



Chairman

Bill Horn
County Board of
Supervisors

February 2, 2015

Vice Chairman

Sam Abed
Mayor
City of Escondido

TO: Local Agency Formation Commission

FROM: Executive Officer

Members

Dianne Jacob
County Board of
Supervisors

SUBJECT: Second Quarter FY 2014-15 Budget Update

SECOND QUARTER BUDGET UPDATE

Andrew Vanderlaan
Public Member

Lori Zapf
Councilmember
City of San Diego

Lorraine Wood
Councilmember
City of Carlsbad

Jo MacKenzie
Vista Irrigation District

Expenditures and Revenues through the second quarter of FY 2014-15 continue to be within budget. As part of the first quarter budget update received last year, the Commission approved the following two action items: (1) Removal of the "committed" designation related to the transfer of \$95,000 from Trust Fund Account 46726 to Account 47540 to support LAFCO's records management project, and (2) Amended the staffing schedule authorizing the Executive Officer to transfer up to \$73,442 from Services and Supplies Accounts 52370 (Professional Services) and 52550 (Special Departmental) to Salaries and Benefits associated with the recruitment and hiring of one Local Governmental Analyst. The staffing schedule and salary appropriations actions have not yet been implemented, but will likely occur in the third quarter, upon completion of the recruitment.

Alternate Members

Greg Cox
County Board of
Supervisors

Chris Cate
Councilmember
City of San Diego

Racquel Vasquez
Councilmember
City of Lemon Grove

Ed Sprague
Olivenhain Municipal
Water District

Harry Mathis
Public Member

Revenue

LAFCO derives revenue from two primary sources: annual apportionments and fees. Apportionment revenue consists of funds derived from local agency general purpose revenues based on a complex formula codified in State Law (Government Code Section 56381). Per this statute, local agencies must contribute funds equal to the amount needed by the Commission each year. Through the second quarter of the current fiscal year, 100% of LAFCO's apportionment revenue has been collected by the County Auditor (\$1,395,035). Fee-based revenue is associated with jurisdictional proposals. Proposal-based revenue totaled \$71,500 (Account 46234 Service to Property Owners), and \$18,710 of Miscellaneous Revenue (Account 49900). These amounts are within the anticipated range for the second quarter.

Executive Officer

Michael D. Ott

Special Counsel

Michael G. Colantuono

Expenditures

LAFCO's total FY 2014-15 expenditures amounted to \$747,259 through the second quarter (\$367,257: Salaries and Benefits and \$380,002: Services and Supplies). These cost figures are currently under budget. Services and Supplies costs will accelerate in the third and fourth quarters primarily due to anticipated charges from the County for information technology support, and several fire agency reorganization projects (Dissolution of Rural FPD, Pine Valley FPD, CSA No. 115 - Pepper Drive, and CSA 107 – Harmony Grove).

Fund Activity

LAFCO maintains four Trust Funds with the County of San Diego Treasury; funds are assigned designations consistent with general accounting rules (e.g., assigned, unassigned, and committed). The balance for all trust funds is \$1,356,050 and is shown on Figure 2. Interest earned in the second quarter was \$1,108. This rate of return is rather low, but is reflective of the low risk nature of these County of San Diego held funds.

The next budget update report will be provided as part of the FY 2015-16 LAFCO Budget.

RECOMMENDED: That the Commission

Receive and accept the Second Quarter FY 2014-15 LAFCO Budget Update.

Respectfully submitted,

MICHAEL D. OTT
Executive Officer

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Attachment: Figures 1 & 2: Second Quarter LAFCO Budget Update FY 2014-15

