

LAFCO

*Yolo County Local Agency Formation Commission
625 Court Street, Suite 203, Woodland, CA 95695
lafco@yolocounty.org (email) www.yololafco.org (web)
(530) 666-8048 (office)*

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

From: Elizabeth Castro Kemper, Executive Officer
Elisa Carvalho, Assistant Executive Officer

Date: March 28, 2011

Subject: Proposed 2011-12 Yolo LAFCO Budget

Recommended Action

1. Receive and consider the Proposed Budget for the 2011-12 Fiscal Year; and
2. Open the Public Hearing for comments on the Proposed 2011-12 Yolo LAFCO Budget; and
3. Consider appointing Assistant Executive Officer Elisa Carvalho as the Executive Officer starting Fiscal Year 2011-12; and
4. Consider reclassification of the Clerk, based on increased duties and responsibilities; and
5. After Commission and public input on the Proposed Budget, close the Public Hearing and set May 16, 2011 as a public hearing to consider approving the Final Budget for Fiscal Year 2011-12

COMMISSIONERS

*★ Public Member Olin Woods, Chair ★
★ County Member Matt Rexroad, Vice Chair ★
★ City Members Stephen Souza, Skip Davies ★ County Member Don Saylor ★*

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 ★*

Fiscal Impact

The budget has been reduced from the 2010-11 Fiscal Year. Significant changes include reclassification of LAFCO staff, reduction of extra help costs to reflect the Executive Officer's transition out of Yolo LAFCO, and the addition of funds for consultant costs. Additionally, the PERS retirement incentive ended in Fiscal Year 2010-11.

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. This Proposed Budget maintains adequate support for the Commission to meet the responsibilities of the Cortese-Knox-Hertzberg Act.

The current Fiscal Year is the second of a two-year transition plan, which involved the retirement of the current Executive Officer and the mentoring and training of remaining staff to function as a two-person office. In 2009, the Commission approved a plan to maintain the Executive Officer as extra help at 25% time. This option provided staff an opportunity to gain greater experience and knowledge under the support and mentorship of the Executive Officer. The Executive Officer has offered to function in a limited advisory role for LAFCO for a portion of the 2011-12 Fiscal Year.

Background

The attached LAFCO Budget includes proposed revenues and expenditures for LAFCO in the 2011-12 Fiscal Year. The salary and benefit accounts reflect costs for two employees and one extra help employee. The Services and Supplies portion includes costs for consultants, materials, equipment, and operations. The Revenues include anticipated income from other agencies, interest, fees, and carry-forward one-time costs. The fund balance section of the budget provides a view of available funds and estimated furlough savings.

The Proposed Budget as recommended will complete the transition from a three to a two person office. Funding has been provided for increases to the salaries and benefits of the current Assistant Executive Officer and Commission Clerk due to their increased responsibilities and independence. The Proposed Budget also includes additional funding for consultants to prepare Municipal Service Review and Sphere of Influence Studies, detailed in the recently approved LAFCO Work Plan, and to provide staff support as necessary.

The budget also provides an opportunity for transition phasing for the Commission through the Executive Officer's support of staff in an advisory capacity for at least a portion of the year. The Proposed Budget continues to provide funding, at a reduced level, for the current Executive Officer to continue to function as Extra Help. At a minimum, the Executive Officer would continue to attend staff meetings one to three times per month and attend Commission meetings in a support or background role.

The Executive Officer has been working as a retired annuitant on a part-time Extra Help basis during the last two years. During this time, the Executive Officer (EO) has worked to provide support, direction, and mentorship to LAFCO staff. The EO has continued to reduce her role in LAFCO functions over time to increase the staff's independence and self-sufficiency and increase their chances for success as a two person office.

Additional funds have also been provided for consulting work and support. The Commission recently adopted the LAFCO Work Plan for 2011-12. The Work Plan includes the review and update of various Municipal Service Review and Sphere of Influence studies on fire districts, community service districts, county service areas, and reclamation districts. Staff will provide much of the work involved in these studies; however, staff will also rely on consultants to handle some of the work load and provide necessary expertise.

Additionally, staff has been working on or meeting with agency representatives, landowners, and developers on current and potential organization proposals. These proposals include the proposal for the Incorporation of Dunnigan, a large multi-parcel annexation to the Yolo County Flood Control and Water Conservation District, and an annexation to the City of Woodland. Proposals such as the proposed Dunnigan Incorporation may also require consulting assistance. Applicants will be responsible for paying consultant costs.

