

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2015-16**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires the Ventura Local Agency Formation Commission (LAFCo or Commission) to adopt an annual budget; and

WHEREAS, at a minimum, the proposed and final budget must 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 Cortese-Knox-Hertzberg Local Government Reorganization Act; and

WHEREAS, on April 22, 2015 the Commission adopted a Proposed Budget for Fiscal Year 2015-16; and

WHEREAS, the Recommended Final Budget was made available to the public and transmitted to other governmental agencies which had an opportunity to comment prior to the adoption of the Final Budget for Fiscal Year 2015-16 on May 20, 2015.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that pursuant to Government Code Section 56381, the Ventura Local Agency Formation Commission hereby:

- (1) Adopts the Recommended Final Budget as the Final Budget for the 2015-16 Fiscal Year as set forth in Exhibit A attached hereto; and
- (2) Finds that the Recommended Final Budget as set forth in Exhibit A attached hereto will not result in reductions in staffing or program costs that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and
- (3) Adopts the work plan for the 2015-16 Fiscal Year set forth in the Recommended Final Budget; and
- (4) Directs the Executive Officer to forward the Final Budget, as adopted, to all the independent special districts, cities and the County.

This resolution was passed and adopted on May 20, 2015.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commissioner Parks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Ramirez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Dated: 5-20-15



Lou Cunningham, Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

c: County of Ventura
Ventura County Cities
Ventura County Independent Special Districts



VENTURA LOCAL AGENCY FORMATION COMMISSION

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EXHIBIT A

FINAL BUDGET

**Fiscal Year
2015-2016**

ADOPTED: May 20, 2015



VENTURA LOCAL AGENCY FORMATION COMMISSION

BUDGET MESSAGE

Final Budget - Fiscal Year 2015-2016¹

Adopted: May 20, 2015

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*) (CKH) requires each Local Agency Formation Commission (LAFCo) to adopt a Proposed Budget by May 1 of each year and a Final Budget by June 15 of each year. The Ventura LAFCo adopted a Proposed Budget for Fiscal Year (FY) 2015-16 on April 22, 2015 and this Final Budget for FY 2015-16 on May 20, 2015. This Adopted Final Budget will be used by the County Auditor-Controller's Office to collect revenues as necessary from the County, cities and independent special districts.

The Ventura LAFCo Commissioner's Handbook, the compendium of the Ventura LAFCo's policies and procedures, contains budget policies in Section 2.3.1 *et seq.* The Adopted Final Budget for FY 2015-16 was prepared in accordance with these policies. Budget goals continue to be minimizing expenditures while fulfilling basic functions, and providing for effective and efficient compliance with mandates.

LAFCo and the County of Ventura entered into a Memorandum of Agreement effective July 1, 2001. While LAFCo is an independent agency, the Memorandum of Agreement provides for the County to provide personnel, support services, offices and materials as requested by LAFCo. All of the personnel, support services, offices and materials to be requested of the County for FY 2015-16 are part of this Adopted Final Budget. Budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCo's key responsibilities, reviews the notable work accomplishments and budget information for the first three quarters of FY 2014-15, sets forth a basic work plan for FY 2015-16, and provides background and explanatory information about the anticipated expenditures and revenues in this Adopted Final FY 2015-16 Budget.

¹With the exception of non-substantive language revisions in the Budget Message and the addition of Attachment 4 (a table comparing each agency's allocations for FYs 2013-14, 2014-15, and 2015-16), this Adopted Final Budget is unchanged from the Proposed Budget adopted by the Ventura LAFCo on April 22, 2015. It should be noted that after adoption of the Proposed Budget in April, the State issued updated Cities and Special District Reports for FY 2012-13. For this Adopted Final Budget, the County Auditor-Controller's Office used the most recent Reports as the basis for calculating revenue to be collected from the cities and special districts for FY 2015-16 (see Attachment 1).

Major LAFCo Responsibilities

- Act on proposals for incorporation of cities; formation, dissolution, consolidation and merger of special districts; and annexation and detachment of territory to and from cities and special districts.
- Establish spheres of influence for cities and special districts.
- Review and, as necessary, update spheres of influence for cities and special districts every five years.
- Conduct municipal service reviews prior to or in conjunction with the establishment or update of spheres of influence.
- Perform special studies relating to services and make recommendations about consolidation, mergers or other governmental changes to improve services and reduce operational costs.
- Serve as the conducting authority for the determination of protests relating to proposals for incorporation, formation, and subsequent boundary changes.
- Act on requests for out-of-agency contracts for extensions of services.
- Function as either a responsible or lead agency pursuant to the California Environmental Quality Act (CEQA).
- Review and comment on draft changes/updates to city and county general plans.
- Review and comment on draft environmental documents prepared pursuant to the CEQA.
- Provide public information about LAFCo and public noticing of pending LAFCo actions.
- Maintain a website.
- Adopt and update, as necessary, written policies and procedures.
- Adopt an annual budget.

FY 2014-15 in Review

Based on information through the end of February 2015, total projected actual expenditures for FY 2014-15 should be approximately:

Description	FY 14-15 Adopted	FY 14-15 Projected	Estimated Savings
Total Salaries and Benefits	\$ 476,200	\$ 455,950	\$ 20,250
Total Services and Supplies	147,050	136,600	10,450
Contingencies	18,699	0	18,699
Total Expenditures	641,949	592,550	49,399

As shown above, staff does not anticipate needing to use the Contingency appropriation of \$18,699. The anticipated savings in Salaries and Benefits, Services/Supplies and Contingency is projected to be \$49,399 for FY 2014-15.

