



**LAFCO - San Luis Obispo - Local Agency Formation Commission**  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**COMMISSIONERS**

Chairman  
MARSHALL OCHYLSKI  
Special District Member

Vice-Chairman  
ED WAAGE  
City Member

DEBBIE ARNOLD  
County Member

LYNN COMPTON  
County Member

ROBERT ENNS  
Special District Member

ROBERTA FONZI  
City Member

TOM MURRAY  
Public Member

**ALTERNATES**

ED EBY  
Special District Member

ADAM HILL  
County Member

JAMIE L. IRONS  
City Member

HEATHER JENSEN  
Public Member

**STAFF**

DAVID CHURCH  
Executive Officer

RAYMOND A. BIERING  
Legal Counsel

MIKE PRATER  
Senior Analyst

DONNA J. BLOYD  
Commission Clerk

**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, EXECUTIVE OFFICER**

**DATE: JUNE 15, 2017**

**SUBJECT: FISCAL YEAR 2017-18 SAN LUIS OBISPO LAFCO BUDGET - FINAL**

**Recommendation:** It is respectfully recommended that the Commission adopt by resolution and submit to the County Auditor the Fiscal Year 2017-18 LAFCO Budget, as found in Attachment A in this Staff Report.

**Introduction.** The Fiscal Year 2017-18 Budget was approved by the Commission on May 18, 2017. The Cortese-Knox-Hertzberg Act calls for the final budget to be adopted by June 15, 2017. The funding formula for LAFCO's Budget is established in the Cortese-Knox-Hertzberg Act. LAFCO's budget is funded primarily by the County, Cities and Independent Special Districts, with each group paying one-third of the LAFCO adopted budget. The City and District shares are pro-rated based on general revenues reported to the State Controller's Office by the jurisdictions. The County pays a full one-third of the LAFCO budget.

<p style="text-align: center;"><b>Attachments</b></p> <p><b>A: Budget Resolution</b></p> <p><b>B: FY 2017-18 Budget</b></p>
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The final budget and signed resolution will be submitted to the County Auditor's Office as well as the Special Districts and Cities. The County Auditor will calculate the cost to each jurisdiction and distribute invoices for payment to the Cities and Special Districts within the County.

# **EXHIBIT A**

## **BUDGET RESOLUTION**

**IN THE LOCAL AGENCY FORMATION COMMISSION**  
**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Date: June 15, 2017

**PRESENT:**

**ABSENT:**

**RESOLUTION NO. 2017-03**

**RESOLUTION ADOPTING THE FISCAL YEAR 2017-18  
LAFCO BUDGET**

The following resolution is now offered and read:

**WHEREAS**, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

**WHEREAS**, the matter was set for public hearing at 9:00 a.m. on Thursday, May 18, 2017, and the public hearing was duly conducted and the proposed LAFCO Budget for Fiscal Year 2017-2018 was adopted on Thursday, May 18, 2017; and

**WHEREAS**, at said hearing, this Commission heard and received all oral and written protests, objections and evidence which were made, presented, or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said proposed budget; and

**WHEREAS**, the Commission considered and adopted the Final LAFCO Budget for Fiscal Year 2017-2018 on June 15, 2017;

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.

2. That pursuant to Government Code Section 56381(a), the Commission hereby adopts a Final Budget for Fiscal Year 2017-2018 in the amount of \$628,086 as set forth in Exhibit A. The amount charged to the Cities, Special Districts and County, after deducting fees from applications and the possible use of reserves/fund balance is \$586,586. This amount will be charged to the Funding Agencies based on the formula and procedure contained in the Cortese-Knox-Hertzberg Act and as implemented by the County Auditor.
3. That the Executive Officer of this Commission is authorized to mail copies of the Final Budget in the manner provided by law.

