

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION ADOPTING A
PROPOSED BUDGET FOR FISCAL YEAR 2018-19**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires the Ventura Local Agency Formation Commission (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, the Commission desires to adopt a Proposed Budget for Fiscal Year 2018-19 that is higher than the adopted Fiscal Year 2017-18 Final Budget; and

WHEREAS, the public and other governmental agencies had an opportunity to comment and the Commission considered adoption of a Proposed Budget for Fiscal Year 2018-19 on April 18, 2018.

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 Proposed Budget for the 2018-19 Fiscal Year as set forth in Exhibit A attached hereto; and
- (2) Finds that the Proposed Budget as set forth in Exhibit A attached hereto will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and
- (3) Directs the Executive Officer to forward the Proposed Budget, as adopted, to all the independent special districts, cities and the County.

This resolution was passed and adopted on April 18, 2018.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 Ramirez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commissioner Ross	<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 Bill-de la Peña	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

4-18-18 Linda Parks
Date Linda Parks, Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

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



BUDGET MESSAGE

Proposed Budget - Fiscal Year 2018-2019

Hearing Date: April 18, 2018

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 will have a hearing on April 18, 2018 to consider this Proposed Budget for Fiscal Year (FY) 2018-19. A public hearing to consider action on the Final Budget for FY 2018-19 is tentatively scheduled for May 16, 2018. Once adopted, the 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 Proposed Budget for FY 2018-19 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 2018-19 are part of this Proposed 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 2017-18, sets forth a basic work plan for FY 2018-19, and provides background and explanatory information about the anticipated expenditures and revenues in this Proposed FY 2018-19 Budget.

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.
- Determine and 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 determination 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 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 2017-18 in Review

Based on information through the end of February 2018, total projected actual expenditures for FY 2017-18 are expected to be approximately:

Description	FY 17-18 Adopted	FY 17-18 Projected	Estimated Savings
Total Salaries and Benefits	\$ 525,850	\$ 471,455	\$ 54,395
Total Services and Supplies	150,050	115,725	34,325
Contingencies	67,591	0	67,591
Total Expenditures	743,491	587,180	156,311

As shown above, staff does not anticipate the need to use the Contingency appropriation of \$67,591. The anticipated savings in Salaries and Benefits, Services/Supplies and Contingency are projected to be \$156,311 for FY 2017-18.

Actual revenue for FY 2017-18 is projected to be approximately:

Account Code	Description	FY 17-18 Adopted	FY 17-18 Projected	Estimated Increases/ (Deficit)
8911	Interest Earnings	\$ 1,500	\$ 8,500	\$ 7,000
9790	Other Revenue (from Fees)	20,000	20,000	0
9371	Other Govt. Agencies	626,991	626,991	0
	Total Revenue	648,491	655,491	7,000

As noted in the table above, a projected total revenue increases of \$7,000 is anticipated as part of the current budget.

The projected \$156,311 savings in Salaries/Benefits and Services/Supplies and Contingency along with the projected \$7,000 of revenue increases results in a total projected unappropriated Fund Balance of \$163,311, which is \$68,311 more than the \$95,000 appropriated Fund Balance adopted as a part of the FY 2017-18 Final Budget.

The following bullet points are the work plan that was adopted as a part of the FY 2017-18 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 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 Work Plan specifies that the review of the spheres of influence for the 10 cities and seven special districts were to be initiated in 2017. The sphere reviews for cities and four of the special districts have been completed and the remaining three are in progress. Though not formally part of the Work Plan, for the current fiscal year, LAFCo has also completed, or is currently processing, three applications (e.g., reorganizations, sphere of influence amendments, and out of agency service agreements).

- *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 eleven 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 local and regional associations.

Staff routinely monitors the budget. An external audit of LAFCo's financial statements for the year ended June 30, 2017 was performed.

This fiscal year, LAFCo staff attended the CALAFCO Annual Conference in October. Staff also attended the CALAFCO Staff Workshop in early April. Staff continues to participate in training sessions offered by the County.

