



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

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Executive Officer

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MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, EXECUTIVE OFFICER

DATE: JANUARY 16, 2020

**SUBJECT: SECOND QUARTER FISCAL YEAR 2019-2020 LAFCO
BUDGET STATUS REPORT**

Recommendation. It is respectfully recommended that the Commission review this second quarter financial report for fiscal year 19-20 and direct the Executive Officer to file it with the County Auditor.

Summary. The LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. The Budget is considered and adopted by LAFCO each year as required by the Cortese-Knox-Hertzberg Act. Day-to-Day management of the Budget is based on "bottom-line" principles that allow for variation within individual line item accounts as long as the overall expenditures remain within the approved budgeted levels. Attached is the Second Quarter Budget Status Report for the 2019-20 fiscal year.

Attachments

A: 2nd Quarter Status Report
for Fiscal Year 2019-2020

B: Credit Card Statements
for Oct, Nov, Dec 2019

LAFCO's budget is funded primarily by the County, Cities and Independent Special Districts, with each group paying one-third of the LAFCO Budget. The City and District shares are pro-rated based on general revenues reported to the State Controller's Office on an annual basis. These revenues are found in the latest annual report released by the State Controller's office. LAFCO also receives revenue through application fees and interest earnings.

LAFCO and the County Auditor's Office have a signed agreement for services. In the first quarter, the County Auditor's Office calculates and sends out the invoices for payments to the Cities and Special Districts in the County. The County Auditor's Office also provides LAFCO with claims processing and financial tracking services. The County's Enterprise Financial System (EFS) is used by LAFCO staff in monitoring the budget and compiling budget report data. Each LAFCO transaction is processed through the County's financial system.

Expenditures. Overall, second quarter expenditures are at 49% with 50% of the fiscal year complete. Below is a brief summary of line item expenditures:

- Salaries and Benefits are 50% expended with 14 pay periods completed in the first and second quarters. A total of 26 pay periods are accounted for in the fiscal year. Savings in salaries were accrued during the months of July and August as we did not hire a Clerk until September.
- Services and Supplies are at 51% expended. This is a normal expenditure pattern as the first and second quarter includes one-time annual expenditures for: County Auditor's Office Services (\$8,247), CALAFCO Membership Dues (\$3,261), Workers Compensation-SDRMA (\$1,304), and payment of Property /Liability Insurance-SDRMA (\$6,328). These one-time costs occur normally in the first quarter. Legal costs for the first and second quarter were \$5,850.
- Consultant/Professional Services are at \$2,659 or 27% expended with 50% of the FY completed. This line item includes Commissioner meeting stipends, Clerk-Recorder charges, Docuteam Storage charges, and Paychex fees.
- The building lease is \$3,056/month and has been paid for six months; through December. The lease is currently month to month and the amount has remained unchanged since 2010.
- CALAFCO Annual Conference in Sacramento It should be noted that the accommodations and travel budget line items for the CALAFCO Annual Conference conducted in October are now reflected in the second quarter report at \$2,139.
- LAFCO uses a credit card from Umpqua Bank through a program implemented by the Special District Risk Management Association (SDRMA) for public agencies. LAFCO has a credit card policy with regard to use and pays the bill in full each month. The statements for October, November, and December 2019 are found in Attachment B. Total credit card charges were \$2,904.66 and are broken down below:
 - **Oct:** Gas for annual conference - \$88.52.
 - **Nov:** Hotel Rooms for Annual Conference \$1,762.75 - 4 attendees. Rental Cars and Gas for Annual Conference and Clerk's Conference - \$585.08. Food @ Annual Conference \$107.44 - Dinner for attendees. Postage - \$7.35. Clerks Filing Fee - \$101.49. Smart and Final Snacks - \$15.98
 - **Dec:** 1 Hotel Room CALAFCO Board Meeting \$130.39. Car Rental CALAFCO BOD meeting \$76.55. Rite Aid First Aid Supplies \$19.54. Smart and Final-\$9.57 ice and baguette for Annual LAFCO Holiday party were purchased.

