

FINAL BUDGET
FISCAL YEAR 2017-18

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 13-14	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	AMENDED BUDGET OCT 2016	ESTIMATED YEAR END FY 16-17	FINAL BUDGET FY 17-18	FORECAST BUDGET FY 18-19	FORECAST BUDGET FY 19-20
	SALARIES AND BENEFITS								
1010	Regular Salary and Bilingual	\$ 408,248	\$ 434,318	\$ 432,740	\$ 473,877	\$ 465,699	\$ 483,128	\$ 596,054	\$ 586,207
1030	Auto and Cell Phone Allowances	15,062	17,000	17,000	17,327	17,000	17,065	20,989	17,065
1035	Overtime	361	201	395		38			
1045	Termination Payment			2,506		632			
1050	Special Compensation		8,750			-			
1110	General Member Retirement	81,993	104,122	109,012	119,726	112,041	125,311	195,853	207,723
1130	Survivors Benefits	160	238	210	228	209	224	269	269
1135	Indemnification - General	16,641	20,634	16,739	16,130	17,419	15,887	22,057	22,057
1200	Employee Group Insurance (Health Subsidy)	41,141	45,620	41,121	46,498	44,710	49,285	61,882	63,760
1205	Long-Term Disability	994	1,079	882	962	882	969	1,490	1,540
1207	Vision Care Insurance	759	822	771	837	771	825	990	990
1215	Dental Insurance & Health Subsidy	1,466	1,530	1,363	1,253	1,241	1,235	1,481	1,481
1222	Short-Term Disability	3,312	3,590	3,404	3,784	3,477	3,808	5,726	5,902
1225	Social Security Medicare	5,128	5,646	5,492	6,072	6,132	6,190	7,523	7,307
1235	Workers' Compensation	1,573	1,983	2,305	5,113	2,873	5,216	6,239	6,087
1240	Life Insurance & Medical Trust Fund	4,546	4,614	5,522	6,429	5,405	7,526	12,742	13,114
1305	Medical Reimbursement Plan	2,600	2,140	2,770	6,920	3,984	6,840	8,207	8,207
1310	ID Allowance Café					17,453	12,306	2,829	-
1314	457/401a Defined (LAFCO Contribution)	1,451	1,622	1,571	1,781	1,585	1,795	3,641	3,775
1315	401k Contribution	22,983	25,951	25,136	28,500	26,020	28,721	44,142	45,640
1000	Salary Reserve				64,587	-			
TOTAL SALARIES & BENEFITS		\$ 608,417	\$ 679,860	\$ 668,940	\$ 800,024	\$ 727,571	\$ 766,331	\$ 992,114	\$ 991,124
	Staffing (Full time equivalent units)	4.5	5.5	5.5	5.5		5.5	6.0	6.0
	SERVICES AND SUPPLIES								
	Services:								
2035	Communications			\$ -		\$ 766			
2037	COMNET Charge (ISF)	\$ 2,532	\$ 2,432	\$ 3,003	\$ 2,556	2,418	2,730	2,730	2,730
2038	Long Distance Charges	86	81	15	-	-	-	-	-
2040	Relocation Charges - Phone Service	-	-	12,944	-	9,852	-	-	-
2041	Phone Service/Outside Company	366	422	670	12,543	1,658	10,318	10,318	10,318
2043	Electronic Equipment Maintenance	140	498	926	-	-	-	-	-
2075	Membership Dues	8,324	8,509	8,733	9,264	9,338	9,831	9,918	10,116
2076	Tuition Reimbursement	1,100	100	100	2,000	2,000	3,000	3,000	3,000

FINAL BUDGET
FISCAL YEAR 2017-18

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 13-14	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	AMENDED BUDGET OCT 2016	ESTIMATED YEAR END FY 16-17	FINAL BUDGET FY 17-18	FORECAST BUDGET FY 18-19	FORECAST BUDGET FY 19-20
2080	Publications	2,054	2,690	2,383	3,125	3,269	3,288	3,354	3,421
2085	Legal Notices	9,223	12,936	18,860	19,500	17,582	20,284	18,500	18,500
2090	Miscellaneous Expense (Costs related to move)				179,260	150,000	78,875	25,000	25,000
2110	Fleet Management Requisition Charges	304				-			
2115	Computer Software	6,427	4,234	5,777	6,652	3,352	3,502	3,502	3,502
2125	Inventoriable Equipment	-	4,660	-	15,000	2,685	17,000	-	-
2180	Electricity for Office					-	4,800	4,896	4,994
2195	Reimbursement Services and Supplies	4,304	-	-					
2245	Other Insurance	7,074	7,128	7,085	7,085	9,150	9,050	9,050	9,050
	Supplies:								
2305	General Office Expense	11,621	12,844	6,364	7,183	7,860	7,410	7,558	7,709
2308	Credit Card Clearing Account	(85)	(1,628)	467	-	4,117	-	-	-
2309	Visa Temp Card			267		-			
2310	Postage - Direct Charge	12,352	19,869	56,031	48,388	56,823	60,694	11,056	11,056
2315	Records Storage	581	620	596	588	807	696	710	724
2323	Reproduction Services	870	2,601	13,046	16,000	10,542	21,274	-	-
2335	Temporary Services	13,311	-	-		1,951	7,650	-	-
	Consultant & Special Services:								
2400	Prof & Special Service (Legal Counsel)	24,048	28,042	40,346	34,300	28,803	34,300	34,986	35,686
2405	Auditing	7,527	8,000	14,258	15,090	11,492	11,783	11,983	12,183
2410	Data Processing	7,142	6,848	8,244	8,215	6,522	7,827	7,827	7,827
2415	COWCAP	6,053	6,308	-	13,236	13,236	20,000	20,000	20,000
2420	ISD Other IT Services	344	753	4,614	175	192	210	210	210
2421	ISD Direct	1,772	10,157	10,073	9,816	7,684	8,927	8,927	8,927
2424	Mgmt & Tech (Environmental Consultant)	15,339	11,288	11,329	10,250	8,892	6,650	6,650	6,650
2444	Security Services	578	408	444	408	390	408	408	408
2445	Other Prof (Commission, Surveyor, ROV)	32,275	42,133	123,413	135,761	120,965	140,385	93,513	93,513
2449	Outside Legal (Litigation & Special Counsel)	2,909	3,956	4,319	-	-	-	-	-
2450	Application Development Support	19,709	216	345	600	-	200	200	200
2460	GIMS Charges	11,877	10,608	13,656	17,370	16,770	16,170	16,170	16,170
	Lease/Purchases:								
2895	Rent/Lease Equipment (copier)	2,610	4,912	4,743	5,904	4,450	7,200	7,200	7,200
2905	Office/Hearing Chamber Rental	53,576	51,219	57,125	54,308	49,874	82,788	84,444	86,133

