

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCO)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM NO. 8

DATE: January 15, 2015

TO: Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer 

SUBJECT: Mid-Year Budget and Work Plan Status for Fiscal Year 2014-2015

RECOMMENDATION: Receive and file

Executive Summary

This budget review is intended to assess expenses and revenues half-way through the fiscal year to determine if any adjustments should be made in order to keep within the adopted budget. The mid-year work plan status briefs the Commission on progress made with the approved projects.

The mid-year budget status indicates that revenue is slightly ahead of expense. Staff anticipates ending the year ahead of projections.

Mid-year status of the work program shows substantive progress has been made on work items such as the commission and local agency (cities) workshops, and adoption of the annexation program guideline; the DUC implementation policy is in progress and is tentatively scheduled for February.

Discussion

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires the Commission to adopt a draft budget by May 1st and a final budget by June 15th. Staff will present the preliminary FY 15-16 budget in March, 2015 to solicit Commission direction on the draft budget that will be presented at the April 1, 2015, hearing. The Commission adopts its final budget at the May 6, 2015 hearing.

The Commission uses the services of an independent consulting bookkeeper who monthly enters financial data and provides bookkeeping services. Commission business is guided by adopted *LAFCo Financial and Accounting Procedures*.

Overview of Mid-Year Budget

1. As shown on Exhibit "A," the Commission has an approved budget of \$491,963.
2. Mid-year revenue is \$448,412; \$395,610 of which comes from the mandated contributions of \$197,805 each from the County and the 15 cities (apportioned by their annual budgets); Application fee revenue is approximately \$9,000 higher than anticipated; such revenue will reduce the amount needed from the available fund balance to close the budget year.

3. Mid-year expenses total \$183,490, which are budgeted and generally relate to office operation and personnel expenses.

MID-YEAR WORK PROGRAM REVIEW

Projects Completed

Project: Commission/ Local Agency workshops

- Commission workshop 1 was conducted in June, outlining the responsibilities of LAFCo' role in Fresno County; Commission workshop 2 was conducted in August as a briefing of the state of special districts.
- Local Agency (cities) workshop was completed in July 2014.
- Local Agency (special districts) workshop has not been conducted. Staff determined that the variety of special districts and the complexity of issues facing them made a single, comprehensive workshop less feasible.

Project: Develop a Model Annexation Process

- Model Annexation Program Guidelines were approved by the Commission December, 2014

Projects Underway

Project: Commission/Local Agency workshop

- Local Agency (special districts) workshop has not been conducted. Staff determined that the variety of special districts and the complexity of issues facing them made a single, comprehensive workshop less feasible.

Project: LAFCo Policies and Procedures

- The project was to review in depth the current Policies and Procedures manual, clarify and update the process and policy language, and bring the manual into full conformance with the revised CKH and make the document more easily understandable by the public. Staff has completed an internal review of policies and procedures and is working on streamlining the application material. An MSR Policy was approved November, 2014 and an Extension of Time policy is to be considered by the Commission January, 2015; other amendments will be made on an incremental basis.

Project: Disadvantaged Unincorporated Community Implementation Process

- The project is to create an active and updatable database of Disadvantaged Unincorporated Communities in Fresno County and to create an administrative process to implement the Commission's DUC policy. This project is underway and scheduled to be presented to the Commission in February, 2015.

Project: Fire Transition Policy Review and Assessment

- This project is to review the implementation of the amended fire transition policy and outreach to local agencies to evaluate the state of fire departments, their mutual support capacities, explore options to address service transition and seek to build consensus of the policy's efficacy among local agencies. This project will be completed once the Fresno County Fire Protection District's Strategic Plan is completed, estimated to be by mid-2015.

Project: Revive Agricultural Preservation Policies

- Evaluate the effectiveness of past LAFCo policy efforts, efforts of other agencies in Fresno County, and provide recommendations on an appropriate level of commission policy, whether project-by-project or on a sphere of influence basis. This project is scheduled to begin in the first quarter of 2015.

Project: LAFCo Subcommittees

- An ad hoc committee to examine employee benefits was established May, 2014 and met in December, 2014 to review potential benefits. Staff received direction and expects to have this item ready for Commission action in February.

FRESNO LAFCO BUDGET SUMMARY

Revised: 1/6/2015

#	REVENUE SUMMARY	Approved 2014/2015 Budget	% of Approved Budget	Actual to Date	% Collected
10100	ALLOCATION COUNTY	197,805	40.2%	197,805	100%
10200	ALLOCATION CITIES	197,805	40.2%	197,805	100%
10300	APPLICATION FEES	30,000	6.1%	39,340	131%
10400	MSR PREPARATION	0	0.0%	3,462	>100%
10500	CONTRIBUTION FROM RESERVES	10,000	2.0%	10,000	100%
10600	MSR CONSULTANT CONTRACTS	0	0.0%	0	0%
10700	MSR CONTRACT ADMINISTRATION	2,901	0.6%	0	0%
10800	SPECIAL HEARINGS	0	0.0%	0	0%
10900	MISC. RECEIPTS	0	0.0%	0	0%
	AVAILABLE FUND BALANCE	53,452	10.9%	0	n/a
Totals		491,963	89%	448,412	91%
#	EXPENDITURE SUMMARY	Approved 2014/2015 Budget	% of Approved Budget	Actual to Date	% Expended
51000	EXPENDITURE - OFFICE OPERATIONS	107,114	22%	50,840	47%
52000	EXPENDITURE - PERSONNEL	311,489	63%	122,392	39%
53000	EXPENDITURE - CONSULTING SERVICES	73,360	15%	10,258	14%
Totals		491,963	100%	183,490	37%