

## Local Agency Formation Commission FY 2016-2017

		FY 15/16 Amended	FY 16/17 Proposed	
		Budget	Budget	Variance
		Actual	10%	
<b>Projected Apportionment Increase</b>				
Revenues:				
<b>Transfer from Unreserved equity</b>		-	<b>99,170</b>	<b>10,540</b>
4000	LAFCO Apportionment	926,682	1,019,400	92,700
4200	Interest	3,842	2,900	-
4150	Miscellaneous Revenue	336	-	-
Total Revenues		930,860	1,121,470	103,240
Expenditures:				
5000	Salaries	315,825	424,500	60,800
5010	Hourly Employees	1,224	10,000	1,800
5106	Retirement	119,255	131,800	15,700
5104	Deferred Compensation	4,036	9,100	3,400
5108	Health Insurance	51,215	52,400	4,800
5109	Retiree Health Benefits	11,859	14,500	1,000
5110	Dental Insurance	4,318	5,700	800
5112	Life Insurance	662	600	100
5114	Worker's Compensation	743	2,000	(400)
5116	Medicare	4,771	6,900	1,600
5118	Unemployment Insurance	-	-	-
5120	Salary Continuance	1,117	1,500	300
5122	Accidental Death Insurance	88	100	-
5102	Optional Benefit Plan	14,417	18,500	-
5125	Executive Car Allowance	7,200	7,200	-
Total Salaries and Benefits		536,729	684,800	89,900
Office Operations and Supplies:				
5150	Information Technology	10,290	10,000	(17,300)
5151	Telephone	10,565	12,000	1,000
5200	County Charges	2,831	3,600	(2,000)
5250	Insurance	14,257	15,500	100
5301	Repairs and Maintenance	58	510	10
5350	Membership/Subscriptions	28,943	29,700	700
5450	Office Equipment/Supplies	15,781	18,000	(7,300)
Professional Services:				
5510	Legal	46,571	60,000	8,900
5520	Audit/Accounting	42,268	46,000	4,000
5530	Human Resources	700	10,000	5,000
5540	Other Professional	50,103	75,000	10,000
Other Operations:				
5535	Mapping	3,536	6,400	(1,800)
5550	Investment Admin Fees	522	640	10
5560	Banking Fees	499	920	20
5600	Public Noticing	3,129	10,400	200
5625	Postage	1,901	2,900	100
5650	Rents/Maintenance	37,361	68,600	3,100
5675	Equipment Leases & Maintenance	7,191	8,300	2,800
5700	Commissioner/Staff Expenses	7,872	8,400	200
5710	Commission Stipends & Taxes/Fees	13,740	15,600	(200)
5750	Staff Training	909	5,000	1,400
5800	Transportation/Travel	8,290	26,600	3,200
5850	Commission Meeting Expenses	1,584	2,600	1,200
Subtotal Services, Operations, & Supplies		308,901	436,670	13,340
Total Expenditures		845,630	1,121,470	103,240
Revenues Over Expenditures		<b>85,230</b>	-	-

*\*Expenses were projected using CPI levels. In order to maintain compliance with Commission reserves policy, a need to implement rate increases in apportionments is projected. The projected rate increase are 5% for FY 17/18, 4% for FY 18/19, and 3% for FY 19/20.*

## Local Agency Formation Commission FY 2016-2017

	<b>FY 14/15 Actual</b>	<b>FY 15/16 Amended Budget</b>	<b>FY 16/17 Proposed Budget</b>	<b>Variance</b>
		<b>6/30/16</b>	<b>6/30/17</b>	
<b><u>Reserves:</u></b>				
Contingency reserve	100,000	100,000	100,000	-
Reserve for litigation	75,000	75,000	75,000	-
Unfunded liability reserve	30,000	30,000	30,000	-
Reserved for projects deposits	25,292	25,292	25,292	-
Reserve - 25% of Budgeted Expenditures	211,407	254,558	280,368	
<b><u>Unreserved equity:</u></b>				
<i>Balance at the Beginning of FY</i>	561,280	646,513	557,883	(88,630)
<i>Projected (Use) or Addition to Reserves</i>	85,233			-
<i>Amount used to balance Current Budget</i>	-	<b>(88,630)</b>	<b>(99,170)</b>	(10,540)
Unreserved equity at the End of FY	646,513	557,883	458,713	(99,170)
<b><i>Total Projected Reserves at End of FY</i></b>	<b>1,088,212</b>	<b>1,042,732</b>	<b>969,372</b>	<b>(73,360)</b>

## OC LAFCO Budget Categories FY 2016-17

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### REVENUES

The following summarizes what is included in each of the revenue categories used in the proposed FY 2015-2016 LAFCO Budget:

#### 4000 LAFCO Apportionment

These funds are provided by the County, independent special districts and cities. LAFCO uses the cost allocation formulas previously adopted by the City Selection Committee and the Independent Special Districts Selection Committee to determine the allocation apportionment for each city and independent special district. The County pays 1/3 of the total apportionment cost.

#### 4050 Filing Fees

These funds are provided by incoming project applications, including but not limited to annexations, reorganizations, incorporations, dissolutions, and consolidations.

#### 4200 Interest

These funds are the interest earned from the agency's bank and County payroll accounts and investment portfolio, including the Local Agency Investment Fund (LAIF) and the Orange County Fund.

