

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 11, 2017
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Revised Agenda Item #9 – Review and Adoption of Final Budget for Fiscal Year 2017-18

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the Fiscal Year 2017-18 Final Budget as presented with the apportionment of net LAFCO costs based upon the Auditor's information attached to this report; and,
2. Direct the Executive Officer to submit to the County Auditor-Controller the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities/Towns and Independent Special Districts pursuant to the provisions of Government Code Section 56381 as shown in the approved Final Budget.

BACKGROUND:

The Commission's annual budget process began at the April 19 hearing through adoption of the Proposed Budget for Fiscal Year 2017-18. The Proposed Budget included an outline of the anticipated appropriations, revenues, and policy items for Commission consideration such as moving the hearing location to the Norton Regional Event Center and beginning of the recruitment for a new Executive Officer.

On April 20th, the Proposed Budget was forwarded for review and comment, as required by Government Code Section 56381, to the County, each of the 24 Cities/Towns and independent Special Districts with the request to submit comments by May 5th for inclusion in the final report. As of the date of this report, no comments or concerns have been provided regarding the Proposed Budget as adopted at the April

hearing. If concerns are received following the publication of this report, staff will provide those to the Commission at the hearing along with an oral response.

As a part of the preliminary budget process, staff presented the Commission with a Mid-Year and Third Quarter Report for the current fiscal year (FY 2016-17). The report stated,

“While revenues and expenditures are generally on-target as of the date of this report, uncertainty remains regarding the timing and final costs of the office relocation and mailing costs for proposal processing. These have a direct impact on the projections for the year-end activities. Therefore, staff is holding off on presenting the Commission with any recommendations for budget adjustments until the timing and costs as presented by SBCTA staff related to the office relocation are better defined. It is anticipated that more detail will be available when the Final Budget Review for FY 2017-18 takes place at the May 17, 2017 hearing.”

Staff now estimates that the majority of the relocation costs will process in FY 2017-18. Therefore, there is enough appropriation authority within the existing FY 2016-17 budget to cover the anticipated remaining expenditures. Remaining funds allocated for the relocation costs in FY 2016-17 will carry forward into FY 2017-18. The FY 2017-18 Final Budget has been modified to accommodate the shift of expenditures and revenues which include:

1. Increase Expenditure Account 2090 – Miscellaneous Expense (the account designated for all costs associated with renovation/move) to \$75,875.
2. Increase Expenditure Account 2125 Inventoriable Equipment by \$15,000 to shift the purchase of the new server to FY 2017-18.
3. Increase to Revenue Account 9970 Open Proposal Carryover of \$8,641 to reflect submission of an additional proposal during FY 2016-17.
4. Addition of Revenue Account 9970 Carryover from Prior Year Assigned (office relocation) with funding of \$68,875.

As a part of the April Proposed Budget, LAFCO staff also identified the changes to the Lease with San Bernardino County Transportation Authority (SBCTA) increasing the renovation cost and the request for authorization to contract with Inland Valley Development Agency (IVDA) to use the Norton Regional Event Center for Commission hearings. Staff has been in contact with these agencies, but the necessary documents for Commission review and approval are not available for this hearing. Approval will be scheduled for a subsequent hearing date once they are received, but the budget projections in these categories remain unchanged.

In conclusion, LAFCO staff has provided copies of the Final Budget Spreadsheet and Narrative recommended for adoption (Attachment #1 to this report). The

apportionment for the County, Cities/Towns and Special Districts for Fiscal Year 2017-18 to be billed as of July 1, 2017 is included as Attachment #2.

The staff will be happy to answer any questions from the Commission prior to or at the hearing regarding any of the items within the budget documents or this report.

/krm

Attachments:

1. Final Fiscal Year 2017-18 Budget Spreadsheet and Narrative
2. Apportionment Schedules for FY 2017-18