FINAL BUDGET
FISCAL YEAR 2012-13

| ACCT. # | ACCOUNT NAME | ACTUAL YEAR-END FY 2008-09 | ACTUAL YEAR-END FY 2009-10 | ACTUAL YEAR-END FY 2010-11 | AMENDED BUDGET FY 2011-12 | ESTIMATED YEAR-END FY 2011-12 | PRELIMINARY BUDGET CONTRACT EO FY 2012-13 | PROJECTED BUDGET CONTRACT EO FY 2013-14 |
|---|---|---|---|---|---|---|---|---|
| | **SALARIES AND BENEFITS** | | | | | | | |
| 1010 | Regular Salary, Cell Phone, and Bilingual | $ 470,302.29 | $ 497,189.93 | $ 429,048.98 | $ 373,104.00 | $ 367,175.00 | $ 421,821.00 | $ 429,298.00 |
| 1030 | Merit Incentive (Auto) | $ 14,200.04 | $ 15,161.58 | $ 14,038.50 | $ 14,881.00 | $ 14,600.04 | $ 14,881.00 | $ 14,881.00 |
| 1045 | Termination Payment | $ - | $ 18,825.37 | $ 33,686.53 | $ - | | $ - | $ - |
| 1110 | General Member Retirement | $ 109,890.51 | $ 110,427.56 | $ 77,172.60 | $ 61,121.00 | $ 59,454.83 | $ 81,588.00 | $ 90,798.00 |
| 1130 | Survivors Benefits | $ 383.94 | $ 223.51 | $ 110.88 | $ 106.00 | $ 92.56 | $ 118.00 | $ 118.00 |
| 1135 | Indemnification - General | $ 62,052.67 | $ 61,072.32 | $ 42,314.31 | $ 14,606.00 | $ 14,613.57 | $ 18,639.00 | $ 18,639.00 |
| 1200 | Employee Group Insurance (Health Subsidy) | $ 10,145.44 | $ 12,012.60 | $ 8,480.48 | $ 31,075.00 | $ 29,005.10 | $ 46,407.00 | $ 42,471.00 |
| 1205 | Long-Term Disability | $ 1,051.74 | $ 1,314.63 | $ 985.97 | $ 882.00 | $ 857.72 | $ 1,030.00 | $ 1,051.00 |
| 1207 | Vision Care Insurance | $ 882.96 | $ 786.74 | $ 633.92 | $ 600.00 | $ 588.64 | $ 750.00 | $ 750.00 |
| 1215 | Dental Insurance & Health Subsidy | $ 491.92 | $ 510.84 | $ 321.64 | $ 251.00 | $ 1,845.94 | $ 1,427.00 | $ 2,124.00 |
| 1220 | Psychological Services | $ 491.40 | $ 409.85 | $ 41.25 | $ 292.00 | | $ - | $ - |
| 1222 | Short-Term Disability | $ 1,566.24 | $ 1,395.56 | $ 1,124.48 | $ 1,064.00 | $ 1,044.16 | $ 1,330.00 | $ 1,330.00 |
| 1225 | Social Security Medicare | $ 3,684.15 | $ 3,761.28 | $ 4,452.89 | $ 3,023.00 | $ 4,427.67 | $ 4,904.00 | $ 5,010.00 |
| 1235 | Workers' Compensation | $ 1,984.00 | $ 3,292.58 | $ 4,100.84 | $ 3,959.00 | $ 3,081.77 | $ 4,401.00 | $ 4,465.00 |
| 1240 | Life Insurance & Medical Trust Fund | $ 8,311.72 | $ 8,373.17 | $ 4,602.78 | $ 3,285.00 | $ 3,812.66 | $ 4,995.00 | $ 5,079.00 |
| 1305 | Other (Medical Reimbursement Plan) | $ 4,896.98 | $ 5,170.04 | $ 3,498.00 | $ 5,536.00 | $ 3,881.00 | $ 6,896.00 | $ 6,896.00 |
| 1310 | Indemnification | $ 35,880.00 | $ 31,970.00 | $ 25,760.00 | $ - | | $ - | $ - |
| 1314 | 401a Defined (LAFCO Contribution) | $ - | $ 1,423.72 | $ 1,736.87 | $ 1,336.00 | $ 1,292.15 | $ 1,557.00 | $ 1,590.00 |
| 1315 | 401k Contribution | $ 35,158.14 | $ 33,349.44 | $ 22,853.74 | $ 20,379.00 | $ 19,711.02 | $ 24,101.00 | $ 24,609.00 |
| 1000 | Salary Reserve | | $ - | | $ 9,000.00 | $ 9,000.00 | $ 9,000.00 | $ 10,000.00 |
| | **TOTAL SALARIES & BENEFITS** | **$ 763,252.59** | **$ 808,223.83** | **$ 674,964.66** | **$ 544,500.00** | **$ 534,483.83** | **$ 643,845.00** | **$ 659,109.00** |
| | Staffing (Full time equivalent units) | 6.0 | 5.0 | 4.5 | 4.5 | 4.5 | 5.5 | 5.5 |
| | **SERVICES AND SUPPLIES** | | | | | | | |
| | **Services:** | | | | | | | |
| 2037 | COMNET Charge (ISF) | $ 2,596.80 | $ 2,624.06 | $ 2,552.00 | $ 2,784.00 | $ 2,824.00 | $ 2,784.00 | $ 2,868.00 |
| 2038 | Long Distance Charges | $ 431.32 | $ 228.96 | $ 71.62 | $ 336.00 | $ 91.00 | $ 334.00 | $ 346.00 |
| 2040 | Relocation Charges - Phone Service | $ - | $ - | $ - | $ - | | $ - | $ - |
| 2041 | Phone Service/Outside Company | $ 432.76 | $ 439.43 | $ 482.64 | $ 528.00 | $ 662.31 | $ 543.00 | $ 559.00 |
| 2043 | Electronic Equipment Maintenance | $ 270.48 | $ - | $ - | $ - | | $ - | $ - |
| 2075 | Membership Dues | $ 7,836.00 | $ 7,776.00 | $ 7,846.00 | $ 7,825.00 | $ 7,870.00 | $ 8,067.00 | $ 8,309.00 |
| 2076 | Tuition Reimbursement | $ - | $ - | $ - | $ 2,000.00 | $ 1,000.00 | $ 2,000.00 | $ 2,000.00 |
| 2080 | Publications | $ 2,435.96 | $ 1,927.36 | $ 2,038.14 | $ 1,951.00 | $ 2,060.00 | $ 2,516.00 | $ 2,591.00 |
| 2085 | Legal Notices | $ 30,327.48 | $ 13,871.45 | $ 12,821.72 | $ 24,000.00 | $ 20,260.00 | $ 24,000.00 | $ 24,720.00 |
| 2115 | Computer Software | $ 1,397.40 | $ 2,151.04 | $ 4,590.22 | $ 2,500.00 | $ 2,622.35 | $ 3,800.00 | $ 3,914.00 |
| 2125 | Inventoriable Equipment | $ - | $ - | $ 17,944.27 | $ 3,000.00 | $ 2,069.74 | $ - | $ - |

