



Solano Local Agency Formation Commission

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Staff Report

DATE: March 8, 2021
TO: Local Agency Formation Commission
FROM: Michelle McIntyre
SUBJECT: Mid-Year Budget Status

DISCUSSION:

The fiscal year (FY) 2020/21 mid-year (MY) budget status provides an overview of LAFCO's expenses and revenues through December 31, 2020. The Commission adopted a \$807,232 FY 2020/21 operating budget on June 8, 2020. After rolling over an encumbrance of \$28,347 for the fire district special study, the FY 2020/21 adjusted budget is \$835,579.

This report includes a mid-year review of the financial activities and the presentation of a spreadsheet (Attachment 1) showing: adopted budget; adjusted budget; line item budgeted expenditures and receipts; mid-year results, and; year-end estimates.

Adopted Budget:

The \$807,232 FY 2020/21 adopted budget includes:

Adopted Budget		
Salaries and Employee Benefits	\$476,033	58.97%
Services and Supplies	\$309,966	38.40%
20% Reserve Requirement Adjustment	\$21,233	2.63%
Total Expenses	\$807,232	100%

Licenses & Permits, Other	\$10,000	1.24%
Interest Income	\$3,000	0.37%
Other Governmental Agencies	\$ 711,738	88.17%
Fund Balance	\$82,494	10.22%
Total Revenue	\$807,232	100%

Commissioners

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

Alternate Commissioners

Ron Kott • Mitch Mashburn • Shawn Smith

Staff

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

Adjusted Budget:

A budget adjustment of \$28,347 (sub-object #0002245) was required because of the fire districts special study. The Commission entered into a contract in FY 2019/20, and work continues to the current fiscal year. The contract was budgeted in FY 2019/20 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 \$346,708 (41.49%) and revenues total \$824,158 (98.61%) of the adjusted budget.¹

Mid-Year	Adjusted	MY Actual	%
Salaries and Employee Benefits	\$476,033	\$216,406	45.46%
Services and Supplies	\$ 338,313	\$108,836	32.17%
20% Reserve Requirement Adjustment	\$21,233	\$21,233	100%
Other Charges	\$0	\$232	-
Total Expenses	\$835,579	\$346,708	41.49%

Licenses & Permits, Other -	\$10,000	\$0	-
Interest Income	\$3,000	\$1,422	47.40%
Other Governmental Agencies	\$711,738	\$711,739	100.0%
Fund Balance appropriation + roll over	\$110,841	\$110,841	100.0%
Total Revenue	\$835,579	\$824,002	98.61%

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 \$216,406, which is 45.46% of the salaries and benefits adjusted budget. The mid-year salaries and benefits items are less than 50% for the following reasons:

- Health Insurance (#0001230) – The budget anticipated the Executive Officer would utilize the health insurance benefit, but he has declined. The budget anticipated a new employee would use the family rate but is using the employee only rate. Thus, the total for health insurance for the agency is only at 26.5% of

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

the anticipated cost.

- Compensation Insurance – (#0001240) Compensation insurance is billed annually in May. (The \$208 is a refund from prior year due to a decrease in salary expense in FY 2019-20 as a result of the Senior Analyst’s medical leave.)

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

Overall, at mid-year, the Services and Supplies account (2000 series) is at 32% 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, but staff anticipate that work on this project will commence the third quarter of the fiscal year.

Revenue (9000):

At mid-year, there were no revenues realized from project applications, however; as of the end of February 2021, revenue from project applications totaled \$49,000. These were a result of several reorganization and changes of organization applications that were approved by the Commission at the end of the 2020 calendar year, but not administratively closed until beginning of 2021.

Year-End Estimates:

The Commission’s FY 2020/21 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 of 94% of the adjusted budget and revenues of 101%.

