

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE **MAY 10, 2004**

FROM **KATHLEEN ROLLINGS-MCDONALD, Executive Officer**

TO **LOCAL AGENCY FORMATION COMMISSION**

**SUBJECT: AGENDA ITEM 7B: Review and Adoption of Final Budget for
Fiscal Year 2004-05**

RECOMMENDATION:

1. Amend Commission Policy #31, Subsection #1 to read as follows:

"Commission members shall receive a stipend payment of \$150 per posted Commission hearing."
2. Adopt the Fiscal Year 2004-05 Final Budget, as modified.
3. Direct the Executive Officer to submit to the County Auditor/Controller-Recorder the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities and Independent Special Districts pursuant to the provisions of Government Code Section 56381.

BACKGROUND:

The Commission's annual budget process began at the April hearing through adoption of the Proposed Budget for Fiscal Year 2004-05. The Proposed Budget for Fiscal Year 2004-05 included an outline of the anticipated appropriations, revenues, and policy items for Commission consideration. The staff recommendation for the April hearing included the approval of the contracts for performance of an audit of the financial records of the office by the County Auditor/Controller-Recorder's office, the agreement for support from the County Information Services Department related to computer operations, and the policy declaration for expense payments for the Public Member and Alternate Public Member participation in regional association monthly meetings. In addition, the April recommendation included the direction to staff to return at the May hearing with additional information and a response to any comments received from the Cities, Independent Special Districts or the County.

Following the April hearing, the Proposed Budget was forwarded for comment, as required by law. However, during this comment period, staff was notified by the CALAFCO office that it was proposing to reduce the budgeted payments for Legal Counsel services for the upcoming fiscal year. At this time, they are proposing the payment of \$10,000 for the Fiscal Year 2004-05 year rather than the \$20,000 reimbursement as provided this year. Staff has made this adjustment in the documents attached to this report within the anticipated revenue account for legal services (reduced to \$15,000) and a reduction in the Professional and Special Services Account (Account No. 2400) of \$10,000. On the Budget Spreadsheet, all changes to the Proposed Budget have been identified by use of bold, italic type for ease of identification.

In addition, the Commission requested information on the stipend payment provided for their service. The staff has reviewed the records and noted that the stipend was increased in 1981 to \$100, which included the removal of the differential between a half-day meeting (\$40) and full-day meeting (\$80). In 2002, the Commission discussed the possibility of increasing the stipend payment as a part of its consideration of updates to Policy #31 (copy attached), but a survey of regional LAFCOs at the time did not support such a change.

Following the April hearing, staff received a draft CALAFCO Executive Officer Survey which included information on stipend payments. The draft did not include responses from some of the Urban LAFCOs, so those not available were contacted by phone so that a full picture could be provided. The responses for Urban LAFCOs are outlined as follows:

LAFCO NAME	NUMBER OF MEETINGS ANNUALLY	STIPEND PAID
Alameda	7	\$100
Contra Costa	13	\$125
Los Angeles	20	\$150
Orange	13	\$100
Riverside	11	\$125
Sacramento	(not provided)	\$100
San Bernardino	11	\$100
San Diego	10	\$100
San Mateo	(not provided)	\$100
Santa Clara	6	\$50
Ventura	10	\$50

The staff is recommending that the Commission adjust its stipend payment for attendance at Commission hearings to \$150 per meeting. This will require an update to the Commission's Policy #31, Subsection (1). This change will increase the costs within the Professional Services Account (#2445) by \$6,600 to a total of \$29,600 which will necessitate a corresponding reduction in the Reserve Account (#6025) to a total of \$44,703.60.

As of the date of this report, no comments or concerns have been provided by any of the Cities, Towns, Independent Special Districts, or the County regarding the proposed

budget as adopted at the April hearing. If comments are received following the publication of this report, with the modification as identified above, the staff will provide those to the Commission at the hearing along with an oral response.

The budget spreadsheet (as modified), along with a modified narrative discussion of the line items, are attached for Commission review. The staff will be happy to answer any questions from the Commission prior to or at the hearing.

/krm

Attachments:

1. [Proposed Revision to Policy #31 – Commission Stipend/Per Diem Payment](#)
2. [Proposed Final Budget Spreadsheet](#)
3. [Final Budget Narrative](#)