Actual revenue for FY 2014-15 is projected to be approximately:

Account Code	Description	FY 14-15 Adopted	FY 14-15 Projected	Estimated Savings/ (Deficit)	Percent Change
8911	Interest Earnings	\$ 2,700	\$ 1,500	\$ (1,200)	-44.4%
9772	Other Revenue (from Fees)	30,000	35,000	5,000	16.7%
9372	Other Govt. Agencies	519,249	519,249	0	0
	Total Revenue	551,949	555,749	3,800	0.7%

As noted in the table above, projected total revenue exceeds that adopted as part of the current budget by \$3,800.

The projected \$49,399 savings in Salaries/Benefits and Services/Supplies and Contingency along with the projected \$3,800 in excess revenue results in a total projected unappropriated Fund Balance of \$53,199, which is \$36,801 less than the appropriated Fund Balance adopted as a part of the FY 2014-15 Final Budget (\$90,000).

The following bullet points are the work plan that was adopted as a part of the FY 2014-15 Adopted Final Budget. Substantial progress has been made on each of these work plan items, as discussed below:

- *Continue municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2013-2017 work plan.*

In May 2013 LAFCo approved a Work Plan for the 2013-2017 sphere of influence review/update and municipal service review cycle. The spheres of influence for 22 special districts were scheduled to be reviewed in 2014. LAFCo staff met with the staff of all 22 districts. By the end of 2014, the spheres for 17 special districts were reviewed with no changes and three were updated to remove territory. The review of the spheres of influence for the following two special districts were postponed due to unusual circumstances and will allow LAFCo to accurately evaluate the services provided by the two districts when it conducts its review:

1. The Lake Sherwood Community Services District (LSCSD) – This sphere review was postponed due to the pending divestiture of the District’s power to provide potable water service (LAFCo 13-16). The Commission approved the divestiture contingent on the formation of a new waterworks district which, if successfully formed, will assume water service from the LSCSD.
2. Hidden Valley Municipal Water District - This sphere review was postponed after staff learned that the District was providing unauthorized non-potable water service. The District has applied to LAFCo requesting authorization to exercise this latent power.

To date, nine of the spheres of influence scheduled for reviewed during 2015 have been reviewed and one updated. Staff anticipates completion of all scheduled sphere reviews by mid-year.

- *Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.*

Over the course of the current fiscal year, LAFCo staff has thus far reviewed and/or commented on a total of 12 CEQA notices/documents, general plan updates, and development proposals. These include development proposals within cities and the unincorporated county area.

- *Maintain and enhance operations with a focus on communication with the Commission, the County, cities, districts and the public; budget monitoring and information; staff training and development; and enhanced records management.*

Staff continues to keep the Commission informed of notable events/items through monthly update memos, email correspondence, and regularly scheduled meetings. Positive communications and working relationships have been maintained with all cities and districts. Staff continues to attend and participate in meetings with staff and consultants representing cities, special districts and other local public agencies as well as individual members of the public and community groups. As time allows, staff continues to attend meetings of the Ventura Special Districts Association, the Association of Water Agencies, the City and County Planning Association and other local and regional associations.

Staff routinely monitors the budget. An external audit of LAFCo's financial statements for the year ended June 30, 2014 was performed.

This fiscal year, staff attended the CALAFCO Annual Conference in October and will be attending the CALAFCO Staff Workshop in April. The LAFCo Executive Officer and Analyst attended a CALAFCO University course on agricultural preservation and LAFCo legal issues, respectively. LAFCo staff continues to participate in training sessions offered by the County and has attended sessions on management, budgeting, human resources, ethics, and the County's new financial management system.

- *Update and revise the Commissioner's Handbook and consider policy additions consistent with the mission and purpose of LAFCo.*

Policies pertaining to general plan consistency and impacts to existing open space lands as a result of changes of organization and sphere of influence amendments were added to the Commissioner's Handbook this fiscal year. Development of potential policies pertaining agricultural mitigation and public member qualifications are under consideration. On an ongoing basis, staff identifies potential policy updates/revisions for Commission consideration, as needed.

- *Increase public awareness about the mission, purpose and function of LAFCo.*

In August, staff made a presentation to the Civil Grand Jury regarding the purposes and functions of LAFCo. A similar presentation was made to the City Managers Association in March. Staff

wrote an article on LAFCo’s role in agricultural preservation that was published in a newsletter of a community organization. Staff is coordinating a “LAFCo 101” informational session for elected officials and staff of the County, cities, and special districts.

Work Plan

The Ventura LAFCo Commissioner’s Handbook provides that LAFCo will annually review and adopt a work plan as a part of the budget development process. For FY 2015-16, the adopted work plan maintains the focus on municipal service reviews and sphere of influence updates and is otherwise similar to the work plan for this fiscal year.

FY 2015-16 Work Plan

- Continue municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2013-2017 work plan.
- Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.
- Maintain and enhance operations with a focus on communication with the Commission, the County, cities, districts, and the public; budget monitoring and information; staff training and development; and enhanced records management.
- Update and revise the Commissioner’s Handbook and consider policy additions consistent with the mission and purpose of LAFCo.
- Increase public awareness about the mission, purpose and function of LAFCo.

