



9335 Hazard Way • Suite 200 • San Diego, CA 92123  
(858) 614-7755 • FAX (858) 614-7766

San Diego Local Agency Formation Commission

Website: [www.sdlafco.org](http://www.sdlafco.org)

**Chairman**

Andrew Vanderlaan  
Public Member

August 4, 2014

**13**

**REVISED**

**Vice Chairman**

John Ingalls  
Santa Fe  
Irrigation District

TO: Local Agency Formation Commission

**Members**

FROM: Executive Officer

Bill Horn  
County Board of  
Supervisors

SUBJECT: Fourth Quarter FY 2013-14 Budget Update

Dianne Jacob  
County Board of  
Supervisors

Bud Pocklington  
South Bay  
Irrigation District

Lorie Zapf  
Councilmember  
City of San Diego

Jim Janney  
Mayor  
City of Imperial Beach

Sam Abed  
Mayor  
City of Escondido

**Alternate Members**

Greg Cox  
County Board of  
Supervisors

Sherri Lightner  
Councilmember  
City of San Diego

Jo MacKenzie  
Vista Irrigation District

Lorraine Wood  
Councilmember  
City of Carlsbad

Harry Mathis  
Public Member

**Executive Officer**

Michael D. Ott

**Counsel**

Thomas Bosworth

According to year-end (unaudited) figures for FY 2013-14, the Commission operated approximately 13% under budget. Costs were reduced by leaving several positions vacant (Assistant Executive Officer and student worker), under-filling other positions, and deferral of certain expenditures to FY 2014-15. Salaries and Benefits totaled \$758,097 and Services and Supplies amounted to \$794,931. Approximately \$122,115 of services and supplies appropriations (accounts 52728: \$42,103, 52304: \$77,039, and 52370: \$2,973) consist of encumbered appropriations and are associated with County of San Diego charges that will be shifted to FY 2014-15 related to IT support. Processing fee revenue was substantially higher than projected and totaled \$222,137 (\$166,965/Service to Property Owners and \$55,172/Miscellaneous) due to the submittal of a higher than projected number of jurisdictional proposals. Revenues also included an operating transfer of \$95,000 (approved by the Commission on November 4, 2013) associated with LAFCO's records management plan. Figures 1 and 2 attached to this budget report cover financial activity in greater detail. A brief overview of second quarter budget activity follows.

**Revenue**

Apportionment revenue consists of funds derived from local agency general purpose revenues based on a formula codified in State Law (Government Code Section 56381). Through the fourth quarter of FY 2013-14, \$1,397,440 or 100% of LAFCO's apportionment revenue was collected. One local agency (Tri-City Health Care District) did not originally contribute its share of apportionment funds to LAFCO. LAFCO staff and the County Auditor and Controller, therefore, arranged for collection of the apportionment funds by debiting the healthcare district's property tax revenue. Proposal based revenue totaled \$166,965 (\$166,965: Account

46234 Service to Property Owners and \$55,172: Account 49900 Miscellaneous Revenue). This amount is higher than projected due to improved economic conditions. Revenues also consisted of a \$95,000 trust fund transfer from account 46726 to 47540 to support a designated special project (e.g., records management).

## **Expenditures**

LAFCO's FY 2013-14 expenditures totaled \$1,553,029 (\$758,097/Salaries and Benefits and \$794,931/Services and Supplies). Salaries and benefits costs were significantly under budget primarily due to under-filling several positions and a mid-year position vacancy that has remained vacant. Services and Supplies costs totaled \$794,931 through the fourth quarter and are also currently under budget. Approximately \$122,115 of these costs included encumbered expenditures/appropriations (records management) that will be charged LAFCO in FY 2014-15. The County's billing for these costs was anticipated in FY 2013-14, but actual billing will be delayed. Overall costs for the records management program are below budget.

