



Solano Local Agency Formation Commission

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Staff Report

DATE: February 14, 2022
 TO: Local Agency Formation Commission
 FROM: Rich Seithel
 SUBJECT: Mid-Year Budget Status

RECOMMENDATION:

Staff recommends the Commission receive the FY 2021/22 Mid-Year Budget status.

DISCUSSION:

The fiscal year (FY) 2021/22 mid-year (MY) budget status provides an overview of LAFCO's expenses and revenues through December 31, 2021. The Commission adopted a \$775,355 FY 2021/22 operating budget on June 14, 2021. After rolling over encumbrances of \$89,263 for municipal service review contracts, the FY 2020/21 adjusted budget is \$864,618.

This report includes a mid-year review of the financial activities and the presentation of a spreadsheet (Attachment 1) showing: adopted budget plus encumbrances; mid-year year-to-date actuals plus encumbrances; line-item expenditures and revenues, and year-end estimates.

Adopted Budget:

The \$775,355 FY 2021/22 adopted budget includes:

Adopted Budget		
Salaries and Employee Benefits	\$486,744	62.78%
Services and Supplies	\$288,611	37.22%
Total Expenses	\$775,355	100%

Licenses & Permits, Other	\$20,000	2.58%
Interest Income	\$3,000	0.39%
Other Governmental Agencies	\$ 711,402	91.75%
Fund Balance	\$40,953	5.28%
Total Revenue	\$775,355	100%

Commissioners

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

Alternate Commissioners

Ron Kott • Mitch Mashburn • Robert Guerrero

Staff

Rich Seithel, Executive Officer • Jeffrey Lum, Analyst II • P. Scott Browne, Legal Counsel

Adjusted Budget:

A budget adjustment of \$89,263 (sub-objects #2245 and #2250) was required because of the roll-over of municipal service review affiliated contracts. The contract was budgeted in FY 2020/21 and rolled over into the current FY. (From a revenue perspective, FY 2019/20 funds budgeted for the expenditure was not expended in FY 2019/20 and rolled over to cover this expenditure in the current FY.)

Mid-Year Analysis ¹:

At Mid-Year, expenses total \$379,051 (43.84%) and revenues total \$842,187 (97.41%) of the adjusted budget.¹

Mid-Year	Adjusted	MY Actual	%
Salaries and Employee Benefits	\$486,744	\$214,988	44.17%
Services and Supplies	\$ 377,874	\$164,063	43.42%
Total Expenses	\$864,618	\$379,051	43.84%
Licenses & Permits, Other -	\$20,000	\$0	-
Interest Income	\$3,000	\$567	18.90%
Other Governmental Agencies	\$711,402	\$711,404	100.0%
Fund Balance appropriation + roll over	\$130,216	\$130,216	100.0%
Total Revenue	\$864,618	\$842,187	97.41%

A mid-year budget breakdown by line item is attached (Attachment A). You may note on Attachment A that a few line items vary notably from the mid-year (50%) mark. Following is a discussion of items that reflect a notable variance from 50% and have a significant dollar amount budgeted:

1. *Salaries and Benefits (1000 series):*

At mid-year, salaries and benefits are at \$214,988, which is 44% of the salaries and benefits adjusted budget. The mid-year salaries and benefits items are less than 50% for the following reasons:

- Salaries/Wages (#0001110) The budget did not anticipate the departure of the Senior Analyst. The reduction in actual is partially offset by a sizeable cash-out due to the years of service. The year-end estimate includes budgeting for the Deputy Executive Officer position for 4 months.
- Health Insurance (#0001230) – The budget anticipated the Executive Officer would utilize the health insurance benefit, but he has declined. Thus, the total for health insurance for the agency is only at 23% of the anticipated cost.

¹ Note: See attachment A for: adopted budget; adjusted budget; line-item budgeted expenditures and receipts; mid-year results, and; year-end estimates

2. *Services and Supplies (2000 series):*

Overall, at mid-year, the Services and Supplies account (2000 series) is at 43% of the Adjusted Budget. The lower expenses can be attributed to:

Travel Expenses – Due to COVID19, the CALAFCO conference and workshop were cancelled.

Municipal Service Review – The Commission’s workplan anticipated the need for a water municipal review for SID. Due to SID being short-staffed, it is anticipated that work on this project will commence the third quarter of the fiscal year.

Revenue (9000):

At mid-year, there were no revenues reported as realized from project applications, however; as of the end of December 2021, revenue from project applications estimated at \$15,000 that are considered deferred revenue until project completion.