FINAL BUDGET
FISCAL YEAR 2012-13

| ACCT. # | ACCOUNT NAME | ACTUAL YEAR-END FY 2008-09 | ACTUAL YEAR-END FY 2009-10 | ACTUAL YEAR-END FY 2010-11 | AMENDED BUDGET FY 2011-12 | ESTIMATED YEAR-END FY 2011-12 | PRELIMINARY BUDGET CONTRACT EO FY 2012-13 | PROJECTED BUDGET CONTRACT EO FY 2013-14 |
|---|---|---|---|---|---|---|---|---|
| 2195 | Reimbursement Services and Supplies | $ (19.95) | $ (16.88) | $ - | $ - | | $ - | $ - |
| 2245 | Other Insurance | $ 9,148.16 | $ 16,737.30 | $ 49.50 | $ 8,500.00 | $ 7,045.14 | $ 8,000.00 | $ 8,240.00 |
| | **Supplies:** | | | | | | | |
| 2305 | General Office Expense | $ 11,393.95 | $ 5,913.39 | $ 6,313.42 | $ 5,132.00 | $ 4,831.00 | $ 8,382.00 | $ 8,633.00 |
| 2308 | Credit Card Clearing Account | $ 4.57 | $ - | $ - | $ - | $ 982.00 | $ - | $ - |
| 2310 | Postage - Direct Charge | $ 15,564.11 | $ 19,296.78 | $ 8,551.07 | $ 10,791.00 | $ 8,337.00 | $ 9,512.00 | $ 9,797.00 |
| 2315 | Records Storage | $ 771.97 | $ 679.20 | $ 668.37 | $ 1,200.00 | $ 1,096.00 | $ 1,680.00 | $ 1,730.00 |
| 2323 | Reproduction Services | $ 2,102.97 | $ 1,428.51 | $ 2,454.71 | $ 600.00 | $ 639.00 | $ 600.00 | $ 618.00 |
| | | | | | | | | |
| | **Consultant & Special Services:** | | | | | | | |
| 2400 | Prof & Special Service (Legal Counsel) | $ 32,217.23 | $ 53,373.21 | $ 29,198.46 | $ 44,740.00 | $ 33,483.00 | $ 39,040.00 | $ 40,211.00 |
| 2405 | Auditing | $ 6,494.00 | $ 6,754.00 | $ 7,611.26 | $ 7,434.00 | $ 6,932.00 | $ 8,140.00 | $ 8,384.00 |
| 2410 | Data Processing | $ 6,434.26 | $ 6,327.73 | $ 5,106.20 | $ 7,200.00 | $ 6,493.00 | $ 7,800.00 | $ 8,034.00 |
| 2415 | COWCAP | $ 22,065.65 | $ 53,324.82 | $ 39,229.99 | $ 18,772.00 | $ 18,772.00 | $ 9,220.00 | $ 19,500.00 |
| 2420 | ISD Other IT Services | $ 206.40 | $ 206.40 | $ 189.20 | $ 206.00 | $ 206.00 | $ 206.00 | $ 213.00 |
| 2421 | ISD Direct | $ 1,019.25 | $ 520.00 | $ 2,034.50 | $ 1,200.00 | $ 1,023.00 | $ 1,200.00 | $ 1,236.00 |
| 2424 | Mgmt & Tech (Environmental Consultant) | $ 30,998.00 | $ 19,503.50 | $ 11,988.25 | $ 15,750.00 | $ 15,750.00 | $ 8,500.00 | $ 8,755.00 |
| 2444 | Security Services | $ 384.00 | $ 384.00 | $ 405.00 | $ 480.00 | $ 408.00 | $ 480.00 | $ 494.00 |
| 2445 | Other Prof (Commission, Surveyor, ROV) | $ 59,573.59 | $ 43,422.32 | $ 28,304.01 | $ 104,902.00 | $ 89,684.00 | $ 50,954.00 | $ 62,983.00 |
| 2449 | Outside Legal (Litigation & Special Counsel) | $ 81,197.78 | $ 43,841.71 | $ 58,333.58 | $ 36,000.00 | | $ - | $ - |
| 2450 | System Development | $ - | $ - | $ - | $ - | | $ - | $ - |
| 2460 | GIMS Charges | $ 13,200.00 | $ 10,851.00 | $ 13,530.00 | $ 13,800.00 | $ 10,500.00 | $ 12,600.00 | $ 12,978.00 |
| | | | | | | | | |
| | **Lease/Purchases:** | | | | | | | |
| 2895 | Rent/Lease Equipment (copier) | $ 8,298.50 | $ 9,541.15 | $ 7,800.03 | $ 7,881.00 | $ 7,890.00 | $ 7,881.00 | $ 8,117.00 |
| 2905 | Office/Hearing Chamber Rental | $ 50,338.50 | $ 52,312.56 | $ 49,316.94 | $ 55,571.00 | $ 55,438.00 | $ 48,358.00 | $ 49,809.00 |
| | | | | | | | | |
| | **Travel Related Expenses:** | | | | | | | |
| 2940 | Private Mileage | $ 4,563.96 | $ 5,484.94 | $ 4,548.85 | $ 4,407.00 | $ 7,207.00 | $ 8,690.00 | $ 8,950.00 |
| 2941 | Conference/Training | $ 6,158.00 | $ 5,988.95 | $ 3,458.00 | $ 3,740.00 | $ 4,605.00 | $ 4,770.00 | $ 4,913.00 |
| 2942 | Hotel | $ 5,397.72 | $ 3,391.70 | $ 2,411.47 | $ 3,260.00 | $ 6,005.00 | $ 6,768.00 | $ 6,971.00 |
| 2943 | Meals | $ 587.75 | $ 708.02 | $ 597.16 | $ 960.00 | $ 988.00 | $ 1,500.00 | $ 1,545.00 |
| 2944 | Car Rental | $ - | $ - | $ - | $ 600.00 | $ 352.00 | $ 400.00 | $ 412.00 |
| 2945 | Air Travel | $ 398.20 | $ 233.20 | $ 1,304.60 | $ 2,400.00 | $ 1,739.00 | $ 600.00 | $ 618.00 |
| 2946 | Other Travel | $ 486.60 | $ 311.25 | $ 247.50 | $ 160.00 | $ 355.00 | $ 745.00 | $ 767.00 |
| | | | | | | | | |
| | **Other Charges:** | | | | | | | |
| 5012 | Services Out (Staples) | $ 3,856.02 | $ 2,109.85 | $ 1,189.85 | $ 4,800.00 | $ 2,950.00 | $ 4,800.00 | $ 4,944.00 |

FINAL BUDGET
FISCAL YEAR 2012-13

| ACCT. # | ACCOUNT NAME | ACTUAL YEAR-END FY 2008-09 | ACTUAL YEAR-END FY 2009-10 | ACTUAL YEAR-END FY 2010-11 | AMENDED BUDGET FY 2011-12 | ESTIMATED YEAR-END FY 2011-12 | PRELIMINARY BUDGET CONTRACT EO FY 2012-13 | PROJECTED BUDGET CONTRACT EO FY 2013-14 |
|---|---|---|---|---|---|---|---|---|
| | **TOTAL SERVICES & SUPPLIES** | **$ 418,569.39** | **$ 391,646.91** | **$ 333,188.53** | **$ 405,410.00** | **$ 333,169.54** | **$ 294,870.00** | **$ 324,159.00** |
| **TOTAL EXPENDITURES** | | **$ 1,181,821.98** | **$ 1,199,870.74** | **$ 1,008,153.19** | **$ 949,910.00** | **$ 867,653.37** | **$ 938,715.00** | **$ 983,268.00** |
| | | | | | | | | $ - |
| 6000 | Contingency | | $ - | $ - | $ 41,507.00 | $ - | $ 44,327.00 | $ 41,268.00 |
| 6010 | COWCAP Reserve | | | | $ 56,000.00 | $ - | $ 46,780.00 | $ 27,280.00 |
| 6025 | General Reserve- litigation | | $ - | $ - | $ 180,000.00 | $ - | $ 200,000.00 | $ 250,000.00 |
| 6030 | Compensated Absences Reserve | | | | $ 62,003.00 | $ - | $ 66,620.00 | $ 72,821.00 |
| ***TOTAL APPROPRIATION*** | | **$ 1,181,821.98** | **$ 1,199,870.74** | **$ 1,008,153.19** | **$ 1,289,420.00** | **$ 867,653.37** | **$ 1,296,442.00** | **$ 1,374,637.00** |

