

Local Agency Formation Commission of Monterey County			
Proposed Budget for Fiscal Year 2019-2020			
First Hearing - March 25, 2019 (Adopted)			
Final Hearing - April 22, 2019 (Scheduled)			
	Adopted Budget FY 2018-19	Proposed Budget for FY 2019-20	Change (%)
REVENUE			
4000 - Project Fees - <i>See Note 1</i>	\$ 10,000	\$ 10,000	0%
4001 - Pass-through Fees	\$ -	\$ -	
4205 - County Contribution	\$ 313,487	\$ 332,016	6%
4210 - City Contributions	\$ 313,487	\$ 332,016	6%
4220 - Independent Special District Contributions	\$ 313,487	\$ 332,016	6%
3810 - Contingency Reserve	\$ -	\$ -	
3850 - Unreserved Fund Balance Supplement (as needed) - <i>See Note 2</i>	\$ 60,000	\$ 70,172	17%
4300 - Interest	\$ 4,000	\$ 4,200	5%
TOTAL REVENUES	\$ 1,014,461	\$ 1,080,420	7%
EXPENDITURES			
6000 - Employee Salaries	\$ 546,590	\$ 587,128	7%
6100 - Employee Benefits	\$ 227,970	\$ 240,122	5%
Total Salaries & Benefits	\$ 774,560	\$ 827,250	7%
7000 - Postage and Shipping	\$ 3,000	\$ 3,150	5%
7010 - Books and Periodicals	\$ 1,400	\$ 1,470	5%
7030 - Copy Machine Charges	\$ 10,000	\$ 10,500	5%
7040 - Outside Printers	\$ 6,000	\$ 6,300	5%
7060 - Office Supplies	\$ 6,000	\$ 6,300	5%
7070 - Office Equipment and Furnishings	\$ 6,000	\$ 6,300	5%
7080 - Computer/Hardware/Peripherals	\$ 5,000	\$ 5,250	5%
7085 - Computer Support Services (Fixed Costs)	\$ 10,000	\$ 10,500	5%
7090 - Computer Support Services (Variable Costs)	\$ 16,000	\$ 16,800	5%
7100 - Computer Software	\$ 1,000	\$ 1,050	5%
7105 - Meeting Broadcast Services	\$ 4,000	\$ 4,200	5%
7110 - Property and General Liability Insurance	\$ 6,600	\$ 6,930	5%
7120 - Office Maintenance Services	\$ 400	\$ 420	5%
7140 - Travel	\$ 8,000	\$ 8,900	11%
7150 - Training, Conferences and Workshops	\$ 9,500	\$ 10,475	10%
7160 - Vehicle Mileage	\$ 3,000	\$ 3,150	5%
7170 - Rental of Buildings	\$ 26,500	\$ 27,825	5%
7200 - Telephone Communications	\$ 7,000	\$ 7,350	5%
7230 - Temporary Help Services (Clerical)	\$ -	\$ -	
7240 - Outside Professional Services	\$ 99,000	\$ 103,950	5%
Total for Line Items 7242-7249			
7242 - Accounting and Financial Services	\$ 60,000	\$ 63,000	5%
7245 - General Counsel and Special Counsel	\$ 15,000	\$ 15,750	5%
7247 - Human Resources	\$ 10,000	\$ 10,500	5%
7248 - Annual Audit	\$ 14,000	\$ 14,700	5%
7249 - Temporary Professional Services	\$ -	\$ -	
7250 - Miscellaneous Office Expenses	\$ 1,000	\$ 1,050	5%
7260 - Legal Notices	\$ 4,000	\$ 4,200	5%
7270 - Recruitment Expenses	\$ 1,000	\$ 1,050	5%
7280 - LAFCO Memberships	\$ 5,500	\$ 6,050	10%
7290 - Litigation Reserve	\$ -	\$ -	
7285 - Records Storage and Security	\$ -	\$ -	
7295 - Contingency Reserve	\$ -	\$ -	
Sub-total Services & Supplies	\$ 239,900	\$ 253,170	6%
TOTAL EXPENDITURES	\$ 1,014,460	\$ 1,080,419	7%

Please See Attachment 1 for Description of Budget Line Items.

