

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: MAY 9, 2018

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #12B – REVIEW AND ADOPTION OF FINAL BUDGET
FOR FISCAL YEAR 2018-19

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the Fiscal Year 2018-19 Final Budget as presented including:
 - a. The approval of the override of Policy and Procedure Manual Section II – Accounting and Financial, Policy 6 Reserves (B) which requires a minimum reserve of \$200,000;
 - b. The approval of the establishment a contingency account of less than 10% of total expenditures;
 - c. Making the finding, as required by Government Code Section 56381, that the approval of a budget less than that adopted for Fiscal Year 2017-18 for the upcoming fiscal year will, nonetheless, allow the Commission to fulfill its obligations under Government Code Section 56000 et seq; and,
 - d. The direction that the apportionment of net LAFCO costs be based upon the Auditor's information attached to this report;
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 18 hearing through adoption of the Proposed Budget for Fiscal Year 2018-19. The Proposed Budget included an outline of the anticipated appropriations, revenues, and policy items for Commission consideration such as: the return to a full-time six person staffing with the addition of a full-time permanent Executive Officer and the maintenance of the contract Executive Officer for a three month transition period; payment of step increases, retirement costs and the implementation of the salary changes approved in the County Exempt Compensation Plan; and the transition of Legal Counsel from Clark Alsop to Paula De Sousa Mills from Best Best & Krieger.

At the April hearing the Commission took the actions necessary to address its financial position for the coming year by:

1. Adopting the override of two of its policies:
 - a. Policy and Procedure Manual Section II – Accounting and Financial, Policy 6 Reserves (B) which requires a minimum reserve of \$200,000; and,
 - b. Determining that it would not establish a contingency account of 10% of total expenditures;
2. Making the determination, as required by Government Code Section 56381, that the Commission finds that the approval of the reduced budget for the upcoming fiscal year will, nonetheless, allow the Commission to fulfill its obligations under Government Code Section 56000 et seq.

The staff is recommending that the approval of the final budget also include these actions.

On April 19th, 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 7th 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.

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 2018-19 to be billed as of July 1, 2018 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 2018-19 Budget Spreadsheet and Narrative](#)
2. [Apportionment Schedules for FY 2018-19](#)