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

Policies regarding the Commission's guidelines for agricultural mitigation and the Joint Land Use Study Naval Base Ventura County were adopted by the Commission during the current fiscal year. 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.*

Staff routinely meets with members of the public to discuss LAFCo's role in development. Staff also routinely meets with the staff of the County, cities, and special districts to discuss anticipated proposals, sphere of influence reviews, environmental documents, and other LAFCo-related activities. Staff also welcomes opportunities to discuss the mission of LAFCo with the public or other agencies.

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 2018-19, the recommended work plan maintains the focus on municipal service reviews and sphere of influence reviews/updates and is otherwise similar to the work plan for this fiscal year.

FY 2018-19 Work Plan

- Continue municipal service reviews and sphere of influence reviews/updates in accordance with the approved 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 that are 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.

PROPOSED 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 10% contingency, the Proposed Budget reflects an overall expenditure increase of approximately 3.0% compared to the FY 2017-18 Adopted Final Budget, as indicated in the following table:

Description	FY 17-18 Adopted	FY 18-19 Proposed	Increase / (Decrease)	Percent Change
Total Expenditures	\$ 743,491	\$ 766,096	\$ 22,605	3.0%

Salary and Employee Benefits (1000 series of account codes)

Salaries and Employee Benefits continue to be the greatest expense, comprising approximately 71% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are proposed to increase by approximately 4.3% as compared to FY 2017-18 as indicated in the following table:

Description	FY 17-18 Adopted	FY 18-19 Proposed	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	\$ 525,850	\$ 548,700	\$ 22,850	4.3%

The increase comes primarily from an anticipated increase to regular salaries (account code 1101) and related increases in the various benefit accounts. The increase in salary reflects anticipated merit increases as provided for under the terms of the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution:

Description	Acct Code	FY 17-18 Adopted	FY 18-19 Proposed	Increase / (Decrease)	Percent Change
Regular Salaries	1101	\$ 350,500	\$ 368,500	\$ 18,000	5.1%

The increase in regular salaries is partially offset by the elimination of funding to the Management Retiree Health Benefit (account code 1128). Pursuant to the County Management Resolution, the Management Retiree Health Benefit is provided to retired staff who were employed by the County prior to July 2005. One year of the retirement benefit is provided for each five years of County employment. This benefit was provided to the previous Office Manager/Clerk to the Commission since her retirement in 2015 and ended in February of this year.

Description	Acct Code	FY 17-18 Adopted	FY 18-19 Proposed	Increase / (Decrease)	Percent Change
Management Retiree Health Benefit	1128	\$ 7,100	\$ 0.00	(\$ 7,100)	-100%

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

Title	FY 2017-18	FY 2018-19
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 Proposed Budget for Services and Supplies is lower than that in the Adopted Final Budget for the current fiscal year, as indicated in the following table:

Description	FY 17-18 Adopted	FY 18-19 Proposed	Increase / (Decrease)	Percent Change
Total Services and Supplies	\$ 150,050	\$ 147,750	(\$ 2,300)	-1.5%

The decrease in Total Service and Supplies is due primarily to a reduction to County Geographical Information Systems Expense ISF (account code 2203) from \$18,000 for the current fiscal year to \$14,000 for FY 2018-19 and Attorney Services (account code 2185) from \$22,500 for the current fiscal year to \$20,000 for FY 2018-19. This recommended reduction is due to a comparison of actual costs over the previous five fiscal years. Other less significant reductions are projected for Other Professional and Specialized Non ISF services (account code 2199), Information Tech ISF (account code 2202), and Computer Equipment (account code 2261).

Ventura LAFCo

Proposed Budget FY 2018-19

Hearing Date: April 18, 2018

Page 6

The decrease to Services and Supplies is partially offset by a significant increase in the 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 approximately \$4,500, which reflected an overcharge that occurred two years prior. The estimated costs for this account code for next fiscal year is \$12,000.

