

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street #100**  
**Sacramento, California 95814**  
**(916) 874-6458**

April 6, 2005

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **LAFCo FY 2005-06 Proposed Budget**

**RECOMMENDATION**

1. Direct the Executive Officer to distribute the FY 2005-06 Proposed Budget for review and comment.
2. Schedule a public hearing on the Proposed Budget for May 7, 2005.

**DISCUSSION**

The FY 2005-06 Proposed Budget recommends an appropriations amount of **\$883,000** which represents an increase of **\$152,000**. The changes in appropriations and funding are summarized as follows:

**Changes in Appropriations**

<b><u>Account</u></b>	<b><u>Amount</u></b>	<b><u>Explanation</u></b>
Salary and Benefits	\$20,000	Cost-of-Living Increase
Part-time Help	\$30,000	Training/ Commission Clerk
Other Professional Service	\$100,000	SMUD-Yolo Annexation (Consultants)
Web Site [OCIT]	\$ 2,802	Cost-of-Living (Allocated Cost)
Messenger Services	\$ 198	Cost-of-Living (Allocated Cost)
Office Lease	\$ 4,000	Cost-of-Living Increase
Telephone	( \$3,000)	Reduction
Reserve	( \$2,000)	Reduction
Total Increase	<b>\$152,000</b>	

The FY 2005-06 Proposed Budget includes increases in allocated costs, salary and benefits, and office lease for estimated cost-of-living increases. These increases in fixed costs total \$22,000.

In addition, staff is recommending an increase of \$30,000 to hire and train a new Commission Clerk. I anticipate that the Commission Clerk will retire during the next 12 months. The additional funding will allow an adequate overlap to train a new Clerk and provide funding to pay for benefit buyout of unused vacation upon retirement. The projected increase should not be a permanent increase but only necessary during the transition of staff. It is not known when this transition will occur.

The Proposed Budget also includes appropriations and funding of \$100,000 for consultants and legal costs related to a likely SMUD application to annex portions of Yolo County. Thirty Four Thousand dollars [\$34,000] has been allocated to a long term reserve account. This will bring the Reserve total to \$70,000.

**Changes in Funding**

<b><u>Account</u></b>	<b><u>Amount</u></b>
Revenue for SMUD Application	\$100,000
Increase in Year End Fund Balance	\$ 10,000
Increase in Contributions	<u>\$ 42,000</u>
	<u>\$152,000</u>

The appropriations increase will be funded by an increase in revenue (\$100,000); an increase in year end fund balance (\$10,000); and an increase in contributions from others (\$42,000).

**Contributions From Others**

<b><u>Year</u></b>	<b><u>Amount</u></b>	<b><u>1/3 Share</u></b>
04-05	\$544,500	\$181,500
05-06	<u>\$586,500</u>	<u>\$195,500</u>
	\$ 42,000	\$ 14,000

Contributions from others will increase by \$42,000, or \$14,000 for cities, special districts and the County of Sacramento. The one-third share will be allocated to all cities and special districts based on their relative share of revenue.

**Budget Summary**  
**Appropriations**

Salaries and Benefits (Staff of Three)	\$360,000
Secretary & Clerk Training	\$ 42,000
Commission Stipend	\$ 9,000
Office Rent	\$ 61,000
Copier Lease	\$ 20,000
Computer/ Website/ Maintenance Support	\$ 23,530
Alarm Service	\$ 2,900
Liability Insurance	\$ 11,000
Audit	\$ 10,000
Telephone	\$ 13,000
CALAFCo Dues	\$ 2,200
Office Supplies	\$ 8,000
Advertising	\$ 7,500
Messenger Services	\$ 2,315
Legal	\$ 60,000
Environmental Documents	\$ 25,000
SMUD Project	\$100,000
Miscellaneous	\$ 18,455
Contingency	\$ 25,000
Reserve	<u>\$ 34,000</u>
Total	\$833,000

**Summary of Funding**

Project Revenue	\$120,000
Interest Earnings	\$ 2,500
Carryover	\$124,000
Contributions	<u>\$586,500</u>
	\$833,000

### **Summary of Reserve Funding<sup>1</sup>**

FY 04-05	\$36,000
FY 05-06	<u>\$34,000</u>
Total	\$70,000

### **Proposed Work Plan for FY 2005-06**

- Complete Open Space Policies
- Develop Sphere of Influence Factors to be Considered for Sphere of Influence Amendments
- Municipal Service Reviews
  - Sacramento Municipal Utility District
  - Sacramento Regional County Sanitation District
  - County Sanitation District No. 1
- Municipal Service Reviews Related to Growth Areas
- Coordinate Municipal Service Review and Sphere of Influence Updates For Cities with the City General Plan Update/ General Plan Amendments
- SMUD Sphere of Influence in Yolo County and Proposed Annexation of Territory in Yolo County

### **FY 2004-05 Work Plan**

- Commenced Update of Open Space Policies
- Del Paso Manor Municipal Service Review
- Herald Fire Protection District Municipal Service Review
- Freeport Reorganization to City of Sacramento
- Reorganization of Fair Oaks Cemetery District and Sylvan Cemetery District
- Development of Legislation with Sacramento Regional Transit District
- Completed Property Tax Procedures/ Process Between Cities, Special Districts and County

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<sup>1</sup> Reserve Funding - long term savings.

- Rio Linda/ Elverta Water District Annexation
- SMUD Annexation of Sacramento Regional County Sanitation District's South River Pump Station Site in Yolo County of Sacramento
- Amended Sacramento Suburban Water District Resolution No. LAFC 1237
- Issued Final Program Completion Certificate for City of Elk Grove Incorporation Mitigation Measures

PB:Maf  
(FY 2005-06 Budget)