FINAL BUDGET
FISCAL YEAR 2012-13

| ACCT # | ACCOUNT NAME | ACTUAL YEAR-END FY 2008-09 | ACTUAL YEAR-END FY 2009-10 | ACTUAL YEAR-END FY 2010-11 | ADOPTED BUDGET FY 2011-12 | AMENDED BUDGET FY 2011-12 | ESTIMATED YEAR-END FY 2011-12 | PRELIMINARY BUDGET FY 2012-13 | PROJECTED BUDGET FY 2013-14 |
|---|---|---|---|---|---|---|---|---|---|
| **CONTRIBUTION REVENUES** | | | | | | | | | |
| | **Use of Money:** | | | | | | | | |
| 8500 | Interest | $ 21,863.43 | $ 9,355.64 | $ 6,569.32 | $ 7,500.00 | $ 7,500.00 | $ 5,270.00 | $ 4,000.00 | $ 5,000.00 |
| | **Mandatory Contribution from Governments:** | | | | | | | | |
| 8842 | Local Government -- For FY 2012-13 apportionment to County, Cities, and Independent Special Districts of approximately $301,000 each | $ 1,050,743.12 | $ 1,001,414.61 | $ 1,033,910.99 | $ 933,639.00 | $ 933,639.00 | $ 933,639.00 | $ 903,000.00 | $ 933,000.00 |
| | **Fees and Deposits (Current Services):** | | | | | | | | |
| 9145 | Fed Only | $ 782.60 | | | | | | | |
| 9545 | Individual Notice | $ 6,426.79 | $ 8,642.33 | $ 5,100.00 | $ 3,600.00 | $ 3,600.00 | $ 1,650.00 | $ 1,400.00 | $ 2,800.00 |
| 9555 | Legal Services | $ 86,001.49 | $ 38,002.70 | $ 9,782.48 | $ 6,325.00 | $ 6,325.00 | $ 2,532.00 | $ 2,300.00 | $ 4,600.00 |
| 9655 | GIMS Fees | $ 10,000.00 | $ 10,140.00 | $ 6,845.00 | $ 3,400.00 | $ 3,400.00 | $ 2,435.00 | $ 2,000.00 | $ 4,000.00 |
| 9660 | Environmental | $ 106,750.26 | $ 18,500.98 | $ 7,995.53 | $ 4,200.00 | $ 4,200.00 | $ 2,365.00 | $ 1,500.00 | $ 3,000.00 |
| 9800 | LAFCO Fees | $ 107,344.20 | $ 79,807.45 | $ 47,287.05 | $ 45,350.00 | $ 45,350.00 | $ 9,703.00 | $ 10,000.00 | $ 20,000.00 |
| | **Total Fees and Deposits** | $ 317,305.34 | $ 155,093.46 | $ 77,010.06 | $ 62,875.00 | $ 62,875.00 | $ 18,685.00 | $ 17,200.00 | $ 34,400.00 |
| **TOTAL CONTRIBUTION REVENUES** | | **$ 1,389,911.89** | **$ 1,165,863.71** | **$ 1,117,490.37** | **$ 1,004,014.00** | **$ 1,004,014.00** | **$ 957,594.00** | **$ 924,200.00** | **$ 972,400.00** |
| **OTHER REVENUES** | | | | | | | | | |
| 9910 | Refunds from Prior Year Revenue | $ (18,137.54) | $ (7,968.53) | $ (7,462.37) | $ (19,900.00) | $ (19,900.00) | $ (2,027.00) | $ (18,563.00) | $ (11,215.00) |
| 9930 | Miscellaneous Revenues | 558.95 | $ 1,730.47 | $ 462.51 | $ 500.00 | $ 500.00 | $ 221.00 | $ 500.00 | $ 500.00 |
| | **Carryover from Prior Year** | | | | | | | | |
| 9970 | Contingencies (Account 6000) | | | | $ 35,197.00 | $ 35,197.00 | $ 35,197.00 | $ 41,507.00 | $ 44,327.00 |
| 9970 | COWCAP Reserve (Account 6010) | | | | | | | $ 56,000.00 | $ 46,780.00 |
| 9970 | General Reserve (Account 6025) | $ 52,198.00 | $ 126,739.00 | $ 122,658.00 | $ 124,108.00 | $ 124,108.00 | $ 124,108.00 | $ 180,000.00 | $ 200,000.00 |
| 9970 | Comp. Absences Reserve (Account 6030) | | | | | | | $ 62,003.00 | $ 66,620.00 |
| 9970 | Other Carryover | $ 86,550.32 | $ 117,574.61 | $ 79,810.54 | $ 54,039.00 | $ 145,501.00 | $ 145,501.00 | $ 50,795.00 | $ 55,225.00 |
| 9990 | EIR for LAFCO 3076 | $ (83,892.00) | $ (1,599.98) | | | | | | |
| **TOTAL OTHER REVENUES** | | **$ 37,277.73** | **$ 236,475.57** | **$ 195,468.68** | **$ 193,944.00** | **$ 285,406.00** | **$ 303,000.00** | **$ 372,242.00** | **$ 402,237.00** |
| ***TOTAL REVENUES*** | | **$1,427,189.62** | **$ 1,402,339.28** | **$ 1,312,959.05** | **$ 1,197,958.00** | **$ 1,289,420.00** | **$ 1,260,594.00** | **$ 1,296,442.00** | **$ 1,374,637.00** |

Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data which do not affect fund balance.

# NARRATIVE FOR FY 2012-13
# FINAL BUDGET

## SALARIES AND BENEFITS
## 1000 SERIES

### FY 2011-12

Salaries and Benefits (1000 series) for FY 2011-12 was budgeted at $544,500 for 4.5 positions: one Contract Executive Officer (limited to 960 paid hours per year), Assistant Executive Officer, Project Manager, and two Deputy Clerks to the Commission. Year-end expenditures for the 1000 series are estimated to be $534,484, $10,016 under budget. The budget for 2011-12 was $130,465 less than the prior year for this component.

### FY 2012-13

In 2009-10, the Commission determined to eliminate one funded position, the Clerk to the Commission. This cost saving measure was identified to extend until the 2011-12 fiscal year. However, as the Commission is well aware, the need for maintaining a reduced cost during FY 2011-12 was necessary and this position remained unfilled. The Clerk to the Commission position is one of two mandatory positions identified in LAFCO law, the other being the Executive Officer. As outlined in the staff report, for the upcoming year, staff is proposing to realign the remaining support staff to include filling the Clerk to the Commission, and convert one Deputy Clerk position to a LAFCO Secretary (a position maintained until 2004). These changes are proposed to accommodate new changes in processes by staff, such as assuming the responsibility for updating the Commission's website. Based upon these anticipated changes, staff believes it is necessary to return to the full complement of support staffing (three positions), as modified above.

An additional element is the contract with the existing Executive Officer is proposed to be extended to June 30, 2014. It is anticipated that the current range of pension reforms proposed by the Governor and State Legislature will limit 1937 Act Retirement systems to a single 960 contract with its retirees. Therefore, the Commission will not be allowed to contract further with the existing Executive Officer and will need to fill that position beginning in the 2014-15 Fiscal Year.

The changes identified have been reviewed with members of the Administrative Committee. It is recommended that the support staff structure be modified to include three positions – Clerk to the Commission/Office Manager, Deputy Clerk to the Commission, and LAFCO Secretary as follows:

a. Clerk to the Commission/Office Manager. It is proposed that the salary range for this position be reduced from the County equivalent of a Range 55 to Range 50. This determination is based upon the removal of the skill set for preparation of detailed minutes with the conversion to placement of the Hearing video on the website with summary minutes provided, but maintenance of statutory responsibilities, the addition of the maintenance of the website and supervision of

other support staff positions. This range is commensurate with the salary ranges for a Clerk to the Commission position as shown in the CALAFCO Salary Survey done in 2009. Total salary and benefits for the upgraded position for Fiscal Year 2012-13 are estimated at: Salary - $52,618; Benefits $40,197 for a total cost of $92,815.

b. LAFCO Secretary. It is proposed to reinstitute this position which was eliminated in 2004. It is proposed that this position be filled at a County equivalent Range of 39. Total salary and benefits for the position for Fiscal Year 2012-13 are estimated at: Salary -- $40,238; Benefits $23,937 for a total cost of $64,175.

The Commission has adopted the same benefit plan as provided by the County's Exempt Compensation Plan. At the time of this report, no changes to the Exempt Compensation Plan have been identified by the County Administrative Office. Rumor has it that there may be some further reductions in benefits in the Exempt Compensation Plan, but that is all staff is aware of at this time. However, should changes be approved by the County, staff will return either at the May hearing on the final budget or following hearings to address these changes.

