



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

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

FROM: MIKE PRATER, EXECUTIVE OFFICER

DATE: OCTOBER 15, 2020

**SUBJECT: FIRST QUARTER FISCAL YEAR 2020-2021 LAFCO
BUDGET STATUS REPORT**

Recommendation. It is respectfully recommended that the Commission review this first quarter financial report for fiscal year 20-21 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 First Quarter Budget Status Report for the 2020-21 fiscal year.

Attachments

**A: 1st Quarter Status for
Fiscal Year 2020-2021**

**B: Credit Card Statements
for July, August, Sept 2020**

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, first quarter expenditures are at 34% with 25% of the fiscal year complete. Below is a brief summary of line item expenditures:

- Salaries and Benefits are 32% expended with seven pay periods completed in the first quarter. This includes authorized vacation/sick payout. Savings in salaries were accrued during the months of July through September (7 pay periods-\$27,963) due to Analyst vacancy. Salary savings were achieved as we did not hire an Analyst for three months.
- Services and Supplies are at 36% expended. This is a normal expenditure pattern as the first quarter includes one-time annual expenditures for: County Auditor's Office Services (\$8,511), CALAFCO Membership Dues (\$4,922), Workers Compensation-SDRMA (\$1,164), and payment of Property /Liability Insurance-SDRMA (\$10,575). These one-time costs occur normally in the first quarter. Legal costs for the first quarter were \$6,200.
- The building lease is \$3,056/month and has been paid for three months; through September. The lease is currently month to month and the amount has remained unchanged since 2010.
- 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 July, August, and September 2020 are found in Attachment B.
 - **July:** No purchases were made using the credit card.
 - **August:** Included total charges of \$106.48: ZOOM subscription of \$54.99 and \$51.49 for filing the CEQA Notice of Determination with the Clerk for the South County Agencies SOI/MSR.
 - **September:** Included total charges of \$77.62: ZOOM subscription of \$54.99 and \$22.63 to Trophy Hunters for the EO nameplate.

Revenues. Overall revenues are 94% realized through the first quarter. The jurisdictions (Cities, Special Districts and County) have paid 100% of the LAFCO charges billed in the first quarter by the County Auditor. Application processing fees have been submitted in the amount of \$4,500 for Annexation into CSA 18 and \$3,500 for Activation of Power for San Simeon.

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 Fund Balance and Designated Fund Balance totals were \$213,215. On July 16, 2020, the Commission approved a Budget Adjustment Request in the amount of \$45,642 for payout of sick leave. The payout reduces the Fund Balance/Designation to \$167,573, or 30% of the budget. This

is reflected in this first quarter status report. LAFCO's Budget Policy calls for "reserves" of at least 15% of the adopted budget. Current fund balance is as follows:

• Fund Balance Carryover	\$155,365
• Designated Fund Balance	<u>\$57,850</u>
Total Fund Balance	\$213,215
Vacation/Sick Payout	<u>- \$45,642</u>
Remaining Fund Balance	\$167,573

In the Fiscal Year 2020-21 Adopted Budget, \$25,000 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.

Attachment A

1st Quarter Status for Fiscal Year 2020-2021

Fiscal Year 2020-21 LAFCO Budget First Quarter Report Status Report

Period Ending: September 30, 2020

EXPENDITURES SUMMARY	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries	233,651	103,517	233,651	130,134	44%
Benefits & Payroll Taxes	177,486	43,296	177,486	134,190	24%
Services and Supplies	131,984	47,602	131,984	84,382	36%
Total Expenses	543,121	194,415	543,121	348,706	36%

EXPENDITURES DETAIL	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries and Benefits					
Salaries	233,651	103,517	233,651	130,134	44%
Benefits & Payroll Taxes	177,486	43,296	177,486	134,190	24%
total Salaries & Benefits	411,137	146,813	411,137	264,324	36%