	Adjusted	MY Actual	YE Est	% of Adj
Salaries and Employee Benefits	\$476,033	\$216,406	\$449,534	94%
Services and Supplies	\$338,313	\$108,836	\$315,162	93%
20% Reserve Adjustment	\$21,233	\$21,233	\$21,233	100%
Other Charges	\$0	\$232	\$232	-
Total Expenses	\$835,579	\$ 346,708	\$786,161	94%

Licenses & Permits, Other -	\$10,000	\$0	\$49,000	490%
Interest Income	\$3,000	\$1,578	\$3,000	100%
Other Governmental Agencies	\$711,738	\$711,739	\$711,739	100%
Fund Balance appropriation + roll over	\$110,841	\$110,841	\$110,841	100%
Total Revenue	\$835,579	\$824,158	\$874,580	105%

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

RECOMMENDATION:

Staff recommends the Commission receive the FY 2020/21 Mid-Year Budget Status update.

Attachment:

A – Fiscal Year 2020-21 Mid-Year Budget Worksheet

Agenda Item 8C
Attachment A

	Description	FY 19/20 Actuals	FY 20/21 Working Budget (WB)	Adjustment (A)	WB + A (WBA)	FY 20/21 Mid-Year (MY)*	WBA-MY	(MY/WB A)	YE Est.	YE Est -WBA	YE as % of WBA
EXPENSES	1000 SALARIES AND EMPLOYEE BENEFITS										
	0001110 SALARY/WAGES REGULAR	\$243,645	\$351,758		\$351,758	\$160,563	\$191,195	46%	\$341,117	-\$10,641	97%
	0001121 SALARY/WAGES-EXTRA HELP	\$24,435	\$0		\$0	\$4,668	-\$4,668	#DIV/0!	\$4,668	\$4,668	#DIV/0!
	0001210 RETIREMENT-EMPLOYER	\$22,967	\$38,408		\$38,408	\$20,839	\$17,569	54%	\$38,408	\$0	100%
	0001212 DEFERRED COMP-COUNTY MATCH	\$262	\$390		\$390	\$173	\$217	44%	\$390	\$0	100%
	0001220 FICA-EMPLOYER	\$5,760	\$5,090		\$5,090	\$2,890	\$2,200	57%	\$5,781	\$691	114%
	0001230 HEALTH INS-EMPLOYER	\$17,803	\$49,884		\$49,884	\$13,201	\$36,683	26%	\$28,667	-\$21,217	57%
	0001231 VISION CARE INSURANCE	\$321	\$720		\$720	\$143	\$577	20%	\$720	\$0	100%
	0001240 COMPENSATION INSURANCE	\$3,057	\$1,556		\$1,556	-\$208	\$1,764	-13%	\$1,556	\$0	100%
	0001241 LT DISABILITY INSURANCE ER	\$1,385	\$1,702		\$1,702	\$618	\$1,084	36%	\$1,702	\$0	100%
	0001250 UNEMPLOYMENT INSURANCE	\$1,484	\$1,302		\$1,302	\$350	\$952	27%	\$1,302	\$0	100%
	0001260 DENTAL INS-EMPLOYER	\$1,380	\$2,869		\$2,869	\$968	\$1,901	34%	\$2,869	\$0	100%
	0001270 ACCRUED LEAVE CTO PAYOFF	\$5,970	\$19,828		\$19,828	\$11,384	\$8,444	57%	\$19,828	\$0	100%
	0001290 LIFE INSURANCE-EMPLOYER	\$1,830	\$2,526		\$2,526	\$817	\$1,709	32%	\$2,526	\$0	100%
	TOTAL SALARIES AND EMPLOYEE BENEFITS	\$330,299	\$476,033	\$0	\$476,033	\$216,406	\$259,627	45%	\$449,534	-\$26,499	94%