FINAL BUDGET
FISCAL YEAR 2017-18

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 13-14	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	AMENDED BUDGET OCT 2016	ESTIMATED YEAR END FY 16-17	FINAL BUDGET FY 17-18	FORECAST BUDGET FY 18-19	FORECAST BUDGET FY 19-20
	Travel Related Expenses:								
2940	Private Mileage	5,135	2,410	3,868	5,403	4,752	4,855	4,855	4,855
2941	Conference/Training	4,225	6,817	3,974	3,500	6,315	6,140	6,140	6,140
2942	Hotel	5,264	6,838	5,053	8,800	10,340	10,550	10,550	10,550
2943	Meals	923	1,150	1,098	2,575	1,600	2,235	2,235	2,235
2944	Car Rental	653	227	107	150	273	200	200	200
2945	Air Travel	4,241	3,705	2,629	2,000	3,023	2,000	2,000	2,000
2946	Other Travel	1,061	1,676	887	500	726	400	400	400
	Other Charges:								
5012	Services Out (Staples)	4,146	4,742	1,449	3,600	39	1,200	1,200	1,200
TOTAL SERVICES & SUPPLIES		\$ 291,993	\$ 290,409	\$ 449,237	\$ 661,105	\$ 590,508	\$ 624,830	\$ 429,690	\$ 432,807
TOTAL EXPENDITURES		\$ 900,410	\$ 970,269	\$ 1,118,178	\$ 1,461,129	\$ 1,318,079	\$ 1,391,161	\$ 1,421,804	\$ 1,423,931
	RESERVES								
6000	Contingency				\$ 155,501	\$ -	\$ 139,116	\$ 142,180	\$ 142,393
6010	Net Pension Liability Reserve				117,097	-	148,450	179,803	211,156
6025	General Reserve - Litigation				284,917	-	225,229	235,487	215,727
6030	Compensated Absences Reserve				88,438	-	89,708	93,296	97,028
TOTAL CONTINGENCIES & RESERVES				\$ -	\$ 645,953	\$ -	\$ 602,503	\$ 650,767	\$ 666,304
TOTAL APPROPRIATION		\$ 900,410	\$ 970,269	\$ 1,118,178	\$ 2,107,082	\$ 1,318,079	\$ 1,993,664	\$ 2,072,571	\$ 2,090,235

FISCAL YEAR 2017-18

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 13-14	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	AMENDED BUDGET OCT 2016	ESTIMATED YEAR END FY 16-17	FINAL BUDGET FY 17-18	FORECAST BUDGET FY 18-19	FORECAST BUDGET FY 19-20
	CONTRIBUTION REVENUES								
	Use of Money:								
8500	Interest	\$ 3,066	\$ 4,287	\$ 5,917.01	\$ 5,250	\$ 9,318	\$ 8,000	\$ 8,500	\$ 9,000
	Mandatory Contribution from Governments:								
8842	Local Government -- For FY 2017-18 apportionment to County, Cities, and Independent Special Districts of approximately \$336,528 each	864,822	864,822	882,117	926,223	926,223	1,009,583	1,039,871	1,060,668
							9.0%	3.0%	2.0%
	Fees and Deposits (Current Services):								
9545	Individual Notice	11,200	5,912	56,670	37,366	20,200	42,320	7,700	7,700
9555	Legal Services	8,625	9,195	26,361	15,150	9,674	9,600	12,100	12,100
9595	Protest Hearing			33,297	34,166	32,500	43,620	7,500	7,500
9655	GIMS Fees	3,235	7,580	12,505	7,995	4,445	7,520	6,750	6,750
9660	Environmental	12,580	12,005	12,940	9,600	6,470	6,000	12,000	12,000
9800	LAFCO Fees	99,656	95,619	260,206	103,800	118,282	127,773	108,000	108,000
	Total Fees and Deposits	135,296	130,311	401,978	208,077	191,571	236,832	154,050	154,050
	TOTAL CONTRIBUTION REVENUES	1,003,185	999,420	1,290,012	1,139,550	1,127,112	1,254,415	1,202,421	1,223,718
	OTHER REVENUES								
9910	Refunds from Prior Year Revenue	\$ 1,761	\$ (2,472)	\$ (30.00)	\$ (1,250)	\$ (15,729)	\$ (1,250)	\$ (1,250)	\$ (1,250)
9930	Miscellaneous Revenues	3,578	2,211	12,040	2,000	30	2,000	2,000	2,000
9970	Carryover of Open Proposals/Projects		16,510	55,114	64,806	42,019	23,671	50,000	50,000
9970	Carryover from Prior Year, Assigned	223,425	250,087	186,960	294,895	296,065	68,875	216,898	165,000
	TOTAL OTHER REVENUES	228,765	266,335	254,084	360,451	322,385	93,296	267,648	215,750
	TOTAL REVENUES	\$ 1,231,949	\$ 1,265,755	\$ 1,544,096	\$ 1,500,001	\$ 1,449,497	\$ 1,347,711	\$ 1,470,069	\$ 1,439,468
	RESERVES FROM PRIOR YEAR, as of July 1								
9970	Contingency	\$ 84,730	\$ 99,872	\$ 87,356	\$ 155,501	\$ 155,501	\$ 155,501	\$ 139,116	\$ 142,180
9970	Net Pension Liability Reserve		46,780	56,432	82,750	82,750	117,097	148,450	179,803
9970	General Reserve - Litigation	200,000	250,000	300,000	291,007	291,007	284,917	225,229	235,487
9970	Compensated Absences Reserve	66,620	66,620	72,897	76,607	76,607	88,438	89,708	93,296
	TOTAL RESERVES FROM PRIOR YEAR	\$ 398,130	\$ 463,272	\$ 516,685	\$ 605,865	\$ 605,865	\$ 645,953	\$ 602,503	\$ 650,767
	TOTAL REVENUE AND RESERVES	\$ 1,630,079	\$ 1,729,027	\$ 2,060,781	\$ 2,105,866	\$ 2,055,362	\$ 1,993,664	\$ 2,072,571	\$ 2,090,235
	Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data which do not affect fund balance.								

NARRATIVE FOR FY 2017-18

FINAL BUDGET

SALARIES AND BENEFITS

1000 SERIES

FY 2016-17

Salaries and Benefits (1000 series) for FY 2016-17 was budgeted at \$800,024 for 5.5 positions: one Contract Executive Officer (limited to 960 paid hours per year), Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager, and Administrative Assistant. The Commission previously approved a 2% longevity pay for those with 15 years of service. This benefit was effective December 2016 and applies at this time to the Assistant Executive Officer and Administrative Assistant.

Year-end expenditures for the 1000 series are estimated to be \$727,571, approximately \$72,453 under budget. The variance is primarily explained by the medical leave and separation of the Clerk to the Commission in October 2016. In August the Clerk went on medical leave under the Commission's short-term disability insurance program which paid 45% of her base salary during that period. The Clerk officially separated in October, and the position remained unfilled through January, resulting in salary and benefits savings for roughly four months. Termination payments for the previous Clerk were nominal due to her leave balances being utilized for compensation during her medical leave. In addition, the Commission authorized changes to the compensation for the contract Executive Officer all funded within existing appropriation authority.

FY 2017-18

Staffing is anticipated to be maintained from the prior year – a contract Executive Officer, and regular employees of Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager and Administrative Assistant. A Commission approved across-the-board salary increase of two percent is effective July 22, 2017 and has been calculated in the projections.

As the Proposed Budget Spreadsheet identifies, FY 2017-18 budgets a total expenditure of \$766,331. This includes the step changes in salary appropriate for staff members, budgeting for all benefits, and retirement rate increases of 4.5% for Tier 1 (4 employees) and 2.0% for Tier 2 (1 employee). The contract Executive Officer does not participate in the retirement program.