Year-End Estimates:

The Commission’s FY 2021/22 Budget continues to be financially sound. Each category is projected to be within their budgeted amounts at year-end. As calculated in Attachment A, staff forecasts year-end expenditures at 97% of the adjusted budget and revenues of 100%.

	<i>Adjusted</i>	<i>MY Actual</i>	<i>YE Est</i>	<i>% of Adj</i>
Salaries and Employee Benefits	\$486,744	\$214,988	\$476,910	98%
Services and Supplies	\$377,874	\$164,063	\$359,740	95%
Total Expenses	\$864,618	\$ 379,051	\$836,649	97%
Licenses & Permits, Other -	\$20,000	\$0	\$20,000	100%
Interest Income	\$3,000	\$567	\$3,000	100%
Other Governmental Agencies	\$711,402	\$711,404	\$711,404	100%
Fund Balance appropriation + roll over	\$130,216	\$130,216	\$102,245	78%
Total Revenue	\$864,618	\$842,187	\$836,649	97%

*amounts are rounded up/down to nearest whole dollar and whole percentage.

Attachment:

A – Fiscal Year 2021-21 Mid-Year Budget Worksheet

LAFCO #3450 MID YEAR BUDGET: FY 21/22										
		Description	20/21 Actuals	21/22 Working Budget including encumbrances	12/31/2021 Mid-Year YTD Actuals including encumbrances	Mid-Year vs Working Budget including encumbrance	Year-End Estimates including encumbrances	CHANGE BETWEEN MY AND WB	Year-end Est vs Working Budget	
E X P E N S E S	1000	SALARIES AND EMPLOYEE BENEFITS								
	0001110	SALARY/WAGES REGULAR	341,282	357,842	154,735	43.24%	337,351	(378,333)	94%	
	0001121	SALARY/WAGES-EXTRA HELP	4,668	0	0	0.00%	0	0	0%	
	0001210	RETIREMENT-EMPLOYER	37,304	43,662	19,600	44.89%	40,436	(46,888)	93%	
	0001212	DEFERRED COMP-COUNTY MATCH	373	390	166	42.44%	368	(412)	94%	
	0001220	FICA-EMPLOYER	5,663	5,189	2,652	51.10%	4,910	(5,468)	95%	
	0001230	HEALTH INS-EMPLOYER	30,908	47,181	11,227	23.80%	43,737	(50,625)	93%	
	0001231	VISION CARE INSURANCE	393	475	130	27.40%	435	(515)	92%	
	0001240	COMPENSATION INSURANCE	(208)	1,909	1,462	76.59%	1,837	(1,981)	96%	
	0001241	LT DISABILITY INSURANCE ER	1,487	1,603	677	42.22%	1,603	(1,603)	100%	
	0001250	UNEMPLOYMENT INSURANCE	1,064	1,302	420	32.26%	1,302	(1,302)	100%	
	0001260	DENTAL INS-EMPLOYER	1,952	2,796	902	32.24%	2,602	(2,990)	93%	
	0001270	ACCRUED LEAVE CTO PAYOFF	22,564	21,894	22,138	101.11%	39,828	(3,960)	182%	
	0001290	LIFE INSURANCE-EMPLOYER	2,145	2,501	880	35.19%	2,501	(2,501)	100%	
		TOTAL	SALARIES AND EMPLOYEE BENEFITS	449,595	486,744	214,988	44%	476,910	(496,578)	98%
		2000	SERVICES AND SUPPLIES							
		0002021	COMMUNICATION-TELEPHONE SYSTEM	798	748	196	26%	748	(748)	100%
		0002025	CELLULAR COMMUNICATION SERVICE	643	616	0	0%	-	(1,232)	0%
		0002026	CELL PHONE ALLOWANCE	1,468	2,280	953	42%	2,280	(2,280)	100%
		0002028	TELEPHONE SERVICES	3,414	3,336	2,229	67%	4,200	(2,472)	126%
		0002051	LIABILITY INSURANCE	0	7,250	6,653	92%	7,250	(7,250)	100%
		0002140	MAINTENANCE-BLDGS & IMPROVE	423	400	0	0%	400	(400)	100%