Staff believes that the items listed above are realistic provided the number and/or complexity of proposals filed do not increase significantly.

ADOPTED FINAL BUDGET

Expenditures

The expense portion of the budget is divided into three main sections, the Salary and Employee Benefits section (1000 series account codes), the Services and Supplies section (2000 series account codes), and Contingencies (account code 6101). Including a 3% contingency, the Adopted Final Budget reflects an overall expenditure increase of approximately 5.8% compared to the FY 2014-15 Adopted Final Budget.

Salary and Employee Benefits (1000 series of account codes)

Salaries and Employee Benefits continue to be the greatest expense, comprising approximately 73.2% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are to increase by approximately 4.4% as compared to FY 2014-15 as indicated in the following table:

Description	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	\$ 476,200	\$ 496,950	\$ 20,750	4.4%

The increase comes primarily from two account codes:

- Anticipated increases to regular salaries (account code 1101) and related increases in the various benefit accounts (especially account code 1121, Retirement Contribution). The increase in salary reflects anticipated merit increases for LAFCo staff as provided for under the terms of the Executive Officer employment contract and the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution. Also reflected is a 3% general salary increase approved by the County Board in Supervisors in 2014 that becomes effective in August.
- Increase to Management Retiree Health Benefit (account code 1128). The increase is due to the recent retirement of the previous Office Manager/Clerk to the Commission. Pursuant to the County Management Resolution, this benefit is provided to eligible retired staff and is based on the number of years of County service. The previous Executive Officer will continue to receive this benefit through December 2015 and the recently-retired Office Manager/Clerk to the Commission will receive this benefit through 2017.

These increases are reflected in the following table:

Description	Acct Code	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Regular Salaries	1101	\$ 310,000	\$ 320,000	\$ 10,000	3.2%
Management Retiree Health Benefit	1128	5,300	14,500	9,200	174%

It should also be noted that the overall increase is partially offset by a decrease in the amount budgeted for Term/Buydown (account code 1107). The Term/Buydown account code includes costs for pay in lieu of accrued annual leave up to a specified number of hours each year, which is a benefit LAFCo staff members are entitled to receive as employees of the County of Ventura. The proposed amount is based on a polling of LAFCo staff and represents a reduction of \$9,500 as indicated in the following table:

Description	Acct Code	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Term/Buydown	1107	\$ 24,500	\$ 15,000	\$ (9,500)	-38.8%

The currently authorized and proposed classifications are reflected in the following table:

Title	FY 2014-15	FY 2015-16
Executive Officer	1	1
Analyst/Deputy Executive Officer	1	1
Office Manager/Clerk of the Commission	1	1
Total Authorized Positions	3	3

Services and Supplies (2000 series of account codes)

The Adopted Final Budget for Services and Supplies is approximately 10.3% more than the Adopted Final Budget for the current fiscal year, as indicated in the following table:

Description	FY 14-15 Adopted	FY 15-16 Proposed	Increase / (Decrease)	Percent Change
Total Services and Supplies	\$ 147,050	\$ 162,250	\$ 15,200	10.3%

For those Services and Supplies account codes that reflect discretionary expenditures, most of the budget amounts are either unchanged or slightly higher as compared to the current fiscal year. The major Services and Supplies expenditures will change as follows:

- An increase in the amount budgeted for Other Maintenance ISF (account code 2116) from \$500 to \$1,000 and Furniture and Fixtures (account code 2262) from \$0.00 to \$2,000. This increase reflects costs associated with labor/furniture to replace old/broken/non-functioning furniture within the LAFCo office, particularly for the work area of the Office Manager/Clerk to the Commission.
- An increase in the amount budgeted for Education Training Conference and Seminars (account code 2273) from \$1,000 in the current year to \$2,000 for FY 2015-16. The increase will allow for the LAFCo Analyst to attend a GIS mapping class and the Office Manager/Clerk to the Commission to attend training classes regarding essential computer software.
- An increase in Cost Allocation Plan Charges (account code 2158). These charges are set by the County and pertain to costs for County services provided primarily by the General Services Agency, the Auditor-Controller’s Office and the County Executive Office, including Human Resources. The current fiscal year charge is \$12,200. For FY 2015-16 the total charges for this account will be approximately \$15,800.
- An increase in the Travel Expense (account code 2292) associated with conferences and seminars from \$12,000 in the current year to \$19,000 for FY 2015-16. This increase is primarily due to higher anticipated travel costs to attend the 2015 CALAFCO Annual Conference to be held in Sacramento (the 2014 conference was held in Ontario resulting in lower travel expenses). The increase is also based on a greater number of possible conference attendees due to new Commissioners. The amount budgeted is based on 10 attendees (including LAFCo staff, LAFCo Legal Counsel, and Commissioners/Alternate Commissioners).

Contingencies

In accordance with the Commission’s budget policies, the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. To reduce the amount of revenue necessary from other governmental agencies, the FY 2015-16 Adopted Final Budget includes a contingency appropriation of \$19,777 which is equivalent to approximately 3.0% of total expenditures of \$678,977. Should there be a need for any unanticipated expenditures which might exceed the contingency amount, an appropriation could be made from the unassigned fund balance (which is estimated to be \$235,076 at the beginning of FY 2015-16 and includes \$98,758 to cover 60 days working capital and \$136,318 unassigned).