FY 2018-19 and FY 2019-20

The forecast for FY 2018-19 includes the addition of a full-time Executive Officer at the mid-range salary (estimated starting salary of \$175,180), continuing the contract with the current contract executive officer for three months as a transition period, the same remaining staffing structure as the prior year and step increases as appropriate for staff members. A scheduled across-the-board salary increase of three percent effective July 21, 2018 was previously approved to mirror the County's Exempt Compensation Plan.

The forecast for FY 2019-20 includes a 2 percent across-the-board salary increase. Since there will be a new contract negotiated under the County's Exempt Compensation Plan beginning in FY 2019-20 (which the Commission mirrors), staff has determined this projection based upon the average increase for the prior three years (2.34 percent) to retain its position to budget liberally for expenditures and conservatively for revenues. Also included is a minor scheduled increase to the medical premium subsidy which was previously approved, again, mirroring the County's Exempt Compensation Plan.

**LINE ITEM ACCOUNTS FOR SALARIES AND
BENEFITS FOR FISCAL YEAR 2017-18**

LAFCO utilizes the County's financial system for essentially all financial transactions. Effective FY 2017-18, the County will be replacing its existing financial system with a modern and integrated system. As a part of the new system, the existing catalog of accounts are being reclassified. For example, Account 1010 shown below for Regular Salary most likely will have a new account number. The new account numbers are not known at this time. For the purposes of this budget, the existing numerology is presented. Staff will update the Commission on this transition and its effect on budget presentation during the FY 2017-18 first quarter review in October.

Regular Salary – Account 1010: \$483,128

Salaries are calculated for six positions that include the contract for the Executive Officer, 2% salary cost of living increase, and 15-year 2% longevity pay for the Assistant Executive Officer and Administrative Assistant. Cash out amounts included in this line item account for the annually declared vacation/holiday leave cash outs. The salaries by position are:

Executive Officer (contract, 960 hours)	\$112,765
Assistant Executive Officer	111,381
Project Manager	87,567
LAFCO Analyst	58,004
Clerk to the Commission	57,733
Administrative Assistant	55,678

BENEFITS

For employee benefits, LAFCO mirrors those provided in the County's Exempt Compensation Plan as identified in the LAFCO Policy and Procedure Manual and contracts with the County to administer the benefits for its employees. Benefit allocations are calculated for the regular LAFCO positions, and only the car and cell phone allowance benefits for the Executive Officer, except where identified otherwise.

Merit Incentive (Car and Cellphone Allowance) – Account 1030: \$17,065

The LAFCO Benefit Plan allocates to the Executive Officer a \$561.54 car allowance and a cellphone allowance of \$92.31 per pay period. The contract with the Executive Officer provides for the payment of this benefit.

Termination Payment – Account 1045: \$0.00

The LAFCO Benefit Plan provides that at separation from LAFCO service, employees are required to contribute the cash value of their unused sick-leave to the Retirement Medical Trust Fund at the rate of 75% of the cash value of the employee's unused sick leave hours. Should such occur, revenues would transfer from the Compensated Absence Reserve for payment.

General Member Retirement – Account 1110: \$125,311

Calculation for the payment of the LAFCO (employer) retirement contribution is based upon the rate of 34.53% of salaries paid for Tier 1 (4 employees) and 30.09% for Tier 2 (1 employee). The retirement rate is increasing by 4.5% (Tier 1) and 2.0% (Tier 2).

Last year's budget identified that rates were anticipated to stabilize. However, SBCERA has revised its rate projections due to lower actual returns coupled with a decrease in future return rates. The result is a substantial increase through 2021-23. The chart below provides the approved rates from FY 2015-16 through FY 2017-18 and those projected for FY 2018-19 through 2022-23, as provided by SBCERA.

Year	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Tier 1	33.31	33.05	34.53	35.02	35.92	37.07	37.84	37.89
Tier 2	29.77	29.50	30.09	30.58	31.48	32.63	33.40	33.45

Survivor's Benefits – Account 1130: \$224

\$1.72 per employee per pay period.

Indemnification General – Account 1135: \$15,887

This account allocates the funding necessary to cover additional employee retirement payments pursuant to the provisions of the LAFCO Benefits Plan. A per pay period retirement benefit for those in Group B (5 employees) of \$152.17 is included in this plan. The Executive Officer is the sole Group A position, which is eligible for a benefit of \$236.41; this position is under contract and this benefit is not provided at this time.

Employee Group Insurance (Health Insurance Subsidy) – Account 1200: \$49,285

This account allocates a Medical Premium Subsidy in an amount that has been augmented to include the dollars from the Flexible Benefit Plan. The subsidy is paid only toward coverage chosen by the employee as follows:

- Employee only at \$218.56 per pay period (one employee).
- Employee plus one dependent at \$352.23 per pay period (two employees).
- Employee plus two or more dependents at \$482.64 per pay period (two employees).

Long Term Disability – Account 1205: \$969

This cost is calculated at 27 cents per \$100 of base pay.

Vision Care Insurance – Account 1207: \$825

This cost is calculated at \$6.32 per employee per pay period.

Dental Insurance and Health Subsidy – Account 1215: \$1,235

This account allocates the Dental Premium Subsidy of \$9.46 per employee per pay period that, when combined with the Medical Subsidy, would offset the cost of out-of-pocket dental expenses charged to eligible employees.

Short Term Disability and Family Medical Leave Overhead – Account 1222: \$3,808

LAFCO employees are provided with short-term disability by contract with the County at a cost of 0.99% of salaries per pay period. In addition, the administrative cost for the Family Medical Leave is calculated at \$1.62 per pay period for each regular employee and the contract Executive Officer as required by law.

Social Security Medicare – Account 1225: \$6,190

For employees entering LAFCO service after 1985, contribution to the federal Social Security Medicare system is mandatory. The cost is calculated for four positions (the current Administrative Assistant was hired in 1985; therefore, does not pay into Social Security Medicare), and the contract Executive Officer at the rate of 1.41% of base compensation as required by law.

Worker's Compensation – Account 1235: \$5,216

This account is for worker's compensation insurance. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. SDRMA has indicated that rates are not increasing from the prior year and is estimated to be \$1.07 per \$100 of salaries and Commissioner stipend payments.

Life Insurance and Medical Trust Fund– Account 1240: \$7,526

This account contains costs associated with term life insurance (\$1.80 per pay period per employee), variable life insurance (based upon employee elections, \$827), and contributions to the Retirement Medical Trust Fund (based upon years of service, \$6,464).

Other (Medical Reimbursement Plan) – Account 1305: \$6,840

This account is for the Commission's matching payment toward an Exempt Medical Reimbursement Plan for employees of up to \$40 per employee per pay period and the

Healthy Lifestyles membership up to \$324. Staff estimates full utilization of this benefit by all regular employees.

Allowance, Cafeteria – Account 1310: \$12,306

The Commission authorized changes to the compensation for the contract Executive Officer to include a bi-weekly medical subsidy of \$471.70 per pay period.

Deferred Compensation – Account 1314: \$1,795

LAFCO matches employee contributions to the 457 savings plan of the County up to ½% match of the employee's base salary (Groups B and C). The appropriation anticipates full participation by all regular employees in this plan. The Executive Officer is the sole Group A position which is eligible for a benefit of up to 1% match; however, this position is under contract and does not receive this benefit.