Though applications have been down for the last two years, meetings with various landowners, developers, and public agencies have increased due to interest in eventual changes to boundaries and organizational considerations. LAFCO staff will continue to meet with the public, research options and organization approaches, and make recommendations to the Commission for action on multiple issues.

EXPENDITURES

Salaries and Benefits

The Salary and Benefits portion of the budget represents budgeted costs for an Executive Officer; Board Clerk III position with a 5% increase for potential reclassification, Extra Help costs for advisory services that will be provided by the current Executive Officer, and any interns. Benefit Cashout is included in salaries and benefits. This Account represents a vacation buy-back option for employees. This option has been eliminated during furloughs. The County is implementing a second year of furloughs to continue to achieve a 10% reduction target. Employee costs in the Proposed 2011-12 Budget are similar to costs provided in the 2010-11 Budget.

Yolo LAFCO staff currently 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 and the public. She also posts the agenda and other information on the internet. The Clerk is being trained to prepare basic municipal service review and sphere of influence studies, provide short memos to the Commission, and prepare correspondence for the public. She will also be increasing her role in reviewing LAFCO proposals.

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 takes 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 Assistant Executive Officer has started to oversee the Clerk position, which includes staff evaluations. She is working with the Executive Officer and the Commission concerning policy. She has taken the lead on preparing the Proposed 2011-12 LAFCO Budget, and she provides training and presentations to the public, special districts, CALAFCO, and other public or private organizations.

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. The Executive Officer also reviews studies, environmental documents, and recommendations for all LAFCO related projects and mentors LAFCO staff. The Proposed Budget provides funds for the current Executive Officer to work as an extra-help employee on an advisory basis for the 2011/12 Fiscal Year.

The Assistant Executive Officer and Clerk have expanded their responsibilities and are becoming increasingly independent. They are generally functioning as a two-person office with oversight by the Executive Officer. The Assistant Executive Officer continues to expand her knowledge and capacity in her increasing leadership role. The Clerk is also increasing her duties and providing a greater support role. Both staff members continue to increase their understanding of financial and policy related areas.

Services and Supplies

Overall, expenditures in services and supplies are primarily maintained at current levels. Several accounts have been reduced, due to a reduction in costs for service. Several accounts have been increased due to anticipated costs. The Professional and Special Services Account has been increased to reflect a potential need for consultant services to prepare Municipal Service Review and Sphere of Influence Studies, detailed in the recently approved LAFCO Work Plan. The funds budgeted in this account may also be used to provide additional staffing in the LAFCO Office. The Communications Account has also been increased to pay for a potential increase in telephone costs. The County's Telecom Division recently indicated the need to do a fee study to increase costs.

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 2010 and the State Controller's latest is FY 07-08.

City	State Controller FY 08-09 General Tax Revenues	FY 11-12 Revenue Share	Dept of Finance Est. 2009 Population	FY 10-11 Population Share
Davis	\$42,536,614	35.16%	65,622	37.2%
West Sacramento	\$45,255,495	37.41%	48,744	27.6%
Winters	\$2,726,923	2.25%	6,624	3.8%
Woodland	\$30,465,856	25.18%	55,468	31.4%
Totals	\$120,984,888	100%	176,458	100%

City Percentage Share of 2010-11 LAFCO Budget				
City	% Share of Revenues	% Share of Population	Average % Share of Rev and Pop	Total Share
Davis	35.16%	37.2%	36.2%	\$57,615.56
West Sacramento	37.41%	27.6%	32.5%	\$51,726.68
Winters	2.25%	3.8%	3.0%	\$4,774.77
Woodland	25.18%	31.4%	28.3%	\$45,042.00
Totals	100%	100%	100%	\$159,159

The County of Yolo and the cities will each pay \$159,159 for their share under State law, \$5,006 less than the total cost in FY 2010-11.

Contingencies

In the past several years, the Yolo LAFCO has opted to maintain a contingency fund for one-time expenses. In Fiscal Year 2011-12 it is recommended that a portion of carry forward funds that have been accumulated be used to: 1) provide funds for consulting services and 2) partially off-set increases to salaries and benefits for reclassification or promotion. The Commission may decide to use more, or less, carry-forward.

