

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

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DATE: MAY 6, 2013

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: Agenda Item #10 – Review and Adoption of Final Budget for Fiscal Year 2013-14

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

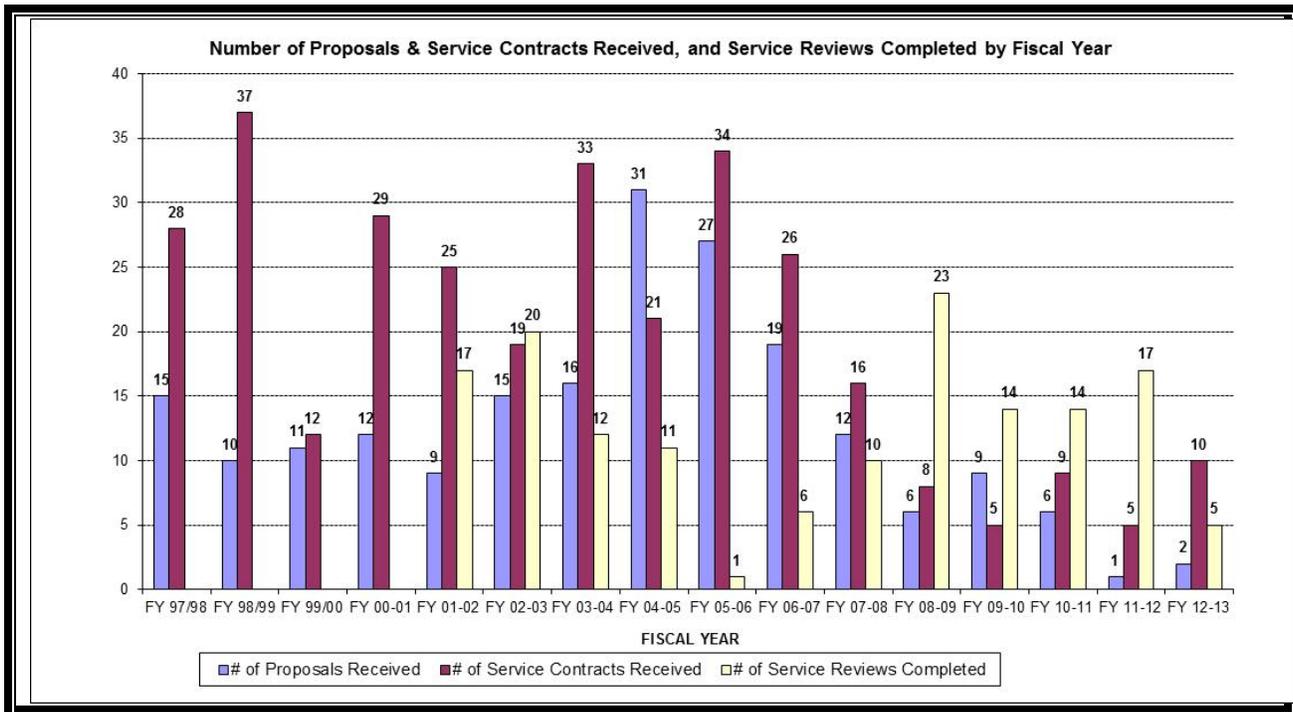
1. Adopt the Fiscal Year 2013-14 Final Budget as presented with the apportionment of net LAFCO costs based upon the Auditor's information attached to this report.
2. Approve Contract Amendment #4 with the Executive Officer extending contract to September 30, 2015 and authorize the Commission Chairman to sign.
3. 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 2013-14. The Proposed Budget included an outline of the anticipated appropriations, revenues, and policy items for Commission consideration.

On April 18, 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 Special Districts with the request to submit comments by May 3 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. Copies of the Final Budget, Budget Narrative and Apportionment Schedules are included as Attachment #1 and Contract Amendment #4 for the LAFCO Executive Officer is included as Attachment #2.

At the April hearing, it was requested by the Commission that additional information on salaries and benefits and proposals submitted be provided for the last twenty years. Staff has tracked information on the applications for the last sixteen years; but, if desired, can go back and gather the additional data. The information on applications filed is shown on the graph presented below and included as Attachment #3 to this report. Important in understanding the graphic display is that service reviews began in 2001-02.



The information shown on the chart below identifies the total salaries (salary, cellphone, bilingual, overtime, car allowance and where appropriate termination payments), total retirement benefits (employer share to SBCERA, subsidy payment

and until 2010-11 7% match of salary), total other benefits (health insurance, workers compensation, life insurance, 401K etc.) for the last ten years.

FISCAL YEAR	TOTAL SALARY	TOTAL RETIREMENT BENEFIT	TOTAL OTHER BENEFITS	TOTAL SALARY AND BENEFITS	NUMBER OF EMPLOYEES	TOTAL APPROPRIATION
2004-05	\$297,888	\$111,318	\$25,951	\$435,157	4.0	\$736,942
2005-06	\$375,957	\$155,593	\$39,577	\$571,127	5.0	\$882,730
2006-07	\$402,659	\$174,762	\$49,930	\$627,351	5.0	\$1,146,890
2007-08*	\$468,266	\$197,240	\$63,587	\$729,093	6.0	\$1,132,954
2008-09	\$484,502	\$207,823	\$70,927	\$763,253	6.0	\$1,181,822
2009-10*	\$531,177	\$230,470	\$73,577	\$808,224	5.0	\$1,199,871
2010-11* **	\$476,774	\$145,247	\$52,944	\$674,965	4.5	\$1,008,153
2011-12 **	\$388,205	\$73,724	\$67,607	\$529,536	4.5	\$792,176
2012-13 **	\$398,119	\$86,018	\$89,180	\$573,317	4.5	\$889,568
2013-14 **	\$438,699	\$103,517	\$120,346	\$667,844	5.5	\$987,528
2014-15 **	\$443,450	\$109,995	\$110,649	\$669,376	5.5	\$1,008,416

*Years in which salary amount included termination payments for retirements or employee departure

**Years when salary includes contract Executive Officer with no retirement payment obligation

The table which follows identifies for years 2011-12 through the forecast for 2014-15 the comparison of salary for those employees covered by retirement payment obligations (employer share and subsidy payments), not including the cost for the contract Executive Officer.

FISCAL YEAR	SALARY LESS CONTRACT	TOTAL RETIREMENT	TOTAL OTHER BENEFITS	PERCENTAGE RETIREMENT IS TO SALARIES PAID	PERCENTAGE OF BENEFITS TO SALARY
2011-12	\$270,078	\$73,724	\$67,607	27%	52%
2012-13	\$279,992	\$86,018	\$89,180	31%	63%
2013-14	\$320,572	\$103,517	\$120,346	32%	70%
2014-15	\$325,323	\$109,995	\$110,649	34%	68%

In addition, on May 1, 2013, a letter was sent to the Chief Executive Officer of the San Bernardino County Employees Retirement Association requesting that the unfunded actuarial liability for LAFCO be determined including what the potential termination cost would be as of June 30, 2013. The request was submitted at this time so that an anticipated cost for developing the information can be provided. This will allow LAFCO staff and Administrative Committee to discuss mechanisms to address this obligation for the future as requested at the April 17 hearing.

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 2013-

14 to be billed as of July 1, 2013 is also included as a part of Attachment #1. Attachment #2 provides the contract amendment #4 for the Executive Officer extending the contract period to September 30, 2015 as discussed in the budget.

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 Budget Spreadsheet, Narrative and Apportionment Schedules](#)
2. [Contract Amendment #4 for the Executive Officer](#)
3. [Proposal Activity From FY 1997-98 to FY 2012-13](#)