



Marin Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

NOTICE

BUDGET AND WORK PLAN COMMITTEE MEETING AND AGENDA

Thursday, February 21, 2019
1401 Los Gamos Drive Suite 220
San Rafael, California 94903

Appointed Members

Dennis Rodoni (Chair) | Sashi McEntee (Vice Chair) | Craig K. Murray

9:00 AM CALL TO ORDER - Chair Rodoni to call the meeting to order

ROLL CALL – Commission Clerk to call the roll

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the committee on any relevant matter not listed on this agenda and that are within the jurisdiction of the committee. Speakers are limited to three minutes.

BUSINESS ITEMS

The Committee is scheduled to discuss and provide direction on the following items.

1. Approval of January 31, 2019 Meeting Minutes
2. Approval of Proposed Draft Budget for Fiscal Year 2019-2020

ADJOURNMENT

ATTEST:

Jason Fried
Executive Officer

Administrative Office

Jason Fried, Executive Officer
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Damon Connolly, Regular
County of Marin

Dennis J. Rodoni, Regular
County of Marin

Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
City of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Jack Baker, Regular
North Marin Water District

Lew Kiou, Alternate
Almonte Sanitary District

Vacant, Public
Public Member

Chris Skelton, Alternate
Public Member

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AGENDA REPORT
February 21, 2019
Item No. 1 (Business)

TO: Marin LAFCo Budget and Work Plan Committee

FROM: Candice Bozzard, Commission Clerk

SUBJECT: Approve the January 31, 2019 Committee Meeting Minutes

Background

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and establishes standards and processes therein for the public to attend and participate in meetings of local government bodies as well as those local legislative bodies created by State law; the latter category applying to LAFCos. The “Brown Act” requires – and among other items – public agencies to maintain minutes for all meetings.

Discussion

The draft minutes for the January 31, 2019 Budget and Work Plan Committee meeting accurately reflect the Committee’s actions as recorded by staff and are attached. A copy of the approved meeting minutes are available online.

Staff Recommendation for Action

- 1. Staff recommendation** – Approve the draft minutes prepared for the January 31, 2019 meeting with any desired corrections or clarifications.
- 2. Alternative Option** - Continue consideration of the item to the next committee meeting and provide direction to staff, as needed.

Attachment:

- 1) Draft Minutes for January 31, 2019



Marin Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

DRAFT

BUDGET AND WORK PLAN COMMITTEE MINUTES

Thursday, January 31, 2019
1401 Los Gamos Drive Suite 220
San Rafael, California 94903

Appointed Members

Dennis Rodoni (Chair) | Sashi McEntee (Vice Chair) | Craig K. Murray

Chair Rodoni called the meeting to order at 9:04 am.

ROLL CALL

All members were present and a quorum was met.

PUBLIC COMMENT

Chair Rodoni asked for any public comments. Hearing none, Chair Rodoni closed public comment.

BUSINESS ITEMS

1. Approval of November 29, 2018 Meeting Minutes

Approved; M/S by Commissioners Murray and McEntee to approve the November 29, 2018 meeting minutes.

Ayes: Commissioners Rodoni, McEntee, Murray Noes: None
Absent: None Abstaining: None

Motion approved unanimously.

2. Review and Approve Budget Line Item Classifications for Fiscal Year 2019-2020

The Budget Committee was in agreeance that since Marin LAFCo is no longer a part of the County of Marin financial system, the need for an extensive breakdown structure of expenses was not necessary going forward. The Committee expressed and agreed upon, the need for a broader scope of “Professional Services” be included in reports in order to promote greater transparency.

3. Discussion of the Budget for Fiscal Year 2019-2020

Executive Officer Fried gave a brief presentation on determining the budget for FY 2019-20. Executive Officer Fried noted that this budget draft was very preliminary, since at this time it was difficult to budget salary and benefit costs with the recent staff changes. EO Fried added that the next draft should be a closer estimate.

Vice Chair McEntee requested the percentage of used funds be added to the budget reports.