401(k) Contribution – Account 1315: \$28,721

LAFCO matches employee contributions to the 401(k) savings plan of the County up to 8% (Groups B and C) of the employee's base salary. The appropriation anticipates full participation by all regular employees. The Executive Officer is the sole Group A position, which is eligible for a benefit of up to 8% match; however, this position is under contract and does not receive this benefit.

SERVICES AND SUPPLIES

2000 AND 5000 SERIES

FY 2016-17

Continuing last year's activity level, this year is experiencing complex proposals which could directly impact the quality of life of tens of thousands of residents of our County. By action taken at the September 2015 hearing, the Commission directed staff to prioritize its activities to address the fire proposals submitted as the top priority, other jurisdictional changes next, and service reviews to follow. The approval of a consultant contract for supplemental staffing is helping with the processing burden, as well as providing support for the service reviews and other proposal processing.

For FY 2016-17, Services and Supplies had a final budgeted amount set through amendments and other actions of \$661,105 and are estimated to be 90% expended at the conclusion of the fiscal year for a total of \$590,508. This is based upon the estimates that not all the costs related to the office relocation will process this year due to timing issues for the completion of renovations. Therefore, an assigned carryover of \$67,875 into Fiscal Year 2017-18 will fund the balance of renovation, furniture purchase, server purchase, and moving costs.

Items of note during this Fiscal Year are:

- Payment of \$100,000 deposit for tenant improvements for the renovation of the Santa Fe Train Depot Harvey House area for use as the new LAFCO Office was made in August 2016.
- Costs related to processing the West Valley Mosquito and Vector Control District reorganization requiring individual notice to landowners due to the extension of an existing special tax totaled roughly \$25,000.
- Processing for the Formation of the Wrightwood CSD, totaling roughly \$11,000 to date.
- \$50,000 estimated for the relocation of staff office (various accounts). This includes estimates of office furnishing costs, move costs, and relocation of utilities for internet and phone services.
- Significant individual notice costs of roughly \$26,000 for the reorganization to include annexation of the City of Upland to County Fire that includes the extension of a special tax. The applicant was required to provide a deposit to cover these costs. A breakdown is shown below:
 - Account 2310 (Postage) - \$10,662 each for the Commission and protest hearings totaling \$21,324.
 - Account 2323 (Reproduction/Printing) - \$2,482 each for the Commission and protest hearings totaling \$4,964.
- The consulting contract with Robert Aldrich for staffing services – the Commission approved this contract not to exceed \$86,400.
- The Commission has expressed its desire to provide continuing governance training for the special districts within the County. The Commission continued this program for FY 2016-17, and staff developed an education program with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) – see chart below. The sessions were well attended with positive survey results.

Educational Training Program Timeline		
Training Session	Collaboration	Date
Overview of Special District Laws	California Special Districts Association	December 8, 2016
LAFCO 101 – Understanding and Applying the Basics	CALAFCO, Riverside & Los Angeles LAFCOs	January 24, 2017
Partnering with Community Based Organizations for More Inclusive Public Engagement	Institute for Local Government	March 22, 2017

FY 2017-18

The total budgeted amount for Services and Supplies for FY 2017-18 is \$624,830. A reduction of roughly \$36,275 from the 2016-17 amended budget. The following work plan items are included:

- It is anticipated that processing activity for FY 2017-18 will continue at the same magnitude as the past two years with the receipt of at least two fire proposals that include the extension of a special tax. Therefore, staff has taken the direction of the Commission to prioritize the fire proposals as the top priority, other jurisdictional changes next, and service reviews to follow will continue during the upcoming year.
- To assist with the proposal and service review processing, this budget recommends extending the contract with Robert Aldrich for supplemental staffing (\$90,000) for the full fiscal year. In addition, it is proposed that Mr. Aldrich be the recruiter for the Executive Officer position to be filled during the second- half of the Fiscal Year, which is included in the \$90,000 contract.
- The budget includes the printing and postage and handling charges for the two fire proposals that include the extension of a special tax (\$70,912). These costs are recovered from the applicant and are accounted for in the Revenue budget in kind.
- Ongoing Projects include the continuation of the Fiscal Indicators program adding the data for 2016 for viewing on the LAFCO website by December 2017.
- The workload related to jurisdictional change applications is increasing from the recession years. Staff has identified 11 proposals that are anticipated to be received in FY 2017-18 or earlier. The recent uptick in activity consists of complex proposals which require increased analysis and processing time.
- The staff office lease terminates on June 30, 2017, and the Commission has approved the relocation to the Santa Fe Depot. To date, LAFCO has contractually paid \$100,000 to begin construction with the remaining construction costs to be amortized over the first five years of the lease. At this time, the majority of costs for the renovation and relocation are budgeted for FY 2017-18 (\$93,875 -- \$15,000 for the server and \$78,875 for furniture and renovation costs).
- During Fiscal Year 2016-17 staff was abruptly notified of the cancellation of its contract for use of the City Council Chambers of the City of San Bernardino. San Bernardino County Transportation Authority (SBCTA) allowed the Commission the use of its Boardroom during the balance of the Fiscal Year. The Commission authorized, as a part of this proposed budget review, the contracting for use of the Norton Regional Event Center as its hearing location. This facility meets the needs of the Commission and staff has made preliminary contact with Inland Valley Development Agency (IVDA) in reference to a long term contract. LAFCO and IVDA staff are currently working on a long-term use agreement which provides for a

reduced rental charge which can easily be accommodated through the cost savings achieved on the lease payment.

- The Commission's Governance Training program is budgeted to continue for the special districts within the County. For the coming year, the budget anticipates at least two courses by either the California Special Districts Association (CSDA) or the Institute for Local Government (ILG). The total program cost for the year is estimated at roughly \$7,500.

FY 2018-19 and FY 2019-20

Services and Supplies for FY 2018-19 are projected at \$429,690. The primary reasons for the decrease in costs from prior year is the lack of office relocation and Executive Officer recruitment costs. It anticipates a slight decrease in activity, natural contract and inflationary increases, and maintenance of current activities.

Services and Supplies for FY 2019-20 are projected at \$432,807. It anticipates maintenance of the proposal activity, and natural contract and inflationary increases.

LINE ITEM ACCOUNTS FOR SERVICES AND SUPPLIES FOR FISCAL YEAR 2017-18

SERVICES

Comnet Charge – Account 2037: \$2,730

Comnet is the County's telephone system and supports the new computer linked phone system. Charges for use of this system are \$28.44 per line per month. LAFCO utilizes eight phone lines, not including the answering/fax line which are a part of Account 2041.

Phone Service/Outside Company – Account 2041: \$10,318

The use of phone service outside the County system (Verizon) is required by the security alarm company to ensure proper monitoring for the LAFCO office as well the analog fax machine (which line is also used for the answering machine). The monthly phone charge is roughly \$64 per month. Additionally, monthly charges to Verizon of \$796 are required for the access to a fiber optic line, enabling access to the internet, County intranet, and telephone.

Membership Dues – Account 2075: \$9,831

This account is for membership in professional associations. Dues are estimated to be \$8,675 (seven percent increase) for CALAFCO and \$1,156 for California Special Districts Association.

