

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

From: Elizabeth Castro Kemper, Executive Officer

Date: May 11, 2009

Subject: Public Hearing for the final 2009 -10 Yolo County LAFCO Budget

Recommended Action

1. Receive and consider the final budget report for the 2009 -10 fiscal year.
2. Open the public hearing for comments on the final 2009-10 Yolo County LAFCO budget.
3. After Commission and public input on the final budget, close the public hearing and approve the final budget for fiscal year 2009-10 as depicted on Attachment A, consistent with direction from the Commission on February 23, 2009.

Fiscal Impact

The final budget is based on the administrative option selected by the Commission to maintain the current Executive Officer after retirement on a part-time basis. This selection will allow the Commission to maintain costs close to current costs, succession planning and training and continue to provide professional staff 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 transition phasing for the Commission to address the current economy issues while maintaining adequate staffing for support, special studies and projects as they occur.

Background

In February the Commission authorized a budget that maintains the incumbent Executive Officer as extra help for the second half of 2009-10 at 25% time. This option is anticipated for a two year period. A recent decision by the Yolo County Board of Supervisors provided the option for eligible employees to retire with an additional 2 years service if the retirement occurs during the period

COMMISSIONERS

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★ County Member Matt Rexroad, Vice Chair ★

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★ Public Member Robert Ramming ★ City Member Skip Davies ★ County Member Jim Provenza ★

STAFF

★ Executive Officer Elizabeth Castro Kemper ★ Senior Management Analyst Elisa Carvalho ★

★ Commission Clerk Terri Tuck ★ Commission Counsel Robyn Truitt Drivon ★

from June 1 to August 31, 2009. The current Executive Officer is one of those eligible employees, and has enrolled for this option.

Participating in this option changes the expected retirement date from November 30 to August 28, 2009. However, the California Public Employee Retirement System (CalPERS) requires a savings to be shown for this incentive to be successful. The expected savings is 60% of the retiree's salary in the first year. The County of Yolo is allowing the savings to be shown over a two year period. The budget reflects the cost of the savings in the salary and benefits portion of the proposed final budget, while the savings is accounted for in a carry forward contingency account.

Even with the change in the Executive Officer's retirement date and the requirement for confirmed savings, the proposed final budget is consistent with the draft budget presented to the Commission in February. The earlier retirement date adds to the LAFCO salary and benefit savings, which helps balance the required savings amount. The one-time revenue from the LAFCO carry forward fund is maintained and therefore so is the city and county contributions as presented in the draft budget. These amounts are maintained to wean the LAFCO budget from the loss of the county payment for a portion of the Executive Officer as a management analyst. Attachment B reflects a possible scenario that will provide the balance of the required savings while reducing the one-time revenue from carry forward and instituting only a 3% increase to the contributing agencies. The plan would be to eliminate one-time revenues from the budget in the third year while still maintaining the agency contributions at a consistent level.

EXPENDITURES

Salaries and Benefits - The salary and benefit accounts reflect costs for two full-time employees, a retiring employee and extra help. In previous years, the Executive Officer performed county responsibilities as a Principal Management Analyst equal to about one-half time. Fiscal year 2009-10 will be the first year that staff will be fully committed to LAFCO work.

Yolo LAFCO staff includes the Executive Officer, senior management analyst and Commission Clerk. The Commission Clerk position maintains LAFCO processes, proposal files, office procedures and all appropriate documentation. She also records and prepares the minutes for the Commission hearings and organizes the agenda packet for the Commission, public and internet. She is also the web master for the Yolo LAFCO website. The analyst prepares special studies, including municipal service reviews and spheres of influence studies, researches specific boundary change proposals and meets with individuals, as well as appropriate public and private entities. She has also recently 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 Commission concerning policy, works with the public and special districts on special projects. She and the LAFCO analyst 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.

