



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

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, EXECUTIVE OFFICER

DATE: JULY 16, 2020

SUBJECT: YEAR-END FISCAL YEAR 2019/20 LAFCO BUDGET STATUS REPORT

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Executive Officer

BRIAN A. PIERIK
Legal Counsel

MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

Recommendation. It is respectfully recommended that the Commission review and direct the Executive Officer to submit this year-end budget status report for FY 19-20 to the County Auditor.

Introduction. This is the FY 2019-20 year-end budget report for the San Luis Obispo Local Agency Formation Commission (SLO LAFCO). The SLO LAFCO operating budget is essentially 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 SLO 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. The Commission receives Quarterly Budget Reports throughout the fiscal year.

Attachments

A: Year End Budget Status for Fiscal Year 2019 -2020

B: Credit Card Statements for April, May, June 2020

LAFCO’s budget is funded primarily by the County, Cities and Independent Special Districts. Each agency group pays 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.

The County Auditor’s Office calculates and sends out the invoices for payments from the Cities and Special Districts in the County. The County Auditor’s Office also provides LAFCO with claims processing, and financial review services. The County’s financial tracking system assists LAFCO in monitoring the budget and compiling budget report data. Each LAFCO transaction is processed through the County’s financial system.

Summary. The Year-End Budget Status Report for Fiscal Year 2019-20 is attached. The total adopted budget for FY 19/20 was \$671,625. The total expenditures for the year were \$606,185. This equates to \$65,440 under budget.

Overall, total expenditures are at 90% with 100% of the fiscal year complete. Savings were accrued because of a two-month delay in hiring a new Clerk as well as hiring a new clerk at an entry level salary. These savings also rippled through the Benefits and Payroll Taxes line items. The Covid-19 situation impacted (reduced) expenses in Services and Supplies with savings found in Professional Services, Office Supplies, Travel, and Training line items among others.

Total revenues received in the fiscal year amounted to \$641,199 or 95% at the year end. This leaves a positive Fund Balance at year's end of \$35,014. Reserves and Fund Balance are built into the Budget to reduce the charges to the agencies. In FY 19/20, the Commission adopted a Budget that allocated up to \$32,000 in Reserves and Fund Balance to be used, if needed. Since actual revenues exceeded expenses this year, Fund Balance/Reserves **were not** needed to cover expenses.

Summary FY 19-20	Budgeted FY 19-20	Actual FY 19-20	Percent Expended
Salaries	\$306,297	\$289,979	95%
Benefits and Taxes	\$238,231	\$211,643	88%
Services and Supplies	\$127,097	\$104,563	81%
Total	\$671,625	\$606,185	90%

Expenditures. Expenditures for Salaries, Taxes and Benefits are at 92% expended. Salaries were at 95% expended with the adopted budget being \$306,297 and the actual expended at \$289,979 at year end. Salaries for the EO, DEO and Clerk were paid at the proper rates and amounts for 26 pay periods (22 pay periods for the Clerk) in the fiscal year. Salary savings are accrued because the Clerk was not hired until September 1st of the fiscal year and was also hired at an entry level salary.

Benefits and Payroll Taxes were at 89% expended. Payroll taxes are calculated by LAFCO's payroll vendor, Paychex, for each pay period. Expenses are below the budgeted amounts for Salaries, Benefits and Taxes for the 26 pay periods in the fiscal year with an overall savings of \$42,906. Pension contributions were budgeted for \$135,561 with actual expenditures at \$121,889; a savings of \$13,672 or about 10%. This is caused by the salary savings associated with the Clerk's position.

Services and Supplies are at 82% expended, a year-end total of \$104,563, with a budget savings of \$22,534. The Adopted Budget for Services and Supplies for fiscal year 19-20 is \$127,097. This is under budget by \$22,534, 18%. Savings

were realized in a number of line items: Food, Maintenance-Equipment, Maintenance-Software, Office Supplies, Commissioner/Consultant, Small Equipment, Large Equipment, Employee Mileage, Commissioner Mileage, Insurance, Copying, and Rent. The ESRI GIS software upgrade was purchased (\$400) this year to maintain LAFCO’s ability to use GIS effectively. The membership’s line item was expended at 107%-\$4,707. This line item pays the membership dues for CALAFCO (\$3,261) and California Special Districts Association (CSDA-\$1,446)

Legal counsel expenses have been \$2,000 per month since January 1, 2020. Legal expenses were budgeted for the entire fiscal year 19/20 at \$2,000 per month, a total of \$24,000/year. Savings of \$7,450 were accrued this year. The insurance line item is at 95%-\$7,631 and pays for workers’ compensation and liability coverage from SDRMA. Below are the insurance amounts for the last two fiscal years:

Line Item	FY 18-19	FY 19-20
SDRMA Liability	\$4,906	\$6,328
SDRMA Workers Compensation	\$1,087	\$1,206
SDRMA Workers Compensation Adjustment	\$ 292	\$ 97
Total	\$6,285	\$7,631

Office supplies came in under budget by 60%. Office expense includes printer toner, paper, pens and other supplies. Shut down of the office during Covid-19 accommodations and travel were under budget by \$1,730 or down by 43%. Training and conferences were under budget by \$1,745 or 39%.

