

**EXECUTIVE OFFICER'S AGENDA REPORT  
JANUARY 23, 2019**

TO: LAFCO Commissioners

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

**SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2018-2019**

**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 \$493,919. At mid-year, expenditures totaled \$238,735, which represents approximately 48% of the adopted budget. Below is an overview of LAFCO's expenses and revenues:

*LAFCO FY 2018-2019 Mid-Year Comparison: Adopted Budget vs. Actual*

	<b>Adopted Budget (2018-2019)</b>	<b>Actual (Mid-Year)</b>	<b>% of Budget</b>
<b>EXPENSES</b>			
Salaries & Benefits	\$406,165	\$203,908	50%
Services & Supplies	85,754	34,584	40%
Other Charges	2,000	243	12%
<b>Total Expenses</b>	<b>\$493,919</b>	<b>\$238,735</b>	<b>48%</b>
<b>REVENUES</b>			
City/County Contributions	\$451,919	\$451,919	100%
Applications / LAFCO Services	12,000	15,415	128%
Interest Earnings & Rebates	--	3,434	--
<b>Total Revenues</b>	<b>\$463,919</b>	<b>\$470,768</b>	<b>101%</b>
<i>Prior Years' Carry-Over</i>	<i>30,000</i>		
<i>Total Budget</i>	<i>\$493,919</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, \$203,908 has been expended on Salaries and Benefits. Expenditures in this budget category represent approximately 50% of the total amount budgeted for the fiscal year. 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 \$34,584. This represents 40% 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 expenses early in the fiscal year.
- Costs for a Geographical Information Systems (GIS) license and video streaming are also billed as one-time expenses within the Outside Data Processing Services 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.
- Staff consolidates orders for office supplies and places order approximately 2-3 times a year. (The first of this fiscal year's orders was placed in January and is not reflected on the mid-year budget.)
- Staff recently received a quote from the County's IT department for the replacement of one computer and monitors. The computer is nearly 8 years old (with monitors having been handed down from an older model) and has been sluggish at handling tasks. The replacement of the computer and monitors is estimated to be \$1,783 and 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. At Mid-Year, expenditures under this budget category were \$243 or just 12% of the amount budgeted. This 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 \$451,919. Additionally, revenue received from LAFCO application fees and services to date totals \$15,414, exceeding a conservative estimate of \$12,000. Staff anticipates that revenues will continue to increase by year-end as additional applications are submitted.

**CONCLUSION**

The Commission's Fiscal Year 2018-2019 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, 2018 - DECEMBER 31, 2018**

<b>Account</b>	<b>Final Budget FY 18-19</b>	<b>Actuals 12-31-2018</b>	<b>% of Budget</b>
<b>Salaries and Benefits</b>			
50000+ Salaries and wages	243,710	123,920	51%
52000 Retirement	70,695	36,406	51%
52010 FICA	19,210	9,651	50%
53000 Group health insurance	59,550	27,995	47%
53009 OPEB health insurance liability	2,820	-	0%
53020 Unemployment insurance	450	228	51%
53051 Benefits admin fee	190	73	38%
53081 Long term disability	380	179	47%
54000 Workers compensation insurance	1,165	581	50%
55000 Auto allowance	2,400	1,209	50%
55080 Professional development	2,200	1,898	86%
55130 Deferred comp mgmt/conf	3,395	1,769	52%
<b>Total Salaries and Benefits</b>	<b>406,165</b>	<b>203,908</b>	<b>50%</b>
<b>Services and Supplies</b>			
60400 Communications (SBT - Telecom)	900	533	59%
61000 Insurance (SDRMA)	3,475	3,397	98%
61030 Fiduciary liability insurance	40	18	45%
62200 Memberships (CSDA, CALAFCO)	6,065	5,880	97%
62400 Miscellaneous expense	3,000	-	0%
62450 Indirect costs (A87 roll forward)	5,875	2,935	50%
62600 Office supplies	1,500	-	0%
62730 Postage	1,200	377	31%
62750 Other mail room expense	420	168	40%
63000 Professional & special serv	14,214	6,719	47%
Building maint & supplies	3,600	1,153	32%
Office lease	3,975	3,851	97%
Utilities	1,460	562	39%
Janitorial	605	297	49%
Purchasing	275	58	21%
CEO/Risk Mgt overhead	4,300	798	19%
63090 Auditing & accounting	2,800	1,252	45%
63400 Engineering services	2,000	257	13%
63640 Legal services	12,000	2,114	18%
63990 Outside data proc services (IT, Video)	11,015	6,312	57%
IT Services (SBT)	7,315	3,662	50%
Video Streaming (SBT)	1,000	1,000	100%
Mtg Recording (Final Cut Media)	1,500	450	30%
GIS License (SBT)	1,200	1,200	100%
65000 Publications & legal notices	800	352	44%
65660 Special dept expense (Biennial Audit)	8,000	1,750	22%
65780 Education & training	5,500	1,111	20%
65810 Other supportive services (messenger)	230	143	62%
65890 Commission expense (stipends, training)	6,100	1,050	17%
67040 Other travel expenses (mileage)	500	166	33%
67201 Salvage disposal	120	49	41%
<b>Total Services and Supplies</b>	<b>85,754</b>	<b>34,584</b>	<b>40%</b>
<b>Other Charges</b>			
73024 Planning dept services (shared copier)	2,000	243	12%
<b>Total Other Charges</b>	<b>2,000</b>	<b>243</b>	<b>12%</b>
<b>TOTAL EXPENSES</b>	<b>493,919</b>	<b>238,735</b>	<b>48%</b>
<b>TOTAL REVENUES</b>			
40680+ Agency Contributions	451,919	451,919	100%
36414 Application & Other Revenues	12,000	15,415	128%
17000+ Interest Earnings & Rebates	-	3,435	nb