Due to the retirement of the Executive Officer, the proposed final budget provides funds for the balance of the year for the current Executive Officer to work as a part-time, extra-help employee at 25% time. The recommendation is that the senior analyst would be the Assistant Executive Officer, expanding her current role under the mentorship and oversight of the Executive Officer in financial and policy related areas. In turn, the Commission Clerk would continue to increase her

duties in fiscal responsibilities as well as analytical areas. Review of this staff structure will be by the Commission at six month intervals with the first report in early 2010.

Services and Supplies – Expenditures in these accounts are reduced in several areas, in particular the professional services account. The expenditures for GIS training, consultants and GIS equipment are reduced in the coming year, having been one-time expenses covered by carry-forward funds. An unexpected increase in data processing charges (information technology) is reflected in the proposed final budget. A reduction in professional and legal services was made to balance the IT increase. Due to the current economy we believe these reductions will be appropriate. Staff is working with county staff to identify the reasons for the IT increase in an attempt to reduce it for 2010-11.

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): "The cities share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities populations."

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 State Controller general tax revenue numbers and determines the percentage each of the four cities represents of the total. Then the percentage for the population of each city in the county is calculated of the combined State Controller estimate. The population shares are averaged with the general tax revenue percentages and the resulting percentage share will be the number applied to determine each city's share of the Yolo LAFCO budget. At present, the latest report from the state controller's office for the cities share is FY 2005-06.

City	State Controller FY 05-06 General Tax Revenues	FY 09-10 Revenue Share	State Controller Est. 6/30/06 Population	FY 09-10 Population Share
Davis	\$ 34,737,879	33.1%	64,585	38.5%
West Sacramento	\$ 37,441,288	35.6%	43,183	25.8%
Winters	\$ 2,246,457	2.1%	6,867	4.1%
Woodland	\$ 30,620,898	29.2%	52,972	31.6%
Totals	\$ 105,046,522	100%	167,607	100%

City Percentage Share of 09-10 LAFCO Budget

CITY	% Share of Revenues	% Share of Population	Average % Share of Rev & Pop	Total Share
Davis	33.1%	38.5%	35.80%	\$58,052
West Sacramento	35.6%	25.8%	30.70%	\$49,782
Winters	2.1%	4.1%	3.1%	\$5,027
Woodland	29.2%	31.6%	30.4%	\$49,296
Totals	100.0%	100.0%	100.0%	\$162,157

The County of Yolo will pay the \$162,157 for their share under state law. The County will no longer receive services from LAFCO analyst staff for which they pay actual cost. This cost was budgeted as up to an additional \$50,000 annually.

Contingencies

In the past several years, the Yolo County LAFCO has opted to maintain a contingency fund for one-time expenses such as purchase of equipment or consulting services. In fiscal year 2009-10 it is recommended that a portion of carry forward funds that have been accumulated be used to provide one-time revenue to partially off-set the loss of county revenue for previous analyst staff time. The recommendation to use carry forward is an attempt to provide a cushioning effect for the 2009-10 fiscal year. Due to the CalPERS savings requirement the Executive Officer salary savings is identified in the contingency fund to balance the amount shown in salaries and benefits and finance the reimbursement to CalPERS.

Conclusion

Actual expenditures are reduced for the proposed 2009-10 Yolo LAFCO budget. However, revenues are also reduced due to economic issues and the elimination of county payment to LAFCO for the Executive Officer to provide analyst work for the County Administrator. The retirement of the incumbent Executive Officer at the end of August provides an opportunity for the Commission to plan for the next several years. The incumbent has agreed to work part-time during this transition period. Existing staff has been trained and has responded well to increased responsibilities and expectations over the past three years.

