



Item #: 11

Project: Discussion/Action/Adoption of the Final Budget for Fiscal Year 2023-2024

Meeting Date: Thursday, May 25, 2023

Meeting Time: 08:30 a.m.

Location: El Centro City Council Chambers
1275 W. Main Street
El Centro, CA 92243



EXECUTIVE OFFICER'S REPORT

COMMISSIONERS

David H. West, [Public]
Maria Nava-Froelich, Chair [City]
Javier Moreno, Vice-Chair [City]
Ryan E. Kelley [County]
Michael W. Kelley [County]

ALTERNATES

Jose Landeros [Public]
Robert Amparano [City]
Jesus E. Escobar [County]

REPORT DATE: May 1, 2023
FROM: Jurg Heuberger, Executive Officer
Paula Graf, Sr. Analyst *Paula Graf*
PROJECT: Discussion/Action/Adoption of the Final Budget for Fiscal Year 2023-2024

HEARING DATE: May 25, 2023

TIME: 08:30 a.m.

AGENDA ITEM #: 11

HEARING LOCATION: El Centro City Council Chambers, 1275 Main St.,
El Centro, CA 92243

RECOMMENDATION(S) BY THE EXECUTIVE OFFICER (In Summary & Order)

- OPTION #1:** Approve the proposed Final Budget for Fiscal Year 2023-2024 as presented by the Executive Officer.
- OPTION #2:** Approve the proposed Final Budget for Fiscal Year 2023-2024 as requested with modifications, following the hearing by the Commission.

ANAYLSIS/REPORT

Final Budget for Fiscal Year 2023-2024

The Commission, per state regulation is required on an annual basis to adopt a DRAFT and ultimately a FINAL budget to carry on the functions of the Local Agency Formation Commission for the following fiscal year.

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Government Code Section 56381:

a) The Commission shall adopt annually, following noticed public hearings, a proposed budget by May 1st and a final budget by June 15th. 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 this chapter.

The commission shall transmit the proposed and final budget to the Board of Supervisors, to each City, and each Independent Special District.

Attached hereto you will find the FINAL budget as "EXHIBIT A" in the amount of \$818,281 which is an increase of \$34,886 from the Draft Budget that was adopted on March 23, 2023 prepared by staff pursuant to the Cortese-Knox-Hertzberg Reorganization Act, also known as Government Code 56000 et seq.

As noted above, the Commission must adopt a draft budget by May 1, 2023 and a final budget by June 15, 2023 and the Commission shall adopt at a minimum budget equal to the previous year's budget unless the Commission can make specific findings.

This draft budget was adopted in March and is being presented as final in May in order to meet the statutory deadlines without having to hold a special meeting in June.

In preparation of this budget, staff reviewed the current budget, the current expenditures and the anticipated or projected cost that LAFCO would incur during the next fiscal year.

GENERAL LINE-ITEM Changes from Draft Budget adopted on March 23, 2023

82-2001 LAFCO SALARIES:

Increase is to cover a Full-time Executive Officer, revisions to the salary schedule, and potential merit increases.

82-2035 LAFCO EMPLOYEE BENEFITS:

Increase reflects the uncontrollable mandated ongoing increase tied to the salaries for benefits including retirement, health insurance, workers compensation, etc.

EXECUTIVE OFFICERS RECOMMENDATION

It is the recommendation of the Executive Officer that LAFCO conduct a public hearing and consider all information presented in both written and oral form. The Executive Officer then recommends, assuming no significant public input warrants to the contrary, that LAFCO take the following action:

OPTION #1: Approve the proposed Final Budget for Fiscal Year **2023-2024** as presented by the Executive Officer.

Attachments:

Exhibit A: Proposed Final Budget Fiscal Year 2023-2024

CC's:

County of Imperial, CEO
County of Imperial, Clerk to the Board
City of Brawley, City Manager
City of Calexico, City Manager
City of Calipatria, City Manager
City of El Centro, City Manager
City of Holtville, City Manager
City of Imperial, City Manager
City of Westmorland, City Manager
Independent Special Districts