Note 1: Commission policy is to show anticipated project fees as revenue in the year in which the fees are collected.

Note 2: Proposed Revenue includes a contribution of up to \$70,172 from the Unreserved Fund Balance, if necessary, at year-end. This supplement would require an exception from Commission policy to not draw down the Unreserved Fund Balance; an exception was also made in the last and current fiscal years. The actual draw-down amount may be less than \$70,172 due to year-end cost savings. The Unreserved Fund Balance is in healthy condition (\$1,043,981 as of June 30, 2018) and its use as a supplement is determined to be a reasonable way to hold down local agency contributions in FY 2019-20.

DESCRIPTION OF FY 2019-2020 BUDGET LINE ITEMS

SALARIES & BENEFITS	
6000	EMPLOYEE SALARIES
	This line item supports all work program activities of the Commission by 4.5 FTE positions. No change in current staffing levels is proposed. Assumes minor increase in salaries due to merit steps and COLAs per employment agreements (for staff retention). Includes overtime allowances for non-exempt employees (per law).
6100	EMPLOYEE BENEFITS
	This line item assumes no new benefits and no benefits changes for current 4.5 FTE employees, and no change in benefit reductions that are already in place. Assumes minor increase in some benefit costs. LAFCO pays 0% of the employee share of the employee share of retirement plan contributions; employees pay 100% of this cost.
SERVICES & SUPPLIES	
7000	Postage and Shipping
	Includes postage for general correspondence and agenda packet delivery, express mail, courier service and certified mail. Also includes LAFCO election mailings to independent special districts, and distribution of budget and studies. Includes lease for mailing machine.
7010	Books & Periodicals
	Includes newspaper subscriptions, publications and codes on LAFCO law, CEQA, employment law and other publications necessary to keep current on laws and trends.
7030	Copy Machine Charges
	Includes copier machines lease, copies and maintenance. Assumes in-house production of studies for LAFCO's Municipal Service Reviews/Sphere of Influence studies, for cost and quality control purposes. Includes support of activities associated with pre-application and application processing functions. Includes production of resource maps, district election mailing materials, educational outreach materials, and other work program needs. Increase anticipates new lease (copier and printers in July).
7040	Outside Printers
	Includes copying of Commission/Committee agenda packets, some large volume publications, maps and other occasional needs.
7060	Office Supplies
	Includes annual consumable goods for office operations and work production.
7070	Office Equipment & Furnishings
	Includes office furniture replacement, small tables and other miscellaneous items.
7080	Computer Hardware and Peripherals
	Includes annual lease of work station computers, and occasional purchase of laptops, audiovisual equipment and accessories. Increase anticipates new lease (four computers) and accompanying tech support from Monterey County.
7085	Computer Support Services (Fixed Costs)
	Under contract with the County of Monterey or other vendor, this line item provides device support (e.g. computers and network printers). Services also include web site housing, email, internet and network access, and high volume cloud storage. County IT is primary vendor and fixes costs based on unit counts. Occasional device support service by other vendors is not fixed.
7090	Computer Support Services (Variable Costs)
	Under contract with the County of Monterey, this line item provides micro systems (software) support, mapping and GIS support for LAFCO data layers that are stored in the County's centralized GIS system. Includes mapping/data analysis for LAFCO's busy Municipal Service Review/Sphere of Influence Update program. Includes County support for LAFCO website maintenance. Proposed budget reflects increases in data/mapping needs and increases in County rates. Charges are variable.
7100	Computer Software
	Includes software updates and licenses to extend the security, compatibility and functions of computers.
7105	Meeting Broadcast Services
	This account funds the live cable TV coverage of LAFCO meetings, and weekly TV re-broadcasts, under contract with the County of Monterey and its vendors. Costs are variable depending on number and length of meetings. Increase anticipates rise in rates for meeting broadcast costs.
7110	Property and General Liability Insurance
	Property and Errors & Omissions Insurance is obtained by contract with the Special Districts Risk Management Authority. Premiums reflect discounts for no claim history. Cost is fixed annually.