After review of the expenses portion for FY 2019-20, staff explained how the revenue side of the budget was being established. The Committee discussed the options available for any carry-over funds and the application fees received. A few of the possibilities discussed were creating a legal fund; increasing the reserve to cover more than three (3) months of expenses; or having a “rainy day” fund in case of an emergency situation. The Committee also felt it was important to bring down the member agencies’ contributions given the recent increases the past few fiscal years.

EO Fried suggested as a rule that any funds received from applications be used to offset the budget contributions for the next fiscal year.

The Committee asked if staff could present a “worst case” scenario financial burden involving the MSR five-year study schedule for the next meeting to allow for continued discussion on the carry-over funds.

Chair Rodoni adjourned the meeting at 10:05 am. Next meeting was scheduled for 9:00 am, February 21, 2019.

ATTEST:

Candice Bozzard
Commission Clerk



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

February 21, 2019

Item No. 2 (Business Item)

TO: Budget and Work Plan Committee

FROM: Jason Fried, Executive Officer

SUBJECT: Approval of Proposed Draft Budget for Fiscal Year 2019-2020

Background

At the January 2019 Budget Committee meeting, staff presented an early draft budget as part of the discussion around the reworking of the line item classifications. Attached is the updated draft for Fiscal Year 2019-2020.

Based on the discussion at the full Commission meeting that occurred last week, staff is moving forward with using the new consolidated budget line items. The previous fiscal year budgets have similarly been consolidated for easy comparison purposes. As a reminder the highlighted ones were a consolidation of line items from the previous fiscal year.

The one major change, is the need to adjust the benefits and pension line items. Marin County says they calculate benefits and pension to be at 56% of the total salary. This seemed high and after further research staff believes that number is what they use for grants and providing for services that are outside the normal budget process. The last fiscal year where Marin LAFCo had full time staff without any staff leaving was in FY 16-17. That year the percentage of benefits and pension compared to salary was about 34%. Staff believes, the more appropriate number is about 40% based on research. The amount in the first draft was grossly less than this. In order to budget at the 40% level, LAFCo will need to add about \$50,000 more to benefits and pension line items.

In order to achieve this, staff adjusted a few other lines. The first line adjusted was legal services. Upon review of legal services, staff believes LAFCo can reduce that by \$15,000. This would take us from \$50,000 to \$35,000. When reviewing the costs for this section, two key things stick out. Marin LAFCo should not need Liebert Cassidy and Whitmore (LCW) going forward. In addition, the work that Best, Best & Krieger (BBK) handled around the hiring of the new Executive Officer position should not occur in the upcoming fiscal year, which leaves just typical LAFCo legal service from BBK in FY 2019-20. When calculating traditional LAFCo fees from BBK, staff estimates LAFCo will spend between \$33,000 - \$35,000 this year which is a good estimate for next year.

Professional services are also slightly higher for a different reason. The Municipal Service Review work performed by Planwest will be completed in FY 2019-20 therefore staff is estimating \$20,000 remaining in the contract. The carry forward balance will cover this while not reducing the amount requested. The contributing agencies will not be impacted by what is needed to cover the final stages of work by Planwest in FY 2019-20.

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The final \$15,000 needed to cover this change will come from two places. First, when staff drafted the proposed budget the overall expenditures were about \$10,000 less than the current year. The other \$5,000 will more than likely come from salaries since that line currently is assuming Marin LAFCo hires the new position at top step. By the time the full commission gives approval of the proposed budget the exact amount of staff salaries should be known.

While in the attached budget worksheet total expenditures are currently higher due to the reasons stated above, however when you factor in the "carry forward" amounts, the members agency contributions will not increase. Staff would appreciate more time to review the fund balance before the Committee decided on possible reduction of agency contributions.

The Professional Services classification covers the annual audit, bookkeeping, GASB Actuarial Report, MCE meeting space security, MSR work completed by Planwest, and the Strategic Planning Workshop facilitation.