It should be noted that Miscellaneous Office Expenses (account code 2179) is proposed to be reduced by \$1,000 and Copy Machine Charges ISF (account code 2167) is proposed to increase \$1,500. This change reflects staff's determination that it will be more cost effective to rent a printer/copier under the County's contract with Canon than to replace the current LAFCo printer/copier, which is showing signs of wear. The cost of the rented copier will be based exclusively on the number of pages printed/copied and includes all toner, paper, and maintenance. In addition, the rented copier will provide several functions that staff currently does by hand (such as stapling and three-hole punching).

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. It is recommended that the FY 2018-19 Proposed Budget include a contingency appropriation of 10% of total expenditures, or \$69,646. The contingency amount for the current fiscal year is \$67,591.

To offset the \$22,605 total increase in expenditures, it is recommended that the budget include a \$115,000 appropriation of anticipated unassigned fund balance, estimated to be \$403,169 at the beginning of FY 2018-19 (consisting of \$97,863 to cover 60 days' working capital and \$305,306 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 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 2017-18 in Review" section above, approximately \$163,311 is projected to be available at the end of the current fiscal year to appropriate for the FY 2018-19 Budget. The proposed budget includes an appropriated fund balance of \$115,000.

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

Ventura LAFCo

Proposed Budget FY 2018-19

Hearing Date: April 18, 2018

Page 7

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 2017-18 (\$587,180), 60 days’ working capital would be approximately \$97,863. The total unassigned fund balance for the current year is \$403,169, which is equivalent to approximately 247 days’ working capital.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and other revenue, primarily application filing fees. The Proposed Budget for Miscellaneous Revenue is \$28,500, which is slightly more than the Adopted Budget amount for the current fiscal year (\$21,500). This increase reflects a \$7,000 increase in the \$1,500 budgeted for Investment Income (account code 8911). No changes to the \$20,000 budgeted for Miscellaneous Revenue (application fees) (account 9790) are recommended.

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. It was updated and adopted by the Commission in April 2016 as part of the budget process for the current fiscal year. No changes to the fee schedule are recommended as part of this budget process.

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

Pursuant to 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. CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCo adopts a Final Budget.

The revenue projected to be collected from the County, cities and independent special districts is proposed to decrease from \$626,991 to \$622,596 for next fiscal year. 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 2018-19 is about equal to the average over the previous five years (84.6%).

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	\$719,130	\$568,502	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$473,067	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	\$678,977	\$576,477	85%
FY 2016-17	\$703,028	\$617,028	88%
FY 2017-18	\$743,490	\$626,991	84%
FY 2018-19 ¹	\$766,096	\$622,596	81%

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). City revenues and Special District revenues are based on the FY 2015-16 State Controller Reports. These are the most current Reports available at this time. Should the State issue updated Cities and Special District Reports for FY 2016-17 before the end of June, the County Auditor-Controller’s Office will use those Reports as the basis for collecting revenue from the cities for FY 2018-19. 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, 2014-15, 2015-16, 2016-17, 2017-18 and proposed for FY 2018-19.

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 highest 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.

¹ Based on FY 2018-19 Proposed Budget

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 17 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 Proposed Budget for FY 2018-19 was prepared and is being recommended 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, 2015-16, 2016-17, and 2017-18

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.

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.

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

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
PROPOSED BUDGET
FY 2018-2019