If the changes identified above are approved by the Commission, staff will present the Commission with a resolution for adoption at the Final Budget Review in May addressing changes to the Human Resources portion of the Policy and Procedure Manual. As the Proposed Budget Spreadsheet identifies, FY 2012-13 is budgeted to have a total expenditure of $643,845, an increase of $99,345 over the projected Year-end expenditure for FY 2011-12 but $164,379 less than actual expenditures in FY 2009-10 and $31,120 less than actual expenditures for FY 2010-11.

**FY 2013-14**

The forecast for FY 2013-14 includes the payment of the standard 26 pay periods and step increases as appropriate for staff members. Staff has reviewed with the Administrative Committee the potential for extending the existing contract with the Executive Officer through FY 2013-14 rather than filling the Executive Officer position. The difference in salaries and benefits is $109,713.

a. The contract with the current Executive Officer will be extended through June 30, 2014, with no change in hourly rate for the period, for a maximum of 960 paid hours. The Executive Officer will be paid $105 per hour with the benefits of a car allowance ($561.54 per pay period for a total cost of $14,600) and cell phone ($92.31 per pay period for a total cost of $2,400) allowances. This represents a total cost for salary and benefits for the Executive Officer of $117,800 (salary $100,800; benefits $17,000).

b. Filling the Executive Position using the salary of $60.11 per hour, the average starting salary for a Southern California Executive Officer, would result in the a total cost of $227,513 ($132,241 salary; $95,272 benefits).

As noted in the opening portion of the narrative, it is anticipated that pension reform will remove the ability of the current Executive Officer to continue to contract past this period. With the economic recovery for the Inland Empire still anticipated to be three to four years away, discussions with the Administrative Committee members supported the option of continuing the contract. Using the continuing contract option, the FY 2013-14 Projected Budget for salaries and benefits (including payment of Workers compensation for commissioners) is $659,109.

## LINE ITEM ACCOUNTS FOR SALARIES AND BENEFITS FOR FISCAL YEAR 2012-13

Regular Salary – Account 1010: $421,821
Salaries are calculated at 26.5 pay periods for five positions, and the contract for the Executive Officer, the contract benefits granted for the Executive Officer's cell phone allowance and bilingual payments for a single position ($1,192.50). Cash out amounts included in this line item account for annually declared vacation/holiday leave cashouts. The salaries by position are:

| | |
|---|---|
| Executive Officer (contract) | $103,246 |
| Assistant Executive Officer | 94,154 |
| Project Manager | 77,371 |
| Clerk to the Commission | 53,611 |
| Deputy Clerk to the Commission | 52,008 |
| LAFCO Secretary | 40,238 |

## BENEFITS

For employee benefits, LAFCO mirrors the County's Exempt Compensation Plan as identified in the LAFCO Benefits Plan and contracts with the County to administer the benefits for LAFCO employees. Benefit allocations are calculated 26.5 pay periods for the regular LAFCO positions and only the car allowance for the Executive Officer, except where identified otherwise.

Merit Incentive (Car) – Account 1030: $14,881
The LAFCO Benefit Plan allocates to the Executive Officer $561.54 per pay period for car allowance. The contract with the Executive Officer provides for the payment of this benefit.

Termination Payment – Account 1045: $0.00
The LAFCO Benefit Plan provides that at separation from LAFCO service, employees are required to contribute the cash value of their unused sick-leave to the Retirement Medical Trust Fund at the rate of 75% of the cash value of the employee's unused sick leave hours. There are no anticipated termination payments for the upcoming Fiscal Year.

General Member Retirement – Account 1110: $81,588
Calculation for the payment of the LAFCO Retirement contribution is based upon the rate of 25.77% of salaries paid. The retirement rate increases from the FY 2011-12 contribution rates of 22.51%, an increase of 3.26%. However, this rate will increase to 29.57% for FY 2013-14.

Over the past 11 years the retirement rate for employer side payment by the Commission has increased 163%, being 11.22% in Fiscal Year 2000-01. The current actuarial rates for this will increase substantially over the coming years and is an area of concern for staff. However, changes identified by the Governor and Legislature legislatively and for the ballot may change the methodologies used for this benefit for future employees.

Survivor's Benefits – Account 1130: $118
The cost is calculated at approximately $1.00 per employee per pay period; the same as Fiscal Year 2011-12.

Indemnification General – Account 1135: $18,639
This account allocates the funding necessary to cover additional employee retirement payments pursuant to the provisions of the LAFCO Benefits Plan. This amount has been reduced through the exclusion of the seven percent match of earnable compensation. However, a retirement benefit of $147.73 for Benefit Group B (Assistant Executive Officer, Project Manager, Clerk to the Commission/Office Manager and one Deputy Clerk position) per pay period, and $94.20 for Benefit Group C (proposed LAFCO Secretary) per pay period is included in this plan.

Employee Group Insurance (Health Insurance Subsidy) – Account 1200: $46,407
This account allocates a Medical Premium Subsidy in an amount that has been augmented to include the dollars from the Flexible Benefit Plan as follows:

| | |
|---|---|
| $230.00 | Employee only (3 LAFCO employees) |
| $352.23 | Employee plus one dependent (one LAFCO employee) |
| $482.64 | Employee plus two or more dependents (one LAFCO employee) |

The subsidy is paid only toward coverage chosen by the employee. If costs are less than amounts identified, no residual dollars are provided to the employee.

Long Term Disability – Account 1205: $1,030
This cost is calculated at 33 cents per $100 of base pay.

Vision Care Insurance – Account 1207: $750
This cost is calculated at $5.66 per employee per pay period.

Dental Insurance and Health Subsidy – Account 1215: $1,427
This account allocates the Dental Premium Subsidy in an amount that, when combined with the Medical Subsidy, would offset the cost of out-of-pocket dental expenses charged to eligible employees.

Psychological Services – Account 1220: $0.00
This account is for benefits associated with the availability of psychological services. No costs have been identified by the County as a separate line item.

Short Term Disability – Account 1222: $1,330
LAFCO employees are provided with short-term disability by contract with the County to provide the same level of service as provided to County Exempt Employees. The cost is calculated at $10.04 per pay period per employee.

Social Security Medicare – Account 1225: $4,904
For employees entering LAFCO service after 1985, contribution to the federal Social Security Medicare system is mandatory. The cost is calculated for four positions and the contract employee at the rate of 1.35% of base compensation.

Worker's Compensation – Account 1235: $4,401
This account is for worker's compensation insurance. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. The charge is estimated to be $0.97 per $100 of salaries and Commissioner stipend payments.

Life Insurance and Medical Trust Fund– Account 1240: $4,995
This account contains costs associated with term life insurance, variable life insurance, and contributions to the Retirement Medical Trust Fund.

Other (Medical Reimbursement Plan) – Account 1305: $6,896
This account is for the Commission's matching payment toward an Exempt Medical Reimbursement Plan for employees of up to $40 per employee per pay period and the Healthy Lifestyles membership up to $324. Staff estimates full utilization of this benefit by five employees. The contract employee does not receive this benefit.

Deferred Compensation – Account 1314: $1,557
LAFCO matches employee contributions to the 457 savings plan of the County up to 1% of the employee's base salary for LAFCO Benefit Group A (Executive Officer) and up to ½% of the employee's base salary for LAFCO Benefit Groups B and C. The appropriation anticipates full participation by five employees in this plan. The contract Executive Officer does not receive this benefit.

401(k) Contribution – Account 1315: $24,101
LAFCO matches employee contributions to the 401(k) savings plan of the County up to 8% of the employee's base salary for LAFCO Benefit Groups A and B and 6% of base salary for LAFCO Group C. The appropriation anticipates full participation by the five full-time employees, the contract Executive Officer does not receive this benefit.

Salary Reserve – Account 1000: $9,000
This account includes appropriation authority for payment of the anticipated Retirement Replacement Benefit of approximately $9,000.

# SERVICES AND SUPPLIES
# 2000 and 5000 SERIES

## FY 2011-12

For FY 2011-12, Services and Supplies are budgeted at $405,410 and are estimated to be 91% expended at year end for a total of $324,167. Items of note during this Fiscal Year are:

- Costs for the processing of the digital archiving project authorized mid-year ($35,000+) are anticipated to be completed by fiscal year end.