Conclusion

Actual expenditures and revenues remain relatively steady in the Proposed 2011-12 Budget. Revenues were increased by \$1,148 for the Proposed 2011-12 LAFCO Budget. The elimination of the PERS retirement incentive was offset by the increase in consultant costs. Revenues remain steady with the one-time carry forward costs and a projected

increase of LAFCO fees. 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, but will continue to reduce her time in the LAFCO 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: Proposed Yolo County LAFCO 2011-12 Budget

Proposed 2011-12 Yolo LAFCO Budget

ACCOUNT	BUDGET CLASSIFICATION	Adopted Budget 2010-11	Proposed Budget 2011-12	Difference from 2010-11
SALARY AND BENEFITS				
861101	Regular Employees	\$155,000	\$155,000	\$0
861102	Extra Help	\$25,000	\$17,000	-\$8,000
861107	Benefit cashout	\$2,000	\$0	-\$2,000
861201	Co. Contribution Retirement Sys	\$26,100	\$26,100	\$0
861202	Co Contribution OASDI	\$10,000	\$12,000	\$2,000
861203	Medicare Tax	\$2,500	\$3,100	\$600
861400	Co Contr Unemployment Ins	\$1,500	\$1,500	\$0
861500	Workers' Compensation Ins	\$1,500	\$1,500	\$0
861600	Cafeteria Plan Benefits	\$30,215	\$35,000	\$4,785
	PERS incentive (salary savings)	\$33,905	\$0	-\$33,905
	Subtotal Salary and Benefits	\$287,720	\$251,200	-\$36,520
SERVICES AND SUPPLIES				
862090	Communications	\$1,250	\$2,184	\$934
862202	Insurance Public Liability	\$1,000	\$1,000	\$0
86-2271	Maintenance-Equipment	\$800	\$500	-\$300
862330	Memberships	\$2,300	\$2,464	\$164
862390	Office Expense	\$1,000	\$800	-\$200
862391	Office Expense - Postage	\$400	\$400	\$0
862392	Office Expense - Printing	\$850	\$1,000	\$150
862422	Data Processing Services	\$8,000	\$6,500	-\$1,500
862423	Legal Services	\$15,000	\$12,000	-\$3,000
862429	Professional & Special Services	\$14,000	\$56,620	\$42,620
862460	Publishing & Legal Notices	\$1,200	\$1,000	-\$200
86-2491	Rents & Leases - Equipment	\$2,000	\$1,500	-\$500
862495	Records Storage - Archives	\$400	\$400	\$0
862520	Small Tools & Minor Equipment	\$500	\$500	\$0
862548	Training Expense	\$4,000	\$8,000	\$4,000
862559	Special Departmental Exp	\$100	\$100	\$0
862610	Transportation & Travel	\$6,000	\$1,500	-\$4,500
	Subtotal Services and Supplies	\$58,800	\$96,468	\$37,668
	TOTAL GROSS APPROPRIATION	\$346,520	\$347,668	\$1,148

Proposed 2011-12 Yolo LAFCO Budget				
ACCOUNT	BUDGET CLASSIFICATION	Adopted Budget 2010-11	Proposed Budget 2011-12	Difference from 2010-11
REVENUES				
	Interest Revenue	\$1,000	\$350	(\$650)
	Carry Forward one-time costs	\$20,000	\$25,000	\$5,000
825820	County Contribution	\$161,750	\$159,159	(\$2,591)
825821	West Sacramento Contribution	\$52,488	\$51,727	(\$761)
825822	Woodland Contribution	\$47,716	\$45,042	(\$2,674)
825823	Winters Contribution	\$5,176	\$4,775	(\$401)
825824	Davis Contribution	\$56,370	\$57,615	\$1,245
826225	LAFCO Fees	\$2,000	\$4,000	\$2,000
827600	Other Sales	\$20	\$0	(\$20)
	TOTAL REVENUES	\$346,520	\$347,668	\$1,148
FUND BALANCE				
	Fund Balance carry forward	\$112,400	\$96,948	(\$15,452)
	Equip/training (carry forward)	\$0	\$0	\$0
	Professional Services (carry forw)	\$0	\$0	\$0
86-9990	PERS incentive**	-\$33,905	\$0	\$33,905
	Estimated XTO/Furlough savings	\$6,000	\$4,300	(\$1,700)
	Expenditure offset (carry forward)	-\$20,000	-\$25,000	(\$5,000)
	TOTAL FUND BALANCE	\$64,495	\$76,248	\$11,753