This report is provided for the Commission's information and acceptance. Therefore, it is

**RECOMMENDED:** That the Commission receive and accept the Fourth Quarter FY 2013-14 LAFCO Budget Update.

Respectfully submitted,



MICHAEL D. OTT  
Executive Officer

MDO:ra

Attachments: Figures 1 & 2 (Fourth Quarter LAFCO Budget Update FY 2013-14)

**Figure 1**  
**Fourth Quarter LAFCO Budget Update FY 2013-14**

**13**  
**REVISED**

Ordinary Income/Expense	Actual FY12-13 Budget	Adopted FY12-13 Budget	4th Quart Est. FY13-14 Budget	Adopted FY13-14 Budget
<b>Income</b>				
45918 · LAFCO Apportionment (net cost)	1,404,232.00	1,404,232.00	1,397,440.00	1,508,619.37
46234 · Service to Property Owner	174,575.00	50,000.00	166,965.00	91,530.00
47540 · Operating Transfers	0.00	150,000.00	95,000.00	175,000.00
47615 · Other Sales - Taxable	0.12	10,000.00	0.00	5,000.00
49000 · Processing Fee	0.00	0.00	0.00	0.00
49200 · Interest & Dividends	3,147.61	0.00	0.00	2,200.00
49900 · Miscellaneous Revenue	19,063.36	0.00	55,172.51	0.00
80100 · Receipts Sch TR & Agency	0.00	0.00	0.00	0.00
<b>TOTAL Income</b>	<b>1,601,018.09</b>	<b>1,614,232.00</b>	<b>1,714,577.51</b>	<b>1,782,349.37</b>
<b>Expense</b>				
51110 · Salaries & Wages	479,432.00	945,957.00	478,919.00	563,496.00
Benefits Total	272,291.00		279,179.00	345,174.00
52074 · Telecommunications	0.00	2,000.00	0.00	500.00
52138 · Public Liability Insurance	0.00	1,000.00	0.00	500.00
52178 · Auto Maintenance	861.83	2,000.00	1,770.26	2,000.00
52182 · Vehicle Fuel	584.41	1,500.00	785.70	1,500.00
52270 · Memberships	7,154.00	9,000.00	7,319.00	9,000.00
52330 · Office Expense	0.00	5,000.00	0.00	8,000.00
52332 · Postage	0.00	5,000.00	0.00	500.00
52334 · Printing	7,642.53	20,000.00	14,627.25	10,000.00
52336 · Books - Office Library	1,708.53	500.00	855.34	2,000.00
52338 · Drafting/Engineering	0.00	250.00	0.00	50.00
52344 · Stores Unallocated	9,936.43	5,000.00	7,531.90	12,500.00
52354 · Mail/Postage-ISF	7,651.09	10,000.00	8,337.63	12,000.00
52370 · Professional Services				
52370.A · Special Counsel Litigation	0.00	5,000.00	0.00	750.00
52370.B · Special Counsel General	13,368.80	2,500.00	17,721.20	8,000.00
52370.C · General Counsel	5,562.00	15,000.00	11,785.20	8,000.00
52370.D · GIS Support	34,364.00	60,000.00	56,204.50	60,000.00
52370.E · Web & Doc Support	31,868.00	65,000.00	56,204.50	65,000.00
52370.F · Local Govt Services	55,295.75	95,000.00	43,187.00	65,000.00
52370.G · Legislation	26,796.00	35,000.00	25,061.00	35,000.00
52370.H · Accounting	19,900.00	25,000.00	12,100.00	30,000.00
52370.I · Other (Doc. Capture QC)	0.00	0.00	24,641.50	55,000.00
<b>Total 52370 · Professional Services</b>	<b>187,154.55</b>	<b>302,500.00</b>	<b>246,904.90</b>	<b>326,750.00</b>
52490 · Publications	1,174.39	1,000.00	1,787.36	1,000.00
52530 · Office Lease	68,562.67	71,000.00	70,276.73	73,000.00
52550 · Special Department				
52550.A · Service Review	99,013.75	95,000.00	47,940.00	55,000.00
52550.B · County Overhead Costs	24,726.00	25,000.00	30,944.00	31,000.00
52550.C · Other	0.00	2,000.00	6,390.32	2,000.00
52550.D · Minor Expense	23,317.24	15,000.00	26,754.74	15,000.00
52550.E · Other (Doc. Capture)	1,225.73	0.00	32,685.48	85,000.00
<b>Total 52550 · Special Department</b>	<b>148,282.72</b>	<b>137,000.00</b>	<b>144,714.54</b>	<b>190,399.00</b>
52566 · Minor Equipment	392.78	1,000.00	0.00	1,000.00
52602 · Computer Related Training	0.00	1,000.00	0.00	3,500.00
52608 · Out of County Travel	0.00	2,500.00	0.00	0.00
52610 · Non-Travel/In-County	0.00	500.00	0.00	500.00
52612 · Emp. Auto mileage	8,896.37	10,000.00	8,604.66	10,000.00
52622 · Training/Regis	0.00	3,500.00	0.00	2,000.00
52704 · Purchasing ISF	0.00	500.00	0.00	500.00
52706 · Document Svcs ISF	105.00	200.00	0.00	200.00
52721 · Network Services IT	28,774.00	26,000.00	31,073.43	28,000.00
52722 · Computing Power ISF	0.00	800.00	0.00	800.00
52723 · Data Center Service	4,283.67	5,600.00	10,237.54	6,000.00
52725 · Cross Functional Svcs I	5,287.57	5,600.00	5,553.07	6,000.00
52726 · Microfiche & Print	0.00	125.00	99.00	200.00
52728 · Application Service	0.00	0.00	33,154.80	95,000.00
52732 · Desktop Computing	21,381.04	27,000.00	22,915.40	29,500.00
52734 · Help Desk	1,566.57	5,000.00	1,506.12	5,500.00
52750 · Catalog Items	938.72	1,000.00	49,325.58	1,000.00
52752 · Other Services	0.00	200.00	1,000.00	500.00
52754 · Non Catalog Items	0.00	500.00	0.00	500.00
52758 · Vehicle Lease	3,090.78	2,500.00	3,090.78	2,500.00
53585 · Equipment Dep Expense	0.00	0.00	1,345.76	0.00
59000 · Fixed Asset	0.00	2,000.00	0.00	17,000.00
<b>00000 - Encumbrance</b>	<b>0.00</b>	<b>0.00</b>	<b>122,115.00</b>	<b>0.00</b>
54961 - Fixed Asset Equip & Furn	0	2,000.00	0.00	17,000.00
<b>Subtotal Services &amp; Supplies</b>	<b>529,210.02</b>	<b>668,275.00</b>	<b>794,931.75</b>	<b>871,280.37</b>
<b>TOTAL Salaries &amp; Bens and Serv. &amp; Supplies<sup>5</sup></b>	<b>1,280,933.02</b>	<b>1,614,232.00</b>	<b>1,553,029.75</b>	<b>1,782,349.37</b>