- Contracts were utilized with Riverside LAFCO and Ms. Anna Raef to provide for additional support and the preparation of the minutes for Commission hearings. These two contracts combined are anticipated to be $15,795; minute preparation is estimated to be $5,826 and for support from Riverside LAFCO is estimated to be $12,969.

## FY 2012-13

The total budgeted amount for Services and Supplies for FY 2012-13 is $299,200, which is a reduction of $106,210 from the FY 2011-12 budget. The FY 2012-13 budget includes no funding for the ongoing contracts with Ms. Raef and Riverside LAFCO, a reduction of $29,000 from the 2011-12 budgeted amounts. Included in the budget are policy items as follows:

- The Commission first established its website in the mid-1990s which was considered state-of-the-art for the time. Over the years, tweaks and some upgrades have been made to the website to accommodate changes. It is staff's opinion that it is time to overhaul the website and take advantage of technological advances which will allow the Commission's staff to place documents on the website and provide for all maintenance except the most complex. Staff has requested, and received, an estimate of the changes needed and the costs from the County's Information Services Department, our current website manager. The costs for the new website are estimated at $10,629.

  The current year's costs for website management – posting of notices, agendas for the Commission, updates to manuals, etc. – through March are $6,341. Following the update and the transfer of routine maintenance functions to LAFCO staff, the costs charged to the Commission through the County's COWCAP system will be significantly reduced.

- The Commission's lease of its office space will terminate in June 2013. Staff has been in discussions with our landlord regarding the continuation of the lease and any reductions which may be available for continuation. The current offer from our landlord is:

- Reduce the rental charge to the same rate as when we moved in $1.50 per square foot, a reduction of $0.29 per square foot; a savings of approximately $9,963 for the year. This will reset the per year increase of 3% back to this amount as well.

- Extend the lease for five years from June 2012 through June 2017. This will match with the County's Workforce Development office if it utilizes the first of its two three year extensions.

- The new lease would include the provision that if utilities exceed $0.22 per square foot for the building the owner can impose a surcharge. It was agreed that any such charges would need to be fully documented before implementation.

Staff supports the extension of the lease for this facility. Should the Commission determine not to accept this extension, costs of approximately $25,000, based upon our move in 2006-07, will need to be added to the budget for FY 2012-13.

- The California Coalition of LAFCOs (CCL) circulated a joint RFP for audit services during the month of January of 2012. The firm selected is White Nelson Diehl Evans LLP for a four year period. The cost for the first year of the contract is $7,500 for San Bernardino LAFCO. The staff will be requesting that the Commission that the Commission approve the contract and authorize the signing at the final budget hearing in May.

- The Commission will be initiating the second round of service reviews for the Valley region during the summer of 2012. Staff is proposing to prepare the service reviews on a service-by-service basis for this round and will be proposing the use of a stakeholders group to work with staff to prepare the mandatory reports. The services to be reviewed are generally identified as:

  Water – retail, wholesale, reclamation. This will include information related to private water companies and mutual water companies within the region. In addition, staff will be working with the mutual water companies to comply with the provisions of AB 54 for submission of service area maps. This will include a discussion about a sphere of influence for the Metropolitan Water District of Southern California within our County.

  Sewer – treatment, collection, recycled water.

  Fire Protection, emergency medical response and ambulance service

  Park and Recreation

  Law Enforcement

Other miscellaneous – streetlighting, detention basin management, cemetery, open space and habitat preservation, healthcare, roads (not within a city or county maintained system).

It is anticipated that there will be minimal supply costs for this effort in the upcoming year with most of the cost associated with staff time.

In addition, the workload related to jurisdictional change applications remains reduced by all current projections. It is estimated that three proposals will be received in the upcoming year.

**FY 2013-14**

Services and Supplies for FY 2013-14 are projected at $328,763 and include the payment for recruitment processing for the Executive Officer position, estimated at $10,500. It anticipates a slight increase in activity to include the submission of four proposals for the year.

## LINE ITEM ACCOUNTS FOR SERVICES AND SUPPLIES FOR FISCAL YEAR 2012-13

## SERVICES

Comnet Charge – Account 2037: $2,784
Comnet is the County's telephone system. Charges for use of this system are $29.00 per line per month. LAFCO utilizes eight phone lines: seven telephones and one fax/answering machine.

Long Distance Charges – Account 2038: $334
Long distance activity is estimated to be reduced to $28 per month based on long-distance charges from the past two years.

Relocation Charges – Phone Service – Account 2040: $0
This account is for new installations of phone lines. No activity in this account is anticipated.

Phone Service/Outside Company – Account 2041: $543
The use of phone service outside the County system (Verizon) is required by the security alarm company to ensure proper monitoring for the LAFCO office. The monthly phone charge is $45.24 per month, $543 for the year.

Electronic Equipment Maintenance – Account 2043: $0
This account is for new installations of data lines. No activity in this account is anticipated.

Membership Dues – Account 2075: $8,067
This account is for membership in professional associations. Dues for CALAFCO are increasing by the CPI of 2.1% to $7,154 and dues for California Special Districts Association for associate members are anticipated to increase from $825 to $913.

Tuition Reimbursement – Account 2076: $2,000
Pursuant to the LAFCO Benefits Plan, employees can be reimbursed for up to $1,000 for approved tuition, course/seminar or degree related expenses, and membership dues in professional organizations. This appropriation provides for full participation by two employees.

Publications – Account 2080: $2,516
This account anticipates costs for *The Sun,* updates to the California Legislative Codes, California Environmental Law pamphlets, and other publications and/or updates utilized by either staff or the Commission. In addition, during FY 2011-12, the Commission now subscribes to the California Planning and Development Newsletter at a cost of $238 per year. As a cost savings measure, the Commission has participated in a contract with West's Publishing Customer Loyalty program to receive updated pocket parts to the California Annotated Code. Staff is proposing to extend this contract for a new three year term.

Legal Notices – Account 2085: $24,000
The staff is recommending a return to an 11 hearing schedule for the upcoming Fiscal Year. The budget figure accommodates the advertising needs for this schedule. The processing of the sphere of influence updates and service reviews will require an eighth-page display ad in general papers when a sphere amendment is proposed and when advertisement is authorized in-lieu of individual landowner or registered voter notice.

Computer Software – Account 2115: $3,800
The account accommodates the charges for contract with County for licenses for computer software; estimated at $1,400. Government Code Section 56382 mandates LAFCO to maintain its records in perpetuity. To comply with this mandate, LAFCO has chosen to digitally archive its records, and the yearly maintenance of the digital archiving software is $1,500. In addition, the use of aerial map display in staff reports and PowerPoint presentations requires the maintenance of a Google Earth license. For the upcoming year that cost is estimated at $900.

Inventoriable Equipment – Account 2125: $0.00
No purchases are anticipated for the upcoming fiscal year.

Other Insurance – Account 2245: $8,000
This account is for property liability insurance (liability and damage), general liability, public officials and employee errors and omissions, personal liability for board members, employment practices liability, employee benefits liability, employee dishonesty coverage, and auto liability. LAFCO purchases this insurance through the Special District Risk Management Authority, a joint powers authority. SDRMA has provided notification that it intends not to raise rates due to the economic conditions.

**SUPPLIES**

General Office Expense – Account 2305: $8,382
This account is utilized for expenses to run the office such as office supplies and non-inventoriable items. General expenses include ink for the color printer, paper, petty cash reimbursement, annual fire inspection fee, and office supplies. Staff anticipates the need to purchase a new computer for the Clerk to the Commission/Office Manager at an estimated cost of $3,500. LAFCO utilizes the County's contract with Staples and these expenses are budgeted in Account 5012 (Staples) with only the administrative surcharge included in this line item.

Credit Card Clearing Account - Account 2308: $0
This is a clearing account for use of the credit card issued to the Executive Officer. All charges on the card will be posted to this account temporarily with charges then transferred to the appropriate accounts (2941 through 2946). At year's end, this account will have no expenditures.

Postage – Direct Charge – Account 2310: $9,512
The shift to have placement of the staff reports and attachments and notices on CD has reduced overall postage costs. The estimated postage cost for the year is $7,150 for 11

meetings. Calculations for receipt and delivery of interoffice mail including special pick-ups are $2,112 as outlined in the County's Internal Service Rates.

