

---

**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)  
EXECUTIVE OFFICER'S REPORT**

---

**AGENDA ITEM No. 8-B**

**DATE:** February 4, 2009  
**TO:** Fresno Local Agency Formation Commission  
**FROM:** Rick Ballantyne, Executive Officer  
**SUBJECT:** *Fresno LAFCo 2008/2009 Budget Report*

**Background:**

The current recession has impacted local and state governments and their level of available funding. In response to the current economic crisis—cities, counties, special districts, and the State of California, are currently reviewing their budgets in relationship to estimated revenues in order to make necessary adjustments so that they will be able to continue to operate and provide necessary public services.

Fresno LAFCo as per State law requirements relies upon the County and the 15 cities for its financial support. Fresno County's local governments are currently struggling to operate given declining revenues. Fresno LAFCo does provide for some of its support through the filing fees that it collects for processing applications. However, the amount of fees collected have been declining during the last few years, and it is difficult to estimate from year to year the exact amount of fees that may be collected to help off-set the amount of support required from the County and 15 Cities. During FY 2005/06 LAFCo received \$321,481 in revenues. This amount declined to \$240,300 in FY 2006/07, to \$134,352 in FY 2007/08, and currently stands at \$17,500 for the first half of this fiscal year.

The main indicator of how well LAFCo is operating, and if it is operating in an efficient manner within its budget given its current financial capabilities is by reviewing the Fresno County Auditor Reports that provide a monthly analysis of the Agency's expenditures and cash balance position. Such review allows administrators to compare actual budgeted item categories with the agency's current fund (cash) balance. Such review provides the Auditor's Office the ability to review the level of expenditures in relationship to approved budget amounts and available cash on-hand. Also, the fund balance (cash account) can be used to determine the extent to which the current level of expenditures through the budget year can be met.

This report reviews LAFCO's current financial situation in respect to its current fund balance (cash account) and its current budget (projected expenditures). Next month, the Commission will have an opportunity to consider Fresno LAFCO's 2009/2010 Preliminary Budget.

**Current LAFCO Budget Review:**

On January 13<sup>th</sup>, staff met with Robert Delay of the County Auditor's Office and Alternate Commissioner Joe Chaidez, CPA, to review LAFCo's current financial condition in relationship to its adopted budget, its current level of expenditures, and its cash account. The review was based upon financial information provided by the Fresno County Auditor's Department through

its General Ledger Daily Cash Balance Report (see Exhibit "A") and its Departmental Budget Status Report (see Exhibit "B").

Mr. Delay indicated that the current budget situation as shown within the County Auditor's Report shows that our total agency expenditures as being \$255,375 of an approved \$714,959 budget. This equates to our agency having spent only 36% of this year's budget. Review of the individual cost items shows a decrease across the board (except CALAFCO memberships that have been fully paid). Mr. Delay also points out that an additional carry-over in the amount of \$30,171 from last year has increased the total expenditure amount to \$285,546 (38% of total year budget).

Some larger reductions in our current expenditures appear in the personnel area. For example, our Receptionist/File Clerk position, which was budgeted for a full-time position, is being filled by a part-time employee (Susan Pool) who works as needed and does not receive benefits. Additionally, our need for legal services has been reduced due to a reduction in activity. A reduction in applications has also resulted in less required newspaper notifications, mailing costs, office expenses, County review costs, etc.

With our Fund Balance Account (cash account) currently at \$555,822, and assuming that there is a similar expenditure level through June 30, 2009 as there was for the first half of the fiscal year, our Fund Balance would equate to approximately \$318,000—well in excess of the \$143,089 level that we had estimated last May. This amount does not account for any additional revenues that LAFCo might receive during the next five month period nor a similar carry-over of expenditures for this next fiscal year.

### **Conclusions:**

After review of LAFCO's current budget, expenditures, and cash position, it was the opinion of Mr. Robert DeLay and Mr. Joe Chaidez, CPA, that Fresno LAFCo is currently operating within its budget parameters and can meet its future expenditures. It is recommended that the County Auditor's Reports still be utilized and reviewed each month to track the level of expenditures to assure that the agency will continue to operate within its budget.