Upon a motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

\_\_\_\_\_  
Marshall Ochylski, Chairperson      Date  
Local Agency Formation Commission

**ATTEST:**

\_\_\_\_\_  
David Church                                      Date  
LAFCO Executive Officer

**APPROVED AS TO FORM AND LEGAL EFFECT:**

\_\_\_\_\_  
Raymond A. Biering                              Date  
LAFCO Legal Counsel

**EXHIBIT B**  
**FY 2017-18 BUDGET**

**Exhibit A**  
**San Luis Obispo Local Agency Formation Commission**  
**Adopted Budget - Fiscal Year 2017-2018**

5/18/2017

<b>EXPENDITURES SUMMARY</b>	<b>Current Year</b>	<b>Expense YTD</b>	<b>Proj. Yr End</b>	<b>Adopted 17-18</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
Salaries	269,971	227,640	269,971	291,838	21,867	8.1%
Benefits and Taxes	197,739	164,123	197,186	215,385	17,646	8.9%
Services and Supplies	124,097	92,250	118,420	120,863	-3,234	-2.6%
<b>Total Expenses</b>	<b>591,807</b>	<b>484,012</b>	<b>585,577</b>	<b>628,086</b>	<b>36,279</b>	<b>6.1%</b>

<b>EXPENDITURES DETAIL</b>	<b>Current Year</b>	<b>Expense YTD</b>	<b>Proj. Yr End</b>	<b>Adopted 17-18</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
<b>Salaries and Benefits</b>						
Salaries	269,971	227,640	269,971	291,838	21,867	8.1%
Benefits and Taxes	197,740	164,123	197,186	215,385	17,645	8.9%
<b>Subtotal Salaries &amp; Benefits</b>	<b>467,711</b>	<b>391,763</b>	<b>467,157</b>	<b>507,223</b>	<b>39,513</b>	<b>8.4%</b>
<b>Variable Costs (%):</b>						
FICA -Employer Match	16,738	13,608	16,800	18,094	1,356	8.1%
Medicare - Employer Match	3,915	3,572	3,800	4,232	317	8.1%
Retirement-Employer Contribution	74,636	62,115	74,636	86,898	12,262	16.4%
Retirement-Employer for Employee	34,903	29,433	34,903	37,673	2,770	7.9%
Retirement - Employee Contribution <sup>1)</sup>	9,555	7,527	9,555	16,665	7,110	74.4%
Pension Obligation Bond Payment	18,147	15,278	18,147	19,589	1,442	7.9%
SDI/SUI-Employer Contribution	2,500	86	2,500	2,500	0	0.0%
Fed Unemploy Tax-Employer Cont	300	439	300	300	0	0.0%
<b>Fixed Costs (\$):</b>						
Health Plan/Café Cash	35,100	30,992	35,100	35,100	0	0.0%
Life Insurance	500	0	0	0	-500	-100.0%
Def Comp - EO Employer Match	11,000	8,600	11,000	11,000	0	0.0%
<b>Total Benefits</b>	<b>197,740</b>	<b>164,123</b>	<b>197,186</b>	<b>215,385</b>	<b>17,646</b>	<b>8.9%</b>

1) Split 1.5% pension rate increase

<b>Services and Supplies</b>	<b>Current Year</b>	<b>Expense YTD</b>	<b>Proj. Yr End</b>	<b>Adopted 17-18</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
Food	1,000	502	800	800	-200	-20.0%
Maintenance - Equipment	300	0	0	300	0	0.0%
Maintenance - Software	500	0	500	500	0	0.0%
CALAFCO/Other Memberships	4,400	4,414	4,127	4,400	0	0.0%
Office Supplies	2,700	1,385	2,300	2,500	-200	-7.4%
Commissioner/Consultant Expenses <sup>1)</sup>	17,000	9,132	18,000	11,000	-6,000	-35.3%
Publication/Legal Notices	800	2,321	2,500	800	0	0.0%
Rent	38,000	30,565	36,700	38,000	0	0.0%
Small Equipment	400	0	0	400	0	0.0%
Large Equipment	1,000	103	500	1,000	0	0.0%
Computer Software	500	521	600	500	0	0.0%
Employee Mileage	300	0	0	200	-100	-33.3%
Commissioner Mileage	1,800	777	1,400	1,800	0	0.0%
Airfare/Public Transportation	500	0	0	500	0	0.0%
Accommodations/Travel	5,000	3,780	4,000	5,000	0	0.0%
Auto Allowance	5,400	4,154	5,400	5,400	0	0.0%
Training/Conf Registration	4,500	3,855	3,855	4,500	0	0.0%
Utilities	3,500	2,917	3,600	3,700	200	5.7%
Car/Vehicle Rentals	800	586	800	1,000	200	25.0%
Postage	1,000	708	900	1,000	0	0.0%
Custodian	1,000	860	1,000	1,000	0	0.0%
Copying	800	0	300	800	0	0.0%
ITD-SAP/Board Chambers	850	398	700	850	0	0.0%
Phones	1,450	807	1,200	1,200	-250	-17.2%
County Auditor	7,597	7,488	7,488	7,713	116	1.5%
Insurance	8,000	6,265	8,000	8,000	0	0.0%
Legal Counsel/Other Co Billings	15,000	10,712	13,750	18,000	3,000	20.0%
<b>Subtotal Services &amp; Supplies</b>	<b>124,098</b>	<b>92,250</b>	<b>118,420</b>	<b>120,863</b>	<b>-3,235</b>	<b>-2.6%</b>