Records Storage – Account 2315: $1,680
Government Code Section 56382 mandates LAFCO to maintain its records in perpetuity. The monthly cost for storage is estimated to be $1,680 pursuant to the rates outlined in the contract with Iron Mountain.

Reproduction Services – Account 2323: $600
This account is for reproduction activity outside of the LAFCO office (County Printing Services, Kinkos, etc.). The shift made to have the staff reports and attachments and notices on CD have reduced printing costs.

## CONSULTANT AND SPECIAL SERVICES

Professional and Special Service (Legal Counsel) – Account 2400: $39,040
The existing contract for LAFCO legal counsel allows an annual rate based on the local consumer price index for the previous year for urban consumers not to exceed five percent and rounded up to nearest dollar; $215 per hour for Fiscal Year 2012-13. All legal counsel costs, with the exceptions of administrative charges and the staff workshop are billable under the Commission's existing fee policy. Billable costs for the year include review of proposals and service reviews. Payments made for costs recoverable are deposited into Revenue Account 9555. (Litigation and outside legal counsel costs are charged under Account 2449 below.)

Auditing – Account 2405: $8,140
The Coalition of California LAFCOs (CCL) issued a joint RFP for a new three year auditing contract. After review of the five bids submitted, the review committee, made up of Executive Officers from the five LAFCOs participating (San Diego has a different contract), selected the firm of White Nelson, Diehal Evans LLP. Additionally, the County Auditor-Controller/Recorder charges $184 for its confirmation letter to LAFCO's independent auditor, and LAFCO staff anticipates this charge to remain for FY 2012-13.

Data Processing – Account 2410: $7,800
LAFCO contracts with the County Information Services Department for technology related services. This account is for technology infrastructure (internet, email, security, etc.) and reporting from the County payroll system. The budget utilizes a monthly average of $600 per person.

COWCAP – Account 2415: $9,220
The estimated costs identified in the County Wide Cost Allocation Plan (COWCAP) to be charged in FY 2012-13 are for services performed in FY 2010-11. The identified costs are for County services such as technology charges-emerging technologies, use of County Purchasing, and processing of payments and payroll through the County Auditor-Controller/Recorder which are charged to LAFCO pursuant to existing agreements. The total cost of $9,220 is $9,552 less than Fiscal Year 2011-12 which had dropped more than $20,000 from the previous year. This drop reflects a reduction in workflow activity, which

has resulted in the mapping system on the LAFCO website being behind on processing of updates.

Pursuant to the memorandum of understanding with County Information Services Department (ISD), the majority of ISD services are to be billed through the County's annual COWCAP allocation process. To ensure the accuracy of the ISD billings in COWCAP, LAFCO staff has implemented a procedure to review and verify the actual monthly activity in relation to the reportable activity from ISD.

ISD Other IT Services – Account 2420: $206
This account is for charges by the County Information Services Department for the Executive Officer's portable communication device (Droid) connection to County e-mail servers and computers. No activity is anticipated for this account by LAFCO or the County Information Services Department for wide area network installations. Portable communication device cost is $17.20 per month.

ISD Direct – Account 2421: $1,200
LAFCO contracts with the County Information Services Department for technology related services. This account is for maintenance of the local area network of computers, printers, and servers. This year will include $1,200 for routine maintenance.

Environmental Consultant – Account 2424: $8,500
The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Anticipated costs are for environmental analysis of out-of-agency service contracts, proposals, sphere of influence updates and service reviews, and for other environmental determinations. Based on the reduced activity, overall costs are estimated to be $8,500, about one-half the budget for FY 2011-12. All environmental consultant costs are billable under the Commission's existing fee schedule. Payments made for costs recoverable are deposited into Revenue Account 9660.

Security Services – Account 2444: $480
Costs for maintaining the security alarm system and monitoring are $40 per month ($480 total).

Other Professional Services – Account 2445: $54,454
This account is for professional services to process proposals and items on the hearing agendas and include anticipated costs for the County Surveyor ($200 per hour), Registrar of Voters ($268.17 per hour), and translation services for required notices. Commissioner stipend payments for attendance at hearings, the costs associated with the August workshop, and the costs for the Commission's designated representative to CCL are provided in this account estimated at a total expense of $25,000. Included within this account are appropriations to fund the website update ($10,629) and recruitment for the Clerk and Secretary positions ($3,500).

This account includes the costs anticipated for the County Auditor-Controller to bill for the apportionments for the Cities, Independent Special Districts and the County ($3,366 – 33

hours at $102 per hour), and the cost for recording the Commission's hearings on DVDs ($3,300).

Outside Legal – Account 2449: $0.00
This account is for legal services conducted through special contract for either litigation or when a conflict of interest waiver is not granted. No funding is presented in this account; however, a specific reserve for litigation costs has been implemented by the Commission (Account No. 6025). Should funding be necessary, a separate action to provide for transfer would needed to be approved by the Commission.

System Development – Account 2450: $0
LAFCO contracts with the County Information Services Department for technology related services. This account is for support of the LAFCO website (includes monthly posting of the hearing agendas and staff reports) and support of a customized program to generate property owner listings and mailing labels as necessary. As described in the COWCAP explanation above, actual time of the County's Information Services Department's services are to be billed through the County's annual COWCAP allocation process two years in arrears of receipt of service. To ensure the accuracy of the ISD billings in COWCAP, LAFCO staff has implemented a process to verify the actual monthly activity in relation to the reportable activity from ISD at month's end and year's end.

GIMS Charges – Account 2460: $12,600
LAFCO contracts with the County Information Services Department for technology related services. This account is for generation and maintenance of digitized maps. Costs for this account include paper maps generated ($600), Aerial Imagery through Google Earth subscription ($1,500) and Street Network Subscription ($10,500). As described in the COWCAP explanation above, actual time of the County's Information Services Department's services for GIS related services are to be billed through the County's annual COWCAP allocation process two years in arrears of receipt of service. The backlog of projects coupled with the reduced activity has resulted in reduced costs this Fiscal Year.

**LEASE/PURCHASES**

Rent/Lease Copier – Account 2895: $7,881
The contract for the copier includes a monthly rate of $571 and a per copy charge of $.0049.

Office/Hearing Chamber Rental – Account 2905: $48,358
For FY 2012-13, staff is proposing the extension of the existing office lease for a five-year term in exchange for a reduction in the monthly rental charged. The cost for 2012-13 under the final year of the lease would be $4,722.64, approximately $1.75 per square foot. The re-negotiated lease for 2012-13 would be for $3,984, at $1.50 per square foot. The cost savings will be $8,864 for the year. This account also includes the rental charge for the Commission's hearings at $50 per hearing for eleven hearings ($550).

## TRAVEL RELATED EXPENSES

Private Mileage – Account 2940: $8,690
This account is currently dedicated for Commissioner and staff private auto mileage, excluding the Executive Officer. The estimated cost is $611 for staff and $4,706 for Commissioners. Conference (Annual Conference is in Monterey with all travel in private vehicle), Workshop and CCL payments are estimated at $3,372.

Conference/Training – Account 2941: $4,770
This account is for attendance charges related to conferences and training courses for staff as directed by the Executive Officer. The costs include CALAFCO or CCL training, clerk and analyst training, attendance at the CALAFCO annual conference by Commissioners and staff (currently estimated at six Commissioners and two staff), and staff workshop.

Hotel – Account 2942: $6,768
This account is for hotel charges for Commissioners and staff at the CALAFCO annual conference, CCL meeting attendance, staff at the staff workshop, CALAFCO Legislative Committee participation, and any other overnight stays on LAFCO business.

Meals – Account 2943: $1,500
This account is for Commissioner and staff meal charges related to the CALAFCO annual conference, CCL meeting attendance, staff workshop, CALAFCO Legislative Committee participation, and other travels.

Car Travel – Account 2944: $400
This account is for car rental by Commissioners or staff.

Air Travel – Account 2945: $600
This account is for air travel for Commissioners and staff. The costs identified are for the Executive Officer's travel due to membership on the CALAFCO Legislative Committee.

