaining adequate staffing for support, special studies, and projects as they occur.

The City share of the LAFCO Budget in the Revenues section of this report has been updated to include the 2007-08 Cities Annual Report published by the Controller. The percentage changes are negligible.

Background

The Final Budget continues the transition plan adopted by the Commission in fiscal year 2009-10. The plan reflects the Executive Officer continuing as Extra Help. The Assistant Executive Officer and Commission Clerk continue to learn new responsibilities and cross-train for managing the office with two staff. In 2009-10 the Executive Officer's position was fully funded at the Executive Officer salary level through December and then the same position was funded as Extra Help the remainder of the year.

The final 2010-11 budget continues the transition plan for the second year. In this case, one-half of the Executive Officer salary will be allocated to repay the PERS retirement incentive to the retirement system. The Extra Help portion of the Budget will include funds to pay the retired Executive Officer to return as a retired annuitant on a part-time basis. The remaining personnel costs are the Senior Management Analyst position, currently the Assistant Executive Officer, and the Board Clerk III position, currently the Commission Clerk.

The Commission recently adopted the LAFCO work plan for 2010-11. The work plan includes review and update of various Municipal Service Review and Sphere of Influence studies on cemetery districts, community service districts, and fire districts. Additionally, staff has been meeting with agency representatives, landowners, and developers on potential organization proposals and other projects, including preparations for boundary change applications. These proposals include a possible petition for the incorporation of Dunnigan and a large multi-parcel annexation to the Yolo County Flood Control and Water Conservation District.

During the current economic downturn, LAFCO staff has the expertise to meet with the public, research options and organization approaches, and make recommendations to the Commission for action on multiple issues. Actual application numbers are down due to the economy, but meetings with various landowners, developers and public agencies have actually increased due to interest in eventual changes to boundaries and organizational considerations.

EXPENDITURES

Salaries and Benefits

Employee costs are paid by LAFCO into a County budget fund (298-1) because staff is technically County personnel. The salary and benefit accounts reflect costs for two employees and the Executive Officer position as quarter-time extra help.

Employee costs in the proposed 2010-11 Budget included a 5% salary reduction in anticipation of countywide salary reductions. The County has established a 10% reduction target, but has not specified how that target will be met. LAFCO staff will return to the Commission with subsequent and applicable bargaining unit changes.

As previously mentioned, Yolo LAFCO staff includes the Executive Officer, Assistant Executive Officer, and Commission Clerk. The Commission Clerk position maintains LAFCO processes, proposal files, office procedures and all appropriate documentation. She records and prepares the minutes for the Commission hearings and organizes the agenda packet for the Commission, public, and internet. She is the web master for the Yolo LAFCO website. The Clerk is also being trained to prepare basic municipal service review and sphere of influence studies.

The Assistant Executive Officer prepares special studies, including municipal service reviews and sphere of influence studies, researches specific boundary change proposals and meets with individuals, as well as appropriate public and private entities. She is starting to take the lead on current and new projects and meetings with interested parties. She is also training the Clerk to prepare studies. She reviews studies, Commission minutes and agendas, and other work as appropriate. She has also trained in the geographical information system so that she can independently prepare and research LAFCO related maps.

The Executive Officer oversees staff, works with the Assistant Executive Officer and the Commission concerning policy, and works with the public and special districts on special projects. She and the LAFCO Assistant Executive Officer also provide training and presentations to the public, special districts, CALAFCO, and other public or private organizations. The Executive Officer also reviews studies, environmental documents and recommendations for all LAFCO related projects, and mentors LAFCO staff.

The recommended Final Budget provides funds for the current Executive Officer to work as a part-time, extra-help employee at 25% for the 2010-11 fiscal year. The Assistant Executive Officer is expanding her leadership role under the mentorship and oversight of the Executive Officer. Both staff members are working with the Executive Officer to increase their understanding of financial and policy related areas. This model is consistent with the report reviewed and accepted by the Commission in March.

