



## Executive Officer's Report

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**To: Commissioners**

Javier Moreno, Chair (City)  
Robert Amparano (City)  
Jesus E. Escobar, Vice-Chair (County)  
Michael W. Kelley (County)  
David Salgado (Public)

**Alternate Commissioners**

Vacant (City)  
John Hawk (County)  
Jose Landeros (Public)

**From:** Paula Graf, Executive Officer

A handwritten signature in blue ink that reads "Paula Graf".

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**Item #:** 9a

**Subject:** Final Budget for Fiscal Year 2024-2025

**Date:** May 23, 2024

**Time:** 09:00 a.m.

**Location:** El Centro City Council Chambers  
1275 Main Street, El Centro, CA 92243

### Recommendation by the Executive Officer

**Option #1:** Adopt the **Final Budget** for Fiscal Year 2024-2025.

**Option #2:** Adopt the **Final Budget** for Fiscal Year 2024-2025 as amended by the Commission.

## Report

### Final Budget for Fiscal Year 2024-2025

Per state regulation, your Commission is required to adopt a DRAFT and, ultimately, a FINAL budget annually to carry out the functions of the Local Agency Formation Commission for the following fiscal year.

#### Government Code Section 56381 outlines the process that must be followed:

- a) The Commission shall adopt annually, following noticed public hearings, a proposed budget by May 1st and a final budget by June 15th. At a minimum, the proposed and final budget shall 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 this chapter.
- b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:
  - (1) (B) 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 the cities representing the majority of the combined cities' populations.
  - (2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in paragraph (1).

In preparation for this budget, staff reviewed the current draft budget, the current expenditures, and the anticipated or projected costs that LAFCO would incur during the next fiscal year.

**The Draft Budget for Fiscal Year 2024-2025 was adopted by your Commission on March 23, 2024.**

**The Final Budget of \$871,242 for Fiscal Year 2024-2025 is attached for your review and consideration.**

## Imperial LAFCO FY 2024-2025 Budget Categories

### REVENUES

The following summarizes the revenue categories of the Imperial LAFCO Budget:

#### **81-1928 Contributions From Cities**

These funds are provided by the seven cities. The cities collectively pay ½ of the total apportionment cost. Pursuant to G.C. 56381 (1) (B) the cities' share is apportioned in proportion to each city's total revenues, as reported in the most recent edition of the City's Annual Report published by the Controller, as a percentage of the combined city revenues. There is a slight decrease from the Draft Budget of \$1,020.

#### **81-1933 Contribution From County**

These funds are provided by the County. The county pays ½ of the total apportionment cost. There is a slight decrease from the Draft Budget of \$1,020.

#### **81-1808 LAFCO Fees**

These funds are provided by incoming project applications, including but not limited to municipal service reviews, annexations, reorganizations, incorporations, dissolutions, and consolidations. Fees are collected to offset Imperial LAFCO salaries, benefits, and other expenditures associated with applications.

#### **Rents - 1122 State**

These funds are provided by rental revenue. Imperial LAFCO owns the building located at 1122 W. State St., in El Centro. Three rental spaces are available, all of which are currently occupied. However, we expect a short-term vacancy in one unit as the tenant's lease expires on July 31, 2024.

The following addresses Imperial LAFCO Budget policy issues:

### POLICY ITEMS

#### **Contingency - Emergency Reserves & Litigation**

The Commission established a Litigation Fund in the event litigation occurs. The current policy is to maintain \$40,000 in this account. At this time, we have \$40,000 in reserves set aside for this fund.

The Commission established a reserve fund in case of major or catastrophic damage to the building owned by LAFCO. At this time, we have \$460,000 in reserves set aside for this fund.

At this time, we are not requesting an increase; this is only a reminder that we have the said reserves set aside in case we need it.

*We currently have additional available reserves of \$103,623 which staff is recommending to be used to offset our overall operating budget; therefore, reducing or minimizing the contributions from the cities and the county.*

## **EXPENDITURES**

The following summarizes the expenditure categories of the Imperial LAFCO Budget:

### **82-2001 Salaries**

This category includes costs for employee salaries. Imperial LAFCO staff is comprised of an Executive Officer, Accountant, and Clerk/Analyst.

### **82-2035 Employee Benefits**

This category includes costs for retirement, life, accidental and disability insurance, health and dental insurance, workers' compensation, and Medicare. The increase of \$10,635 is due to ongoing retirement and other benefit component increases.