Revenues. Overall revenues were 95% realized at year end. The jurisdictions (Cities, Special Districts and County) paid 100% (\$618,254) of the LAFCO charges that were billed by the County Auditor to the agencies. Fees from applications, Interest Earned, and other income totaled \$24,632. Total revenues for the year were \$641,199. The total fees received for application processing for FY 19-20 were \$14,973. The following is a break-down of the revenues received in FY 19-20:

Revenue Source	FY 19-20
Fiero East and West Annexation	\$6,973
EPC Water District Detachment	\$3,500
Morro Bay Tri-W SOI Amendment	\$4,500
Subtotal-Processing Fees	\$14,973
Other Revenues-Credit Card Rebate, Conference	\$ 107
Interest Earned FY 19-20	\$7,866
Charges to Agencies: Cities, Special Districts, County	\$618,254
Total Revenues	\$641,199

Reserves and Fund Balance. Reserves and Fund Balance are built into the budget with purpose of reducing the cost to the funding agencies. The FY 19-20 Budget allocated \$32,000 of Reserves/Fund Balance for use in the fiscal year.

Total Reserves and Fund Balance at the beginning of Fiscal Year 19/20 were \$177,072. The Year End Report indicates a Fund Balance of \$35,014. This brings the Fund Balance and Reserves to a total of \$214,100, or 32% of the current FY 19-20 budget. The planned EO sick leave payout of \$45,642 reduces the Reserves/Fund Balance to \$166,444, or 31% of the Adopted FY 20-21 Budget.

This fiscal year, total revenues exceeded expenses resulting in \$37,028 of Fund Balance, bringing the total Reserves and Fund Balance to \$214,100. The EO sick leave payout is deducted from this amount in FY 20-21.

Fund Balance/Reserves Summary	Amount
Total Revenues FY 19-20	\$641,200
Total Expenses FY 19-20	\$606,185
Fund Balance Added	\$35,014
Beginning Reserves/Fund Balance FY 19-20	\$177,072
Total Reserves and Fund Balance	\$214,100
EO Sick Leave Payout FY 20-21	-\$45,642
Total Reserves Beginning FY 20-21	\$166,444

Credit Card Statements. Attached are the credit card statements from the Umqua Bank credit card through the California Special Districts Association for the fourth quarter; April, May and June 2020.

- In April the only charge was for the monthly Zoom subscription of \$54.99.
- May included an Office Software upgrade of \$101.66, an ESRI-GIS software upgrade of \$400, a \$449 Adobe Software Upgrade and a Zoom subscription of \$54.99.
- In June a computer was purchased in the amount of \$788.99, Tax forms 1099 MISC were purchased from Office Depot in the amount of \$23.69, and a Zoom charge of \$54.99. A late fee for May was reversed.
- The current Credit Card Balance in (0.00) zero.

Attachment A

Year End Budget Status for Fiscal Year 2019 -2020

**Fiscal Year 2019-20 San Luis Obispo LAFCO
Year End Budget Status Report**

Fiscal Year Ending: June 30, 2020

EXPENDITURES SUMMARY	Adopted FY 19-20	Expenditure YTD	Balance YTD	% Expended
Salaries	306,297	289,979	16,318	95%
Benefits & Payroll Taxes	238,231	211,643	26,588	89%
Services and Supplies	127,097	104,563	22,534	82%
Total Expenses	671,625	606,185	65,440	90%

EXPENDITURES DETAIL	Adopted FY 19-20	Expenditure YTD	Balance YTD	% Expended
Salaries and Benefits				
Salaries	306,297	289,979	16,318	95%
Benefits & Payroll Taxes	238,231	211,643	26,588	89%
Subtotal Salaries & Benefits	544,528	501,622	42,906	92%

