



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

June 13, 2019

Item No. 12 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer
(On behalf of the Budget and Workplan Committee – Chair Rodoni, Vice Chair McEntee, and Member Bailey)

SUBJECT: Approval of Final Operating Budget for FY 2019-2020

Background

The Cortese-Knox-Hertzberg Act, Government Code Section 56381, requires that Local Agency Formation Commissions adopt a proposed budget by May 1 and a final budget by June 15. On April 11, 2019, the Commission approved its proposed budget. Staff distributed the proposed budget to all agencies for comment and as of the writing of this report has not gotten any official communications about the budget. Today the Commission has in front of it the final budget and should the Commission take action today it would fulfill the final step in this process.

As discussed at previous LAFCo meetings, this Fiscal Year 2019-2020 budget and budget line items have been reworked to better reflect the current state of Marin LAFCo. This system should allow for easier budgeting and tracking of projects that are not fully completed in one fiscal year. Attached is the final budget for your review. As a reminder, color line items are the line items where, in the past, multiple line items would have normally occurred and have now been merged together.

The main source of income is the agency contribution. For the last several years LAFCo has been increasing the agency contribution line item to meet LAFCo needs. This year staff has worked hard to present a budget that keeps the agency contribution at the same level for next year as was requested for this year. This is being done even given the fact that for the first time since 2015 LAFCo will be back to its full staffing level.

The only change that has occurred from the proposed to the final budget was an increase in the professional services line item by \$20,000. This increase has occurred because the amount of work that LAFCo has been charged for so far by Planwest was less than anticipated for the current fiscal year, 2018-2019. Staff does anticipate Planwest to spend the entire contract amount during Fiscal Year 2019-2020 with the completion of the San Rafael and Novato MSRs. The carryforward amount was increased by the same \$20,000 amount so no increase is needed to agency contributions.

A balanced budget is achieved with some lines getting increased and a few other seeing decreases. The main increases are in the benefits and pension line items. Both of these line items were geared for only two staff, so with the addition of a third staff, they needed to be increased. In addition, MCERA has a

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larger than normal increase where, for Tier 4 members, LAFCo is seeing an increase from 7.59% to 17.36%.

An increase is also seen in the Communications Services. This increase is needed for two reasons. First, based on current bills for this line, LAFCo will spend more than was budgeted for this year. Second, at the April 11, 2019, Commission meeting, a new phone system was approved that will allow us to better function as a three-person office.

In order to offset the increases, the Salary, Legal Services, Travel-Mileage, and Publication/Notices line items have decreased. The other line items are adjusted to meet expected workload for next year and ensure we do not need to ask for an increase from our member jurisdictions.

This budget is geared to deal with our current and future work needs. As a reminder as part of the restructuring that LAFCo has been going through, in October of 2018, the Commission approved a work plan that was both Fiscal Year 2018-2019 and 2019-2020. See attachment for approved work plan with current status on each item.

The County of Marin, based on state government code, handles the billing and collection of all contributions from member agencies. LAFCo uses the county account for payroll, benefits and other limited functions. All other outside bills are paid out of our Bank of Marin accounts. Based on LAFCo policy 3.13(B)(i), in order to transfer funds from the County of Marin account to the Bank of Marin, account a majority of the Commission must approve the transfer of funds. Staff would recommend \$165,000 be transferred to cover all costs that would be paid for out of that account. This amount does not include unspent money for Planwest work as that money has already been transferred as part of the last year's transfer.

Staff Recommendation for Action

1. Staff Recommendation – Approve the attached final budget with any needed adjustments based on other actions the Commission makes tonight. In addition, staff is authorized to transfer \$165,000 from the Commissions County of Marin accounts to Bank of Marin account.
2. Alternate Option – Postpone any action tonight and give staff instructions on changes needed. Call a special meeting prior to the June 15 deadline to approve a final budget.

Attachment:

1. Budget for FY 2019-2020
2. Work Plan for FY 2018-2020
3. Resolution 19-02

Line Items	Proposed FY 19-20	Budget 18-19	Budget 17-18	Budget FY 16-17
Expense		(unadjusted)		
5110110 · Sal - Regular Staff	\$305,553.00	328,449.00	265,913.14	234,111.02
5130120 · Benefits	\$61,110.60	41,122.00	41,549.32	38,137.90
5130500 · Pension	\$56,911.23	23,901.00	37,561.07	57,852.41
5130525 · Retiree Health	\$16,000.00	15,615.00	15,615.00	15,615.00
5210110 · Professional Services	\$70,000.00	48,731.00	42,293.00	30,520.00
5210131 · Legal Services	\$35,000.00	40,500.00	35,880.00	58,578.75
5210525 · General Insurance	\$4,000.00	3,993.00	3,993.39	2,677.02
5210710 · Communications Services	\$14,000.00	8,608.00	8,236.00	6,567.60
5210935 · Office Equipment Purchases	\$4,500.00	4,620.00	23,066.00	5,137.16
5211215 · Rent - Storage	\$500.00	401.00	400.94	400.94
5211270 · Office Lease/Rent	\$32,652.95	34,652.00	31,252.75	24,938.30
5211325 · Conferences	\$4,000.00	2,965.00	2,965.00	2,450.00
5211330 · Memberships & Dues	\$15,000.00	14,734.00	14,556.00	14,368.68
5211340 · Training	\$1,700.00	1,500.00	1,250.00	1,800.00
5211440 · Travel - Mileage	\$4,000.00	7,239.00	4,538.50	4,117.50
5211510 · Misc Services	\$2,000.00	2,045.00	1,961.00	0.00
5211520 · Publications/Notices	\$3,500.00	5,000.00	5,000.00	5,000.00
5211533 · Commissioner Per Diems	\$13,500.00	13,500.00	11,000.00	10,875.00
5220110 · Office Supplies and Postage	\$4,000.00	4,300.00	4,200.00	7,590.00
Total Expense	\$647,927.78	\$601,875.00	\$551,231.11	\$520,737.28
Income				
Carry Forward Balance	\$88,405.27			
4410125 · Interest Earnings	(starting in FY 19/20 carry forward shall replace these 2 line items)	2,000.00	2,000.00	1,500.00
4640333 · Application Fees		30,000.00	30,000.00	30,000.00
4710510 · Agency Contributions	\$559,522.51	559,875.00	514,781.10	470,362.28
Total Income	\$647,927.78	591,875.00	546,781.10	501,862.28