Financing Sources

Potential financing sources consist of Fund Balance and Miscellaneous Revenues, including interest earnings and application filing fees (e.g. account codes 8911 and 9790), and Other Governmental Agencies, the revenue to be collected from the County, cities and independent special districts (account code 9371).

Fund Balance

Section 56381(c) of the CKH provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget." As indicated in the "FY 2014-15 in Review" section above, approximately \$53,199 is projected to be available at the end of the current fiscal year to appropriate for the FY 2015-16 Budget. However, because this is only a projection, the proposed budget includes an appropriated fund balance of \$75,000.

The Commission's budget policies provide for the maintenance of a Litigation Reserve Account balance in the amount of \$100,000 with the intent of limiting its use for unanticipated expenditures resulting from litigation against the Commission that does not occur routinely and would not be reimbursed by another party. This amount is classified as "committed" fund balance with respect to the Governmental Accounting Standards Board (GASB) requirements and the Commission's fund balance policies.

The policies also provide that excess fund balance remaining over and above the committed and assigned fund balances should be classified as unassigned. Currently the LAFCo General Fund does not include any assigned fund balance. Further, the policies provide that an unassigned (and unappropriated) fund balance of approximately 60 days working capital must be maintained. Based on the Projected Actual Expenditures for FY 2014-15 (\$592,550), 60 days working capital would be approximately \$98,758. The total unassigned fund balance for the current year is \$235,076 which is equivalent to approximately 143 days working capital.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and other revenue, primarily application filing fees. The Adopted Final Budget for Miscellaneous Revenue is \$27,500, which is approximately 15.9% less than the Adopted Budget amount for the current fiscal year (\$32,700). This decrease is reflected in the \$2,500 budgeted for Investment Income (account code 8911), which is slightly lower than the \$2,700 budgeted for the current year, and in the \$25,000 budgeted for Miscellaneous Revenue (account 9790), which is slightly lower than the \$30,000 budgeted for the current year.

The Commission has a policy to annually review the LAFCo fee schedule as a part of the budget process. The existing fee schedule has been in effect since July 2010. In conjunction with the adoption of the Proposed Budget for FY 2015-16 on April 22, 2015 the Commission adopted a revised Fee Schedule that increases the administrative fee for most types of LAFCo applications and increases the hourly staff composite rate. The projections in the Adopted Final Budget for Miscellaneous Revenues include the adopted changes to the Fee Schedule.

Revenues from Other Governmental Agencies (the County, Cities and Independent Special Districts)

Pursuant to the CKH, the LAFCo net operating expenses are to be apportioned one-third to the County, one-third to the cities, and one-third to the independent special districts. The Ventura LAFCo determines net operating expenses as the cost for LAFCo operations net of those funds appropriated for budget purposes plus Miscellaneous Revenue. The CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCo adopts a Final Budget.

Year	Adopted Budget –Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2001-02	\$548,737	\$468,737	85%
FY 2002-03	\$719,131	\$568,503	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$472,997	67%
FY 2005-06	\$723,226	\$361,874	50%
FY 2006-07	\$830,154	\$621,617	75%
FY 2007-08	\$949,269	\$715,957	75%
FY 2008-09	\$735,422	\$488,684	66%
FY 2009-10	\$783,101	\$587,084	75%
FY 2010-11	\$772,892	\$590,055	76%
FY 2011-12	\$766,598	\$570,285	74%
FY 2012-13	\$659,706	\$550,515	83%
FY 2013-14	\$675,769	\$573,636	85%
FY 2014-15	\$641,949	\$519,249	81%
FY 2015-16 ²	\$678,977	\$576,477	85%

The revenue projected to be collected from the County, cities and independent special districts is proposed to increase from \$519,249 to \$576,477 for the current year (11.0%). The table below shows how the amount of revenue from Other Governmental Agencies (the County, cities and independent special districts) has fluctuated since LAFCo first adopted an independent budget in June, 2001. As shown in the table, the amount of projected total revenue from Other Governmental Agencies for FY 2015-16 is higher than it has been in the previous four years. This is due to an overall anticipated increase of \$37,028 in expenditures and a \$15,000 decrease in the appropriated fund balance for FY 2015-16.

² Based on FY 2015-16 Adopted Final Budget

Not formally part of the budget, but included for general information are the percentage shares of the Other Governmental Agencies revenue for each of the cities (Attachment 1) and the independent special districts (Attachment 2). In the Adopted Proposed Budget City revenues and Special District revenues are based on the FY 2011-12 State Controller Reports. These were the most current Reports available at this time. After adoption of the Proposed Budget in April, the State issued updated Reports for FY 2012-13. The County Auditor-Controller's Office used these more recent Reports as the basis for calculating revenue to be collected from the cities for FY 2015-16 as shown in Attachment 1. As a further means of comparison, Attachment 3 shows individual agency revenue allocation amounts as a percentage of each agency's total revenue. Attachment 4 is a comparison of each city's and district's allocation that was adopted for FYs 2013-14 and 2014-15, and adopted for FY 2015-16.