	2000 SERVICES AND SUPPLIES										
	0002021 COMMUNICATION-TELEPHONE SYSTEM	\$557	\$748		\$748	\$255	-\$493	34%	\$748	\$0	100%
	0002025 CELLULAR COMMUNICATION SERVICE	\$0	\$0		\$0	\$308	\$308	#DIV/0!	\$616	\$616	#DIV/0!
	0002026 CELL PHONE ALLOWANCE	\$1,551	\$1,680		\$1,680	\$470	-\$1,210	28%	\$1,680	\$0	100%
	0002028 TELEPHONE SERVICES	\$3,128	\$3,336		\$3,336	\$1,603	-\$1,733	48%	\$3,336	\$0	100%
	0002051 LIABILITY INSURANCE	\$11,980	\$6,902		\$6,902	\$0	-\$6,902	0%	\$6,902	\$0	100%
	0002140 MAINTENANCE-BLDGS & IMPROVE	\$0	\$400		\$400	\$0	-\$400	0%	\$400	\$0	100%
	0002170 MEMBERSHIPS	\$5,822	\$9,306		\$9,306	\$8,745	-\$561	94%	\$9,306	\$0	100%
	0002180 BOOKS & SUBSCRIPTIONS	\$0	\$400		\$400	\$0	-\$400	0%	\$400	\$0	100%
0002200 OFFICE EXPENSE	\$3,494	\$3,000		\$3,000	\$1,629	-\$1,371	54%	\$3,000	\$0	100%	
0002202 CONT ASSETS COMPUTER RELATED	\$2,849	\$0		\$0	\$5,865	\$5,865	#DIV/0!	\$5,865	\$5,865	#DIV/0!	
0002204 COMPUTER RELATED ITEMS:<\$500	\$0	\$0		\$0	\$168	\$168	#DIV/0!	\$168	\$168	#DIV/0!	
0002205 POSTAGE	\$301	\$500		\$500	\$455	-\$45	91%	\$911	\$411	182%	
0002207 ERGONOMIC UNDER \$1500	\$1,625	\$0		\$0	\$0	\$0	#DIV/0!	\$0	\$0	#DIV/0!	
0002235 ACCOUNTING & FINANCIAL SERVICE	\$10,528	\$24,918		\$24,918	\$16,373	-\$8,545	66%	\$24,918	\$0	100%	
0002239 LEGAL SERVICE	\$12	\$0		\$0	\$0	\$0	#DIV/0!	\$0	\$0	#DIV/0!	
0002245 CONTRACTED SERVICES	\$149,296	\$120,000	\$28,347	\$148,347	\$31,409	-\$116,938	21%	\$148,347	\$0	100%	
0002250 OTHER PROFESSIONAL SERVICES	\$30,017	\$58,296		\$58,296	\$9,685	-\$48,611	17%	\$39,680	-\$18,616	68%	
0002266 CENTRAL DATA PROCESSING SVCE	\$38,252	\$31,548		\$31,548	\$6,215	-\$25,333	20%	\$31,548	\$0	100%	
0002270 SOFTWARE	\$532	\$900		\$900	\$0	-\$900	0%	\$900	\$0	100%	
0002271 SOFTWARE RENTAL / SUBSCRIPTION	\$0	\$0		\$0	\$474	\$474	#DIV/0!	\$947	\$947	#DIV/0!	
0002280 PUBLICATIONS AND LEGAL NOTICES	\$592	\$2,260		\$2,260	\$118	-\$2,142	5%	\$591	-\$1,669	26%	
0002285 RENTS & LEASES - EQUIPMENT	\$5,910	\$6,944		\$6,944	\$3,563	-\$3,381	51%	\$7,127	\$183	103%	
0002295 RENTS & LEASES-BUILDINGS/IMPR	\$16,792	\$18,128		\$18,128	\$17,128	-\$1,000	94%	\$17,128	-\$1,000	94%	
0002310 EDUCATION & TRAINING	\$173	\$2,000		\$2,000	\$50	-\$1,950	3%	\$2,000	\$0	100%	
0002335 TRAVEL EXPENSE	\$4,525	\$10,000		\$10,000	\$0	-\$10,000	0%	\$0	-\$10,000	0%	