Tuition Reimbursement – Account 2076: \$3,000

Pursuant to the LAFCO Benefits Plan, employees can be reimbursed for up to \$1,000 for approved tuition, course/seminar or degree related expenses, and membership dues in professional organizations. This appropriation provides for full participation by three employees.

Publications – Account 2080: \$3,288

This account anticipates costs for updates to the California Legislative Codes, California Environmental Law pamphlets, and other publications and/or updates utilized by either staff or the Commission and the monthly California Planning and Development Newsletter. As a cost savings measure, the Commission has participated in a contract with West's Publishing Customer Loyalty program to receive updated pocket parts to the California Annotated Code.

Legal Notices – Account 2085: \$20,824

The budget figure accommodates the advertising needs for maintenance of a ten hearing schedule and estimated five protest hearings. An eighth-page display ad in general newspapers is required for the countywide service reviews and when advertisement is authorized in-lieu of individual landowner and/or registered voter notice for changes of organization.

Miscellaneous Expense (Costs related to move) – Account 2090: \$78,875

Staff has identified a single account for costs related to the relocation of the LAFCO office. A portion of the renovation and relocation costs were budgeted for FY 2016-17, with the bulk now anticipated to be paid during FY 2017-18.

Computer Software – Account 2115: \$3,502

The account accommodates the charges for purchases of new software programs, access to online programs, and annual updates of existing programs. Access to online programs and annual updates of existing programs include ESRI's online mapping, digital archiving software for LAFCO to maintain its records in perpetuity per Government Code Section 56382, upgrade to the current Adobe Acrobat for all employees, and Microsoft annual licenses.

Inventoriable Equipment – Account 2125: \$17,000

The purchase of the server for the office network system has also been moved to FY 2017-18 as its purchase and installation are to occur at the new office location. The funding of \$15,000 has been carried forward from FY 2016-17. In addition, the computers and monitors of the Clerk and Administrative Assistant are nearing their useful life and are in need of replacement. \$1,000 is budgeted for each position.

Electricity – Account 2180: \$4,800

This is a new account. With the approved office relocation to the Santa Fe Depot, LAFCO is now responsible for payment of the office electricity (the lease of the existing office includes electricity in the monthly payment). Staff estimates a cost of \$400 per month.

Other Insurance – Account 2245: \$9,050

This account is for property liability insurance (liability and damage), general liability, public officials and employee errors and omissions, personal liability for board members, employment practices liability, employee benefits liability, employee dishonesty coverage, and auto liability. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. SDRMA has provided notification rates will increase 10% for the coming year after many years of no increases.

SUPPLIES

General Office Expense – Account 2305: \$7,410

This account is utilized for expenses to run the office such as office supplies and non-inventoriable items. General expenses include ink for the color printer, paper, petty cash reimbursement, annual fire inspection fee, the purchase of a new CD copy machine, and office supplies. Additionally, LAFCO utilizes the County's contract with Staples, and these expenses are budgeted in Account 5012 (Staples) with only the administrative surcharge included in this line item.

Credit Card Clearing Account - Account 2308: \$0

This is a clearing account for use of the credit card issued to the Executive Officer. All charges on the card will be posted to this account temporarily with charges then transferred to the appropriate accounts. At year's end, this account will have no expenditures.

Postage – Direct Charge – Account 2310: \$60,694

The shift to have placement of the staff reports and attachments and notices on CD and the website has reduced overall postage costs. For the routine course of business, the estimated postage cost for the year is \$11,056 for 10 hearings. This cost includes postage and handling for 10 hearings and interoffice mail to include special pick-ups as outlined in the County's Internal Service Rates. Additionally, proposals regarding County Fire that include annexation to a special tax zone will include individual notice for the Commission and protest hearings. These costs would be covered by the applicant's deposit and are calculated at \$49,638.

Records Storage – Account 2315: \$696

Government Code Section 56382 mandates LAFCO to maintain its records in perpetuity.

Reproduction Services – Account 2323: \$21,274

This account is for reproduction activity outside of the LAFCO office (County Printing Services, Kinkos, etc.). The shift to have the staff reports, attachments and notices on CD and available online have reduced printing costs. However, proposals regarding County Fire that include annexation to a special tax zone will include individual notice, a substantial expenditure. These costs would be covered by the applicant's deposit.

Temporary Services – Account 2335: \$7,650

The use of temporary services provides clerical support for processing large proposals.

CONSULTANT AND SPECIAL SERVICES

Professional and Special Service (Legal Counsel) – Account 2400: \$34,300

The existing contract for LAFCO legal counsel allows an annual rate based on the local consumer price index for the previous year for urban consumers not to exceed five percent and rounded up to nearest dollar; \$232 per hour is the charge for Fiscal Year 2017-18. All legal counsel costs, with the exceptions of administrative charges and the CALAFCO Conference, are reimbursable under the Commission's existing fee policy. Payments made for costs recoverable are deposited into Revenue Account 9555. (Litigation and outside legal counsel costs are charged under Account 2449 below.) LAFCO also participates in Best, Best, & Krieger's *Public Policy and Ethics Service* which has an annual charge of \$3,300.

Auditing – Account 2405: \$11,783

This will be the second year of a four year contract with Davis Farr LLP for independent auditing services, contracted amount is \$7,800 for this engagement. Additionally, LAFCO Legal Counsel charges for the preparation of the response to the audit which is paid from this account (estimated at \$90). SBCERA is required to determine the unfunded liability for its participants and by legislative action can charge for fulfilling that requirement. The prior year SBCERA cost was \$3,893, which is budgeted the same for the coming year.

Data Processing – Account 2410: \$7,827

LAFCO contracts with the County Information Services Department for technology related services. This account is for technology infrastructure (internet, email, security, etc.) and reporting from the County payroll system. The budget utilizes a monthly average of \$652.

COWCAP – Account 2415: \$20,000

For FY 2016-17, the costs identified in the County Wide Cost Allocation Plan (COWCAP) total \$8,458 – this would be for services performed in FY 2015-16 but charged in FY 2017-18. COWCAP costs include technology charges-emerging technologies, use of County Purchasing, and processing of payments and payroll through the County Auditor which are charged to LAFCO pursuant to existing agreements. Even though the identified charge is \$8,458, the budget allocates \$20,000 for this category to insure against any revisions to COWCAP, which have occurred in the past.

ISD Other IT Services – Account 2420: \$210

This account is for charges by the County Information Services Department for the Executive Officer's portable communication device (smart phone) connection to County e-mail servers - \$17.47 per month per device.

ISD Direct – Account 2421: \$8,927

LAFCO contracts with the County Information Services Department for technology related services. This account is for maintenance of the local area network of computers, printers, and servers. The County charges a flat monthly charge by device rather than by service call activity. The monthly charge is \$82.66 per device for 12 devices.

Environmental Consultant – Account 2424: \$6,550

The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Anticipated costs are for environmental analysis of out-of-agency service contracts, proposals, sphere of influence updates and service reviews, and for other environmental determinations. Most environmental consultant costs are billable under the Commission's existing fee schedule. Payments made for cost recovery are deposited into Revenue Account 9660. Additionally, this account includes the Notice filings with the Clerk of the Board, typically \$50 per proposal.