		0002170	MEMBERSHIPS	8,745	10,267	8,694	85%	10,267	(10,267)	100%
		0002180	BOOKS & SUBSCRIPTIONS	240	400	0	0%	400	(400)	100%
		0002200	OFFICE EXPENSE	2,633	3,000	1,398	47%	4,000	(2,000)	133%
		0002202	CONT ASSETS COMPUTER RELATED	5,865	0	0	0%	-	0	0%
		0002204	COMPUTER RELATED ITEMS:<\$500	1,452	500	0	0%	500	(500)	100%
		0002205	POSTAGE	480	911	14	2%	911	(911)	100%
		0002235	ACCOUNTING & FINANCIAL SERVICE	26,808	11,629	1,956	17%	4,000	(19,259)	34%
		0002239	LEGAL SERVICE	714	27,050	21,000	78%	42,000	(12,100)	155%
	0002245	CONTRACTED SERVICES	30,955	187,500	97,125	52%	187,500	(187,500)	100%	
	0002250	OTHER PROFESSIONAL SERVICES	27,572	30,755	4,083	13%	25,000	(36,510)	81%	
	0002255	CREDIT CARD PROCESSING FEES	28	0	0	0%	-	0	0%	
	0002266	CENTRAL DATA PROCESSING SVCE	12,077	39,703	10,866	27%	20,000	(59,406)	50%	
	0002270	SOFTWARE	0	900	0	0%	1,000	(800)	111%	
	0002271	SOFTWARE RENTAL / SUBSCRIPTION	1,341	947	1,022	108%	1,000	(895)	106%	
	0002280	PUBLICATIONS AND LEGAL NOTICES	579	2,000	0	0%	2,000	(2,000)	100%	
	0002285	RENTS & LEASES - EQUIPMENT	7,857	7,483	3,100	41%	8,000	(6,966)	107%	
	0002295	RENTS & LEASES-BUILDINGS/IMPR	17,128	19,034	0	0%	19,034	(19,035)	100%	
	0002310	EDUCATION & TRAINING	50	2,000	0	0%	2,000	(2,000)	100%	
	0002335	TRAVEL EXPENSE	0	10,000	0	0%	8,000	(12,000)	80%	
	0002339	MANAGEMENT BUSINESS EXPENSE	934	963	364	38%	1,000	(927)	104%	
	0002354	CAR ALLOWANCE	7,830	7,200	4,410	61%	8,000	(6,400)	111%	
	0002355	PERSONAL MILEAGE	0	1,000	0	0%	250	(1,750)	25%	
		TOTAL	SERVICES AND SUPPLIES	160,035	377,874	164,063	43%	359,740	(396,008)	95%
	TOTAL	TOTAL EXPENSES	609,630	864,618	379,051	44%	836,649	(892,586)	-3%	
R E V E N U E	9200	LICENSES, PERMITS & FRANCHISE								
	0009229	LICENSES & PERMITS-OTHER	49,000	20,000	0	0%	20,000	(20,000)	100%	
		TOTAL	LICENSES, PERMITS & FRANCHISE	49,000	20,000	0	0%	20,000	(20,000)	100%
	9400	REVENUE FROM USE OF MONEY/PROP								
	0009401	INTEREST INCOME	6,240	3,000	567	19%	3,000	(3,000)	100%	
		TOTAL	REVENUE FROM USE OF MONEY/PROP	6,240	3,000	567	19%	3,000	(3,000)	100%
9500	INTERGOVERNMENTAL REVENUES									
0009511	OTHER GOVERNMENTAL AGENCIES	711,739	711,402	711,404	100%	711,404	(711,399)	100%		
	TOTAL	INTERGOVERNMENTAL REVENUES	711,739	711,402	711,404	100%	711,404	(711,399)	100%	
	TOTAL	TOTAL REVENUES	766,979	734,402	711,971	97%	734,404	(734,399)	100%	
S U M M A R Y	Expenses	1000		486,744	214,988	44%	476,910	(496,578)	98%	
		2000		377,874	164,063	43%	359,740	(396,008)	95%	
		3000		0	0	0%	0	0	0%	
		Reserve Adjustment		0	0	0%	0	0	0%	
			TOTAL EXPENDITURES		864,618	379,051	44%	836,649	(892,586)	97%
	Revenues	9200		20,000	0	0%	20,000		100%	
		9400		3,000	567	19%	3,000		100%	
		9500		711,402	711,404	100%	711,404		100%	
		Fund balance Appropriation		40,953	40,953	1	12,982		32%	
		Encumbrance Roll-over		89,263	89,263	1	89,263		100%	
	TOTAL REVENUES		864,618	842,187	97%	836,649	130216	97%		