The CKH continues to provide the ability for the cities and independent special districts in each County to determine an alternate apportionment method. To date, however, neither the cities nor the special districts have agreed on any alternate apportionment methodology. This means that the City of Oxnard, as the city with the largest gross revenue, and Calleguas Municipal Water District, the largest special district in terms of gross revenue, will continue to pay the largest respective shares of the city and special district portion of LAFCo revenue.

Conclusion

The Ventura LAFCo is continuing to exercise fiscal prudence. The Commission and its staff understand the economic realities of the time and the constraints on local government revenues. The Commission's budgeting process has improved in the last fourteen years. Systems and policies are in place to ensure best practices and proper oversight. Mandates are being met and basic services provided with a highly trained staff that seeks to limit discretionary expenditures. The Adopted Final Budget for FY 2015-16 was prepared and is being adopted consistent with the Commission's policies and the knowledge and experience gained from prior years.

Respectfully submitted,



Kai Luoma
Executive Officer

- ATTACHMENTS:
- (1) Other Governmental Agencies-Cities Allocation Amounts
 - (2) Other Governmental Agencies-Independent Special District Allocation Amounts
 - (3) Agency Revenue Allocation Percentages
 - (4) Agency Allocations for FYs 2013-14, 2014-15, and 2015-16

Appendix Glossary of Terms

ANNUAL (OPERATING) BUDGET: A financial plan that outlines proposed expenditures for the coming fiscal year and estimated revenues which will be used to finance them.

APPROPRIATED FUND BALANCE: A portion of existing fund balance that is incorporated into the subsequent year's budget to "balance" expected expenditures in excess of expected revenues.

ASSET: Resources with present service capacity that the government presently controls; for example, money, investments and property.

ASSIGNED FUND BALANCE: Comprises amounts intended to be used by the government for specific purposes; for example, appropriated fund balance. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority to assign amounts to be used for specific purposes.

AUDIT: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in its financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

BALANCE SHEET: Also known as a statement of net position, a basic financial statement, and presentation of an entity's net assets and liabilities on a specified date. A balance sheet is usually accompanied by appropriate disclosures that describe the basis of accounting used in its preparation.

BUDGET: A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET MESSAGE: A written overview of the budget from the LAFCo Executive Officer that discusses the major budget items and LAFCo's present and future financial condition.

COMMITTED FUND BALANCE: Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Commitments may be changed or removed only by the same decision-making authority taking the same formal action that imposed the constraint originally.

CONTINGENCY: A budgetary expenditure allowance (appropriation) to cover unanticipated expenditures or revenue shortfalls during the fiscal year (LAFCo Budget Account Code 6101). The Ventura LAFCo Commissioner's policies provide that the annual budget include an allocation of 10% of total operating expenses for contingencies, unless the Commission deems a different amount appropriate. Transfers from the contingency account require prior approval of the Commission.

DEFICIT: An excess of expenditures or expenses over revenues.

EXPENDITURES: Under the current financial resources measurement focus, decreases in net financial resources not properly classified as *other financing uses*; for example, disbursements of cash for the cost of salaries, benefits, services or supplies.

FINANCING SOURCES: Total amounts available during the fiscal year for appropriation including estimated revenues and appropriated fund balances.

FINANCIAL STATEMENT: Presentation of financial data including balance sheets, income statements or any supporting statement that is intended to communicate an entity's financial position at a point in time and its results of operations for a period then ended.

FISCAL YEAR: The 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

FUND BALANCE: The difference between a fund's assets and its liabilities. With regard to a LAFCo budget, Government Code Section 56381(c) provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget."

FUND: A complete accounting entity reflecting financial transactions, both receipts and expenditures, of money that is set up to carry out a special function or attain objectives in accordance with established laws, policies, and regulations. The fund concept also applies to budget activities.

GASB: The Governmental Accounting Standards Board (GASB) is the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA (National Council on Governmental Accounting).

GIS: Geographic Information System.

INCOME STATEMENT: Summary of the effect of revenues and expenses over a period of time.

INTEREST: Interest income earned as idle funds are invested with a goal of protecting each investment while achieving the highest rate of return.

INTERNAL CONTROL: Process designed to provide reasonable assurance regarding achievement of various management objectives such as the reliability of financial reports.

INTERNAL SERVICE FUND: A fund that accounts for the provision of services by various County departments on a cost reimbursement basis.

LIABILITIES: Present obligations to sacrifice resources that the government has little or no discretion to avoid; for example, amounts owed for items received, services rendered, expenses incurred and assets acquired.

LINE-ITEM BUDGET: A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each.

OBJECT: An individual expenditure account.

UNAPPROPRIATED FUND BALANCE: The portion of fund balance remaining, following an approved budget appropriation of fund balance and any commitments.

UNASSIGNED FUND BALANCE: The difference between total fund balance in a governmental fund and its non-spendable, restricted, committed and assigned components.

UNRESTRICTED FUND BALANCE: The difference between total fund balance in a governmental fund and its non-spendable and restricted components.