Other Travel – Account 2946: $745
This account is for miscellaneous travel charges such as parking and taxi charges. The estimated cost for parking and taxi services for the CALAFCO annual conference, staff workshop, and other travels.

## OTHER CHARGES

Staples – Account 5012: $4,800
LAFCO utilizes the County's contract with Staples for general office supplies and these expenses are budgeted in Account 5012 (Staples). The monthly average activity for the past year has been roughly $400 per month, and the same monthly activity is used for the calculations for FY 2011-12.

## CONTINGENCIES AND RESERVES

Contingency (General) – Account 6000: $40,827
The amount for this account has been set at $40,827. Although the funds in this account are not anticipated for use, it could be used for unexpected activity. This use requires Commission action to transfer the funds to the appropriate line item for expenditure.

Reserves – COWCAP -- Account 6010: $46,780
As a part of the mid-year budget review for FY 2011-12, it was determined that a reserve to cover the backlog costs for GIS services charged through COWCAP should be implemented. The amount allocated to this account is the estimated cost of the unfinished products, less the amount anticipated for payment in FY 2012-13.

Reserves – General – Litigation – Account 6025: $200,000
The Commission indicated that it would set aside a fund designated for use for litigation purposes. The amount allocated for FY 2012-13 is $200,000, $50,000 less than the Commission's directed amount of $250,000, but an increase of $20,000 from FY 2011-12.

Reserves – Compensated Absences – Account 6030: $66,620
The Commission has an established policy of setting aside reserves for the compensated absences payable as of the first pay period in April.

# REVENUES

## FY 2011-12

The chart below shows the budgeted and the anticipated year-end balances for the accounts that comprise the Fee categories, accounts that are sensitive to activity levels. By year's end, staff estimates fee revenue receipts at 40% of budget amounts. The chart below outlines the Revenue Categories:

| Fee/Deposit Category | Budget | Estimated Year-End |
|---|---|---|
| Individual Notice | $ 3,600 | $ 1,650 |
| Legal Services | $ 6,325 | $ 2,532 |
| Planning Services (GIMS Fees) | $ 3,400 | $ 2,435 |
| Environmental Deposits | $ 4,200 | $ 2,365 |
| LAFCO Fees | $ 45,350 | $ 9,703 |
| **Total Fee Revenue** | **$ 62,875** | **$ 18,685** |

As shown in the chart below, activity for which LAFCO receives fees and deposits is not projected to meet total expectations. The anticipated activity for the year includes the following:

| Activity | Budget Projection | Year-end Projection |
|---|---|---|
| Proposals | 6 | 1 |
| Service Contracts - 5 or more units | 1 | 0 |
| Service Contracts - up to 4 units | 0 | 0 |
| Service Contracts - Non Develop. | 2 | 3 |
| Service Review Deposits | 13 | 0 |
| Protest Hearing Deposits | 4 | 4 |

As of April 1, 2012, LAFCO staff has recovered $4,541 of expenditures that have been classified as eligible for cost recovery.

## FY 2012-13

As noted in other portions of this narrative, FY 2012-13 is anticipated to continue to have a substantially lower than normal activity level. While certain sectors of the local economy have seen rosier predictions, construction and its related business have not. Further, there is a strong correlation between the planning process for development activity and proposal

submissions to LAFCO. After careful consideration, staff is presenting a reduced forecast of proposal activity than was anticipated for Fiscal Year 2011-12.

| Activity | Proposed Budget | FY 2011-12 BUDGET |
|---|---|---|
| | | |
| Proposals (not island) | 3 | 6 |
| Island Proposals | 0 | 0 |
| Service Contracts - over 4 units | 1 | 1 |
| Service Contracts - 4 units & under | 0 | 0 |
| Service Contracts - Admin approval | 5 | 2 |
| Service Review Deposits | 13 | 13 |
| Protest Hearing Deposits | 3 | 4 |

Revenues consisting of interest, mandatory contributions, and fee revenue are estimated to be $932,800. Refunds from Prior Years, Miscellaneous Charges, and Carryover (including reserves) increase revenues to a total of $1,296,443.

## REVENUE FORECAST FOR FISCAL YEAR 2013-14

The forecast included for Fiscal Year 2013-14 assumes the maintenance of Fiscal Year 2011-12 activity levels and an increase in apportionment of net costs, $30,000, to $933,000.

## LINE ITEM REVENUES FOR FISCAL YEAR 2012-13

Interest – Account 8500: $4,000
LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly. Interest earned will be similar to the prior year which has been lowered due to the lower interest percentage paid.

Mandatory Contribution from Governments (Local Government) – Account 8842: $903,000
Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to the County, the Cities, and the Independent Special Districts within the County. The apportionment to the County, Cities, and Independent Special Districts is $301,000 each. The County Auditor-Controller will be required to apportion this amount on July 1, 2011 pursuant to the requirements of law and Commission policies.

Pursuant to Government Code Section 56381(a), the proposed and final budget at a minimum shall be equal to the budget adopted for the previous fiscal year unless the commission makes certain determinations. As outlined in the Proposed Budget staff report, a reduction in cost is necessary given the economic realities within San Bernardino County.

This reduction, with the changes in expenditures and contracting for the Executive Officer position, will be sufficient to cover the costs for the upcoming fiscal year; resetting the minimum required payment for the future.

**CURRENT SERVICES/FEES**

The deposits and fees for calculating revenues in this category utilize the proposed Schedule of Fees, Deposits, and Charges (anticipated to be effective June 1, 2012) to be considered by the Commission at this hearing. Any changes to the Schedule will impact these revenues sources. Cost recovery for proposals and service contracts is not addressed in the budget due to its speculative nature.

Individual Notice – Account 9545: $1,400
This account is for landowner and registered voter notification requirements. This deposit is applied to three proposals and one development-related service contract less refunds.

Legal Services – Account 9555: $2,300
This account is for deposits for legal services are calculated at $1,150 for proposals and $575 for service contracts requiring a hearing.

GIMS Fees – Account 9655: $2,000
This account is for receipt of revenue to recover the costs associated with the County's digital maps for sphere or boundary changes, maintenance and updates. The activity is estimated to include completion of three proposals.

Environmental Deposits – Account 9660: $1,500
This account is for deposits for environmental review processing are calculated at $750 for proposals and $450 for service contracts requiring a hearing. Revenue receipts estimate at two proposals with a deposit of $750 and one service contract with a deposit of $575 less refunds.

Other (LAFCO Fees) – Account 9800: $10,000
Revenues in this account are based on anticipated activity and include the LAFCO filing fee ($7,500), Protest Hearing deposit ($1,000), and the deposits related to service reviews less refunds necessary at closure of applications.

**OTHER TYPES OF REVENUE**

Refunds from Prior Year – Account 9910: ($18,563)
This account refunds deposits submitted by applicants less costs incurred for activity generally initiated in FY 2011-12 and completed in FY 2012-13.

Miscellaneous Revenues – Account 9930: $500
This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.

Other/Carryover from Prior Year – Account 9970: $390,305

A total of $390,305 is anticipated to carryover from FY 2011-12 to FY 2012-13, the majority of which is associated with ongoing reserve accounts. This amount includes:

| | |
|---|---|
| • Carryover of Contingencies | $ 41,507 |
| • COWCAP Reserve | 56,000 |
| • General Reserve – Litigation | 180,000 |
| • Compensated Absences Reserve | 62,003 |
| • Other Carryover | 50,795 |
| **TOTAL** | **$390,305** |

