

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

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DATE: MAY 12, 2008

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: Agenda Item #9B – Review and Adoption of Final Budget
for Fiscal Year 2008-09**

RECOMMENDATION:

1. Adopt the Fiscal Year 2008-09 Final Budget as presented with the apportionment of net LAFCO costs based upon the State Controller's Report for Cities for Fiscal Year 04-05 and for independent Special Districts for Fiscal Year 05-06.
2. Approve the "Amendment to Lease" for the office facilities at 215 North "D" Street adding an additional office and other terms and authorize the Chairman to sign the Agreement.
3. Approve the contract for Auditing services for Fiscal Years ending June 30, 2008 and June 30, 2009, with the option for an extension to June 30, 2010, with Lance, Soll & Lunghard, LLP, and authorize the Chairman to sign the contract.
4. 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/Towns and Independent Special Districts pursuant to the provisions of Government Code Section 56381 as provided on the attachment to the Budget.
5. Direct the Auditor/Controller-Recorder to take the actions prescribed in Government Code Section 56381 to collect the apportionment for those agencies which fail to remit payment by September 2, 2008.

BACKGROUND:

The Commission's annual budget process began at the April hearing through adoption of the Proposed Budget for Fiscal Year 2008-09. The Proposed Budget included an outline of the anticipated appropriations, revenues, and policy items for Commission consideration.

Following the April hearing, 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 (dependent and independent). As of the date of this report, no comments or concerns have been provided by any of the Cities, Towns, Special Districts, or the County 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 Spreadsheet and the apportionment for Cities and Special Districts are included as Attachment #1 to this report.

Attachment #2 provides the Amendment to the Lease for office space at 215 North "D" Street. The amendment identifies the expansion of the space by 260 rentable square feet, the extension of the term to July 1, 2013 and that the Lessor will make the necessary improvements to the office space without additional charge to LAFCO. Staff's recommendation is to approve the amendment and authorize the Chairman to sign.

Attachment #3 provides the contract for the preparation of the Commission's Annual Audit for the next two years with an option for a third year. As identified in the Budget Narrative provided at the April hearing, the selection of the independent auditor was made through a Joint Request for Proposal with Orange, San Diego, San Bernardino, and Riverside LAFCOs. Lance, Soll & Lunghard LLP was chosen as the successful firm through that RFP process. The contract presented to the Commission was drafted by Best Best & Krieger's Orange County office, law firm for LAFCO Legal Counsel, and it is the recommendation of staff that the Chairman be authorized to sign the agreement.

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 and Apportionment](#)
2. Amendment to Lease for 215 North "D" Street, Suite 204
3. Contract with Lance, Soll & Lunghard, LLP for Auditing Services