

May 19, 2004

To: Local Agency Formation Commission

Re: Final LAFCO Budget for Fiscal Year 2004-2005

Staff's Recommended Action

Review the attached materials, make any desired changes and adopt a final budget for fiscal year 2004-'05.

Background

Government Code Section 56381 (Exhibit A) requires each LAFCO to annually conduct public hearings and adopt a proposed budget by May 1st of each year and a final budget by June 15th of each year. On April 22, 2004, your Commission adopted a preliminary budget for fiscal year 2004-'05.

As currently proposed, the amount of money that will be required to be paid by independent districts, the cities, and County will be \$15,000 each; which is the same as last year. A cost break down showing how cities and independent special districts will be affected by the proposed budget has been prepared by the County Auditor's Office and is attached as Exhibit B. A budget narrative has been prepared (Exhibit C) explaining the analysis staff used in putting together the proposed budget.

To summarize, the total budget proposed for fiscal year 2004-'05 is proposed to be \$142,167. This is an increase over the current fiscal year by 2.1 percent. The budget increase is a result of increased operating costs over the previous budget (\$3,045).

Staff has carried over the monies appropriated for contingency (\$10,000) and reserve (\$22,209) Monies in reserve may be expended for special studies or unanticipated legal costs. In addition, your Commission will recall that \$10,000 was budgeted in fiscal year 2003-'04 for contingencies. None of these monies have been expended since originally appropriated in 2002-'03 and it is anticipated it will be carried forward into next year.

Revenues for fiscal year 2003-'04 were greater than anticipated. To date, \$11,706 has been received and only \$3,000 was anticipated. The increase in revenue is due to an increase in the number of applications that were filed that are being processed at-cost. Revenues received from independent districts, cities and the County for fiscal year 2003-'04 totaled \$45,000. All entities have paid their share of the LAFCO budget in full.

Staff is estimating a carryover budget of \$89,122± from the current fiscal year. LAFCO anticipates using these monies for consultant work in the next budget year to assist staff in completing the 40 required municipal service reviews and sphere of influence updates that are required to be completed by January 1, 2006. As the Commission will recall, staff has commenced conducting municipal service reviews and sphere of influence updates for Cemetery Districts.

Sincerely,
LARRY T. COMBS
EXECUTIVE OFFICER

Doug Libby, AICP
Senior Planner

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Attachments: Exhibit A – Government Code Section 56381
Exhibit B – Existing Budget and Proposed FY 2004-2005 Budget
Exhibit C – Budget Narrative

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EXHIBIT A
Government Code Section 56381

EXHIBIT B
Existing Budget and Proposed FY 2004-2005 Budget

EXHIBIT C
Budget Narrative