Services and Supplies

Expenditures in these accounts are primarily maintained at current levels. Some slight decreases based on actual practice are reflected. Legal services and professional service accounts are maintained at current levels to reflect possible need for outside services from the contracted legal firms and possible new surveyor firms.

REVENUES

County and City Shares

By state law, the cities and County split the cost of LAFCO 50/50. A formula for the split of the cities share is outlined in Government Code section 56381 (b) (1); however, by mutual agreement the cities of Yolo County, starting in the 2007-08 fiscal year, have developed an alternative formula to determine the appropriate shares to be paid by each city. The charts below depict the numbers to be used in this new formula. Basically, the cities alternative formula uses the most recent Department of Finance population estimates and State Controller general tax revenue numbers, less grants, and determines the percentage each of the four cities represents of the total for population and revenues. The population and general tax revenue percentages are averaged for each city and used to determine each city's share of the Yolo LAFCO Budget. At present, the latest report from the Department of Finance for the cities share is 2009 and State Controller's latest is FY 07-08. The Final Budget varies slightly from the proposed Budget, which the Commission reviewed in March, due to the subsequent release of the 07-08 Department of Finance numbers.

City	State Controller FY 06-07 General Tax Revenues	FY 10-11 Revenue Share	Dept of Finance Est. 2009 Population	FY 10-11 Population Share
Davis	\$39,141,115	32.5%	66,005	37.2%
West Sacramento	\$45,703,471	37.9%	47,782	27.0%
Winters	\$2,845,502	2.4%	7,052	4.0%
Woodland	\$32,828,354	27.2%	56,399	31.8%
Totals	\$120,518,442	100%	177,238	100%

City Percentage Share of 10-11 LAFCO Budget				
City	% Share of Revenues	% Share of Population	Average % Share of Rev and Pop	Total Share
Davis	32.5%	37.2%	34.85%	\$56,370
West Sacramento	37.9%	27.0%	32.45%	\$52,488
Winters	2.4%	4.0%	3.2%	\$5,176
Woodland	27.2%	31.8%	29.5%	\$47,716
Totals	100%	100%	100%	\$161,750

The County of Yolo and the cities will each pay \$161,750 for their share under State law, \$777 less than the total cost in FY 2009-10.

Contingencies

In the past several years, the Yolo County LAFCO has opted to maintain a contingency fund for one-time expenses such as the purchase of equipment or consulting services. In fiscal year 2010-11 it is recommended that a portion of carry forward funds that have been accumulated be used to: 1) partially off-set increases to salaries and benefits if reclassification or promotion become needed; 2) provide one-time revenue to partially off-set the loss of County revenue for previous analyst staff time; and 3) provide funds for a potential office move inside the County's Administration Building. The Commission may decide to use more, or less, carry-forward. Additionally, the 5% salary reductions discussed in the "Salaries and Benefits" section of this report would accrue to the LAFCO's carry-forward account.

Conclusion

Actual expenditures are reduced by 5% for the final 2010-11 Yolo LAFCO budget. However, revenues are also reduced due to the downturn in the economy and the elimination of County payment to LAFCO for the Executive Officer to provide part-time analyst work for the County Administrator. The Executive Officer's retirement and work as extra help has aided the office in its transition to a two person office. The Executive Officer continues to help and mentor the existing staff in the office. The Assistant Executive Officer and the Clerk continue to increase their responsibilities and knowledge specific to the needs of LAFCO.

Other Agency Involvement

The Public Hearing notice for this item was published and posted as required and this budget memo was sent to the affected agencies, including the four cities and the County.