Project	Responsible for work	Basic Description	Latest Update
General MSR on San Rafael Area	Staff/consultant	MSR for Region (FY 18-19)	Currently in Progress
General MSR on Novato Area	Staff/consultant	MSR for Region (FY 18-19)	Currently in Progress
General MSR on East Peninsula Area	Staff	MSR for Region (FY 19-20)	To be started in FY19/20
General MSR on Ross Valley Area	Staff	MSR for Region (FY 19-20)	To be started in FY19/20
General MSR on Countywide Fire Services	Staff	MSR for Fire Services across Marin County	Still to be determined
General MSR on Countywide Police Services	Staff	MSR for Police Services across Marin County	Still to be determined
Sphere of Influence Updates	Staff	Update, as needed, and approval of current SOI is for all Cities and Districts in Marin County.	No special requests received
MPSMD Consolidation with RVSD	Staff	Based on the Central Marin Wastewater MSR work with district staff on the possibility of consolidating services with RVSD.	Currently in progress with goal of completion in FY 19-20
SQVSMD Consolidation with RVSD	Staff	Based on the Central Marin Wastewater MSR work with district staff on the possibility of consolidating services with RVSD.	On hold while issues around merger are reviewed by RVSD
County of Marin transferring of support services to LAFCo	Staff/Policy & Personnel Committee	County has been the provider of some back office services, such as HR and payroll, for LAFCo for many years. In 2016 the County started a process to stop providing those services and now LAFCo must create alternate ways to have those services provided.	Next service to be transferred is HR services. County is still in internal set-up and will update LAFCo when ready to move forward.

Project	Responsible for work	Basic Description	Latest Update
Policy Review: Reorganization (Dual Annexation) Policy	Policy & Personnel Committee	Follows San Rafael and Novato Region MSRs; Define Substantially Surrounded	Policy Committee has reviewed "Substantially Surrounded" and is not suggesting any changes.
Disadvantaged Unincorporated Communities	Staff/ad hoc committee	Work with County Planning to ID any DUCs and possibly create a LAFCo policy	Ad-Hoc Committee formed and reviewing
Update Application Packet	Staff	Current Application Dated; Need to Address New Requirements; Make User-Friendly	Staff has started to draft new packet. Will present at a future Commission meeting.
Review GIS Needs and Options	Staff	Existing Benefit of MarinMap Relative to Cost Merits Review; Address Data Limitations	To be worked on in FY 2019-2020.
General Update to Policy Handbook	Policy & Personnel Committee	Various updates to Handbook including update Chapter 6 (Personnel Policies).	New Policy Handbook approved at April 2019 meeting. Chapter 6 now own handbook w/updates coming in FY 19-20.
Fee Schedule	Staff/Policy & Personnel Committee	Policy Handbook page 31 - "amend therein no less than every two years." Last done Oct 2016. (May want to do after staffing positions are filled).	Updated Fee Schedule part of the June 2019 meeting.
PERS Transition	Staff/Policy & Personnel Committee	Work with CalPERS to transition new staff to that retirement system.	Staff believes at this time best to stay within MCERA
Review of Current Website	Public/Technical Information Committee	Currently LAFCo is in year 3 of a 3 year contract. When the contract expires Aug. 2019 we can renew with a 5% increase that also comes with a "redesign."	New website vendor approved and working on updates launch should occur

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 19-02

ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2019-2020

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Marin Local Agency Formation Commission ("Commission") to perform certain regulatory and planning duties for purposes of facilitating efficient and accountable local government; and

WHEREAS the Commission is required to adopt proposed and final budgets each year by May 1st and June 15th, respectively; and

WHEREAS the Commission's Executive Officer prepared a written report outlining the recommendations of the Budget Committee with respect to budgetary needs in 2019-2020; and

WHEREAS the Executive Officer's written report on a proposed budget for 2019-2020 has been presented to the Commission in the manner provided by law; and

WHEREAS the Commission has heard and fully considered all the evidence on a proposed budget for 2019-2020 presented at a public hearing held on April 11, 2019;

WHEREAS the Commission has heard and fully considered all the evidence on a final budget for 2018-2019 presented at a public hearing held on June 13, 2019;

WHEREAS, the adoption of a budget is not a project under the California Environmental Quality Act.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The proposed operating budget for 2019-2020 shown as Exhibit "A" is
APPROVED.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on June 13, 2019, by the following vote:

AYES: Commissioners: McEntee, Moody, Bailey, Kious, Arnold, Rodoni, Loder

NOES: None

ABSTAIN: None

ABSENT: None



Sashi McEntee, Chair

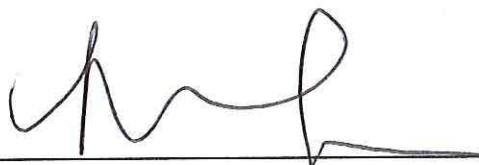
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:



Jason Fried, LAFCO Executive Officer



Malathy Subramanian, LAFCo Counsel