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:

- A. Final 2009-10 Yolo County LAFCO budget
- B. Estimated Two-year Yolo County LAFCO Budget

Yolo LAFCO Final Budget 2009-10

ACCOUNT	BUDGET CLASSIFICATION	Final Budget 2008-09	Final Budget 2009-10	Difference from 2008-09
SALARY AND BENEFITS				
861101	Regular Employees	\$220,724	\$160,607	-\$60,117
861102	Extra Help	\$1,500	\$25,000	\$23,500
861107	Benefit cashout	\$2,000	\$2,000	\$0
861201	Co. Contribution Retirement Sys	\$40,400	\$26,100	-\$14,300
861202	Co Contribution OASDI	\$13,999	\$14,229	\$230
861203	Medicare Tax	\$3,521	\$5,021	\$1,500
861400	Co Contr Unemployment Ins	\$500	\$1,000	\$500
861500	Workers' Compensation Ins	\$1,000	\$1,500	\$500
861600	Other Fringe Benefits	\$42,822	\$35,822	-\$7,000
	PERS incentive (salary savings)	\$0	\$33,905	\$33,905
	Subtotal Salary and Benefits	\$326,466	\$305,184	-\$21,282
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	\$2,065	\$2,300	\$235
862390	Office Expense	\$1,250	\$1,000	-\$250
862391	Office Expense - Postage	\$350	\$400	\$50
862392	Office Expense - Printing	\$1,000	\$850	-\$150
862422	Data Processing Services	\$2,000	\$8,000	\$6,000
862423	Legal Services	\$14,000	\$15,000	\$1,000
862429	Professional & Special Services	\$50,000	\$14,000	-\$36,000
862460	Publishing & Legal Notices	\$1,200	\$1,200	\$0
86-2491	Rents & Leases - Equipment	\$1,900	\$2,000	\$100
862495	Records Storage - Archives	\$399	\$545	\$146
862520	Small Tools & Minor Equipment	\$1,750	\$750	-\$1,000
862548	Training Expense	\$4,700	\$4,700	\$0
862559	Special Departmental Exp	\$100	\$100	\$0
862610	Transportation & Travel	\$6,000	\$6,000	\$0
	Subtotal Services and Supplies	\$89,764	\$59,895	(\$29,869)
	TOTAL GROSS APPROPRIATION	\$416,230	\$365,079	(\$51,151)

ATTACHMENT A

Final 2009-10 Yolo LAFCO Budget

ACCOUNT	BUDGET CLASSIFICATION	Approved 08-09 budget	Final 09-10 Budget	Difference from 2008-09
REVENUES				
	County Share	\$148,090	\$162,527	\$14,437
	Interest Revenue	\$3,500	\$2,500	(\$1,000)
	Carry Forward one-time costs	\$66,500	\$35,000	(\$31,500)
825800	Other Governmental Agencies	\$148,090	\$162,527	\$14,437
	Other Income - Prof Services	\$50,000	\$0	(\$50,000)
826225	LAFCO Fees	\$10,000	\$2,500	(\$7,500)
827600	Other Sales	\$50	\$25	(\$25)
	TOTAL REVENUES	\$426,230	\$365,079	(\$61,151)
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**	\$0	\$33,905	\$33,905
	XTO/Furlough savings	\$4,000	\$6,000	\$2,000
	Expenditure offset (carry forward)	-\$21,500	-\$35,000	(\$13,500)
	TOTAL FUND BALANCE	\$112,400	\$117,305	\$4,905

