

	<p align="center"><b>Solano Local Agency Formation Commission</b>          675 Texas St. Ste. 6700 • Fairfield, California 94533          (707) 439-3897 • FAX: (707) 438-1788</p>
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**Staff Report**

DATE: February 11, 2019  
 TO: Local Agency Formation Commission  
 FROM: Rich Seithel  
 SUBJECT: Mid-Year Budget Status

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**BACKGROUND:**

The FY 2018/19 mid-year budget status provides an overview of LAFCO’s expenses and revenues through December 31, 2018. The Commission’s adopted operating budget for the current year is \$590,372.

**EXPENSES:**

The approved FY 18/19 expenses are \$590,372 which includes \$323,304 for salaries and employee benefits, and \$267,068 for services and supplies. At mid-year, expenses totaled \$367,895 which represents approximately 38% of the adopted operating budget. Additionally, cost of living adjustments were budgeted for employees, but have not yet been expended. Thus, the salaries and employee benefits budget category is only at 43% of the budgeted expenses.

Salaries and Benefits represent 54.8% of the operating budget. Services and Supplies represent the balance (45.2%).

**REVENUE:<sup>1</sup>**

The approved FY 18/19 Revenue is \$513,293. At mid-year, total revenue recognized was \$515,266, representing 100.4% of the anticipated budget amount. The higher than anticipated revenue can be attributed to fees collected from project applications.

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<sup>1</sup> For the purposes of this report, the term “revenue” is broadly used to encompass all sources of funds used to finance LAFCO’s total expenditures. This includes funding from the county and cities, fees collected from changes of organization applications, and interest income

**Commissioners**

Harry Price, Chair • Jim Spering, Vice-Chair • Ron Rowlett • Nancy Shopay • John Vasquez

**Alternate Commissioners**

Ron Kott • Shawn Smith • Skip Thomson

**Staff**

Rich Seithel, Executive Officer • Michelle McIntyre, Sr. Analyst • P. Scott Browne, Legal Counsel

Following is table 1 summarizing the mid-year budget status.

**Table 1 - Summary of Mid-Year Status**

Description	FY 18/19 Budget	Mid-Year Actuals	% of FY 18/19 Budget
<b>EXPENSES:</b>			
Salaries & Benefits	\$323,304	\$137,988	43%
Services & Supplies	\$267,068	\$ 84,489	32%
<b>Total Expenditures</b>	<b>\$590,372</b>	<b>\$222,477</b>	<b>38%</b>
<b>REVENUE:</b>			
Applications	\$ 40,000	\$ 42,340	106%
Interest	\$ 3,000	\$ 2,633	88%
Intergovernmental	\$470,293	\$470,293	100%
<b>Total Revenue</b>	<b>\$513,293</b>	<b>\$515,266</b>	<b>100.4%</b>
<b>TOTAL EXPENSES:</b>	<b>\$590,372</b>		
<b>TOTAL REVENUE:</b>	<b>\$513,293</b>		
<b>NET FUND COST:</b>	<b>\$ 77,079<sup>2</sup></b>		

A mid-year budget breakdown by line item is attached (Attachment #1) . You may note on Attachment #1 that a few line items vary notably from the mid-year (50%) mark. The chart below comments on line items that reflect a notable variance from 50% and have a significant dollar amount budgeted.

Line Item #	Description	Comment
1110	Salary/Wages	Mid-year does not reflect recent Senior Analyst promotion
1210	Retirement-Employer	Does not include \$5,333 unfunded liability paydown
1230	Health Insurance	EO did not enroll in 2018 health insurance plan
1270	Accrued Leave Payoff	Neither employee exercised vacation buyback yet
2051	Liability Insurance	One-time annual payment
2245	Contracted Service	Reclamation District MSR and RD 2034 MSR are outstanding

In summary, Solano LAFCO, at 43% of budget at mid-year, is within the operating budget. The Executive Officer does not anticipate any extraordinary expenses for the balance of FY 2018/19 and recommends the Commission RECEIVE the Mid-Year Budget Report.

<sup>2</sup> Fund balance from FY 2017/18 that Commission directed to apply to FY 2018/19 budget.

