

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 8, 2019 
FROM: SAMUEL MARTINEZ, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #12 – REVIEW AND ADOPTION OF FINAL BUDGET
FOR FISCAL YEAR 2019-20

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the Fiscal Year 2019-20 Final Budget as presented including:
 - a. Making the finding, as required by Government Code Section 56381, that the approval of a budget less than that adopted for Fiscal Year 2018-19 for the upcoming fiscal year will allow the Commission to fulfill its obligations under Government Code Section 56000 et seq; and,
 - b. 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 17 hearing through adoption of the Proposed Budget for Fiscal Year 2019-20. The Proposed Budget included an outline of the anticipated expenditures, revenues, and reserves for Commission consideration such as payment of step increases and retirement costs. Additionally, proposed policy and practice items included: reclassification of one

employee, return to one step increase per year for eligible employees, reduction of auto and phone allowances for the executive officer, transitioning to more digital media to reduce paper circulation, and minutes of the Commission meetings to be action minutes.

At the April hearing for Item 11 (FY 2018-19 Third Quarter Report), the Commission directed staff to contribute the balance of the Net Pension Liability Reserve (Account 6010) by July 1 to SBCERA as a credit towards LAFCO's unfunded liability. In turn, there are no funds from Net Pension Liability Reserve carrying forward into FY 2019-20 (Account 9970). However, the FY 2019-20 Budget does allocate \$42,500 into Account 6010 for the annual contribution, to occur June 2020. The Commission approved a modified budget, and staff revised and noted the Proposed Budget, as modified, for distribution as described in the next paragraph. (See [Item 11 from the April agenda](#) and [Attachment 6 to this staff report](#).)

On April 18, as required by Government Code Section 56381 staff distributed the Proposed Budget, as modified, for review and comment to the County, each city/town, and each independent special district with the request to submit comments by May 7 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 modified and 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.

Since the FY 2019-20 budget would be less than that adopted for FY 2018-19, Government Code Section 56381 requires the Commission to determine that the approval of the reduced budget for the upcoming fiscal year will allow the Commission to fulfill its obligations under Government Code Section 56000 et seq. Therefore, staff recommends that approval of the final budget include this finding.

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. Staff recommends that the Commission take the actions identified on page 1 of this report.

SM/MT

Attachments:

1. [Final Budget Spreadsheet](#)
2. [Auditor's Apportionment Distribution for the County, Cities and Towns, and Independent Special Districts](#)
3. [Salaries and Benefits Detail](#)
4. [Services and Supplies Detail](#)
5. [Revenue Detail](#)
6. [Modified Pages from Staff Report dated April 11, 2019 for the Proposed Budget, for distribution](#)