0002339 MANAGEMENT BUSINESS EXPENSE	\$1,054	\$500		\$500	\$482	-\$18	96%	\$963	\$463	193%	
0002354 CAR ALLOWANCE	\$7,860	\$7,200		\$7,200	\$3,840	-\$3,360	53%	\$7,680	\$480	107%	
0002355 PERSONAL MILEAGE	\$59	\$1,000		\$1,000	\$0	-\$1,000	0%	\$0	-\$1,000	0%	
TOTAL SERVICES AND SUPPLIES	\$296,908	\$309,966	\$28,347	\$338,313	\$108,836	-\$229,477	32%	\$315,162	-\$23,151	93%	
3000 OTHER CHARGES											
0003696 OTHER CHARGES	\$0	\$0	\$0	\$0	\$232	\$232	#DIV/0!	\$232	\$232	#DIV/0!	
OTHER EXPENSES											
0000730 20% RESERVE POLICY ADJ	\$135,967	\$21,233	\$0	\$21,233	\$21,233			\$21,233			
TOTAL TOTAL EXPENSES	\$763,175	\$807,232	\$28,347	\$835,579	\$346,708	\$488,871	41%	\$786,161	-\$49,418	94%	
REVENUES	9200 LICENSES, PERMITS & FRANCHISE										
	0009229 LICENSES, PERMITS & FRANCHISE	\$57,492	\$10,000	\$0	\$10,000	\$0	-\$10,000	0%	\$49,000	\$39,000	490%
	9400 REVENUE FROM USE OF MONEY/PROP										
	0009401 REVENUE FROM USE OF MONEY/PROP	\$12,959	\$3,000	\$0	\$3,000	\$1,578	-\$1,422	53%	\$3,000	\$0	100%
	9500 INTERGOVERNMENTAL REVENUES										
	0009511 INTERGOVERNMENTAL REVENUES	\$629,725	\$711,738	\$0	\$711,738	\$711,739	\$1	100%	\$711,739	\$1	100%
	740 FUND BALANCE FROM PY	\$64,845	\$82,494	\$0	\$82,494	\$82,494			\$82,494		
TOTAL TOTAL REVENUES	\$765,021	\$807,232	\$28,347	\$835,579	\$824,158	\$11,421	99%	\$874,580	\$39,001	105%	
SUMMARY	Expenses										
	1000		\$476,033	\$0	\$476,033	\$216,406	\$259,627	45%	\$449,534	-\$26,499	94%
	2000		\$309,966	\$28,347	\$338,313	\$108,836	\$229,477	68%	\$315,162	-\$23,151	93%
	3000		\$0	\$0	\$0	\$232	-\$232	#DIV/0!	\$232	\$232	#DIV/0!
	Reserve Adjustment		\$21,233	\$0	\$21,233	\$21,233	\$21,233	100%	\$21,233	\$0	100%
	TOTAL EXPENDITURES		\$807,232	\$28,347	\$835,579	\$346,708	\$488,871	41%	\$786,161	-\$49,418	94%
	Revenues										
	9200		\$10,000	\$0	\$10,000	\$0	\$10,000	0%	\$49,000	\$39,000	490%
	9400		\$3,000	\$0	\$3,000	\$1,578	-\$1,422	53%	\$3,000	\$0	100%
	9500		\$711,738	\$0	\$711,738	\$711,739	-\$1	100%	\$711,739	\$1	100%
Fund Balance Appropriation		\$82,494	\$0	\$82,494	\$82,494	\$0	100%	\$82,494	\$0	100%	
Encumbrance Roll-over		\$0	\$28,347	\$28,347	\$28,347	\$0	100%	\$28,347	\$0	100%	
TOTAL REVENUES		\$807,232	\$28,347	\$835,579	\$824,158	\$11,421	99%	\$874,580	\$39,001	105%	

*MY Includes Encumbrances
Adjustment - Contracted services roll-over of \$28,347 for Fire Special Study