	Acct Code	Final Adopted/ Adjusted FY 2017-18	Projected Actuals FY 2017-18	Recommended Proposed Budget FY 2018-19 April 18, 2018	Recommended Final Budget FY 2018-19	Final Budget FY 2018-19
EXPENDITURES						
Salaries and Employee Benefits						
Regular Salaries	1101	350,500	330,000	368,500		
Supplemental Payments	1106	14,000	13,000	15,000		
Terminations (Buydowns)	1107	8,500	0	9,500		
Retirement Contribution	1121	76,000	63,000	80,500		
OASDI Contribution	1122	21,000	16,000	20,500		
FICA Medicare	1123	5,500	5,000	6,000		
Retiree Health Payment 1099 (Mgmt. Retiree Health)	1128	7,100	7,255	0		
Group Insurance	1141	26,500	26,500	31,000		
Life Insurance for Department Heads and Management	1142	150	150	150		
State Unemployment Insurance	1143	350	300	300		
Management Disability Insurance	1144	2,750	2,750	3,000		
Workers Compensation Insurance	1165	2,500	2,500	2,750		
401k Plan	1171	11,000	5,000	11,500		
Total Salaries and Employee Benefits		525,850	471,455	548,700	-	-

VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
PROPOSED BUDGET
FY 2018-2019

	Acct Code	Final Adopted/ Adjusted FY 2017-18	Projected Actuals FY 2017-18	Recommended Proposed Budget FY 2018-19 April 18, 2018	Recommended Final Budget FY 2018-19	Final Budget FY 2018-19
EXPENDITURES						
Services and Supplies						
Voice Data ISF	2032	2,500	2,500	3,000		
General Insurance Allocation ISF	2071	1,500	2,000	1,800		
Facilities and Materials SQ FT Allocation ISF	2114	16,100	16,100	16,400		
Facilities Projects ISF	2115	0	0	0		
Other Maintenance ISF	2116	500	0	500		
Memberships and Dues	2131	7,800	7,900	8,100		
Cost Allocation Plan Charges	2158	4,500	4,500	12,000		
Books and Publications	2163	500	500	500		
Mail Center ISF	2164	2,500	2,500	2,500		
Purchasing Charges ISF	2165	100	100	100		
Graphics Charges ISF	2166	500	0	500		
Copy Machine Chgs ISF	2167	500	100	2,000		
Stores ISF	2168	50	25	50		
Miscellaneous Office Expenses	2179	5,500	5,000	4,500		
Board and Commission Member Compensation 1099	2181	5,000	3,200	5,000		
Attorney Services (County Counsel)	2185	22,500	15,000	20,000		
Other Professional and Specialized Non ISF (VTD Auditors and County Accounting Services)	2199	15,000	14,000	14,500		
Information Tech ISF	2202	2,500	2,500	2,000		
County Geographical Information Systems Expense ISF	2203	18,000	16,000	14,000		
Public Works ISF Charges	2205	3,000	1,000	3,000		
Special Services ISF	2206	100	0	100		
Publications and Legal Notices	2221	5,000	2,500	3,000		
Storage Charges ISF	2244	500	500	500		
Computer Equipment < \$5,000	2261	2,500	0	2,000		
Furniture and Fixtures < \$5,000	2262	500	0	500		
Conferences/ Seminars ISF (Training ISF)	2272	500	0	500		
Education Conference and Seminars	2273	1,000	0	500		
Private Vehicle Mileage	2291	9,300	8,500	9,000		
Travel Expense (Conferences / Seminars)	2292	21,500	11,000	20,600		
Motorpool ISF	2303	600	300	600		
Total Services and Supplies		150,050	115,725	147,750	-	-
Contingencies *	6101	67,591	0	69,646		
Total Contingencies		67,591	0	69,646	-	-
TOTAL EXPENDITURES		743,491	587,180	766,096	-	-

* Pursuant to the Ventura LAFCo Commissioner's Handbook Section 2.3.1.4(a), the annual budget shall include a contingency appropriation of 10% of total operating expenses, unless the Commission deems a different amount appropriate.

VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
PROPOSED BUDGET
FY 2018-2019

	Acct Code	Final Adopted/ Adjusted FY 2017-18	Projected Actuals FY 2017-18	Recommended Proposed Budget FY 2018-19 April 18, 2018	Recommended Final Budget FY 2018-19	Final Budget FY 2018-19
FINANCING SOURCES						
Appropriation of Fund Balance		95,000	-	115,000		
Investment Income (Interest Earnings)	8911	1,500	8,500	8,500		
Miscellaneous Revenue (LAFCo application fees)	9790	20,000	20,000	20,000		
Total Miscellaneous Revenue		21,500	28,500	28,500	-	-
Other Governmental Agencies						
Other Government Agencies (County of Ventura)	9371	208,997	208,997	207,532	-	-
Other Government Agencies (Cities)	9371	208,997	208,997	207,532	-	-
Other Government Agencies (Ind. Special Districts)	9371	208,997	208,997	207,532	-	-
Total Other Government Agencies Revenue		626,991	626,991	622,596	-	-
TOTAL REVENUE		648,491	655,491	651,096	-	-
TOTAL FINANCING SOURCES		743,491	655,491	766,096	-	-
NET INCOME / (LOSS) [PROJECTED USE OF APPROPRIATED FUND BALANCE]			68,311			

Preliminary Fund Balance and Estimated Ending Fund Balance
at June 30, 2018

FUND BALANCES	Actual Fund Balance 6/30/17	Projected Fund Balance 6/30/18	Estimated Fund Balance 06/30/19
Assigned:			
Appropriated	95,000	115,000	0
Committed:			
Litigation	100,000	100,000	100,000
Unassigned:			
60 Days' Working Capital	94,830	97,863	127,683
Unassigned	260,028	305,306	275,486
TOTAL UNASSIGNED	354,858	403,169	403,169
TOTAL FUND BALANCE	549,858	618,169	503,169

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

LAFCo
 April 18, 2018
 Item 11, Attachment 1 to Ex. A

PROPOSED BUDGET FOR FISCAL YEAR 2018-19

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 15/16

CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION
			\$ 207,532
1 Camarillo	\$ 75,940,836	7.87%	\$ 16,341
2 Fillmore	20,837,460	2.16%	\$ 4,485
3 Moorpark	37,619,588	3.90%	\$ 8,096
4 Ojai	11,119,660	1.15%	\$ 2,393
5 Oxnard	312,279,579	32.39%	\$ 67,211
6 Port Hueneme	36,407,635	3.78%	\$ 7,836
7 San Buenaventura	172,461,968	17.89%	\$ 37,119
8 Santa Paula	18,297,399	1.90%	\$ 3,939
9 Simi Valley	103,016,687	10.68%	\$ 22,171
10 Thousand Oaks	176,292,598	18.28%	\$ 37,941
TOTAL	\$ 964,273,410	100.00%	\$ 207,532

- (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

LAFCo
April 18, 2018
Item 11, Attachment 2 to Ex. A

PROPOSED BUDGET FOR FY 2018-19

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 15/16

	NAME	TOTAL		ALLOCATION
		REVENUE PER REPORT	PERCENTAGE (See Note 2)	
				\$ 207,532
1	Bardsdale Cemetery District	\$ 213,511	0.068%	\$ 141
2	Bell Canyon Comm. Services District	527,422	0.168%	349
3	Blanchard / Santa Paula Public Library District	909,095	0.289%	600
4	Calleguas Municipal Water District	130,579,603	41.505%	86,136
5	Camarillo Health Care District	3,284,550	1.044%	2,167
6	Camrosa Water District	21,214,437	6.743%	13,994
7	Casitas Municipal Water District	17,014,066	5.408%	11,223
8	Channel Islands Beach Comm. Serv. Dist.	4,099,152	1.303%	2,704
9	Conejo Recreation & Park District	22,046,591	7.008%	14,544
10	El Rancho Simi Pioneer Cemetery District	164,852	0.052%	108
11	Fillmore-Piru Memorial District	187,613	0.060%	125
12	Fox Canyon Groundwater Mgmt. Agency	2,514,435	0.799%	1,658
13	Hidden Valley Municipal Water District	91,404	0.029%	60
14	Meiners Oaks Water District	1,326,005	0.421%	874
15	Montalvo Comm. Services District	781,543	0.248%	515
16	Ojai Valley Sanitary District	10,305,930	3.276%	6,799
17	Ojai Water Conservation District	8,726	0.003%	6
18	Oxnard Drainage District No. 1	51,762	0.016%	33
19	Oxnard Drainage District No. 2	159,167	0.050%	104
20	Oxnard Harbor District	16,134,133	5.128%	10,642
21	Piru Public Cemetery District	52,036	0.017%	35
22	Pleasant Valley Co. Water District	3,691,692	1.173%	2,434
23	Pleasant Valley Rec & Park District	8,358,899	2.657%	5,514
24	Rancho Simi Rec & Park District	21,183,664	6.733%	13,973
25	Saticoy Sanitary District	546,774	0.174%	361
26	Triunfo Sanitation District	15,201,671	4.832%	10,028
27	United Water Conservation District	22,490,962	7.150%	14,839
28	Ventura Co. Resource Conserv. District	88,452	0.028%	58
29	Ventura Port District	9,239,547	2.937%	6,095
30	Ventura River County Water District	2,143,582	0.681%	1,413
	TOTAL	\$ 314,611,276	100.000%	\$ 207,532

