

File # 150232
5/6/2015
Received by
Committee
5/6/15
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San Francisco Local Agency Formation Commission:

Fiscal Year 2015 - 2016 Budget

Jason Fried
Executive Officer
May 6, 2015



Budget Process

The Cortese-Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) establishes LAFCo's and basic requirements for them.

- CKH has its own three step budget process
 1. Proposed Budget presented by May 1st (Done)
 2. Transmit budget to funding groups - CCSF (Done)
 3. Final Budget passed by June 15th (Planned for May 15)
- LAFCo's are separate from any of its funding bodies
 - SF LAFCo contracts with CCSF for several services
- LAFCo receives funding once a year and there is no process for mid year requests. (CHK has provisions should LAFCo lack funds)



SF LAFCo Budget

LAFCo currently has an annual budget of \$297,342

For the past seven years, LAFCo has returned its allocated amount back to the CCSF while retaining its rights to the money. This was done in part because of:

- Large reserve fund was being spent down.
- A desire to assist CCSF with large deficit issues due to down turn in the economy.

At the end of this Fiscal Year, LAFCo will end with an estimated reserve of \$116,000.

In addition to the LAFCo General Fund, there is a special fund for monitoring and oversight of the CCA program. This is not included in the annual CHK LAFCo budget process.



Steps For Proper Budget Management

Over the past year, staff has been closely watching the budget, looking for ways to keep costs down to ensure a smart budget future and find the best way to ease our way back into the CCSF budget process and allow for budget stability.

LAFCo has also increased its non-CCA work which needs to be factored into the next FY budget.

Steps that LAFCo has taken to help reduce costs and ensure proper budget management:

- Bring the Executive Officer duties in house (saved ~\$40k)
- Establish a proper reserve policy.
- Align budget and line items with service charges.
- Establish an effective review and approval process for the budget moving forward.



Factors and Changes to Consider in Request to the CCSF

As consistent with the last 7 years, LAFCo is requesting only what we believe is needed to allow for flexibility with the LAFCo work load.

Factors for the coming FY:

- CCA is scheduled to launch during FY 15/16, which will mean a change in staff work load during the year, and shift of costs of which budget staff time is charged to.
- Desire for potential special studies & need for outside services.



Proposed Budget for FY 15/16

Proposed budget approved by LAFCo Commission on April 22nd.

SF LAFCo	FY 2014/15 Budget	FY 2015/16 Budget	Change
1. 1/2 Committee Clerk Salaries & Benefits	\$87,890	\$71,957	(\$1,533)
2. Clerk of the Board Admin Support Costs	(Part of previous item)	\$20,000	(Reflects total
3. Records Management Storage	\$500		change within
4. Department of Technology	\$1,500	(Lines items 3, 4, and 5 have been merged into item 2)	line items 1-5)
5. Non-Personnel Services	\$600		
6. LAFCo Staff Salary and Benefits	\$196,810	\$92,032*	(\$432)
7. Legal and Consultant Services	(Part of previous item)	\$104,346	(Change in lines 8)
8. Service of Other Departments	\$3,000	(Merged with item 2)	(Change in lines 1)
9. Membership Dues - CALAFCo	\$6,000	\$6,057	\$57
10. Publications and Legal Notices	\$500	\$250	(\$250)
11. Books and Publications	\$500	(Merged with item 12)	(\$500)
12. Materials and Supplies	\$700	\$700	
13. Conferences	\$2,000	\$2,000	
Total	\$300,000	\$297,342	(\$2,658)

* This is for only the estimated portion of LAFCo staff time that is spent on non-CCA related activities.