EXHIBIT A

Proposed Final Budget Fiscal Year 2023-2024

LAFCO's PROPOSED FINAL BUDGET FOR FISCAL 2023-2024

EXHIBIT A

	Fiscal 2023-2024 Proposed Draft Budget (approved 3-23-23)	Recommended FINAL Proposal Fiscal 2023-2024	Line Item increase from 2023-2024 Draft Budget	Optional Proposal / Hospital District	Line Item increase from 2023-2024 Draft Budget
Income					
81-1928 CONTRB FROM OTHER AGENCIES (Cities)	294,400	311,843	17,443	336,843	42,443
81-1933 COUNTY MATCHING FUNDS	294,400	311,843	17,443	336,843	42,443
81-1908 LAFCO FEES	40,000	40,000		40,000	
RENTS - 1122 STATE	50,934	50,934		50,934	
*CONTINGENCY - EMERGENCY RESERVES	103,661	103,661		103,661	
INTEREST INCOME	0	0		0	
OTHER INCOME	0	0		0	
Total Income	783,395	818,281	34,886	868,281	84,886
Expenses					
82-2001 LAFCO SALARIES	328,598	353,219	24,621	353,219	24,621
82-2035 LAFCO EMPLOYEE BENEFITS	187,805	198,071	10,266	198,071	10,266
82-2036 COMMISSIONER STIPEND	4,500	4,500		4,500	
82-2060 COMMUNICATIONS	5,040	5,040		5,040	
82-2100 INSURANCE PROPERTY	7,797	7,797		7,797	
82-2101 INSURANCE LIABILITY	14,125	14,125		14,125	
82-2120 MAINTANCE-EQUIPMENT	7,000	7,000		7,000	
82-2150 MEMBERSHIPS	6,100	6,100		6,100	
82-2170 OFFICE EXPENSE (Office Supplies)	16,000	16,000		16,000	
82-2170 OFFICE EXPENSE (Electronics)	16,000	16,000		16,000	
82-2170 OFFICE EXPENSE (Software & Licenses)	10,000	10,000		10,000	
82-2170 OFFICE EXPENSE (Furnishings)	1,000	1,000		1,000	
82-2180 PROF & SPEC SERVICES-Legal	20,000	20,000		20,000	
82-2180 PROF & SPEC SERVICES - Other (Annual Audit & Paychex)	23,000	23,000		23,000	
82-2181 PROF & SPEC SERV-DATA PROCESSING/NETWORK	26,000	26,000		26,000	
82-2182 PROF & SPEC SERV-OTHER (GIS/CAED)	12,000	12,000		12,000	
82-2190 PUBLIC & LEGAL NOTICES	3,600	3,600		3,600	
82-2200 RENTS & LEASES-EQUIPMENT	5,700	5,700		5,700	
82-2230 SPECIAL DEPARTMENT EXPENSE	3,400	3,400		53,400	50,000
82-2251 TRAVEL IN COUNTY	500	500		500	
82-2252 TRAVEL OUT OF COUNTY	32,609	32,609		32,609	
82-4300 CAPITAL OUTLAY	0	0		0	
1122 REPAIR & MAINT COSTS/ONGOING EXPENSE	29,520	29,520		29,520	
1122 REPAIR & MAINT COSTS/REMODEL	0	0		0	
1122 UTILITIES	23,100	23,100		23,100	
*CONTINGENCY - EMERGENCY RESERVES	0	0		0	
Total Expenses	783,395	818,281	34,886	868,281	84,886
Projected Reserves :					
Litigation Fund	40,000				
Contingency - Emergency Fund	460,000				
Reserved for drawdowns to fund fiscal 2023 (includes budget adjustment)	176,133				
Reserved for drawdowns to fund fiscal 2024	103,661				
Unreserved Balance	39,768				

LAFCO Estimated Annual Cost of Salaries and Benefits for 2023-2024

EXHIBIT A

Position	Proposal FYE 6/30/24	Estimated Retirement	Estimated Medical, Dental, Vision, AD&D, Life	Estimated W/comp	Medicare (Employer's portion)	FICA (Employer's portion)	Estimated State Unemployment	TOTAL Estimated Employment Costs
Contracted Executive Officer (Part Time) 6 months	30,500	n/a	n/a	778	442	1,891	112	33,723
Executive Officer (Full Time Employee) 6 months	73,500	28,841	10,452	1,874	1,066	0	112	115,845
Senior Analyst 6 months	48,717	19,116	20,904	268	706	0	112	89,824
Analyst/Accountant full year	112,049	43,968	20,904	616	1,625	0	112	179,273
Analyst/Clerk full year	65,054	25,527	10,452	358	943	0	112	102,446
Building Maintenance	23,400	n/a	n/a	4,877	339	1,451	112	30,179
	<u>\$ 353,219</u>	<u>\$ 117,453</u>	<u>\$ 62,712</u>	<u>\$ 8,771</u>	<u>\$ 5,122</u>	<u>\$ 3,342</u>	<u>\$ 672</u>	<u>\$ 551,290</u>
<i>Draft Budget amounts</i>	<u>328,598</u>	<u>107,792</u>	<u>62,712</u>	<u>8,635</u>	<u>4,765</u>	<u>3,342</u>	<u>560</u>	<u>516,404</u>
<i>Increase from Draft Budget</i>	<u>\$ 24,621</u>	<u>\$ 9,661</u>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 357</u>	<u>\$ (0)</u>	<u>\$ 112</u>	<u>\$ 34,886</u>

Retirement components
 Health / medical 13.33%
 Pension bond 2.337%
 Employer 23.57%