Security Services – Account 2444: \$408

Costs for maintaining the security alarm system and monitoring are \$102 paid quarterly.

Other Professional Services – Account 2445: \$140,385

This account is for professional services to process proposals and items on the hearing agendas. These costs include:

- The contract with Bob Aldrich for staffing support and the recruitment process for the new Executive Officer, at a rate of \$75 an hour, not to exceed \$90,000.
- Commissioner stipend payments for attendance at Commission hearings and Southern Region LAFCO meetings (\$23,600)
- County Auditor to process the apportionments for the Cities, Independent Special Districts and the County (\$5,569)
- Governance training for the special districts within the County. Staff has developed an education program for the coming year with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) and is proposing to provide three seminars during the fiscal year. CSDA and ILG have indicated that they would charge \$2,500 to conduct the training. (\$7,500)
- County Surveyor and Registrar of Voters (\$4,405)
- County Auditor to file LAFCO's quarterly taxes (\$3,940)
- Video recording of Commission hearings (\$3,500)
- County Assessor to provide landowner listings for the proposals requiring the extension of a special tax (\$1,871)

Outside Legal – Account 2449: \$0

This account is for legal services conducted through special contract for either litigation or when a conflict of interest waiver is not granted. For proposals not initiated by the Commission, the applicant agrees to indemnify the Commission against legal costs.

System Development – Account 2450: \$200

LAFCO contracts with the County Information Services Department for technology related services. This account is for specialized support for the LAFCO website to include maintenance of the site, its mapping page, and Fiscal Indicators page.

GIMS Charges – Account 2460: \$16,170

LAFCO contracts with the County Information Services Department for technology related services. This account is for generation and maintenance of digitized maps. Costs for this account include paper maps generated (\$270), Aerial Imagery subscription (\$3,000), Street Network Subscription (\$10,500), and LAFCO's proportional use of the County's ESRI ArcMap license (\$2,400).

LEASE/PURCHASES

Rent/Lease Copier – Account 2895: \$7,200

This account accommodates the contract for the copier lease at an estimated \$600 per month, based upon activity.

Office/Hearing Chamber Rental – Account 2905: \$82,788

The monthly lease payment for the staff office at the Santa Fe Depot will be \$6,474, a total expense of \$77,688. Of this monthly cost, \$2,167 is the estimated cost for amortizing the renovations of the staff office for 60 monthly payments. The actual renovation costs, once bids were solicited, were above the original estimate. The portion allocated to LAFCO is an additional approximately \$33,000. An amendment to the lease agreement is currently in the works which will either provide for an increase in the per month payment over the 5 year amortization schedule or the extension to a six year payback. In addition, staff is proposing to contract with Inland Valley Development Authority for use of the Norton Regional Event Center as the permanent location for Commission hearings. It is estimated that this will be \$5,100 per year, \$425 per month.

TRAVEL RELATED EXPENSES

Private Mileage – Account 2940: \$4,855

This account is currently dedicated for Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.

Conference/Training – Account 2941: \$6,140

This account is for attendance charges related to conferences and training courses for staff as directed by the Executive Officer. The costs include CALAFCO or Southern Region LAFCOs training, clerk and analyst training, attendance at the CALAFCO annual conference by Commissioners and staff (currently estimated at seven Commissioners and two staff), and staff participation at the CALAFCO Staff workshop (estimated at three staff). The annual conference will be held in San Diego and the staff workshop in Marin County.

Hotel – Account 2942: \$10,550

This account is for hotel charges for Commissioners and staff at the CALAFCO annual conference, Southern Region LAFCOs meeting attendance, staff participation at the staff workshop, CALAFCO Legislative Committee participation, Commissioner Curatalo's participation as the President of the CALAFCO Board of Directors and any other overnight stays on LAFCO business.

Meals – Account 2943: \$2,235

This account is for Commissioner and staff meal charges related to the CALAFCO annual conference, CALAFCO Board hearings, Southern Region LAFCOs meeting attendance, staff workshop, CALAFCO Legislative Committee participation, and other travels.

Car Travel – Account 2944: \$200

This account is for car rental expenses for either Commissioners or staff.

Air Travel – Account 2945: \$2,000

This account is for air travel for Commissioners and staff. The costs identified are for the Executive Officer's travel due to membership on the CALAFCO Legislative Committee and Commissioners participating on CALAFCO Board of Directors.

Other Travel – Account 2946: \$400

This account is for miscellaneous travel charges such as parking and taxi charges. The estimated cost for taxi services for the CALAFCO annual conference, staff workshop, and other travels.

OTHER CHARGES

Staples – Account 5012: \$1,200

LAFCO utilizes the County's contract with Staples for general office supplies and these expenses are budgeted in Account 5012 (Staples).

CONTINGENCIES AND RESERVES

Contingency (General) – Account 6000: \$139,116

The amount for this account has been set at least 10% of total expenditures. The majority of funds currently in this account will carry over into FY 2017-18, which are adequate to cover the minimum requirement. Although the funds in this account are not anticipated for use, funds could be used for unexpected activity. Any transaction affecting the contingency funds requires Commission action to transfer the funds to the appropriate line item for expenditure.

Reserves – Net Pension Liability -- Account 6010: \$148,450

In October 2014, the Commission created the Net Pension Liability Reserve to set aside funds to address its unfunded pension liabilities. It was the Commission's direction that Reserves plus Contingency would cover pension liability should the legislature decide to dissolve LAFCOs throughout the State. The Net Pension Liability is calculated each year by SBCERA, and the most recent estimate (as of June 30, 2016) of the LAFCO share of the retirement pool's unfunded liability is \$681,447.

The amortization of this liability is annually evaluated by LAFCO as part of the budget. This budget includes the contribution of \$31,353 for the third year of the 20-year amortization.

Reserves – General – Litigation – Account 6025: \$225,229

LAFCO policy designates a reserve for general purposes to include litigation. Commission policy is \$200,000 minimum for this reserve.

Reserves – Compensated Absences – Account 6030: \$89,708

The Commission has an established policy of setting aside reserves for the compensated absences payable as of the first pay period in April. The amount identified above represents five full-time staff positions, excluding the contracted Executive Officer.

REVENUES

FY 2016-17

To provide for the revenue projection at year-end for Fiscal Year 2016-17, the Accounts for Interest has exceeded budget projection by approximately \$1,500 and 100% of the Apportionment has been received.

The chart below shows the budgeted and the estimated year-end balances for the accounts that comprise the Fee categories, accounts that are sensitive to activity levels. The budgeted amount includes the withdrawn proposal of the Consolidation of the Inland Empire Utilities Agency and Chino Basin Water Conservation District (refund of \$6,756). By year's end, staff estimates fee revenue receipts 8% below the amended budget amounts. The chart below outlines the Revenue Categories:

Fee/Deposit Category	Budget	Estimated Year-End
Individual Notice	\$ 37,366	\$ 20,200
Legal Services	\$ 15,150	\$ 9,674
Protest Hearing	\$ 34,166	\$ 32,500
GIMS Fees	\$ 7,995	\$ 4,445
Environmental Deposits	\$ 9,600	\$ 6,470
<u>LAFCO Fees</u>	<u>\$ 103,800</u>	<u>\$ 118,282</u>
Total Fee Revenue	\$ 208,077	\$ 191,571

FY 2017-18

As noted in other portions of this narrative, FY 2017-18 is anticipated to continue a normal submission count for proposal activity. This is based upon the increasing activity from the past two years as well as information conveyed that most sectors of the local economy have decent predictions for the upcoming year. Staff has identified 11 proposals that are anticipated to be received in FY 2017-18 or earlier.