(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 2018-19

Apportionment of Net Operating Expenses Expressed As Percentage Of Each Agency's Total Revenue

NAME	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA	\$ 1,114,041,170	\$ 207,532	0.02%
CITIES			
Camarillo	\$ 75,940,836	\$ 16,341	0.02%
Fillmore	20,837,460	4,485	0.02%
Moorpark	37,619,588	8,096	0.02%
Ojai	11,119,660	2,393	0.02%
Oxnard	312,279,579	67,211	0.02%
Port Hueneme	36,407,635	7,836	0.02%
San Buenaventura	172,461,968	37,119	0.02%
Santa Paula	18,297,399	3,939	0.02%
Simi Valley	103,016,687	22,171	0.02%
Thousand Oaks	176,292,598	37,941	0.02%
TOTAL	\$ 964,273,410	207,532	0.02%
SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 213,511	\$ 141	0.07%
Bell Canyon Comm. Services District	527,422	349	0.07%
Blanchard / Santa Paula Public Library Dist.	909,095	600	0.07%
Calleguas Municipal Water District	130,579,603	86,136	0.07%
Camarillo Health Care District	3,284,550	2,167	0.07%
Camrosa Water District	21,214,437	13,994	0.07%
Casitas Municipal Water District	17,014,066	11,223	0.07%
Channel Islands Beach Comm. Serv. Dist.	4,099,152	2,704	0.07%
Conejo Recreation & Park District	22,046,591	14,544	0.07%
El Rancho Simi Pioneer Cemetery District	164,852	108	0.07%
Fillmore-Piru Memorial District	187,613	125	0.07%
Fox Canyon Groundwater Mgmt. Agency	2,514,435	1,658	0.07%
Hidden Valley Municipal Water District	91,404	60	0.07%
Meiners Oaks Water District	1,326,005	874	0.07%
Montalvo Comm. Services District	781,543	515	0.07%
Ojai Valley Sanitary District	10,305,930	6,799	0.07%
Ojai Water Conservation District	8,726	6	0.07%
Oxnard Drainage District No. 1	51,762	33	0.06%
Oxnard Drainage District No. 2	159,167	104	0.07%
Oxnard Harbor District	16,134,133	10,642	0.07%
Piru Public Cemetery District	52,036	35	0.07%
Pleasant Valley Co. Water District	3,691,692	2,434	0.07%
Pleasant Valley Rec & Park District	8,358,899	5,514	0.07%
Rancho Simi Rec & Park District	21,183,664	13,973	0.07%
Saticoy Sanitary District	546,774	361	0.07%
Triunfo Sanitation District	15,201,671	10,028	0.07%
United Water Conservation District	22,490,962	14,839	0.07%
Ventura Co. Resource Conserv. District	88,452	58	0.07%
Ventura Port District	9,239,547	6,095	0.07%
Ventura River County Water District	2,143,582	1,413	0.07%
TOTAL	\$ 314,611,276	\$ 207,532	0.07%

Source: State of California Annual Reports FY 15/16.