Staff Recommendation for Action

- 1. Staff recommendation** – Approve the staff proposed draft budget with any desired corrections or clarifications.
- 2. Alternative Option** - Continue consideration of the item to the next committee meeting and provide direction to staff, as needed.

Attachment:

1. Draft budget Spreadsheet

**Marin Local Agency Formation Commission
2017/18 BUDGET REPORT**

Line Items	Draft FY 19-20	July 2016 through June 2017					
		Actual 18-19 *as of 12/31/18	Budget 18-19 (unadjusted)	Actual 17-18	Budget 17-18	Actual FY 16-17	Budget FY 16-17
Expense							
5110110 · Salary	\$305,000.00	0.00	328,449.00	156,710.07	265,913.14	225,177.11	234,111.02
5130120 · Benefits	\$73,000.00	-600.48	41,122.00	24,615.06	41,549.32	30,281.68	38,137.90
5130500 · Pension	\$44,000.00	0.00	23,901.00	12,865.86	37,561.07	47,156.93	57,852.41
5130525 · Retiree Health	\$16,000.00	2,306.45	15,615.00	19,703.33	15,615.00	15,320.14	15,615.00
5210110 · Professional Services	\$50,000.00	175,663.06	48,731.00	76,862.90	42,293.00	33,566.34	30,520.00
5210131 · Legal Services	\$35,000.00	43,946.13	40,500.00	9,229.40	35,880.00	51,085.78	58,578.75
5210525 · General Insurance	\$4,000.00	0.00	3,993.00	3,993.39	3,993.39	2,564.33	2,677.02
5210710 · Communications Services	\$14,000.00	7,563.64	8,608.00	12,115.13	8,236.00	8,782.51	6,567.60
5210935 · Office Equipment Purchases	\$4,500.00	1,289.74	4,620.00	20,215.83	23,066.00	3,782.53	5,137.16
5211215 · Rent - Storage	\$500.00	246.33	401.00	387.09	400.94	457.83	400.94
5211270 · Office Lease/Rent	\$32,652.95	15,832.92	34,652.00	31,794.58	31,252.75	25,527.35	24,938.30
5211325 · Conferences	\$4,000.00	2,445.66	2,965.00	3,775.12	2,965.00	1,952.73	2,450.00
5211330 · Memberships & Dues	\$15,000.00	1,377.00	14,734.00	26,830.00	14,556.00	14,269.00	14,368.68
5211340 · Training	\$1,700.00	1,698.30	1,500.00	1,350.00	1,250.00	807.51	1,800.00
5211440 · Travel - Mileage	\$4,000.00	2.75	7,239.00	773.39	4,538.50	4,486.26	4,117.50
5211510 · Misc Services	\$2,000.00	0.00	2,045.00	972.75	1,961.00	180.00	0.00
5211520 · Publications/Notices	\$3,500.00	736.77	5,000.00	3,025.10	5,000.00	3,645.65	5,000.00
5211533 · Commissioner Per Diems	\$13,500.00	5,625.00	13,500.00	11,125.00	11,000.00	10,625.00	10,875.00
5220110 · Office Supplies and Postage	\$4,000.00	1,808.96	4,300.00	2,690.92	4,200.00	7,183.72	7,590.00
Total Expense	\$626,352.95	\$259,942.23	\$601,875.00	\$419,034.92	\$551,231.11	\$486,852.40	\$520,737.28
Income							
Carry Forward Balance	\$66,830.44						
4410125 · Interest Earnings	(starting in FY 19/20 carry forward shall replace these line items)	1,727.62	2,000.00	2,852.80	2,000.00	1,734.08	1,500.00
4640333 · Application Fees		16,048.00	30,000.00	16,417.50	30,000.00	23,778.00	30,000.00
4710510 · Agency Contributions	\$559,522.51	559,522.51	559,875.00	514,780.60	514,781.10	469,161.48	470,362.28
Total Income	\$626,352.95	577,298.13	591,875.00	534,050.90	546,781.10	494,673.56	501,862.28