7120 Office Maintenance Services	Includes general office cleaning, including blinds, cabinets and underneath furniture. (Basic janitorial service to empty trash and sweep floors is included in office lease.)
7140 Travel	Provides partial funding for employee, counsel and Commissioner travel for annual CALAFCO conference (October 2019), annual CALAFCO staff workshop (April 2020), and training classes. Includes some transportation, hotel and meal costs. Anticipates additional interest in attendance by second LAFCO Counsel and a third commissioner.
7150 Training, Conferences and Workshops	Provides partial funding for employee, counsel and Commissioner registrations at annual CALAFCO conference (October 2019), annual staff workshop (April 2020), and classes. Anticipates additional interest in attendance by second LAFCO Counsel and a third commissioner.
7160 Vehicle Mileage	Reimbursement for use of personal vehicles, at the government rate.
7170 Rental of Building	Includes minor increase in office rent, and includes utilities.
7200 Telephone Communications	Includes telephone, cell and fax charges, office wi-fi for laptop/visitor use, and system maintenance and repairs.
7230 Temporary Help Services (Clerical)	Not funded. All clerical work is generally done by in-house staff.
7240 Outside Professional Services	This line item includes: 7242: Accounting and Financial Services. Reflects a proposed fixed rate contract with Hayashi Wayland for payroll, accounting, financial report services, GASB 68 Compliance and assistance to auditor (\$48,000 for FY 2019-2020). Also includes up to \$8,000 for compliance with new reporting requirements for OPEB GASB 45 and other federal accounting rules. Those variable rate services may be provided by other CPA firms. 7245: General Counsel and Special Legal Counsel Services (Not Litigation). General Counsel costs are variable, with an annual cap of \$15,000 (per contract with County Counsel's Office). This line item fund is also intended for variable Special Legal Counsel costs, depending on need (per contract with Michael Colantuono). 7247: Human Resources Services. Variable rate services from Liebert Cassidy Whitmore or other firm, on an as needed basis. 7248: Annual Audit. Fixed rate contract with Bianchi, Kasavan & Pope. 7249: Temporary Professional Services. Intended to provide support during staff absences, vacancies or high workload periods. Not funded. All professional work is generally done by in-house staff.
7250 Miscellaneous Office Expenses	Minor expenses for office operations, Commission meetings and recording fees for LAFCO-initiated activities.
7260 Legal Notices	Expenses for actions requiring public notices, such as annexations, Sphere of Influence updates, municipal service reviews and budgets. Some of these costs are reimbursable.
7270 Recruitment Expenses	To fill any vacant position.
7280 LAFCO Memberships	CALAFCO Membership (\$4,411) and California Special Districts Association dues (\$1,377). CALAFCO membership provides access to legislative and educational activities. CSDA membership is required in order to get the Special District Authority's Workers Compensation Insurance and Property & Liability Insurance (Acct.# 7110).
7290 Litigation Reserve	Per Commission policy, the target funding for the litigation defense reserve is \$300,000. This target would be sufficient for one-year's estimated expenses. This balance sheet reserve is currently funded to target level for FY 2018-2019. LAFCO is indemnified in current litigation (PSMCSD) and will be indemnified for potential FORA-related litigation. Accordingly, no fund supplement is proposed for FY 2019-2020.
7285 Records Management	Not funded for outside help. Records management is by in-house clerical staff.
7295 Contingency Reserve	Per Commission policy, the target funding for the general contingency reserve is 25 percent of the annual budget. This balance sheet reserve is currently funded at \$262,725, which is about 100% of the target level for FY 2018-2019. No fund supplement is proposed for FY 2019-2020.