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2015 - 2016**

	Old Acct Code	New Acct Code	Final Adopted/ Adjusted FY 14-15	Projected Actuals FY 14-15	Recommended Proposed Budget FY 15-16 4/22/15	Recommended Final Budget FY 15-16 5/20/15	Final Budget FY 15-16 Adopted 5/20/15
EXPENDITURES							
Salaries and Employee Benefits							
Regular Salaries	1101	1101	310,000	310,000	320,000	320,000	320,000
Supplemental Payments	1106	1106	11,500	11,500	13,000	13,000	13,000
Terminations (Buydowns)	1107	1107	24,500	7,000	15,000	15,000	15,000
Retirement Contribution	1121	1121	63,000	63,000	66,500	66,500	66,500
OASDI Contribution	1122	1122	18,500	18,500	20,500	20,500	20,500
FICA Medicare	1123	1123	4,700	4,700	5,500	5,500	5,500
Retiree Health Payment 1099 (Mgmt.. Retiree Health)	1128	1128	5,300	5,300	14,500	14,500	14,500
Group Insurance	1141	1141	23,000	23,000	23,500	23,500	23,500
Life Insurance for Department Heads and Management	1142	1142	150	150	150	150	150
State Unemployment Insurance	1143	1143	400	400	400	400	400
Management Disability Insurance	1144	1144	750	1,500	2,500	2,500	2,500
Workers Compensation Insurance	1165	1165	2,900	2,900	2,900	2,900	2,900
401k Plan	1171	1171	11,500	8,000	12,500	12,500	12,500
Total Salaries and Employee Benefits			476,200	455,950	496,950	496,950	496,950

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2015 - 2016**

	Old Acct Code	New Acct Code	Final Adopted/ Adjusted FY 14-15	Projected Actuals FY 14-15	Recommended Proposed Budget FY 15-16 4/22/15	Recommended Final Budget FY 15-16 5/20/15	Final Budget FY 15-16 Adopted 5/20/15
EXPENDITURES							
Services and Supplies							
Voice Data ISF	2033	2032	2,500	2,500	2,500	2,500	2,500
General Insurance Allocation ISF	2071	2071	2,000	2,000	2,000	2,000	2,000
Facilities and Materials SQ FT Allocation ISF	2125	2114	15,000	15,000	15,000	15,000	15,000
Other Maintenance ISF	2128	2116	500	0	1,000	1,000	1,000
Memberships and Dues	2141	2131	7,100	6,750	7,100	7,100	7,100
Cost Allocation Plan Charges	2158	2158	12,200	12,200	15,800	15,800	15,800
Books and Publications	2172	2163	300	300	500	500	500
Mail Center ISF	2174	2164	2,500	2,500	2,500	2,500	2,500
Purchasing Charges ISF	2176	2165	100	100	100	100	100
Graphics Charges ISF	2177	2166	500	500	500	500	500
Copy Machine Chgs ISF	2178	2167	750	200	500	500	500
Stores ISF	2181	2168	50	50	50	50	50
Miscellaneous Office Expenses	2179	2179	4,000	4,000	4,000	4,000	4,000
Miscellaneous Office Expense (Specialized / Shelf Software)	2195	2179	1,500	1,000	1,500	1,500	1,500
Board and Commission Member Compensation 1099	2191	2181	4,500	3,700	5,000	5,000	5,000
Attorney Services (County Counsel)	2304	2185	22,500	22,500	22,500	22,500	22,500
Other Professional and Specialized Non ISF (VTD Auditor's)	2199	2199	10,000	8,250	10,000	10,000	10,000
Other Professional and Specialized Non ISF (County Accounting Svcs)	2203	2199	4,500	4,500	5,000	5,000	5,000
Information Tech ISF	2192	2202	2,500	2,500	2,500	2,500	2,500
County Geographical Information Systems Expense ISF	2214	2203	21,500	21,500	21,500	21,500	21,500
Public Works ISF Charges	2197	2205	3,000	1,000	3,000	3,000	3,000
Special Services ISF	2205	2206	100	100	100	100	100
Publications and Legal Notices	2261	2221	5,000	4,000	5,000	5,000	5,000
Storage Charges ISF	2283	2244	350	350	500	500	500
Computer Equipment < \$5,000	2293	2261	3,100	3,100	3,100	3,100	3,100
Furniture and Fixtures < \$5,000	2294	2262			2,000	2,000	2,000
Conferences/ Seminars ISF (Training ISF)	2526	2272	500	500	500	500	500
Education Training Conference and Seminars	2154	2273	1,000	0	2,000	2,000	2,000
Private Vehicle Mileage	2522	2291	7,000	7,000	7,000	7,000	7,000
Travel Expense (Conferences / Seminars)	2523	2292	12,000	10,000	19,000	19,000	19,000
Motorpool ISF	2528	2303	500	500	500	500	500
Total Services and Supplies			147,050	136,600	162,250	162,250	162,250
Contingencies		6101	18,699	0	19,777	19,777	19,777
Total Contingencies			18,699	0	19,777	19,777	19,777
TOTAL EXPENDITURES			641,949	592,550	678,977	678,977	678,977