Attachments:

Attachment A: Final Yolo County LAFCO 2010-11 Budget

Yolo LAFCO Final Budget 2010-11

ACCOUNT	BUDGET CLASSIFICATION	Final Budget 2009-10	Final Budget 2010-11	Difference from 2009-10
SALARY AND BENEFITS				
861101	Regular Employees	\$160,607	\$155,000	-\$5,607
861102	Extra Help	\$25,000	\$25,000	\$0
861107	Benefit cashout	\$2,000	\$2,000	\$0
861201	Co. Contribution Retirement Sys	\$26,100	\$26,100	\$0
861202	Co Contribution OASDI	\$14,229	\$10,000	-\$4,229
861203	Medicare Tax	\$5,021	\$2,500	-\$2,521
861400	Co Contr Unemployment Ins	\$1,000	\$1,500	\$500
861500	Workers' Compensation Ins	\$1,500	\$1,500	\$0
861600	Cafeteria Plan Benefits	\$35,822	\$30,215	-\$5,607
	PERS incentive (salary savings)	\$33,905	\$33,905	\$0
	Subtotal Salary and Benefits	\$305,184	\$287,720	-\$17,464
SERVICES AND SUPPLIES				
862090	Communications	\$1,250	\$1,250	\$0
862202	Insurance Public Liability	\$1,000	\$1,000	\$0
86-2271	Maintenance-Equipment	\$800	\$800	\$0
862330	Memberships	\$2,300	\$2,300	\$0
862390	Office Expense	\$1,000	\$1,000	\$0
862391	Office Expense - Postage	\$400	\$400	\$0
862392	Office Expense - Printing	\$850	\$850	\$0
862422	Data Processing Services	\$8,000	\$8,000	\$0
862423	Legal Services	\$15,000	\$15,000	\$0
862429	Professional & Special Services	\$14,000	\$14,000	\$0
862460	Publishing & Legal Notices	\$1,200	\$1,200	\$0
86-2491	Rents & Leases - Equipment	\$2,000	\$2,000	\$0
862495	Records Storage - Archives	\$545	\$400	-\$145
862520	Small Tools & Minor Equipment	\$750	\$500	-\$250
862548	Training Expense	\$4,700	\$4,000	-\$700
862559	Special Departmental Exp	\$100	\$100	\$0
862610	Transportation & Travel	\$6,000	\$6,000	\$0
	Subtotal Services and Supplies	\$59,895	\$58,800	-\$1,095
	TOTAL GROSS APPROPRIATION	\$365,079	\$346,520	-\$18,559

Final 2010-11 Yolo LAFCO Budget				
ACCOUNT	BUDGET CLASSIFICATION	Approved 09-10 budget	Final 10-11 Budget	Difference from 2009-10
REVENUES				
	Interest Revenue	\$2,500	\$1,000	(\$1,500)
	Carry Forward one-time costs	\$35,000	\$20,000	(\$15,000)
825820	County Contribution	\$162,527	\$161,750	(\$777)
825821	West Sacramento Contribution	\$49,896	\$52,488	\$2,592
825822	Woodland Contribution	\$49,408	\$47,716	(\$1,692)
825823	Winters Contribution	\$5,038	\$5,176	\$138
825824	Davis Contribution	\$58,185	\$56,370	(\$1,815)
826225	LAFCO Fees	\$2,500	\$2,000	(\$500)
827600	Other Sales	\$25	\$20	(\$5)
	TOTAL REVENUES	\$365,079	\$346,520	(\$18,559)
FUND BALANCE				
	Fund Balance carry forward	\$189,900	\$112,400	(\$77,500)
	Equip/training (carry forward)	-\$10,000	\$0	\$10,000
	Professional Services (carry forw)	-\$50,000	\$0	\$50,000
86-9990	PERS incentive**	\$33,905	\$33,905	\$0
	Estimated XTO/Furlough savings	\$4,000	\$6,000	\$2,000
	Expenditure offset (carry forward)	-\$21,500	-\$20,000	\$1,500
	TOTAL FUND BALANCE	\$146,305	\$132,305	(\$14,000)
**CalPERS incentive will be repaid over two years, final year 2010-11)				