It would be appropriate for the Commission as a part of its Preliminary Budget review next month to consider several alternatives including maintaining the County and City contributions at the same level as well as a reduced level to be determined by the Commission.

Fiscal Year 2009

Run Time 20:00:59

und	Description	Treasurers Cash	Warrants Payable	Auditors Cash
600	Fresno Westside Mosquito Abtmt	1,689,185.17	0.00	1,689,185.17
610	Fig Garden Police Protection	277,868.83	0.00	277,868.83
620	Orange Cove Police Protection	173,646.54	0.00	173,646.54
630	Pinedale Public Utility Dist	1,165,988.60	0.00	1,165,988.60
640	Riverdale Public Utility Dist	67,274.72	0.00	67,274.72
650	Tranquillity Pub Utility Mtce	120,489.62	0.00	120,489.62
660	Calwa Park And Recreation Dist	612.38	0.00	612.38
670	Coalinga Huron Park & Recreat	108,943.86	0.00	108,943.86
680	Selma-Kingsburg-Fowler Sanit	17,268,397.26	0.00	17,268,397.26
690	Firebaugh Resource Cons Dist	7,783.76	0.00	7,783.76
700	James Resource Cons Dist	437.41	0.00	437.41
720	Panoche Resource Cons Dist	1,027.12	0.00	1,027.12
730	Poso Resource Cons Dist	13,574.85	0.00	13,574.85
740	Sierra Resource Cons Dist	370.02	0.00	370.02
750	Tranquillity Resource Cons Dis	3,078.13	0.00	3,078.13
765	Kings River Consv District	7,504.92	0.00	7,504.92
770	Liberty Water	322,420.74	0.00	322,420.74
780	Malaga County Water	34,359.55	0.00	34,359.55
790	Pinedale Co Water	2.32	0.00	2.32
800	Pacheco Water District	0.83	0.00	0.83
805	Westlands Water District	2,729,156.78	0.00	2,729,156.78
807	Consolidated Irrigation Dist	3,379,729.93	0.00	3,379,729.93
810	Valley Insurance Program Jpa	1,414,321.37	0.00	1,414,321.37
820	Fresno Area Self-Ins Benefits	7,122,739.55	0.00	7,122,739.55
825	LAFCO - Special Fund	555,822.93	0.00	555,822.93
830	Fresno County Trans. Authority	109,617,650.65	0.00	109,617,650.65
831	2007 Ext-Fresno Cnty Tran Auth	39,546,899.50	0.00	39,546,899.50
835	San Joaquin Valley Lib Sys-JPA	1,759,984.38	0.00	1,759,984.38
845	Fresno County Zoo Authority	525,801.78	0.00	525,801.78
850	Fresno's Chaffee Zoo Corp.	31,272,833.09	0.00	31,272,833.09
990	Special Districts - BDFW	3,399,518.36	3,399,518.36-	0.00
1000	Alvina Elementary School	758,477.01	0.00	758,477.01
1010	American Elementary School	1,666,776.57	0.00	1,666,776.57
1020	Big Creek Elementary School	1,480,399.95	0.00	1,480,399.95
1030	Burrel Elementary School	300,942.99	0.00	300,942.99
1050	Chawanakee Elementary School	1,119.63-	0.00	1,119.63-
1060	Clay Elementary School	776,252.45	0.00	776,252.45
1070	Dos Palos Elementary School	182,752.78	0.00	182,752.78
1080	Kingsburg Elementary School	36,551,637.04	0.00	36,551,637.04
1090	Monroe Elementary School	483,656.62	0.00	483,656.62
1100	Monson Sultana Elementary Sch	8,463.85	0.00	8,463.85
1110	Orange Center Elementary Sch	313,530.00	0.00	313,530.00
1120	Pacific Union Elementary	1,015,494.88	0.00	1,015,494.88
1130	Pine Ridge Elementary School	2,156,268.64	0.00	2,156,268.64
1140	Raisin City Elementary School	717,100.58	0.00	717,100.58

Exhibit "A"