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2015 - 2016**

	Old Acct Code	New Acct Code	Final Adopted/ Adjusted FY 14-15	Projected Actuals FY 14-15	Recommended Proposed Budget FY 15-16 4/22/15	Recommended Final Budget FY 15-16 5/20/15	Final Budget FY 15-16 Adopted 5/20/15
FINANCING SOURCES							
Appropriation of Fund Balance			90,000	-	75,000	75,000	75,000
Investment Income (Interest Earnings)	8911	8911	2,700	1,500	2,500	2,500	2,500
Miscellaneous Revenue (LAFCo application fees)	9772	9790	30,000	35,000	25,000	25,000	25,000
Total Miscellaneous Revenue			32,700	36,500	27,500	27,500	27,500
Other Governmental Agencies							
Other Government Agencies (County of Ventura)	9372	9371	173,083	173,083	192,159	192,159	192,159
Other Government Agencies (Cities)	9372	9371	173,083	173,083	192,159	192,159	192,159
Other Government Agencies (Ind. Special Districts)	9372	9371	173,083	173,083	192,159	192,159	192,159
Total Other Government Agencies Revenue			519,249	519,249	576,477	576,477	576,477
TOTAL REVENUE			551,949	555,749	603,977	603,977	603,977
TOTAL FINANCING SOURCES			641,949	555,749	678,977	678,977	678,977
NET INCOME / (LOSS) [PROJECTED USE OF APPROPRIATED FUND BALANCE]				(36,801)			

Preliminary Fund Balance and Estimated Ending Fund Balance at June 30, 2015

FUND BALANCES	Actual Fund Balance 6/30/14	Projected Fund Balance 6/30/15	Estimated Fund Balance 06/30/16
Assigned:			
Appropriated	90,000	75,000	0
Committed:			
Litigation	100,000	100,000	100,000
Unassigned:			
60 Days' Working Capital	94,244	98,758	113,163
Unassigned	162,633	136,318	121,913
TOTAL UNASSIGNED	256,877	235,076	235,076
TOTAL FUND BALANCE	446,877	410,076	335,076

**LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381 (b) (1) (A) & (B)¹**

Attachment 1

ADOPTED BUDGET FOR FISCAL YEAR 2015 - 2016

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 12/13

CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$
1 Camarillo	\$ 69,608,094	7.33%	\$ 14,085
2 Fillmore	16,391,655	1.73%	3,324
3 Moorpark	25,798,817	2.72%	5,227
4 Ojai	10,802,126	1.14%	2,191
5 Oxnard	301,851,257	31.81%	61,126
6 Port Hueneme	33,087,975	3.49%	6,706
7 San Buenaventura	213,297,420	22.47%	43,178
8 Santa Paula	36,156,886	3.81%	7,321
9 Simi Valley	89,503,593	9.43%	18,121
10 Thousand Oaks	152,555,368	16.07%	30,880
TOTAL	\$ 949,053,191	100.00%	\$ 192,159

(1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381 (b) (1) (A) & (C)¹, (F)²

Attachment 2

ADOPTED BUDGET FOR FISCAL YEAR 2015 - 2016

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 12/13

	NAME	TOTAL		ALLOCATION
		REVENUE PER REPORT	PERCENTAGE (See Note 2)	
1	Bardsdale Cemetery District	\$ 208,193	0.068%	\$ 131
2	Bell Canyon Comm. Services District	494,915	0.160%	307
3	Calleguas Municipal Water District	142,134,635	46.088%	88,562
4	Camarillo Health Care District	3,615,827	1.172%	2,252
5	Camrosa Water District	18,962,622	6.149%	11,816
6	Casitas Municipal Water District	16,185,072	5.248%	10,084
7	Channel Islands Beach Comm. Serv. Dist.	3,579,571	1.161%	2,231
8	Conejo Recreation & Park District	18,604,604	6.033%	11,593
9	El Rancho Simi Pioneer Cemetery District	145,774	0.047%	90
10	Fillmore-Piru Memorial District	173,236	0.056%	108
11	Fox Canyon Groundwater Mgmt. Agency	1,301,224	0.422%	811
12	Hidden Valley Municipal Water District	352	0.000%	-
13	Meiners Oaks Water District	1,322,994	0.429%	824
14	Montalvo Comm. Services District	689,327	0.224%	430
15	Ojai Valley Sanitary District	9,300,757	3.016%	5,796
16	Ojai Water Conservation District	8,261	0.003%	6
17	Oxnard Drainage District No. 1	51,572	0.017%	33
18	Oxnard Drainage District No. 2	163,225	0.053%	102
19	Oxnard Harbor District	13,587,886	4.406%	8,467
20	Piru Public Cemetery District	55,029	0.018%	35
21	Pleasant Valley Co. Water District	4,138,981	1.342%	2,579
22	Pleasant Valley Rec & Park District	7,705,118	2.498%	4,800
23	Rancho Simi Rec & Park District	18,439,790	5.979%	11,489
24	Saticoy Sanitary District	356,163	0.115%	221
25	Triunfo Sanitation District	15,336,894	4.973%	9,556
26	United Water Conservation District	22,011,230	7.137%	13,714
27	Ventura Co. Resource Conserv. District	40,165	0.013%	25
28	Ventura Port District	7,931,366	2.572%	4,942
29	Ventura River County Water District	1,853,472	0.601%	1,155
	TOTAL	\$ 308,398,255	100.000%	\$ 192,159

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. An independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less aid from other governmental agencies and for enterprise activities as total operating and nonoperating revenues less revenue category other governmental agencies, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations.
- (2) No independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district. The share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equal the share apportioned by the auditor to independent special districts.

