

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 24, 2018**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2017-2018

RECOMMENDATION

It is recommended that the Commission accept this financial update. No budget adjustments are necessary at this time.

DISCUSSION

The Mid-Year Budget Report provides an overview of LAFCO's expenses and revenues through the second quarter for the Commission's information. The Commission's adopted budget for the current fiscal year is \$453,375. At mid-year, expenditures totaled \$210,428, which represents approximately 46% of the adopted budget. Below is an overview of LAFCO's expenses and revenues:

LAFCO FY 2017-2018 Mid-Year Comparison: Adopted Budget vs. Actual

	Adopted Budget (2017-2018)	Actual (Mid-Year)	% of Budget
EXPENSES			
Salaries & Benefits	\$376,530	\$178,201	47%
Services & Supplies	74,345	31,914	43%
Other Charges	2,500	313	13%
Total Expenses	\$453,375	\$210,428	46%
REVENUES			
City/County Contributions	\$394,375	\$394,375	100%
Applications / LAFCO Services	9,000	16,555	184%
Interest Earnings & Rebates	--	1,626	--
Total Revenues	\$403,375	\$412,556	102%
<i>Prior Years' Carry-Over</i>	<i>50,000</i>		
<i>Total Budget</i>	<i>\$453,375</i>		

A detailed listing of individual accounts is attached for the Commission's information. The following highlights the expense and revenue categories through mid-year:

➤ Salaries and Benefits:

Through the end of the second quarter, \$178,201 has been expended on Salaries and Benefits. Expenditures in this budget category represent approximately 47% of the total amount budgeted for the fiscal year. Staff estimates that at year-end, the overall Salaries and Benefits category will be within the Commission's budgeted amount.

➤ Services and Supplies:

At the end of the second quarter, expenditures under the Services and Supplies category totaled \$31,914. This represents 43% of the total amount budgeted. Of note is the following:

- Expenditures for the Commission's general liability insurance, office lease, and membership dues are billed as one-time costs early in the fiscal year.
- Costs for a Geographical Information Systems (GIS) license and video streaming are also typically billed as one-time expenses, anticipated to be fully expended by year end (Account #63990).
- Charges for legal services are typically billed on a quarterly basis. Legal service expenses can fluctuate throughout the year based on the complexity of applications or need for additional review by counsel. It is anticipated that legal service expenditures will be well within the budgeted amount by the year's end.

➤ Other Charges:

This budget category contains expenses associated with a shared copier lease and copy costs. At Mid-Year, expenditures under this budget category were \$313 or just 13% of the amount budgeted. This lower amount is as a result of Staff's efforts to decrease the number of paper copies associated with agendas and projects.

➤ Revenues:

The County and nine cities have paid their apportionment shares totaling \$394,375. Additionally, revenue received from LAFCO application fees and services to date totals \$16,555, exceeding the conservative estimate of \$9,000. Staff anticipates that this may continue to increase by year-end as additional applications are submitted.

CONCLUSION

The Commission's Fiscal Year 2017-2018 Budget continues to be financially sound. Each category is projected to be within their budgeted amounts by year-end. Any funds anticipated to be remaining at the end of the fiscal year will be used to offset agency contributions in the following year's budget. No budget adjustments are recommended at this time. If future modifications are needed, Staff will immediately bring forth those requests to the Commission for consideration.

EXPENSE AND REVENUE SUMMARY
JULY 1, 2017 - DECEMBER 31, 2017

Account	Final Budget FY 17-18	Actuals 12-31-2017	% of Budget
Salaries and Benefits			
50000+ Salaries and wages	231,200	109,285	47%
52000 Retirement	61,360	29,126	47%
52010 FICA	18,310	8,195	45%
53000 Group health insurance	53,195	26,830	50%
53009 OPEB health insurance liability	2,735	-	0%
53020 Unemployment insurance	300	150	50%
53051 Benefits admin fee	190	72	38%
53081 Long term disability	360	164	46%
54000 Workers compensation insurance	1,045	521	50%
55000 Auto allowance	2,400	1,200	50%
55080 Professional development	2,200	1,094	50%
55130 Deferred comp mgmt/conf	3,235	1,563	48%
Total Salaries and Benefits	376,530	178,201	47%
Services and Supplies			
60400 Communications (SBT - Telecom)	1,120	553	49%
61000 Insurance (SDRMA)	3,240	3,275	101%
61030 Fiduciary liability insurance	40	18	45%
62200 Memberships (CSDA, CALAFCO)	5,670	5,675	100%
62400 Miscellaneous expense	3,000	2,710	90%
62450 Indirect costs (A87 roll forward)	2,195	1,128	51%
62600 Office supplies	1,500	200	13%
62730 Postage	1,200	196	16%
62750 Other mail room expense	400	52	13%
63000 Professional & special serv	13,065	7,434	57%
Building maint & supplies	3,420	1,154	34%
Office lease	3,950	3,774	96%
Utilities	1,400	562	40%
Janitorial	575	258	45%
Purchasing	275	63	23%
CEO/Risk Mgt overhead	3,445	1,623	47%
63090 Auditing & accounting	2,765	1,075	39%
63400 Engineering services	2,000	-	0%
63640 Legal services	16,000	1,338	8%
63990 Outside data proc services (IT, Video)	8,900	3,094	35%
IT Services (SBT)	5,500	2,644	48%
New Video Streaming (SBT)	1,000	-	0%
New Mtg Recording (Final Cut Media)	1,200	450	38%
GIS License (SBT)	1,200	-	0%
65000 Publications & legal notices	800	152	19%
65780 Education & training	5,500	2,740	50%
65810 Other supportive services (messenger)	230	110	48%
65890 Commission expense (stipends, training)	6,100	1,979	32%
67040 Other travel expenses (mileage)	500	130	26%
67201 Salvage disposal	120	53	44%
Total Services and Supplies	74,345	31,914	43%
Other Charges			
73024 Planning dept services (copier)	2,500	313	13%
Total Other Charges	2,500	313	13%
TOTAL EXPENSES	453,375	210,428	46%
TOTAL REVENUES			
40680+ Agency Contributions	394,375	394,375	100%
36414 Application & Other Revenues	9,000	16,555	184%
17000+ Interest Earnings & Rebates	-	1,626	nb