



February 9, 2011 (Agenda)

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Agenda Item 10

Contra Costa Local Agency Formation Commission
651 Pine Street, Sixth Floor
Martinez, CA 94553

Fiscal Year 2011-12 Budget Schedule

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission direct the staff to prepare the LAFCO budget and work plan for Fiscal Year 2011-12 and specifically:

1. Present a Proposed Budget for review at the March 9, 2011 LAFCO meeting,
2. Distribute the Proposed Budget, as approved, to the County, cities and independent special districts as required by Government Code §56381,
3. Schedule a hearing to review and adopt the Final Budget at the May 11 LAFCO meeting, and
4. Provide direction regarding contract services.

DISCUSSION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 creates a specific process for preparing and adopting LAFCO's budget. As an independent agency, it is the Commission's responsibility to adopt its annual budget.

Government Code Section 56381 provides that the Commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15.

The statute provides that at a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of the statute.

The Commission shall transmit its proposed and final budgets to the Board of Supervisors, to each city and to each independent special district.

The County, cities and independent special districts fund in equal thirds the net cost of LAFCO's budget. The County Auditor, after crediting a projected year-end available fund balance and projected revenue, allocates LAFCO's net budget to all participating local agencies. The County Auditor's Office invoices the local agencies by July 1, and collects the funds on behalf of LAFCO.

The expense portion of LAFCO's budget is divided into three main objects: Salaries & Benefits, Services & Supplies, and Contingency. Currently, Contra Costa LAFCO employs two full-time staff. In addition, LAFCO utilizes consultants on an as-needed basis for special projects (municipal service reviews, workshop facilitation, electronic document imaging, etc.), and outsources a number of operational functions using a number of private and public service providers including the following:

- ❖ Website maintenance – Sparks Innovation (since 2004 or earlier)
- ❖ Financial auditing – R.J. Ricciardi, Inc. CPAs (since 2004 or earlier)
- ❖ Planning and environmental – Lamphier-Gregory (since 2008)
- ❖ GIS and mapping - County Department of Conservation and Development (ongoing)
- ❖ Accounting – County Auditor – Controller (ongoing)
- ❖ Legal services – County counsel (ongoing)

If the Commission is interested in going through a Request for Proposal (RFP) process for any of these services for the upcoming fiscal year, please provide direction to staff. This is no reflection on the current service providers, and is presented simply as an option for the Commission to consider.

Please contact the LAFCO office if you have any questions.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

- c: All Contra Costa County Cities
All Contra Costa County Special Districts
Contra Costa County Administrator
Contra Costa County Auditor-Controller