Figure 1
Second Quarter LAFCO Budget Update FY 2014-15

Ordinary Income/Expense	Actual FY13-14 Budget	Adopted FY13-14 Budget	1st & 2nd Quart Est. FY14-15 Budget	Adopted FY14-15 Budget
Income				
45918 · LAFCO Apportionment (net cost)	1,397,440.00	1,508,619.37	1,395,035.00	1,395,035.00
46234 · Service to Property Owner	166,965.00	91,530.00	71,500.00	143,586.00
47540 · Operating Transfers	95,000.00	175,000.00	0.00	175,000.00
47615 · Other Sales - Taxable	0.00	5,000.00	0.00	7,500.00
49000 · Processing Fee	0.00	0.00	0.00	0.00
49200 · Interest & Dividends	-	2,200.00	0.00	2,000.00
49900 · Miscellaneous Revenue	55,172.51	0.00	18,710.00	0.00
80100 · Receipts Sch TR & Agency	0.00	0.00	0.00	0.00
TOTAL Income	1,714,577.51	1,782,349.37	1,485,245.00	1,723,121.00
Expense				
51110 · Salaries & Wages	478,919.00	563,496.00	219,993.00	535,822.00
Benefits Total	279,179.00	345,174.00	147,264.00	348,549.00
52074 · Telecommunications	0.00	500.00	0.00	500.00
52138 · Public Liability Insurance	0.00	500.00	0.00	500.00
52178 · Auto Maintenance	1,770.26	2,000.00	435.56	2,000.00
52182 · Vehicle Fuel	785.70	1,500.00	292.60	1,500.00
52270 · Memberships	7,319.00	9,000.00	7,428.00	9,000.00
52330 · Office Expense	0.00	8,000.00	0.00	5,000.00
52332 · Postage	0.00	500.00	0.00	500.00
52334 · Printing	14,627.25	10,000.00	2,317.61	10,000.00
52336 · Books - Office Library	855.34	2,000.00	23.13	2,000.00
52338 · Drafting/Engineering	0.00	50.00	0.00	50.00
52344 · Stores Unallocated	7,531.90	12,500.00	8,394.67	12,500.00
52354 · Mail/Postage-ISF	8,337.63	12,000.00	2,868.64	8,000.00
52370 · Professional Services				
52370.A · Special Counsel Litigation	0.00	750.00	0.00	0.00
52370.B · Special Counsel General	17,721.20	8,000.00	11,100.20	10,000.00
52370.C · General Counsel	11,785.20	8,000.00	3,109.90	11,000.00
52370.D · GIS Support	56,204.50	60,000.00	46,064.00	60,000.00
52370.E · Web & Doc Support	56,204.50	65,000.00	0.00	65,000.00
52370.F · Local Govt Services	43,187.00	65,000.00	21,818.00	65,000.00
52370.G · Legislation	25,061.00	35,000.00	15,106.00	20,000.00
52370.H · Accounting	12,100.00	30,000.00	0.00	30,000.00
52370.I · Other (Doc. Capture QC)	24,641.50	55,000.00	47,141.97	90,000.00
Total 52370 · Professional Services	246,904.90	326,750.00	144,340.07	351,000.00
52490 · Publications	1,787.36	1,000.00	394.84	25,000.00
52504 Copy Equipment	0.00	0.00	100.11	
52530 · Office Lease	70,276.73	73,000.00	35,850.13	75,000.00
52550 · Special Department				
52550.A · Service Review	47,940.00	55,000.00	23,600.00	55,000.00
52550.B · County Overhead Costs	30,944.00	31,000.00	16,233.00	31,000.00
52550.C · Other	6,390.32	2,000.00	5,400.00	2,000.00
52550.D · Minor Expense	26,754.74	15,000.00	18,820.45	17,000.00
52550.E · Other (Doc. Capture)	32,685.48	85,000.00		50,000.00
Total 52550 · Special Department	144,714.54	190,399.00	64,053.45	155,000.00
52566 · Minor Equipment	0.00	1,000.00	0.00	1,000.00
52602 · Computer Related Training	0.00	3,500.00	0.00	1,000.00
52608 · Out of County Travel	0.00	0.00	0.00	1,000.00
52610 · Non-Travel/In-County	0.00	500.00	0.00	500.00
52612 · Emp. Auto mileage	8,604.66	10,000.00	4,266.96	10,000.00
52622 · Training/Regis	0.00	2,000.00	0.00	1,000.00
52704 · Purchasing ISF	0.00	500.00	0.00	500.00
52706 · Document Svcs ISF	0.00	200.00	0.00	200.00
52721 · Network Services IT	31,073.43	28,000.00	11,104.59	32,000.00
52722 · Computing Power ISF	0.00	800.00	0.00	800.00
52723 · Data Center Service	10,237.54	6,000.00	19,064.63	50,000.00
52725 · Cross Functional Svcs I	5,553.07	6,000.00	3,003.38	6,000.00
52726 · Microfiche & Print	99.00	200.00	0.00	200.00
52728 · Application Service	33,154.80	95,000.00	13,681.07	25,000.00
52732 · Desktop Computing	22,915.40	29,500.00	10,154.70	27,000.00
52734 · Help Desk	1,506.12	5,500.00	722.85	2,500.00
52750 · Catalog Items	49,325.58	1,000.00	49,308.05	10,000.00
52752 · Other Services	1,000.00	500.00	0.00	500.00
52754 · Non Catalog Items	0.00	500.00	0.00	500.00
52758 · Vehicle Lease	3,090.78	2,500.00	1,287.85	2,500.00
53585 · Equipment Dep Expense	1,345.76	0.00	1,009.32	2,500.00
59000 · Fixed Asset	0.00	17,000.00	0.00	1,500.00
00000 - Encumbrance	122,115.00	0.00	122,115.00	0.00
54961 - Fixed Asset Equip & Furn	0	17,000.00	0.00	17,000.00
Subtotal Services & Supplies	794,931.75	871,280.37	380,002.10	860,530.37
TOTAL Salaries & Bens and Serv. & Supplies²	1,553,029.75	1,782,349.37	747,259.10	1,747,401.37

Figure 2
Second Quarter LAFCO Budget Update FY 2014-15

Fund Activity	Actual FY13-14 Budget ⁵	Adopted FY13-14 Budget	1st & 2nd Quart Est. FY14-15 Budget	Adopted FY14-15 Budget
44595 - Fund Balance ¹	118,327.28	94,969.51	122,115.00	118,327.28
46725 - Contingency ²	529,471.53	527,057.45	663,197.37	528,480.82
46726 - Special Project ³	422,217.75	102,081.00	422,597.39	515,486.26
46727 - Jurisdictional ⁴	148,008.51	147,333.69	148,141.00	147,731.57
46728 - Interest	-	1,941.18	-	2,097.34
46729 - FUND ACTIVITY TOTAL	1,218,025.07	873,382.83	1,356,050.76	1,312,123.27

Notes for Figures 1 & 2:

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

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

³Account 46726 contains the following designations:

\$220,486.26 \$200,142.75 ("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.

~~\$86,000 (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.

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

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