| District Name | Total Revenues* FY 09-10 | LAFCO Cost Allocation | Allocation Percentage |
|---|---|---|---|
| Apple Valley Fire Protection | $ 7,298,462.00 | $ 10,000.00 | 3.32% |
| Apple Valley Foothill County Water | $ 107,974.00 | $ 44.54 | 0.01% |
| Apple Valley Heights County Water | $ 206,820.00 | $ 85.32 | 0.03% |
| Arrowbear Park County Water | $ 1,201,965.00 | $ 495.85 | 0.16% |
| Baker Community Services | $ 630,795.00 | $ 260.23 | 0.09% |
| Barstow Cemetery | $ 391,394.00 | $ 161.46 | 0.05% |
| Barstow Heights Community Services | $ 62,382.00 | $ 25.73 | 0.01% |
| Bear Valley Community Healthcare | $ 17,799,401.00 | $ 1,500.00 | 0.50% |
| Big Bear Airport | $ 2,418,193.00 | $ 997.59 | 0.33% |
| Big Bear City Community Services | $ 12,680,760.00 | $ 10,000.00 | 3.32% |
| Big Bear Municipal Water | $ 4,008,704.00 | $ 1,653.74 | 0.55% |
| Big River Community Services | $ 160,757.00 | $ 66.32 | 0.02% |
| Bighorn Desert View Water Agency | $ 1,429,014.00 | $ 589.52 | 0.20% |
| Chino Basin Water Conservation | $ 1,430,918.00 | $ 590.31 | 0.20% |
| Chino Valley Independent Fire | $ 28,641,760.00 | $ 20,000.00 | 6.64% |
| Crest Forest Fire Protection | $ 4,608,853.00 | $ 1,901.32 | 0.63% |
| Crestline Village Water | $ 3,065,450.00 | $ 1,264.61 | 0.42% |
| Crestline Lake Arrowhead Water Agency | $ 5,697,986.00 | $ 10,000.00 | 3.32% |
| Crestline Sanitation District | $ 3,666,626.00 | $ 1,512.62 | 0.50% |
| Cucamonga Valley Water District | $ 69,351,110.00 | $ 30,000.00 | 9.97% |
| Daggett Community Services | $ 255,632.00 | $ 105.46 | 0.04% |
| East Valley Water | $ 24,669,903.00 | $ 20,000.00 | 6.64% |
| Helendale Community Services District | $ 3,469,996.00 | $ 1,431.50 | 0.48% |
| Hesperia Recreation and Park | $ 6,172,530.00 | $ 10,000.00 | 3.32% |
| Hi-Desert Memorial Healthcare District | $ 60,529,191.00 | $ 1,500.00 | 0.50% |
| Hi-Desert Water District | $ 10,606,444.00 | $ 10,000.00 | 3.32% |
| Inland Empire Utilities Agency | $ 91,450,870.00 | $ 30,000.00 | 9.97% |
| Inland Empire Resource Conservation | $ 1,698,282.00 | $ 700.60 | 0.23% |
| Joshua Basin Water | $ 4,893,554.00 | $ 2,018.77 | 0.67% |
| Juniper-Riviera County Water | $ 251,293.00 | $ 103.67 | 0.03% |
| Lake Arrowhead Community Services | $ 12,320,271.00 | $ 10,000.00 | 3.32% |
| Mariana Ranchos County Water | $ 383,393.00 | $ 158.16 | 0.05% |
| Mojave Desert Resource Conservation | $ 79,477.00 | $ 32.79 | 0.01% |
| Mojave Water Agency | $ 44,894,369.00 | $ 20,000.00 | 6.64% |
| Monte Vista Water | $ 14,571,471.00 | $ 10,000.00 | 3.32% |
| Morongo Valley Community Services | $ 813,992.00 | $ 335.80 | 0.11% |
| Newberry Community Services | $ 222,914.00 | $ 91.96 | 0.03% |
| Phelan Pinon Hills Community Services District | $ 5,734,332.00 | $ 10,000.00 | 3.32% |
| Rim of the World Recreation and Park | $ 760,871.00 | $ 313.89 | 0.10% |
| Running Springs Water | $ 5,722,584.00 | $ 10,000.00 | 3.32% |
| San Bernardino Mountains Community Hospital | $ 15,987,126.00 | $ 1,500.00 | 0.50% |
| San Bernardino Valley Municipal Water | $ 62,457,914.00 | $ 30,000.00 | 9.97% |
| San Bernardino Valley Water Conservation | $ 838,290.00 | $ 345.83 | 0.11% |
| Thunderbird County Water | $ 193,441.00 | $ 79.80 | 0.03% |
| Twentynine Palms Cemetery | $ 230,222.00 | $ 94.98 | 0.03% |
| Twentynine Palms County Water | $ 5,726,269.00 | $ 10,000.00 | 3.32% |
| West Valley Water District | $ 15,174,183.00 | $ 10,000.00 | 3.32% |
| West Valley Mosquito and Vector Control | $ 2,400,898.00 | $ 990.46 | 0.33% |
| Yermo Community Services | $ 90,435.00 | $ 37.31 | 0.01% |
| Yucaipa Valley Water | $ 22,905,433.00 | $ 20,000.00 | 6.64% |
| Yucca Valley Airport | $ 23,904.00 | $ 9.86 | 0.00% |
| **Totals** | 580,388,808.00 | $ 301,000.00 | 100.00% |

All data in this worksheet are extracted from FY 2009-2010 Special Districts revenues tables published on the State Controller website.

* On March 28, 1995, Hi- Desert Memorial Hospital's name was changed to Hi-Desert Memorial Healthcare District.
By the Resolution No. 2003 -10-8, Cucamonga County Water District name changed to Cucamonga Valley Water District.

** In October 2010 Crestline Sanitation District became an independent special district subject to payment of the LAFCO apportionment.

*** In 2010 Barstow Fire Protection District became a subsidiary district excluded from the special district distribution and added to the City of Barstow.

| City | Total Revenues FY 09-10 | LAFCO Allocation | Allocation Percentage |
|---|---|---|---|
| Adelano | $ 53,616,428.00 | $ 8,444.09 | 2.81% |
| Apple Valley | 46,010,667.00 | 7,246.26 | 2.41% |
| Barstow | 33,773,074.00 | 5,318.95 | 1.77% |
| Big Bear Lake | 29,588,878.00 | 4,659.98 | 1.55% |
| Chino | 95,605,230.00 | 15,056.94 | 5.00% |
| Chino Hills | 82,193,083.00 | 12,944.65 | 4.30% |
| Colton | 113,372,954.00 | 17,855.20 | 5.93% |
| Fontana | 162,895,115.00 | 25,654.48 | 8.52% |
| Grand Terrace | 7,397,414.00 | 1,165.02 | 0.39% |
| Hesperia | 70,114,376.00 | 11,042.37 | 3.67% |
| Highland | 22,514,560.00 | 3,545.84 | 1.18% |
| Loma Linda | 25,513,986.00 | 4,018.22 | 1.33% |
| Montclair | 39,656,155.00 | 6,245.48 | 2.07% |
| Needles | 6,163,455.00 | 970.69 | 0.32% |
| Ontario | 264,685,363.00 | 41,685.51 | 13.85% |
| Rancho Cucamonga | 166,119,625.00 | 26,162.31 | 8.69% |
| Redlands | 91,333,173.00 | 14,384.13 | 4.78% |
| Rialto | 84,381,326.00 | 13,289.28 | 4.42% |
| San Bernardino | 242,974,564.00 | 38,266.26 | 12.71% |
| Twentynine Palms | 15,149,383.00 | 2,385.89 | 0.79% |
| Upland | 76,492,107.00 | 12,046.80 | 4.00% |
| Victorville | 141,919,509.00 | 22,351.02 | 7.43% |
| Yucaipa | 27,838,853.00 | 4,384.36 | 1.46% |
| Yucca Valley | 11,913,471.00 | 1,876.26 | 0.62% |
| | $ 1,911,222,749 | $ 301,000.00 | 100.00% |

* Allocation is based on Cities revenues extracted from fiscal year 2009-2010 tables published on the State website (www.sco.ca.gov).

** In 2007, the Baldy Mesa Water District and Victor Valley Water District consolidated and became known district as the Victorville Water District. The Victorville Water District is a subsidiary of the City of Victorville, which means that it is governed by the City Council. According to the statute for LAFCO apportionment, the Victorville Water District should be reported as a part of the City of Victorville.
In the same manner as revenues for Hesperia Water District are included with the City of Hesperia and the Rancho Cucamonga Fire Protection District are included with the City of Rancho Cucamonga.
Revenues for special districts that were merged with cities were extracted from fiscal year 2009-2010 tables published on the State website (www.sco.ca.gov)

*** In 2010 Barstow Fire Protection District became a subsidiary district excluded from the special district distribution and added to the City of Barstow.