

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 22, 2020**

TO: LAFCO Commissioners

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

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2019-2020

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 \$498,175. At mid-year, expenditures totaled \$242,280, which represents approximately 49% of the adopted budget. Below is an overview of LAFCO's expenses and revenues:

LAFCO FY 2019-2020 Mid-Year Comparison: Adopted Budget vs. Actual

	Adopted Budget (2019-2020)	Actual (Mid-Year)	% of Budget
EXPENSES			
Salaries & Benefits	\$429,200	\$213,309	50%
Services & Supplies	67,375	28,971	43%
Other Charges	1,600	0	0%
Total Expenses	\$498,175	\$242,280	49%
REVENUES			
City/County Contributions	\$453,175	\$453,175	100%
Applications & Other Revenues	20,000	32,006	160%
Interest Earnings	--	4,688	--
Total Revenues	\$473,175	\$489,866	104%
<i>Prior Years' Carry-Over</i>	<i>25,000</i>		
<i>Total Budget</i>	<i>\$498,175</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, \$213,309 has been expended on Salaries and Benefits. Expenditures in this budget category represent approximately 50% of the total amount budgeted for the fiscal year. Although retirement costs are trending higher than what was originally budgeted, Staff estimates that at year-end, the overall Salaries and Benefits category is anticipated to 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 \$28,971. This represents 43% of the total amount budgeted. Of note is the following:

- Expenditures for the Commission's general liability insurance, membership dues, and office lease (included in Account #63000) are billed as one-time expenses early in the fiscal year.
- 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. Billing for the second quarter was received after Mid-Year, but remains within the budgeted amount and is anticipated to be within budget by the end of the year.
- Staff consolidates orders for office supplies and places order approximately 2-3 times a year.
- Staff recently received a quote from the County's IT department for the replacement of the clerk's computer and monitors. The replacement was recommended as part of a Countywide evaluation to update older model computers to ensure security upgrades and compatibility with Windows 10. The County was able to obtain a bulk rate and the replacement of the computer and monitors was quoted at \$1,137. This will be covered under the Commission's Miscellaneous Expense account (#62400).

➤ Other Charges:

This budget category contains expenses associated with a shared copier lease and copy costs. Billing for this item occurred in January and has generally trended lower than anticipated. The lower amount is as a result of Staff's continued 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 \$453,175. Additionally, revenue received from LAFCO application fees and services to date totals \$32,003, exceeding the estimate of \$20,000. Staff anticipates that revenues will continue to increase by year-end as additional applications are submitted.

CONCLUSION

The Commission's Fiscal Year 2019-2020 Budget continues to be financially sound. Each category is projected to be near 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, 2018 - DECEMBER 31, 2018

Account	Final Budget FY 19-20	Actuals 12-31-2019	% of Budget
Salaries and Benefits			
50000+ Salaries and wages	\$ 263,630	132,774	50%
52000 Retirement	70,100	38,159	54%
52010 FICA	20,000	10,077	50%
53000 Group health insurance	62,080	28,330	46%
53009 OPEB health insurance liability	2,920	-	0%
53020 Unemployment insurance	450	228	51%
53051 Benefits admin fee	190	58	31%
53081 Long term disability	380	196	52%
54000 Workers compensation insurance	1,300	545	42%
55000 Auto allowance	2,400	1,062	44%
55080 Professional development	2,200	-	0%
55130 Deferred comp mgmt/conf	3,550	1,880	53%
Total Salaries and Benefits	429,200	213,309	50%
Services and Supplies			
60400 Communications (SBT - Telecom)	1,110	533	48%
61000 Insurance (SDRMA)	3,600	4,021	112%
61030 Fiduciary liability insurance	40	12	30%
62200 Memberships (CSDA, CALAFCO)	6,615	6,681	101%
62400 Miscellaneous expense	3,000	-	0%
62450 Indirect costs (A87 roll forward)	(3,760)	(1,882)	50%
62600 Office supplies	1,500	309	21%
62730 Postage	1,200	451	38%
62750 Other mail room expense	420	181	43%
63000 County services (Office lease, HR, Utilities)	11,690	6,445	55%
63090 Auditing & accounting	2,850	941	33%
63400 Engineering services	2,000	397	20%
63640 Legal services	12,000	570	5%
63990 Data processing services (IT, Video, GIS Lic.)	11,530	3,989	35%
65000 Publications & legal notices	1,000	519	52%
65780 Education & training	5,500	2,865	52%
65810 Other supportive services (messenger)	350	102	29%
65890 Commission expense (stipends, training)	6,100	2,470	40%
67040 Other travel expenses (mileage)	500	312	62%
67201 Salvage disposal	130	55	42%
Total Services and Supplies	67,375	28,971	43%
Other Charges			
73024 Planning dept services (shared copier)	1,600	-	0%
Total Other Charges	1,600	-	0%
TOTAL EXPENSES	498,175	242,280	49%
TOTAL REVENUES			
TOTAL REVENUES	473,175	489,866	104%
40680+ Agency Contributions	453,175	453,175	100%
36414 Application & Other Revenues	20,000	32,003	160%
17000+ Interest Earnings	-	4,688	nb