Services and Supplies	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Food	800	40	800	760	5%
Maintenance - Equipment	300	0	300	300	0%
Maintenance - Software	500	0	500	500	0%
CALAFCO/Other Memberships	7,000	4,922	7,000	2,078	70%
Office Supplies	2,500	90	2,500	2,410	4%
Commissioner/Professional Serv.	10,000	1,424	10,000	8,576	14%
Publication/Legal Notices	1,000	265	1,000	735	27%
Rent	37,000	12,226	37,000	24,774	33%
Small Equipment	400	92	400	308	23%
Large Equipment	1,000	0	1,000	1,000	0%
Computer Software	500	110	500	390	22%
Employee Mileage	200	0	200	200	0%
Commissioner Mileage	1,800	0	1,800	1,800	0%
Airfare/Public Transportation	500	0	500	500	0%
Accommodations/Travel	3,000	0	3,000	3,000	0%
Auto Allowance	3,323	207	3,323	3,116	6%
Training/Conf Registration	3,500	0	3,500	3,500	0%
Utilities	4,000	883	4,000	3,117	22%
Car/Vehicle Rentals	1,000	0	1,000	1,000	0%
Postage	1,000	0	1,000	1,000	0%
Custodian	1,000	265	1,000	735	27%
Copying	800	0	800	800	0%
ITD-SAP/Board Chambers	850	0	850	850	0%
Phones/Internet	2,800	732	2,800	2,068	26%
County Auditor	8,511	8,511	8,511	0	100%
Insurance	13,500	11,635	13,500	1,865	86%
Legal Counsel	25,200	6,200	25,200	19,000	25%
Subtotal Services & Supplies	131,984	47,602	131,984	84,382	36%

Total Expenses	543,121	194,415	543,121	348,706	36%
-----------------------	----------------	----------------	----------------	----------------	------------

REVENUE DETAIL	Adopted 20-21	Realized YTD	Projected Yr End	Balance YTD	% Realized
Interest	4,000	0	4,000	4,000	0%
Environmental Fees	1,000	1,500	1,500	-500	150%
Sphere of Influence Fee	2,000	0	2,000	2,000	0%
LAFCO Processing Fees	14,000	6,500	14,000	7,500	46%
Other Revenue/Fund Balance if needed	25,000	0	20,700	3,855	0%
Sub-Total w/o Agency Charges	46,000	8,000	42,200	38,000	17%
LAFCO Charges to Agencies	493,266	497,066	497,066	3,800	101%
Total Revenue	539,266	505,066	539,266	34,200	94%

Fund Balance-Reserves	Beginning FY 20-21	Projected End of Year Reserves	Projected % of Budget
Fund Balance and Reserves	155,365	155,365	29%
Transfer in 4th Qtr if needed		-3,855	
Reserves/Fund Balance	155,365	151,510	28%

Attachment B

Card Statements for July, August, Sept 2020



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
-----------------	----	------

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

- *



BL ACCT 00002542-10000000
LAFCO



Account Number: #### #### ####
Closing Date: 07/31/20

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	\$	0.00
Purchases	+	106.48
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	0.00
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	106.48

Payment Information



Total Minimum Payment Due \$106.48
Payment Due Date 08/25/20

Minimum Payment \$ 106.48

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
07/02	07/02	PPLN01	24493980184026421809286	ZOOM.US 888-799-9666 CA	\$ 54.99
Cardholder Name: DAVID CHURCH					
Total Charges for Account Number:					54.99
07/20	07/21	PPLN01	24343110202900016623308	SLO CLERK RECORDER 805-7815080 CA	\$ 50.00
07/20	07/21	PPLN01	24343110202900014679302	AMS*SERVICE FEE 101653 888-9147768 FL	1.49
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					51.49

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	\$0.00	\$0.00	0.06008% (D)	21.9900%	\$0.00	\$0.00	0.0000%	\$106.48
Cash										
CPLN01 001	CASH	A	\$0.00	\$0.00	0.06554% (D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
Total			\$0.00	\$0.00			\$0.00	\$0.00	0.0000%	\$106.48
Days In Billing Cycle: 31						APR = Annual Percentage Rate				
*See last page for explanation of Finance Charge Method (FCM)						** 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 DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW 5 DAYS FOR MAIL DELIVERY



BL ACCT 00002542-10000000
LAFCO



Account Number: #### #### ####
Closing Date: 08/31/20

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	\$	106.48
Purchases	+	77.62
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	106.48 -
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	77.62

Payment Information



Total Minimum Payment Due \$77.62

Minimum Payment	\$	77.62
-----------------	----	-------

Payment Due Date 09/25/20

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
08/02	08/03	PPLN01	24493980216026912956473	ZOOM.US 888-799-9666 CA	\$ 54.99
Cardholder Name: MIKE PRATER					54.99
Total Charges for Account Number:					
08/07	08/10	PPLN01	24767890222234600346310	TROPHY HUNTERS SN LUIS OBISP CA	\$ 22.63
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					22.63
Payments, Adjustments and Others					
08/18	08/18		000000000000000000000000114188	PAYMENT - THANK YOU	\$ 106.48 -

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

- *