Revenues consisting of interest, mandatory apportionment contributions (9% increase from prior year), and fee revenue are estimated to be \$1,254,415. Refunds from Prior Years, Miscellaneous Charges, and Carryover increase revenues to a total of \$1,347,711. Including Reserves from Prior Year adds \$645,953, for a grand total of \$1,993,664.

REVENUE FORECAST FOR FISCAL YEAR 2018-19 AND FISCAL YEAR 2019-20

The forecast included for years two and three of the budget assumes a maintenance of proposal activity and an increase in apportionment of net costs by 3.0% and 2.0%, respectively. The following chart conservatively maintains proposal activity at nine proposals each year for the following two years.

LINE ITEM REVENUES FOR FISCAL YEAR 2017-18

Interest – Account 8500: \$8,000

LAFCO participates in the County’s interest pool and is apportioned interest receipts quarterly. Interest rates have recently increased.

Mandatory Contribution from Governments (Local Government) – Account 8842: \$1,009,583

Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to the County, the Cities, and the Independent Special Districts within the County. The proposed apportionment to the County, Cities, and Independent Special Districts is \$336,528 each. The County Auditor will be required to apportion this amount on July 1, 2017 pursuant to the requirements of law and Commission policies.

The apportionment over the last ten years is shown below extending from the actual amounts from 2010-11 through 2016-17, requested for 2017-18, and projected for 2018-19 and 2019-20:

10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
\$1,033,911	\$933,639	\$903,000	\$864,822	\$864,822	\$882,117	\$926,223	\$1,009,583	\$1,039,871	\$1,060,668
	9.7% decrease	3.3% decrease	4.2% decrease	No change	2.0% increase	5.0% increase	9.0% increase	3.0% increase	2.0% increase

Pursuant to Government Code Section 56381(a), the proposed and final budget at a minimum shall be equal to the budget adopted for the previous fiscal year unless the Commission makes certain determinations. As outlined in the Proposed Budget staff report, the continuation of the Contract Executive Officer helps with continuing maintenance of the lower required apportionment payments. The apportionment amount identified will be sufficient to cover the costs for the upcoming fiscal year including the maintenance of the Commission required reserves.

CURRENT SERVICES/FEEES

Fees, charges, and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the Commission's direct costs, for such items as LAFCO Legal Counsel, environmental review, Registrar of Voters costs, individual notification costs, etc.

For this budget cycle, staff is not proposing increases to the fees, charges, or deposit categories. Cost recovery for proposals and service contracts is not addressed in the budget due to its speculative nature. The figures for the categories below are based upon the activity identified above.

Individual Notice – Account 9545: \$42,320

This account is for landowner and registered voter notification requirements. This \$700 deposit is applied to proposals and development-related service contract less refunds. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices. An additional \$38,820 has been calculated for the additional individual notices for the Commission hearings.

Legal Services – Account 9555: \$9,600

This account is for deposits for legal services which are calculated at \$1,200 for proposals and \$650 for service contracts requiring a hearing.

Protest Hearing – Account 9595: \$43,620

The account is for deposits related to the processing of protest hearings which are calculated at \$1,500 each. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices. An additional \$36,120 has been calculated for the additional individual notices for the protest hearings.

GIMS Fees – Account 9655: \$7,520

This account is for receipt of revenue to recover the costs associated with the County's digital maps for sphere or boundary changes, maintenance and updates. The charge is based upon the acreage of each consideration area.

Environmental Deposits – Account 9660: \$6,000

Deposits for environmental review processing are calculated at \$750 for proposals and \$450 for service contracts requiring a hearing.

Other (LAFCO Fees) – Account 9800: \$127,773

Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.

OTHER REVENUES

Refunds from Prior Year – Account 9910: (\$1,250)

This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another.

Miscellaneous Revenues – Account 9930: \$2,000

This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.

Carryover from Prior Year of Open Proposal Revenue – Account 9970: \$23,671

A total of \$23,671 is estimated to carryover as funds tied to open proposals not yet complete.

Carryover from Prior Year Assigned – Account 9970 -- \$68,875

The costs for the renovations associated with the staff office move are now anticipated to be paid during FY 2017-18. The residual funds, \$68,875, are being assigned and carried forward for use to pay these expenditures.

RESERVES FROM PRIOR YEAR, as of July 1, 2017 (estimated)

At the time of the preparation of this narrative report, all of the Commission's reserves are anticipated to carryover from FY 2016-17 to FY 2017-18. The amounts are identified as follows:

• Contingencies	\$ 155,501
• Net Pension Liability Reserve	117,097
• General Reserve – Litigation	284,917
• Compensated Absences Reserve	88,438
• TOTAL	\$ 645,953

**LAFCO Cost Allocation
County of San Bernardino Allocation
PY 2017-2018**

	<u>Amount</u>	<u>Percentage of Total Cost</u>
County of San Bernardino		
Total LAFCO Cost	\$ 1,009,583.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 336,527.67	33.33%
Total San Bernardino County Allocation	\$ 336,527.67	33.33%

Note:

* Per LAFCO Funding Election, County of San Bernardino pays third of total LAFCO cost.

* Total LAFCO Apportionment for FY 2017-18 is \$1,009,583 (by letter dated March 2, 2017)

City	Total Revenues FY 14-15	LAFCO Allocation	Allocation Percentage
Adelanto	\$ 14,051,611.00	\$ 2,044.86	0.61%
Apple Valley	\$ 62,096,416.00	\$ 9,036.59	2.69%
Barstow	\$ 43,032,929.00 *	\$ 6,262.37	1.86%
Big Bear Lake	\$ 43,097,054.00 *	\$ 6,271.70	1.86%
Chino	\$ 139,821,339.00	\$ 20,347.52	6.05%
Chino Hills	\$ 111,173,999.00	\$ 16,178.61	4.81%
Colton	\$ 130,079,438.00	\$ 18,929.83	5.63%
Fontana	\$ 183,936,823.00 *	\$ 26,767.43	7.95%
Grand Terrace	\$ 7,272,727.00	\$ 1,058.36	0.31%
Hesperia	\$ 68,384,572.00 *	\$ 9,951.67	2.96%
Highland	\$ 25,207,434.00	\$ 3,668.32	1.09%
Loma Linda	\$ 29,130,220.00	\$ 4,239.18	1.26%
Montclair	\$ 84,494,654.00	\$ 12,296.10	3.65%
Needles	\$ 5,740,288.00	\$ 835.36	0.25%
Ontario	\$ 366,957,539.00	\$ 53,401.54	15.87%
Rancho Cucamonga	\$ 181,334,187.00 *	\$ 26,388.68	7.84%
Redlands	\$ 122,990,157.00	\$ 17,898.16	5.32%
Rialto	\$ 138,983,786.00	\$ 20,225.63	6.01%
San Bernardino	\$ 254,670,827.00	\$ 37,061.01	11.01%
Twentynine Palms	\$ 10,992,715.00	\$ 1,599.72	0.48%
Upland	\$ 100,298,426.00	\$ 14,595.94	4.34%
Victorville	\$ 144,810,692.00 *	\$ 21,073.60	6.26%
Yucaipa	\$ 28,544,588.00	\$ 4,153.96	1.23%
Yucca Valley	\$ 15,402,952.00	\$ 2,241.52	0.67%
	\$ 2,312,505,373.00	\$ 336,527.66	100.00%

Allocation is based on Cities revenues extracted from Fiscal Year 2014-15 tables published on the State Controller's website (www.sco.ca.gov). Fiscal Year 2015-16 was not available as of March 24, 2017.