### **82-2036 Commissioner Stipend**

This category provides a \$100 stipend per Commission Meeting attended.

### **82-2060 Communications**

This category covers costs for the phone system, including the dedicated lines used for security and fire alerts.

### **82-2100 Insurance Property**

This category includes the cost of insurance covering the building and business property.

### **82-2101 Insurance Liability**

This category includes the cost of insurance for General Liability coverage, including Commissioner's Errors & Omissions.

### **82-2120 Maintenance - Equipment**

This category includes the costs of maintenance agreements and repairs for our large-format printers/scanners/plotters, copiers, postage meters, and other miscellaneous office equipment.

### **82-2150 Memberships**

This category covers the cost of annual professional dues to CALAFCO.

### **82-2170 Office Expense (Office Supplies)**

This category covers costs incurred for office supplies related to the day-to-day management of the office and application processing. The decrease of \$6,000 is due to non-renewal of library subscriptions.

### **82-2170 Office Expense (Electronics)**

This category includes costs of upgrades, replacements, and supplies associated with computers and peripherals.

### **82-2170 Office Expense (Software & Licenses)**

This category covers the cost of IT subscriptions. The decrease of \$3,000 is due to non-renewal of subscriptions.

### **82-2170 Office Expense (Furnishings)**

This category covers the cost of replacements of new desks, chairs, filing cabinets, and other office furnishings.

### **82-2180 Prof & Spec Services - Legal**

This category is for general counsel services. LAFCO maintains an agreement with Walker & Driskill Professional Law Corporation.

### **82-2180 Prof & Spec Services - Other (Annual Audit & Paychex)**

This category covers costs incurred for the annual audit and payroll processing. Imperial LAFCO contracts with Paychex for payroll processing services and with an outside independent auditor for annual Audited Financial Statements.

### **82-2181 Prof & Spec Serv - Data Processing/Network**

This category includes costs for internet services provided by the Imperial Valley Telecommunications Authority (IVTA), contracted IT network services, web hosting services, and website upgrades provided by Conveyor Group.

### **82-2182 Prof & Spec Serv - Other (GIS/CAED)**

This category is to cover the cost of GIS and mapping services through an agreement with the County of Imperial.

### **82-2190 Public & Legal Notices**

This category includes costs incurred for required legal notices and other communications (e.g., agenda posting in newspapers, notice of public hearings).

### **82-2200 Rents & Leases - Equipment**

This category is to cover leased equipment payments (currently leasing a large copier and postage meter).

### **82-2230 Special Department Expense**

This category is for the cost of items with specified purposes, such as commissioner plaques, sponsorship of special workshops, and late fees.

### **82-2251 Travel In County**

This category is to cover reimbursements for travel in the county.

### **82-2252 Travel Out Of County**

This category includes costs incurred for registration and travel expenses for commissioners and staff to attend the CALAFCO annual conference, staff workshops, board meetings, and other educational activities.

**82-4300 Capital Outlay**

This category is for costs associated with new single-item purchases of equipment exceeding \$3,500.

**1122 R&M Costs / Ongoing**

This category is for costs associated with the building for repairs and maintenance—alarm monitoring, cleaning supplies, restroom supplies, trash, small repairs (non-remodeling) such as plumbing and electrical, pest control, maintenance of equipment associated with the building, such as air conditioners, and sprinkler systems.

**1122 R&M Costs / Remodeling**

This category is for costs associated with the building for major interior & exterior remodeling. We are estimating having to remodel and prepare the potential vacant suite for rent (carpet replacement/painting).

**1122 Utilities**

This category is for costs associated with the building for water and electricity.

## Recommendation by the Executive Officer

**Option #1:** Adopt the Final Budget for Fiscal Year 2024-2025.

**Option #2:** Adopt the Final Budget for Fiscal Year 2024-2025 as amended by the Commission.

**Exhibit A:** Final Budget Fiscal Year 2024-2025

**CC's:** County of Imperial, CEO  
County of Imperial, Clerk to the Board  
City of Brawley, City Manager  
City of Calexico, City Manager  
City of Calipatria, City Manager  
City of El Centro, City Manager  
City of Holtville, City Manager  
City of Imperial, City Manager  
City of Westmorland, City Manager  
Independent Special Districts