**CalPERS incentive will be repaid over multiple years.

ATTACHMENT A

**Yolo County Local Agency Formation Commission Final 2009-10 Budget
Two-Year Budget**

Estimated

ACCOUNT	BUDGET CLASSIFICATION	Final Budget 2008-09	Final Budget 2009-10	Difference from 2008-09	Projected for 2010- 2011
SALARY AND BENEFITS					
861101	Regular Employees	\$220,724	\$160,607	-\$60,117	\$163,000
861102	Extra Help	\$1,500	\$25,000	\$23,500	\$20,000
861107	Benefit cashout	\$2,000	\$2,000	\$0	\$1,000
861201	Co. Contribution Retirement Sys	\$40,400	\$26,100	-\$14,300	\$25,709
861202	Co Contribution OASDI	\$13,999	\$14,229	\$230	\$9,890
861203	Medicare Tax	\$3,521	\$5,021	\$1,500	\$2,351
861400	Co Contr Unemployment Ins	\$500	\$1,000	\$500	\$2,000
861500	Workers' Compensation Ins	\$1,000	\$1,500	\$500	\$1,500
861600	Other Fringe Benefits	\$42,822	\$35,822	-\$7,000	\$30,000
	PERS incentive (salary savings)	\$0	\$33,905	\$33,905	\$33,905
	Subtotal Salary and Benefits	\$326,466	\$305,184	-\$21,282	\$289,355
SERVICES AND SUPPLIES					
862090	Communications	\$1,250	\$1,250	\$0	\$1,000
862202	Insurance Public Liability	\$1,000	\$1,000	\$0	\$1,000
86-2271	Maintenance-Equipment	\$800	\$800	\$0	\$800
862330	Memberships	\$2,065	\$2,300	\$235	\$2,300
862390	Office Expense	\$1,250	\$1,000	-\$250	\$1,000
862391	Office Expense - Postage	\$350	\$400	\$50	\$400
862392	Office Expense - Printing	\$1,000	\$850	-\$150	\$800
862422	Data Processing Services	\$2,000	\$8,000	\$6,000	\$8,000
862423	Legal Services	\$14,000	\$15,000	\$1,000	\$20,000
862429	Professional & Special Services	\$50,000	\$14,000	-\$36,000	\$15,000
862460	Publishing & Legal Notices	\$1,200	\$1,200	\$0	\$1,200
86-2491	Rents & Leases - Equipment	\$1,900	\$2,000	\$100	\$2,000
862495	Records Storage - Archives	\$399	\$545	\$146	\$650
862520	Small Tools & Minor Equipment	\$1,750	\$750	-\$1,000	\$750
862548	Training Expense	\$4,700	\$4,700	\$0	\$4,700
862559	Special Departmental Exp	\$100	\$100	\$0	\$100
862610	Transportation & Travel	\$6,000	\$6,000	\$0	\$6,000
	Subtotal Services and Supplies	\$89,764	\$59,895	(\$29,869)	\$65,700
	TOTAL GROSS APPROPRIATION	\$416,230	\$365,079	(\$51,151)	\$355,055

Final 2009-10 Yolo LAFCO Budget

ACCOUNT	BUDGET CLASSIFICATION	Approved 08-09 budget	Final 09-10 Budget	Difference from 2008-09	Estimate for 2010-11
REVENUES					
	County Share	\$148,090	\$162,527	\$14,437	\$167,670
	Interest Revenue	\$3,500	\$2,500	(\$1,000)	\$2,500
	Carry Forward one-time costs	\$66,500	\$35,000	(\$31,500)	\$13,690
825800	Other Governmental Agencies	\$148,090	\$162,527	\$14,437	\$167,670
	Other Income - Prof Services	\$50,000	\$0	(\$50,000)	\$0
826225	LAFCO Fees	\$10,000	\$2,500	(\$7,500)	\$3,500
827600	Other Sales	\$50	\$25	(\$25)	\$25
	TOTAL REVENUES	\$426,230	\$365,079	(\$61,151)	\$355,055
FUND BALANCE					
	Fund Balance carry forward	\$189,900	\$112,400	(\$77,500)	\$117,305
	Equip/training (carry forward)	-\$10,000	\$0	\$10,000	\$0
	Professional Services (carry forw)	-\$50,000	\$0	\$50,000	\$0
86-9990	PERS incentive**	\$0	\$33,905	\$33,905	(\$67,811)
	XTO/Furlough savings	\$4,000	\$6,000	\$2,000	\$2,000
	Expenditure offset (carry forward)	-\$21,500	-\$35,000	(\$13,500)	(\$13,690)
	TOTAL FUND BALANCE	\$112,400	\$117,305	\$4,905	\$37,804

**CalPERS incentive will be repaid over multiple years.

ATTACHMENT B