* Cities with subsidiary districts. Subsidiary districts are excluded from the special district distribution and revenue added to the City (confirmed for FY 2017-18 by email dated March 7, 2017)

- Barstow Fire Protection District (City of Barstow)
- Big Bear Lake Fire Protection District (City of Big Bear Lake)
- Fontana Fire Protection District (City of Fontana)
- Hesperia County Water District (City of Hesperia)
- Hesperia Fire Protection District (City of Hesperia)
- Rancho Cucamonga Fire Protection District (City of Rancho Cucamonga)
- Victorville Water District (City of Victorville)

District Name	Total Revenues*	LAFCO Cost	Allocation
	FY 14-15	Allocation	Percentage
Apple Valley Fire Protection	\$ 7,627,271.00	\$ 10,000.00	2.97%
Apple Valley Foothill County Water	\$ 151,224.00	\$ 143.92	0.04%
Apple Valley Heights County Water	\$ 287,891.00	\$ 273.99	0.08%
Arrowbear Park County Water	\$ 1,115,281.00	\$ 1,061.43	0.32%
Baker Community Services	\$ 651,529.00	\$ 620.07	0.18%
Barstow Cemetery	\$ 432,348.00	\$ 411.47	0.12%
Barstow Heights Community Services	\$ 61,108.00	\$ 58.16	0.02%
Bear Valley Community Healthcare	\$ 215,463.00	\$ 1,500.00	0.45%
Big Bear Airport	\$ 1,894,217.00	\$ 1,802.75	0.54%
Big Bear City Community Services	\$ 12,748,641.00	\$ 10,000.00	2.97%
Big Bear Municipal Water	\$ 4,753,767.00	\$ 4,524.23	1.34%
Big River Community Services	\$ 169,318.00	\$ 161.14	0.05%
Bighorn-Desert View Water Agency	\$ 1,438,623.00	\$ 1,369.15	0.41%
Chino Basin Water Conservation	\$ 1,614,066.00	\$ 1,536.12	0.46%
Chino Valley Independent Fire	\$ 32,193,467.00	\$ 20,000.00	5.94%
Crestline Lake Arrowhead Water Agency	\$ 5,732,069.00	\$ 10,000.00	2.97%
Crestline Sanitation District	\$ 3,672,022.00	\$ 3,494.70	1.04%
Crestline Village Water	\$ 2,703,774.00	\$ 2,573.21	0.76%
Cucamonga Valley Water District	\$ 85,411,158.00	\$ 30,000.00	8.91%
Daggett Community Services	\$ 294,345.00	\$ 280.13	0.08%
East Valley Water	\$ 31,462,605.00	\$ 20,000.00	5.94%
Helendale Community Services District	\$ 3,573,409.00	\$ 3,400.85	1.01%
Hesperia Recreation and Park	\$ 5,256,172.00	\$ 10,000.00	2.97%
Hi-Desert Memorial Healthcare District	\$ 64,403,275.00	\$ 1,500.00	0.45%
Hi-Desert Water District	\$ 10,681,221.00	\$ 10,000.00	2.97%
Inland Empire Resource Conservation	\$ 2,163,041.00	\$ 2,058.59	0.61%
Inland Empire Utilities Agency	\$ 161,842,138.00	\$ 30,000.00	8.91%
Joshua Basin Water	\$ 5,218,350.00	\$ 10,000.00	2.97%
Juniper-Riviera County Water	\$ 287,141.00	\$ 273.28	0.08%
Lake Arrowhead Community Services	\$ 15,788,807.00	\$ 10,000.00	2.97%
Mariana Ranchos County Water	\$ 483,039.00	\$ 459.71	0.14%
Mojave Desert Resource Conservation	\$ 90,415.00	\$ 86.05	0.03%
Mojave Water Agency	\$ 41,457,083.00	\$ 20,000.00	5.94%
Monte Vista Water	\$ 15,816,699.00	\$ 10,000.00	2.97%
Morongo Valley Community Services	\$ 793,655.00	\$ 755.33	0.22%
Newberry Community Services	\$ 214,852.00	\$ 204.48	0.06%
Phelan Pinon Hills Community Services District	\$ 6,087,655.00	\$ 10,000.00	2.97%
Rim of the World Recreation and Park	\$ 1,124,831.00	\$ 1,070.51	0.32%
Running Springs Water	\$ 5,559,590.00	\$ 10,000.00	2.97%
San Bernardino Mountains Community Hospital	\$ 1,632,526.00	\$ 1,500.00	0.45%
San Bernardino Valley Municipal Water	\$ 69,859,830.00	\$ 30,000.00	8.91%
San Bernardino Valley Water Conservation	\$ 2,261,898.00	\$ 2,152.67	0.64%
Thunderbird County Water	\$ 221,243.00	\$ 210.56	0.06%
Twentynine Palms Cemetery	\$ 241,379.00	\$ 229.72	0.07%
Twentynine Palms Water District	\$ 5,741,636.00	\$ 10,000.00	2.97%
West Valley Mosquito and Vector Control	\$ 2,575,902.00	\$ 2,451.51	0.73%
West Valley Water District	\$ 26,517,026.00	\$ 20,000.00	5.94%
Wrightwood Community Services District	\$ 140,468.00	\$ 133.68	0.04%
Yermo Community Services	\$ 168,225.00	\$ 160.10	0.05%
Yucaipa Valley Water	\$ 24,363,118.00	\$ 20,000.00	5.94%
Yucca Valley Airport	\$ 73,717.00	\$ 70.16	0.02%
Totals	\$ 669,268,528.00	\$ 336,527.67	100.00%

All data in this worksheet are extracted from Fiscal Year 2014-15 Special Districts revenues tables published on the State Controller's website. Fiscal Year 2015-16 was not available as of March 24, 2017.

Exception: Data used for Bear Valley Community Healthcare and San Bernardino Mountains Community Hospital is 'Net from Operations' from FY 2015-16, published by the Office of Statewide Health Planning and Development

- On March 28, 1995, Hi- Desert Memorial Hospital's name was changed to Hi-Desert Memorial Healthcare District.
- By the Resolution No. 2003 -10-8, Cucamonga County Water District name changed to Cucamonga Valley Water District.
- Effective July 15, 2015, Hi-Desert Memorial Healthcare District, DBA Morongo Basin Healthcare District, has no longer operates a hospital as it leased operations to Tenet Healthcare Corporation.
- Effective July 1, 2017, the Wrightwood Community Services District is subject to LAFCO apportionment after its formation from CSA 56, LAFCO Resolution No. 3235)