Ventura LAFCo Budget FY 2015-16
Apportionment of Net Operating Expenses Expressed As Percentage Of Each Agency's Total Revenue

Attachment 3

NAME	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA			
	\$ 991,030,419	\$ 192,159	0.02%
CITIES			
Camarillo	\$ 69,608,094	\$ 14,085	0.02%
Fillmore	16,391,655	3,324	0.02%
Moorpark	25,798,817	5,227	0.02%
Ojai	10,802,126	2,191	0.02%
Oxnard	301,851,257	61,126	0.02%
Port Hueneme	33,087,975	6,706	0.02%
San Buenaventura	213,297,420	43,178	0.02%
Santa Paula	36,156,886	7,321	0.02%
Simi Valley	89,503,593	18,121	0.02%
Thousand Oaks	152,555,368	30,880	0.02%
TOTAL	\$ 949,053,191	192,159	0.02%
SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 208,193	\$ 131	0.06%
Bell Canyon Comm. Services District	494,915	307	0.06%
Calleguas Municipal Water District	142,134,635	88,562	0.06%
Camarillo Health Care District	3,615,827	2,252	0.06%
Camrosa Water District	18,962,622	11,816	0.06%
Casitas Municipal Water District	16,185,072	10,084	0.06%
Channel Islands Beach Comm. Serv. Dist.	3,579,571	2,231	0.06%
Conejo Recreation & Park District	18,604,604	11,593	0.06%
El Rancho Simi Pioneer Cemetery District	145,774	90	0.06%
Fillmore-Piru Memorial District	173,236	108	0.06%
Fox Canyon Groundwater Mgmt. Agency	1,301,224	811	0.06%
Hidden Valley Municipal Water District	352	-	0.00%
Meiners Oaks Water District	1,322,994	824	0.06%
Montalvo Comm. Services District	689,327	430	0.06%
Ojai Valley Sanitary District	9,300,757	5,796	0.06%
Ojai Water Conservation District	8,261	6	0.07%
Oxnard Drainage District No. 1	51,572	33	0.06%
Oxnard Drainage District No. 2	163,225	102	0.06%
Oxnard Harbor District	13,587,886	8,467	0.06%
Piru Public Cemetery District	55,029	35	0.06%
Pleasant Valley Co. Water District	4,138,981	2,579	0.06%
Pleasant Valley Rec & Park District	7,705,118	4,800	0.06%
Rancho Simi Rec & Park District	18,439,790	11,489	0.06%
Saticoy Sanitary District	356,163	221	0.06%
Triunfo Sanitation District	15,336,894	9,556	0.06%
United Water Conservation District	22,011,230	13,714	0.06%
Ventura Co. Resource Conserv. District	40,165	25	0.06%
Ventura Port District	7,931,366	4,942	0.06%
Ventura River County Water District	1,853,472	1,155	0.06%
TOTAL	\$ 308,398,255	\$ 192,159	0.06%

Source: State of California Annual Reports FY 12/13.

For special districts, total revenue excludes aid from other governments.

City and District Allocations

Attachment 4

CITIES	FY13-14	FY14-15	FY15-16
Camarillo	\$ 17,305	\$ 14,338	\$ 14,085
Fillmore	4,130	2,807	3,324
Moorpark	4,819	4,869	5,227
Ojai	2,983	2,042	2,191
Oxnard	71,647	61,496	61,126
Port Hueneme	7,438	7,553	6,706
San Buenaventura	30,479	27,338	43,178
Santa Paula	7,515	7,361	7,321
Simi Valley	16,750	16,031	18,121
Thousand Oaks	28,146	29,248	30,880
TOTAL	191,212	173,085	192,159

SPECIAL DISTRICTS	FY13-14	FY14-15	FY15-16
Bardsdale Cemetery District	\$ 128	\$ 104	\$ 131
Bell Canyon Comm. Services District	333	280	307
Calleguas Municipal Water District	81,397	76,281	88,562
Camarillo Health Care District	2,610	2,217	2,252
Camrosa Water District	11,387	9,933	11,816
Casitas Municipal Water District	11,184	9,604	10,084
Channel Islands Beach Comm. Serv. Dist.	2,721	2,442	2,231
Conejo Recreation & Park District	13,371	11,957	11,593
El Rancho Simi Pioneer Cemetery District	86	80	90
Fillmore-Piru Memorial District	119	106	108
Fox Canyon Groundwater Mgmt. Agency	583	765	811
Hidden Valley Municipal Water District	17	5	0
Meiners Oaks Water District	801	730	824
Montalvo Comm. Services District	528	441	430
Ojai Valley Sanitary District	6,325	5,423	5,796
Ojai Water Conservation District	6	5	6
Oxnard Drainage District No. 1	36	30	33
Oxnard Drainage District No. 2	119	100	102
Oxnard Harbor District	7,823	7,486	8,467
Piru Public Cemetery District	11	21	35
Pleasant Valley Co. Water District	2,013	1,954	2,579
Pleasant Valley Rec & Park District	6,092	4,755	4,800
Rancho Simi Rec & Park District	13,436	11,380	11,489
Saticoy Sanitary District	216	203	221
Triunfo Sanitation District	9,735	8,644	9,556
United Water Conservation District	13,366	12,178	13,714
Ventura Co. Resource Conserv. District	46	38	25
Ventura Port District	5,759	5,009	4,942
Ventura River County Water District	964	912	1,155
TOTAL	191,212	173,083	192,159