# EXHIBIT A



	Fiscal 2024-2025 DRAFT Budget (approved 3-28-24)	Recommended FINAL Budget Proposal Fiscal 2024-2025	Increase (Decrease) from Draft Budget
<b>Income</b>			
81-1928 CONTRB FROM OTHER AGENCIES (Cities)	336,315	335,295	(1,020)
81-1933 COUNTY MATCHING FUNDS	336,315	335,295	(1,020)
81-1808 LAFCO FEES	50,000	50,000	
RENTS - 1122 STATE	47,028	47,028	
*CONTINGENCY - EMERGENCY RESERVES (& LITIGATION)	103,623	103,623	
INTEREST INCOME	0	0	
OTHER INCOME	0	0	
<b>Total Income</b>	<b>873,282</b>	<b>871,242</b>	<b>(2,040)</b>
<b>Expenses</b>			
82-2001 LAFCO SALARIES	356,693	353,018	(3,675)
82-2035 LAFCO EMPLOYEE BENEFITS	201,197	211,833	10,635
82-2036 COMMISSIONER STIPEND	4,500	4,500	
82-2060 COMMUNICATIONS	5,040	5,040	
82-2100 INSURANCE PROPERTY	7,797	7,797	
82-2101 INSURANCE LIABILITY	14,125	14,125	
82-2120 MAINTANCE -EQUIPMENT	7,000	7,000	
82-2150 MEMBERSHIPS	4,500	4,500	
82-2170 OFFICE EXPENSE (Office Supplies)	16,000	10,000	(6,000)
82-2170 OFFICE EXPENSE (Electronics)	16,000	16,000	
82-2170 OFFICE EXPENSE (Software & Licenses)	10,000	7,000	(3,000)
82-2170 OFFICE EXPENSE (Furnishings)	1,000	1,000	
82-2180 PROF & SPEC SERVICES-Legal	60,000	60,000	
82-2180 PROF & SPEC SERVICES - Other (Annual Audit & Paychex)	23,000	23,000	
82-2181 PROF & SPEC SERV-DATA PROCESSING/NETWORK	29,000	29,000	
82-2182 PROF & SPEC SERV-OTHER (GIS/CAED)	12,000	12,000	
82-2190 PUBLIC & LEGAL NOTICES	3,600	3,600	
82-2200 RENTS & LEASES-EQUIPUIPMENT	5,700	5,700	
82-2230 SPECIAL DEPARTMENT EXPENSE	1,400	1,400	
82-2251 TRAVEL IN COUNTY	500	500	
82-2252 TRAVEL OUT OF COUNTY	32,609	32,609	
82-4300 CAPITAL OUTLAY	0	0	
1122 REPAIR & MAINT COSTS/ONGOING EXPENSE	29,520	29,520	
1122 REPAIR & MAINT COSTS/REMODEL	9,000	9,000	
1122 UTILITIES	23,100	23,100	
*CONTINGENCY - EMERGENCY RESERVES	0	0	
<b>Total Expenses</b>	<b>873,282</b>	<b>871,242</b>	<b>(2,040)</b>

**Projected Reserves :**

Litigation Fund	40,000
Contingency - Emergency Fund	460,000
Drawdowns to fund fiscal 2023-2024 (includes budget augmentation)	143,661
Available balance to fund fiscal 2024-2025	<b>103,623</b>

LAFCO Estimated Annual Cost of Salaries and Benefits for 2024-2025

EXHIBIT A

Position	Proposal FYE 6/30/25	Estimated Retirement	Estimated Medical, Dental, Vision, AD&D, Life	Estimated W/comp	Medicare (Employer's portion)	FICA (Employer's portion)	Estimated State Unemployment	<b>TOTAL Estimated Employment Costs</b>
Executive Officer (Full Time Employee) full year	147,000	58,638	23,256	3,749	2,132	0	112	<b>234,886</b>
Analyst/Accountant full year	112,055	44,699	23,256	672	1,625	0	112	<b>182,419</b>
Analyst/Clerk full year	68,313	25,250	19,236	410	991	0	112	<b>114,312</b>
Building Maintenance	25,650	n/a	n/a	5,510	372	1,590	112	<b>33,234</b>
	<b>\$ 353,018</b>	<b>\$ 128,587</b>	<b>\$ 65,748</b>	<b>\$ 10,340</b>	<b>\$ 5,119</b>	<b>\$ 1,590</b>	<b>\$ 448</b>	<b>\$ 564,851</b>

Senior Analyst vacant

Retirement components

Health / medical 13.33%

Pension bond 6.040%

Employer 20.52%