**Figure 2**

**Fourth Quarter LAFCO Budget Update FY 2013-14**

	Actual FY12-13 Budget <sup>5</sup>	Adopted FY12-13 Budget	4th Quart Est. FY13-14 Budget	Adopted FY13-14 Budget
<b>Fund Activity</b>				
44595 - Fund Balance <sup>1</sup>	102,147.51	94,969.51	118,327.28	94,969.51
46725 - Contingency <sup>2</sup>	525,743.09	525,743.09	529,471.53	527,057.45
46726 - Special Project <sup>3</sup>	514,777.04	195,665.80	422,217.75	102,081.00
46727 - Jurisdictional <sup>4</sup>	146,966.27	146,966.27	148,008.51	147,333.69
46728 - Interest	3,147.61	2,170.94	-	1,941.18
<b>46729 - FUND ACTIVITY TOTAL</b>	<b>1,292,781.52</b>	<b>965,515.61</b>	<b>1,218,025.07</b>	<b>873,382.83</b>

Notes for Figures 1 & 2:

<sup>1</sup>Account 44595: All funds are designated "Unassigned" per Minute Item No. 9: June 3, 2013.

<sup>2</sup>Account 46725: All funds are designated "Unassigned" per Minute Item No. 9: June 3, 2013.

<sup>3</sup>Account 46726 contains the following designations:

\$220,486.26 ("Unassigned") per LAFCO Minute item No 9: June 3, 2013.

\$175,000 ("Committed") per Min. Item No. 9: June 3, 2013 for fee waivers (Dissolution of the Julian-Cuyamaca, Pine Valley, and Rural FPDs; CSA 115 (Pepper Drive); and the Greenwood Memorial Park Cemetery Island Reorganization proposal.

\$95,000 (Committed) per Min. Item 11, November 4, 2013 for doc. mgmt; funds transferred to operating account in FY 2013-14.

\$25,000 ("Committed") per Minute Item No. 11: November 4, 2013 associated with the reorganization of CSA 107 (Elfin Forest).

\$22,075 ("Assigned") per Minute item No. 9: June 3, 2013 for the Montecito Ranch Project.

<sup>4</sup>Account 44727: All funds designated "Unassigned" per Minute Item No. 9: June 3, 2013.

<sup>5</sup>Actual budget figures are based on modified accrual system & may differ from audited figures.