Revenues. Overall revenues are 94% realized through the second quarter. The jurisdictions (Cities, Special Districts and County) have paid 99% of the LAFCO charges billed in the first and second quarter by the County Auditor, leaving an outstanding balance of \$371.28 to be paid. Application processing fees have been submitted in the amount of \$4,500 for a Sphere of Influence Amendment to City of Morro Bay for the Tri-W property and \$3,500 for detachment from Estrella El Pomar-Creston Water District. This brings the total revenues received from applications through the second quarter to \$8,000. Interest for the first two quarters totaled \$3,004.87. This exceeds the budgeted amount of \$3,000.

Fund Balance and Designated Fund Balance (Reserves). Fund Balance is the difference between the total expenses and revenues in the fiscal year. Fund Balance is a more flexible asset than Designated Fund Balance and is carried forward from year to year. Designated Fund Balance requires Commission approval for expenditure. Please note that at the beginning of this fiscal year, the current Fund Balance and Designated Fund Balance total \$177,072.79, or 26% of the budget. LAFCO's Budget Policy calls for "reserves" of at least 15% of the adopted budget. Current fund balance is as follows:

• Fund Balance Carryover	\$119,223
• Designated Fund Balance	<u>\$57,850</u>
Total Fund Balance	\$177,072

In the Fiscal Year 2019-20 Adopted Budget, \$32,000 in Fund Balance was estimated for use to offset expenses, if needed. This allocation reduced the charges to the jurisdictions while maintaining Fund Balance/Designated Fund Balance (Reserves) at a prudent level. The use of these funds would be reflected in the year end budget report (if needed) depending on the status of revenues and expenditures throughout the year.

Projected Year End. The Projected Year End column of the budget status report estimates the year end amounts for expenditures and revenues. Due in large part to savings in salaries related to the Clerk's position it is anticipated that the LAFCO budget will come in under budget if there are no unexpected expenses in the future.

Attachment A

2nd Quarter Status Report for Fiscal Year 2019-2020

Fiscal Year 2019-20 LAFCO Budget

Second Quarter Status Report

Period Ending: December 31, 2019

EXPENDITURES SUMMARY	Adopted 19-20	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries (14 pay periods)	306,297	152,760	298,000	153,537	50%
Benefits & Payroll Taxes	238,231	112,127	224,000	126,104	47%
Services and Supplies	127,097	64,850	125,497	62,247	51%
Total Expenses	671,625	329,737	647,497	341,888	49%

EXPENDITURES DETAIL	Adopted 19-20	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries and Benefits					
Salaries (14 pay periods)	306,297	152,760	298,000	153,537	50%
Benefits & Payroll Taxes	238,231	112,127	224,000	126,104	47%
Subtotal Salaries & Benefits	544,528	264,887	522,000	279,641	49%

Services and Supplies	Adopted 19-20	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Food	800	181	800	619	23%
Maintenance - Equipment	300	0	300	300	0%
Maintenance - Software	500	360	400	140	72%
CALAFCO/Other Memberships	4,400	4,707	4,800	-307	107%
Office Supplies	2,500	499	2,300	2,001	20%
Commissioner/Professional Serv.	10,000	2,659	10,000	7,341	27%
Publication/Legal Notices	800	1,027	1,000	-227	128%
Rent	38,000	21,395	37,000	16,605	56%
Small Equipment	400	0	400	400	0%
Large Equipment	1,000	73	1,000	927	7%
Computer Software	500	0	500	500	0%
Employee Mileage	200	0	100	200	0%
Commissioner Mileage	1,800	668	1,000	1,132	37%
Airfare/Public Transportation	500	0	100	500	0%
Accommodations/Travel	4,000	2,140	4,000	1,860	53%
Auto Allowance	5,400	2,908	5,400	2,492	54%
Training/Conf Registration	4,500	2,755	4,500	1,745	61%
Utilities	4,000	2,090	4,200	1,910	52%
Car/Vehicle Rentals	1,000	674	1,200	326	67%
Postage	1,000	24	1,000	976	2%
Custodian	1,000	480	1,000	520	48%
Copying	800	0	800	800	0%
ITD-SAP/Board Chambers	850	0	850	850	0%
Phones/Internet	2,600	482	2,600	2,118	19%
County Auditor	8,247	8,247	8,247	0	100%
Insurance	8,000	7,632	8,000	368	95%
Legal Counsel	24,000	5,850	24,000	18,150	24%
Subtotal Services & Supplies	127,097	64,850	125,497	62,247	51%