#### 4150 Miscellaneous Revenue

These funds are incurred by nonoperational income including but not limited to reimbursements.

### EXPENDITURES

The following summarizes what is included in each of the expenditure categories used in the proposed FY 2015-2016 LAFCO Budget:

#### 5000-5125 Salaries and Benefits

These categories include costs incurred for LAFCO employee (full-time and hourly) salaries and benefits, including retirement, unemployment insurance, health and dental insurance, workers' compensation, and Medicare. LAFCO contracts with the County of Orange for payroll and benefit services.

#### 5150 Information Technology

This includes costs incurred for the maintenance and repair costs of office computers, modem lines, archival system (On-Base Client), and technical support for regular maintenance and upgrades to the LAFCO website. LAFCO contracts with the County of Orange for archiving services and RespondTech, an independent contractor, for other IT services.

#### 5151 Internet and Telephone

This category includes costs incurred for Internet service, office telephone service and equipment, and cellular phone services.

#### 5200 County Charges

This category includes costs incurred for warehouse storage for LAFCO files and records, and billing and collection of County, city and special district allocations provided by the County of Orange.

## OC LAFCO Budget Categories FY 2016-17

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### 5250 Insurance

This category includes costs incurred for insurance coverage. LAFCO contracts with the County of Orange Risk Management Division for the following coverages for instances that occur during the general operation of the agency.

- General Liability (SLIP) – Includes coverage for personal injury, property damage, non-owned auto liability, public officials' errors and omissions and employment practices liability.
- Workers' Compensation - State mandated coverage for LAFCO employees for work related injuries.
- Crime -- Includes coverage for employee theft, burglary, forgery or alteration, computer fraud, funds transfer fraud.
- Property (SPIP) - Includes per occurrence, all perils coverage for damage to property including personal property and business interruption coverage.

### 5301 Repairs and Maintenance

This category includes costs incurred for repairs and maintenance to the LAFCO offices.

### 5350 Membership

CALAFCO, CSDA, OCBC, CDR and other applicable membership fees are paid out of this category.

### 5450 Office Equipment/Supplies

This category includes costs incurred for the purchase of computer and office supplies/equipment and software that support the efficient operations of the agency.

### 5500 Professional Services

This category includes costs incurred for professional services provided to LAFCO. The following are subcategories for professional services:

- ✓ **5510 Legal** - LAFCO legal counsel through the law offices of Best, Best & Krieger.
- ✓ **5520 Auditing/Accounting** – Bookkeeping and accounting services through CBIZ, Accounting Tax and Advisory and Platinum Consulting Group. This category includes costs incurred for a certified public accounting firm to conduct mandated annual audits of LAFCO's financial statements and consultant assistance.
- ✓ **5530 Human Resources** – Personnel costs that may include recruitment, professional development and human resource publications.
- ✓ **5535 Mapping** -- LAFCO's Geographic Information System (GIS) and other mapping programs.
- ✓ **5540 Other Professional Services** -- Outside consulting and professional services used for complex and/or contentious projects that may include meeting facilitation, peer reviews, and preparation of fiscal studies and/or reports.

## OC LAFCO Budget Categories FY 2016-17

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### 5550 Investment Admin Fees

This category includes costs incurred for administrative fees charged by the County of Orange for financial services related to the OC Fund investment portfolio.

### 5560 Banking Fees

This category includes costs incurred for administrative fees charged by Wells Fargo for management of the LAFCO checking and savings accounts.

### 5600 Public Noticing

This category includes costs incurred for required legal notices for Commission-initiated and other projects (e.g., municipal service reviews, annual budget adoption, small island annexations, etc.) that are not reimbursable through application fees.

### 5625 Postage

This category includes costs incurred for mail postage when distributing LAFCO correspondence, invoices, letters, staff reports and other documents.

### 5650 Rents/Maintenance

This category includes costs for leasing of LAFCO office space.

### 5675 Equipment Leases/Maintenance

This category includes costs for leasing and maintenance of copier, printers, and postage meter machines for LAFCO office use.

### 5700 Commissioner/Staff Expenses

This category includes costs incurred for Commissioner parking, mileage reimbursement, and staff meeting and educational reimbursement expenses.

### 5710 Commissioner Stipends & Taxes/Fees

This category includes Commissioner meeting stipends and related employment taxes and fees.

### 5750 Staff Training

This category includes costs related to mandatory or job-related staff training, workshops, courses (i.e., sexual harassment, ethics in the workplace, software courses, etc.).

### 5800 Transportation/Travel/Registration

This category includes costs incurred for registration and travel expenses for commissioners and staff to attend the CALAFCO annual conference and board meetings, staff workshop and other conferences.

### 5850 Commission Meeting Expenses

This category includes costs incurred for miscellaneous supplies used for Commission meetings.

**PROPOSED OC LAFCO Budget Reserve Categories**  
**FY 2015-2016**

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**Contingency Reserve**

Restricted funds used to cover any unforeseen future agency loss and/or urgency (i.e., property or equipment damage, loss or theft).

**Reserve for Litigation**

Restricted funds used for costs related to agency legal challenges.

**Unfunded Liability Reserve**

Restricted funds used to offset anticipated agency liabilities (i.e., employee vacation and administrative leave payouts).