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

Ventura LAFCo Budget FY 2018-19
City and District Allocations

CITIES	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Camarillo	\$ 17,305	\$ 14,338	\$ 14,085	\$ 17,709	\$ 17,451	\$ 16,341
Fillmore	4,130	2,807	3,324	4,360	4,452	4,485
Moorpark	4,819	4,869	5,227	7,301	8,736	8,096
Ojai	2,983	2,042	2,191	2,345	2,320	2,393
Oxnard	71,647	61,496	61,126	66,043	63,326	67,211
Port Hueneme	7,438	7,553	6,706	7,939	8,422	7,836
San Buenaventura	30,479	27,338	43,178	34,122	41,883	37,119
Santa Paula	7,515	7,361	7,321	7,939	7,566	3,939
Simi Valley	16,750	16,031	18,121	19,786	21,130	22,171
Thousand Oaks	28,146	29,248	30,880	38,132	33,711	37,941
TOTAL	\$ 191,212	\$ 173,083	\$ 192,159	\$ 205,676	\$ 208,997	\$ 207,532

SPECIAL DISTRICTS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Bardsdale Cemetery District	\$ 128	\$ 104	\$ 131	\$ 109	\$ 159	\$ 141
Bell Canyon Comm. Services District	333	280	307	284	326	349
Blanchard / Santa Paula Library District	n/a	n/a	n/a	502	522	600
Calleguas Municipal Water District	81,397	76,281	88,562	96,049	92,122	86,136
Camarillo Health Care District	2,610	2,217	2,252	2,077	2,224	2,167
Camrosa Water District	11,387	9,933	11,816	12,598	12,556	13,994
Casitas Municipal Water District	11,184	9,604	10,084	11,090	11,541	11,223
Channel Islands Beach Comm. Serv. Dist	2,721	2,442	2,231	2,546	2,640	2,704
Conejo Recreation & Park District	13,371	11,957	11,593	12,145	13,468	14,544
El Rancho Simi Pioneer Cemetery District	86	80	90	91	88	108
Fillmore-Piru Memorial District	119	106	108	123	121	125
Fox Canyon Groundwater Mgmt. Agency	583	765	811	806	744	1,658
Hidden Valley Municipal Water District	17	5	0	4	33	60
Meiners Oaks Water District	801	730	824	880	1,030	874
Montalvo Comm. Services District	528	441	430	416	458	515
Ojai Valley Sanitary District	6,325	5,423	5,796	5,681	6,195	6,799
Ojai Water Conservation District	6	5	6	4	5	6
Oxnard Drainage District No. 1	36	30	33	29	33	33
Oxnard Drainage District No. 2	119	100	102	101	104	104
Oxnard Harbor District	7,823	7,486	8,467	8,832	10,600	10,642
Piru Public Cemetery District	11	21	35	27	38	35
Pleasant Valley Co. Water District	2,013	1,954	2,579	2,468	2,065	2,434
Pleasant Valley Rec & Park District	6,092	4,755	4,800	4,794	7,064	5,514
Rancho Simi Rec & Park District	13,436	11,380	11,489	12,223	13,152	13,973
Saticoy Sanitary District	216	203	221	276	357	361
Triunfo Sanitation District	9,735	8,644	9,556	10,160	9,906	10,028
United Water Conservation District	13,366	12,178	13,714	14,961	14,904	14,839
Ventura Co. Resource Conserv. District	46	38	25	10	27	58
Ventura Port District	5,759	5,009	4,942	5,078	5,382	6,095
Ventura River County Water District	964	912	1,155	1,312	1,133	1,413
TOTAL	\$ 191,212	\$ 173,083	\$ 192,159	\$ 205,676	\$ 208,997	\$ 207,532