<b>SOLANO LOCAL AGENCY FORMATION COMMISSION Attachment #1</b>					
<b>MID YEAR (MY) BUDGET: FY 18/19</b>					
<b>DEPT: 3450 - LAFCO</b>					
	<b>Description</b>	<b>17/18 ACTUALS</b>	<b>18/19 Working Budget</b>	<b>Mid-Year YTD ACTUALS</b>	<b>Year to Date as Percentage of Working Budget</b>
<b>1000</b>	<b>SALARIES AND EMPLOYEE BENEFITS</b>				
1110	SALARY/WAGES REGULAR	219,919	243,211	111,612	46%
1210	RETIREMENT-EMPLOYER	19,497	29,280	11,147	38%
1212	DEFERRED COMP-COUNTY MATCH	130	260	60	23%
1220	FICA-EMPLOYER	3,346	3,527	1,728	49%
1230	HEALTH INS-EMPLOYER	19,422	22,740	8,660	38%
1231	VISION CARE INSURANCE	248	318	146	46%
1240	COMPENSATION INSURANCE	83	836	797	95%
1241	LT DISABILITY INSURANCE ER	681	1,373	630	46%
1250	UNEMPLOYMENT INSURANCE	1,302	868	-	0%
1260	DENTAL INS-EMPLOYER	2,249	2,189	626	29%
1270	ACCRUED LEAVE CTO PAYOFF	5,306	16,887	1,751	10%
1290	LIFE INSURANCE-EMPLOYER	1,042	1,815	832	46%
	<b>SALARIES AND EMPLOYEE BENEFITS</b>	<b>273,224</b>	<b>323,304</b>	<b>137,988</b>	<b>43%</b>
<b>2000</b>	<b>SERVICES AND SUPPLIES</b>				
2021	COMMUNICATION-TELEPHONE SYSTEM	639	748	185	25%
2025	CELLULAR COMMUNICATION SERVICE	25	-	-	
2026	CELL PHONE ALLOWANCE	880	1,200	275	23%
2028	TELEPHONE SERVICES	2,648	2,520	1,387	55%
2051	LIABILITY INSURANCE	-	4,083	4,339	106%
2140	MAINTENANCE-BLDGS & IMPROVE	203	400	-	0%
2170	MEMBERSHIPS	1,299	5,114	5,141	101%
2180	BOOKS & SUBSCRIPTIONS	128	400	-	0%
2200	OFFICE EXPENSE	3,927	3,000	1,158	39%
2202	CONTROLLED ASSETS \$1500-\$4999	2,622	2,622	-	0%
2205	POSTAGE	321	500	34	7%
2235	ACCOUNTING & FINANCIAL SERVICE	9,066	20,700	8,200	40%
2245	CONTRACTED SERVICES	30,453	120,000	13,688	11%
2250	OTHER PROFESSIONAL SERVICES	25,145	50,475	21,091	42%
2266	CENTRAL DATA PROCESSING SVCE	8,969	10,638	5,508	52%
2270	SOFTWARE	330	600	60	10%
2280	PUBLICATIONS AND LEGAL NOTICES	522	2,260	64	3%
2285	RENTS & LEASES - EQUIPMENT	5,498	6,368	2,331	37%
2295	RENTS & LEASES-BUILDINGS/IMPR	16,140	17,140	16,140	94%
2310	EDUCATION & TRAINING	1,674	2,000	-	0%
2335	TRAVEL EXPENSE	10,003	10,000	1,250	12%
2339	MANAGEMENT BUSINESS EXPENSE	1,060	500	517	103%
2354	CAR ALLOWANCE	2,700	4,800	2,700	56%
2355	PERSONAL MILEAGE	389	1,000	420	42%
	<b>SERVICES AND SUPPLIES</b>	<b>124,641</b>	<b>267,068</b>	<b>84,489</b>	<b>32%</b>
	<b>TOTAL EXPENDITURES</b>	<b>397,865</b>	<b>590,372</b>	<b>222,477</b>	<b>38%</b>
<b>9200</b>	<b>LICENSES, PERMITS &amp; FRANCHISE</b>				
9229	LICENSES & PERMITS-OTHER	29,661	40,000	42,340	106%
	<b>LICENSES, PERMITS &amp; FRANCHISE</b>	<b>29,661</b>	<b>40,000</b>	<b>42,340</b>	<b>106%</b>
<b>9400</b>	<b>REVENUE FROM USE OF MONEY/PROP</b>				
9401	INTEREST INCOME	5,885	3,000	2,633	88%
<b>TOTAL</b>	<b>REVENUE FROM USE OF MONEY/PROP</b>	<b>5,885</b>	<b>3,000</b>	<b>2,633</b>	<b>88%</b>
<b>9500</b>	<b>INTERGOVERNMENTAL REVENUES</b>				
9511	OTHER GOVERNMENTAL AGENCIES	447,319	470,293	470,293	100%
<b>TOTAL</b>	<b>INTERGOVERNMENTAL REVENUES</b>	<b>447,319</b>	<b>470,293</b>	<b>470,293</b>	<b>100%</b>
	<b>TOTAL REVENUE</b>	<b>482,865</b>	<b>513,293</b>	<b>515,266</b>	<b>100%</b>
	<b>TOTAL EXPENDITURES</b>	<b>397,865</b>	<b>590,372</b>	<b>222,477</b>	<b>38%</b>
	<b>TOTAL REVENUES</b>	<b>482,865</b>	<b>513,293</b>	<b>515,266</b>	<b>100.4%</b>
	<b>NET FUND COST</b>	<b>(85,000)</b>	<b>77,079</b>		