Total Expenses	671,625	329,737	647,497	341,888	49%
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REVENUE DETAIL	Adopted 19-20	Realized YTD	Projected Yr End	% Realized
Interest	3,000	3,005	4,000	100%
Environmental Fees	1,000	1,500	1,500	150%
Sphere of Influence Fee	1,000	3,500	3,500	350%
LAFCO Processing Fees	16,000	3,000	8,000	19%
Other Revenue/Fund Balance if needed	32,000	50	11,872	n/a
Sub-Total w/o Agency Charges	53,000	11,055	28,872	21%
LAFCO Charges to Agencies	618,625	618,254	618,625	100%
Total Revenue	671,625	629,309	647,497	94%

Fund Balance-Reserves	Beginning FY 19-20	Projected End of Year Reserves	Projected % of Budget
Fund Balance and Reserves	177,072	177,072	26%
Transfer in 4th Qtr if needed		-11,872	
Reserves/Fund Balance	177,072	165,200	25%

Attachment B

Credit Card Statements for Oct, Nov, Dec 2019



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LAFCO

Account Number: #####
Closing Date: 10/31/19

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Account Inquiries



Customer Service: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Please Direct Written Inquiries to:
UMPQUA BANK
PO BOX 1952
SPOKANE, WA 99210-1952



To pay on-line:
www.umpquabank.com

Account Summary

Previous Balance	\$	453.13
Purchases	+	88.52
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	453.13 -
Other Debits	+	0.00
Finance Charges	+	7.92
NEW BALANCE	\$	96.44

Payment Information



Total Minimum Payment Due \$96.44
Payment Due Date 11/25/19

Minimum Payment	\$	96.44
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Mail Payments to: UMPQUA BANK PO BOX 2310 SPOKANE WA 99210-2310

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
10/29	10/31	PPLN01	24427339303120004029762	JOHNS GAS STATION SAN LUIS OBIS CA	\$ 88.52
Cardholder Name DAVID CHURCH					
Total Charges for Account Number:					88.52
Payments, Adjustments and Others					
10/30	10/30		0000000000000000111371	PAYMENT - THANK YOU	\$ 453.13 -

Plan Level Information

Plan Name	Plan Description	FCM *	Previous Balance	Average Daily Balance	Periodic Rate **	Corresponding APR	Finance Charges	Fees/Finance Charge	Effective APR	Ending Balance
Purchases										
PPLN01 001	PURCHASE	E	\$453.13	\$423.89	0.06024% (D)	21.9900%	\$7.92	\$0.00	21.9987%	\$96.44
Cash										
CPLN01 001	CASH	A	\$0.00	\$0.00	0.06572% (D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
Total			\$453.13	\$423.89			\$7.92	\$0.00	21.9987%	\$96.44

Days In Billing Cycle: 31

*See last page for explanation of Finance Charge Method (FCM)

APR = Annual Percentage Rate

** Periodic Rate (M)=Monthly (D)=Daily

(V) = Variable Rate. If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.

PLEASE RETURN ENVELOPE AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE. ALLOW 5 DAYS FOR MAIL DELIVERY.



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Account Number: #####
Closing Date: 11/29/19

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Account Inquiries



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Lost or Stolen Card: (866) 839-3485



Please Direct Written Inquiries to:
UMPQUA BANK
PO BOX 1952
SPOKANE, WA 99210-1952

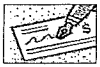


To pay on-line:
www.umpquabank.com

Account Summary

Previous Balance	\$	96.44
Purchases	+	2,580.09
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	96.44 -
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	2,580.09