# Exhibit 'B'

Account	Program	Adopted Appropriations	Year-To-Date			Remaining Appropriations	% Used
			Adjusted Appropriations	Expenditures	Encumbrances		
<b>BUDGET YEAR 2009</b>							
7040 Telephone Charges		6,122.00	6,122.00	2,235.13	0.00	3,886.87	37%
7101 Liability Insurance		15,777.00	15,777.00	11,582.48	0.00	4,194.52	73%
7175 Insurance-Other		30.00	30.00	0.00	0.00	30.00	0%
7205 Maintenance-Equipment		1,200.00	1,200.00	267.79	0.00	932.21	22%
7250 Memberships		6,185.00	6,185.00	6,185.00	0.00	0.00	100%
7265 Office Expense		7,750.00	7,750.00	2,089.84	0.00	5,660.16	27%
7268 Postage		5,000.00	5,000.00	2,003.53	0.00	2,996.47	40%
7287 PeopleSoft Financials Chg		2,712.00	2,712.00	2,034.00	0.00	678.00	75%
7294 Prof & Spec Services-Contract		5,000.00	5,000.00	0.00	0.00	5,000.00	0%
7295 Professional & Specialized Ser		580,247.00	580,247.00	190,478.59	0.00	389,768.41	33%
7296 Data Processing Services		22,306.00	22,306.00	8,896.23	0.00	13,409.77	40%
7325 Publications & Legal Notices		8,000.00	8,000.00	1,286.56	0.00	6,713.42	16%
7340 Rents And Leases-Buildings		37,230.00	37,230.00	22,295.48	0.00	14,934.52	60%
7412 Mileage		2,400.00	2,400.00	540.54	0.00	1,859.46	23%
7414 Trans & Travel-Auto Gasoline		0.00	0.00	75.00	0.00	(75.00)	n/a
7415 Trans, Travel & Education		6,000.00	6,000.00	3,155.31	0.00	2,844.69	53%
7417 Trans & Travel-Contm & Adv Bds		4,500.00	4,500.00	2,250.00	0.00	2,250.00	50%
7000 Services And Supplies		710,459.00	710,459.00	255,375.60	0.00	455,083.40	36%
8300 Equipment	90616 Furniture/Equip/Previous Move	1,500.00	1,500.00	0.00	0.00	1,500.00	0%
8000 General Fixed Assets		1,500.00	1,500.00	0.00	0.00	1,500.00	0%
8991 Approp For Contingencies		3,000.00	3,000.00	0.00	0.00	3,000.00	0%
8991 Approp For Contingencies		3,000.00	3,000.00	0.00	0.00	3,000.00	0%
<b>2009 Total</b>		<b>714,959.00</b>	<b>714,959.00</b>	<b>255,375.60</b>	<b>0.00</b>	<b>459,583.40</b>	<b>36%</b>
<b>BUDGET YEAR 2008</b>							
7040 Telephone Charges		0.00	0.00	561.11	0.00	(561.11)	n/a
7295 Professional & Specialized Ser		30,171.00	30,171.00	27,984.97	0.00	2,186.03	93%
7296 Data Processing Services		0.00	0.00	1,524.92	0.00	(1,524.92)	n/a
7000 Services And Supplies		30,171.00	30,171.00	30,171.00	0.00	0.00	100%
<b>2008 Total</b>		<b>30,171.00</b>	<b>30,171.00</b>	<b>30,171.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>
<b>BUDGET YEAR 2007</b>							
7040 Telephone Charges		0.00	0.00	0.00	0.00	0.00	n/a
7295 Professional & Specialized Ser		30,171.00	30,171.00	27,984.97	0.00	2,186.03	93%
7296 Data Processing Services		0.00	0.00	1,524.92	0.00	(1,524.92)	n/a
7000 Services And Supplies		30,171.00	30,171.00	30,171.00	0.00	0.00	100%
<b>2007 Total</b>		<b>30,171.00</b>	<b>30,171.00</b>	<b>30,171.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>
<b>9690 DEPARTMENT TOTAL</b>		<b>745,130.00</b>	<b>745,130.00</b>	<b>285,546.60</b>	<b>0.00</b>	<b>459,583.40</b>	<b>38%</b>