1) Does not include an Audit. Audit to be done next year.

<b>Total Expenses</b>	<b>591,808</b>	<b>484,012</b>	<b>585,577</b>	<b>628,086</b>	<b>36,278</b>	<b>6.1%</b>
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**Exhibit A**  
**San Luis Obispo Local Agency Formation Commission**  
**Adopted Budget - Fiscal Year 2017-2018**  
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<b>REVENUE DETAIL</b>	<b>Current Year</b>	<b>Realized YTD</b>	<b>Proj. Yr End</b>	<b>Adopted 17-18</b>	<b>Inc/Dec</b>	<b>% Inc./Dec.</b>
Interest	1,000	1,680	1,680	1,500	500	50.0%
Environmental Fees	3,000	1,500	1,500	1,000	-2,000	-66.7%
Sphere of Influence Fee	1,000	10,000	10,000	1,000	0	0.0%
LAFCO Processing Fees	10,000	14,500	14,500	13,000	3,000	30.0%
Other Revenue/Grants/Insurance reimb.	0	4,158	4,158	0	0	
<b>Sub-Total w/out Agency Charges</b>	<b>15,000</b>	<b>31,838</b>	<b>31,838</b>	<b>16,500</b>	<b>1,500</b>	<b>10.0%</b>
LAFCO Charge to Agencies	546,807	546,807	547,285	586,586	39,779	7.3%
<b>Total Revenue <sup>1)</sup></b>	<b>591,807</b>	<b>578,645</b>	<b>579,123</b>	<b>628,086</b>	<b>36,279</b>	<b>6.1%</b>
<b>1) Includes estimated Transfer of Reserves/Fund Balance</b>						
Use of Reserves to Fund Bal. (If needed)	30,000.00	0.00	-6,454.00	<b>25,000.00</b>	-5,000.00	-16.7%

<b>RESERVES and FUND BALANCE</b>	<b>Beginning Res./FB FY 16/17</b>	<b>% of Budget</b>	<b>Proj. Year End Fund Balance</b>	<b>Projected Year End Reserves</b>	<b>Estimated Res./FB FY 15/16</b>	<b>% of Budget</b>
<b>Reserves</b>	<b>172,259.00</b>	<b>29.1%</b>	<b>172,259.00</b>	<b>165,805.00</b>	<b>140,805.00</b>	<b>22.4%</b>
Use of fund balance - If needed			<b>-6,454.00</b>	<b>25,000.00</b>		
<b>Total</b>	<b>172,259.00</b>	<b>29.1%</b>	<b>165,805.00</b>	<b>140,805.00</b>		

**CHARGES TO AGENCIES**

<b>Agency Share</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
Cities	182,269.00	195,528.71	13,259.71	7.3%
County	182,269.00	195,528.71	13,259.71	7.3%
Special Districts	182,269.00	195,528.71	13,259.71	7.3%
<b>Total</b>	<b>546,807</b>	<b>586,586</b>	<b>39,779</b>	<b>7.3%</b>

**ACCOUNTS RECEIVABLE - LRDM**

	<b>FY-2016/17</b>
Legal Costs owed to LAFCO	10,782.50
LAFCO Staff Costs for Lawsuit	14,775.00
<b>Total</b>	<b>25,557.50</b>