Payment Information



Total Minimum Payment Due \$2,580.09
Payment Due Date 12/25/19

Minimum Payment \$ 2,580.09

Mail Payments to: UMPQUA BANK PO BOX 2310 SPOKANE WA 99210-2310

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
11/01	11/03	PPLN01	24164079305018247855422	ENTERPRISE RENT-A-CAR SAN LUIS OBIS CA	\$ 132.87
11/01	11/03	PPLN01	24431069306722745987028	HYATT REGENCY SACRAMENTO SACRAMENTO CA	480.75
11/01	11/03	PPLN01	24431069306722748775115	HYATT REGENCY SACRAMENTO 8885884384 CA	320.50
11/01	11/03	PPLN01	24431069306722746009780	HYATT REGENCY SACRAMENTO SACRAMENTO CA	480.75
11/01	11/03	PPLN01	24431069306722746849078	HYATT REGENCY SACRAMENTO 8885884384 CA	480.75
11/01	11/03	PPLN01	24628019305000188297042	PILOT_01017 LATHROP CA	49.96
11/01	11/03	PPLN01	24013399305000051531401	STATION 16 SACRAMENTO CA	107.44
11/14	11/17	PPLN01	24137469320001615250432	USPS KIOSK 0568779551 SAN LUIS OBIS CA	7.35
Cardholder Name: DAVID CHURCH					
Total Charges for Account Number:					2,060.37
11/01	11/03	PPLN01	24164079305018247855380	ENTERPRISE RENT-A-CAR SAN LUIS OBIS CA	\$ 120.97
11/01	11/03	PPLN01	24692169306100648978554	CHEVRON 0098169 SAN LUIS OBIS CA	63.00
Cardholder Name: MIKE PRATER					
Total Charges for Account Number:					183.97
11/15	11/17	PPLN01	24164079319018274247091	ENTERPRISE RENT-A-CAR SAN LUIS OBIS CA	\$ 183.21
11/15	11/17	PPLN01	24231689320837000393800	SMART AND FINAL 913 SAN LUIS OBIS CA	15.98
11/15	11/17	PPLN01	24015179319002050815411	76 - DBA ADEL N BICHAY & SAN LUIS OBIS CA	35.07
11/22	11/24	PPLN01	24343119326900019651647	SLO CLERK RECORDER 805-7815080 CA	100.00
11/22	11/25	PPLN01	24343119328900013119656	AMS*SERVICE FEE 101653 888-9147768 FL	1.49
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					335.75

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BL ACCT LAFCO
Account Number: #####
Closing Date: 12/31/19

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VISA

Account Inquiries



Customer Service: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Please Direct Written Inquiries to:
UMPQUA BANK
PO BOX 1952
SPOKANE, WA 99210-1952



To pay on-line:
www.umpquabank.com

Account Summary

Previous Balance	\$	2,580.09
Purchases	+	236.05
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	2,580.09 -
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	236.05

Payment Information



Total Minimum Payment Due \$236.05
Payment Due Date 01/25/20

Minimum Payment	\$	236.05
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Mail Payments to: UMPQUA BANK PO BOX 2310 SPOKANE WA 99210-2310

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/13	12/15	PPLN01	24431069348708831396299	SACRAMENTO HOLIDAY INN SACRAMENTO CA	\$ 130.39
Cardholder Name: DAVID CHURCH					
Total Charges for Account Number:					130.39
12/14	12/16	PPLN01	24164079349018326846027	ENTERPRISE RENT-A-CAR SAN LUIS OBIS CA	\$ 76.55
Cardholder Name: MIKE PRATER					
Total Charges for Account Number:					76.55
12/05	12/06	PPLN01	24692169339100839864721	RITE AID STORE - 5820 SAN LUIS OBIS CA	\$ 19.54
12/19	12/20	PPLN01	24231689354837000516623	SMART AND FINAL 913 SAN LUIS OBIS CA	7.21
12/19	12/20	PPLN01	24231689354837000516680	SMART AND FINAL 913 SAN LUIS OBIS CA	2.36
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					29.11
Payments, Adjustments and Others					
12/20	12/20		000000000000000111917	PAYMENT - THANK YOU	\$ 2,580.09 -

PI FASF DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW 5 DAYS FOR MAIL DELIVERY

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