Services and Supplies	Adopted FY 19-20	Expenditure YTD	Balance YTD	% Expended
Food	800	264	536	33%
Maintenance - Equipment	300	44	257	15%
Maintenance - Software	500	760	-260	152%
CALAFCO/Other Memberships	4,400	4,707	-307	107%
Office Supplies	2,500	1,007	1,493	40%
Commissioner/Professional Serv.	10,000	6,208	3,792	62%
Publication/Legal Notices	800	1,296	-496	162%
Rent	38,000	36,677	1,323	97%
Small Equipment	400	0	400	0%
Large Equipment	1,000	1,378	-378	138%
Computer Software	500	553	-53	111%
Employee Mileage	200	0	200	0%
Commissioner Mileage	1,800	959	841	53%
Airfare/Public Transportation	500	0	500	0%
Accommodations/Travel	4,000	2,270	1,730	57%
Auto Allowance	5,400	5,400	0	100%
Training/Conf Registration	4,500	2,755	1,745	61%
Utilities	4,000	3,892	108	97%
Car/Vehicle Rentals	1,000	916	84	92%
Postage	1,000	163	837	16%
Custodian	1,000	960	40	96%
Copying	800	0	800	0%
ITD-SAP/Board Chambers	850	0	850	0%
Phones/Internet	2,600	1,926	674	74%
County Auditor	8,247	8,247	0	100%
Insurance	8,000	7,632	368	95%
Legal Counsel	24,000	16,550	7,450	69%
Subtotal Services & Supplies	127,097	104,563	22,534	82%

Total Expenses	671,625	606,185	65,440	90%
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REVENUE DETAIL	Adopted FY 19-20	Realized YTD	Balance YTD	% Realized
Interest	3,000	7,866	4,866	262%
Environmental Fees	1,000	2,500	-1,500	250%
Sphere of Influence Fee	1,000	3,500	0	350%
LAFCO Processing Fees	16,000	8,973	7,027	56%
Sub-Total w/o Agency Charges	21,000	22,838	1,838	109%
Other Revenues		107		
LAFCO Charges to Agencies	618,625	618,254	-371	100%
Total Revenue *	671,625	641,199	-30,426	95%

* Includes up to \$32,000 in Fund Balance.

Use of Fund Balance/Reserves	32,000	0	32,000
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	Beginning FY19-20	Year End	% of Budget
Fund Balance and Reserves	177,072	177,072	26%
Additional Fund Balance End FY 2019/20		35,014	
EO Sick Leave Pay Out		-45,642	
Reserves FY 2018/19 Year End		166,444	25%

Attachment B

Credit Card Statements for April, May, & June 2020



DAVID CHURCH
LAFCO



Account Number: #### #### ####
Closing Date: 04/30/20
Credit Limit: \$5,000.00
Available Credit: \$4,945.01

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	\$	0.00
Purchases	+	0.00
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	0.00
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	0.00

Payment Information



Total Minimum Payment Due \$0.00
Payment Due Date 05/25/20

Minimum Payment \$ 0.00

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
04/01	04/02	PPLN01	24493980093026414527309	ZOOM.US 888-799-9666 CA	\$ 54.99
TOTAL TRANSACTIONS					\$ 54.99

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

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UMPQUA
B · A · N · K

DAVID CHURCH
LAFCO



Account Number: #####
Closing Date: 05/31/20
Credit Limit: \$5,000.00
Available Credit: \$3,994.35

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	\$	0.00
Purchases	+	0.00
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	0.00
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	0.00

Payment Information



Total Minimum Payment Due \$0.00

Minimum Payment	\$	0.00
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Payment Due Date 06/25/20

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
05/04	05/05	PPLN01	24692160125100326683755	SQ *OFFICE SOLUTIONS gosq.com FL	\$ 101.66
05/04	05/06	PPLN01	24071050126330105987845	ESRI 888-3774675 CA	400.00
05/07	05/07	PPLN01	24430990128083752521935	DMI* DELL CORP BUS 800-685-8133 TX	449.00
05/06	05/07	PPLN01	24493980128026451453236	ZOOM.US 888-799-9666 CA	54.99
TOTAL TRANSACTIONS					\$ 1005.65

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UMPQUA
B · A · N · K

BL ACCT 00002542-10000000
LAFCO

Account Number: #### #### ####
Closing Date: 06/30/20



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	\$	1,096.66
Purchases	+	867.67
Cash	+	0.00
Special	+	0.00
Credits	-	35.00 -
Payments	-	1,929.33 -
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	0.00

Payment Information



Total Minimum Payment Due \$0.00

Minimum Payment	\$	0.00
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Payment Due Date 07/25/20

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
06/02	06/02	PPLN01	24430990154083008663686	DMI* DELL CORP BUS 800-685-8133 TX	\$ 788.99
06/01	06/02	PPLN01	24493980154026425542400	ZOOM.US 888-799-9666 CA	54.99
Cardholder Name: DAVID CHURCH					
Total Charges for Account Number:					843.98
06/08	06/10	PPLN01	24164070161105002691977	STAPLES 00103614 SAN LUIS OBIS CA	\$ 23.69
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					23.69
Payments, Adjustments and Others					
06/02	06/02		0000000000000000113503	PAYMENT - THANK YOU	\$ 54.99 -
05/31	06/03	PPLN01	70007400155777155250016	LATE FEE - REVERSAL	35.00 -
06/15	06/15		0000000000000000113620	PAYMENT - THANK YOU	1,096.66 -
06/29	06/29		0000000000000000113768	PAYMENT - THANK YOU	777.68 -

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

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