

**Local Agency Formation Commission
FY 2018-19 Final Budget**

	A	B	C	D	E
	FY 17/18 Approved Budget	FY 18/19 Final Budget	FY 19/20 Projected Budget	FY 18/19 Budget Variance	% Budget Variance
Projected Apportionment % Increase		2%	2%		
Use of/(Addition) of Unreserved Cash	59,140	33,583	117,530	(25,557)	-43.2%
Revenues:					
4000 LAFCO Apportionment	1,070,400	1,091,777	1,113,600	21,377	2.0%
4200 Interest	8,500	14,500	14,500	6,000	70.6%
Total Revenues and Uses/(Additions) to Cash	1,138,040	1,139,860	1,245,630	1,820	0.2%
Expenditures:					
5000 Salaries	415,800	440,800	497,500	25,000	6.0%
5010 Hourly Employees	10,000	10,000	10,000	-	0.0%
5106 Retirement	124,500	126,100	147,800	1,600	1.3%
5104 Deferred Compensation	6,800	9,300	10,500	2,500	36.8%
5108 Health Insurance	55,000	53,000	56,100	(2,000)	-3.6%
5109 Retiree Health Benefits	16,100	17,900	20,200	1,800	11.2%
5110 Dental Insurance	5,400	5,400	5,500	-	0.0%
5112 Life Insurance	550	600	600	50	9.1%
5114 Worker's Compensation	2,950	3,500	3,500	550	18.6%
5116 Medicare	5,900	6,500	7,400	600	10.2%
5118 Unemployment Insurance	-	-	-	-	0.0%
5120 Salary Continuance	1,400	1,500	1,700	100	7.1%
5122 Accidental Death Insurance	110	130	130	20	18.2%
5102 Optional Benefit Plan	18,500	18,500	18,500	-	0.0%
5125 Executive Car Allowance	7,200	7,200	7,200	-	0.0%
Total Salaries and Benefits	670,210	700,430	786,630	30,220	4.5%
Office Operations and Supplies:					
5150 Information Technology	10,000	10,000	10,200	-	0.0%
5151 Internet & Telephone	14,200	15,100	15,400	900	6.3%
5200 County Charges	4,000	4,000	4,100	-	0.0%
5250 Insurance	16,510	15,600	15,900	(910)	-5.5%
5301 Repairs and Maintenance	-	-	-	-	0.0%
5350 Membership/Subscriptions	31,600	32,400	33,000	800	2.5%
5450 Office Equipment/Supplies	18,000	15,000	25,300	(3,000)	-16.7%
5490 Office contract labor	-	-	-	-	0.0%
Professional Services:					
5510 Legal	60,000	60,000	61,200	-	0.0%
5520 Audit/Accounting	42,900	42,900	43,800	-	0.0%
5530 Human Resources	8,000	8,000	8,200	-	0.0%
5540 Other Professional	100,000	75,000	75,000	(25,000)	-25.0%
Other Operations:					
5535 Mapping	6,400	7,200	7,300	800	12.5%
5550 Investment Admin Fees	600	660	700	60	10.0%
5575 CEQA Filings	-	-	-	-	0.0%

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5560 Banking Fees	220	220	200	-	0.0%
5600 Public Noticing / Communications	10,400	5,000	5,100	(5,400)	-51.9%
5625 Postage	1,000	-	-	(1,000)	-100.0%
5650 Rents/Maintenance	70,900	74,000	76,200	3,100	4.4%
5675 Equipment Leases & Maintenance	4,500	5,100	5,200	600	13.3%
5700 Commissioner/Staff Expenses	8,400	8,400	8,600	-	0.0%
5710 Commission Stipends & Taxes/Fees	16,200	16,200	16,500	-	0.0%
5750 Professional Development	15,000	20,000	22,000	5,000	33.3%
5800 Registration/Travel	22,700	19,350	19,700	(3,350)	-14.8%
5850 Commission Meeting Expenses	6,300	5,300	5,400	(1,000)	-15.9%
5998 Refund of Deposits	-	-	-	-	
Subtotal Services, Operations, & Supplies	467,830	439,430	459,000	(28,400)	-6.1%
Total Expenditures	1,138,040	1,139,860	1,245,630	1,820	0.2%
Net Budget	-	-	-	-	0.0%

	FY 17/18 Approved Budget	FY 18/19 Final Budget	FY 19/20 Projected Budget
<u>Projected Reserves:</u>			
1 Contingency reserve	100,000	100,000	100,000
2 Reserve for litigation	75,000	75,000	75,000
3 Unfunded liability reserve	30,000	30,000	30,000
Reserved for projects deposits	-	-	-
4 Reserve - 25% of Budgeted Expenditures	284,510	284,965	311,408
<u>Unreserved Cash:</u>			
6 Balance at the Beginning of FY	580,891	709,786	676,204
7 Addition (Drawdown) to Unreserved Cash	(59,140)	(33,583)	(117,530)
<i>Additional Adjustments</i>			
8 Projected unreserved cash at the End of FY	521,751	676,204	558,674
9 Total Projected Cash Balances at End of FY	<u>1,011,261</u>	<u>1,166,169</u>	<u>1,075,081</u>

REVENUES

The following summarizes what is included in each of the revenue categories used in the proposed FY 2018-19 OC 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. Filing fees are not budgeted for because revenue from this category is difficult to predict. Any revenues that is collected will help offset OC LAFCO salaries and benefit expenditures.

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 2018-19 OC 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 technical support for regular maintenance and upgrades to the OC LAFCO computer systems and website. LAFCO contracts an independent contractor for these IT services.

5151 Internet and Telephone Expense

This category includes telephone and cell phone costs, leasing telephone equipment, website hosting, tech support, and email.

5200 County Charges

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

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.

5350 Membership/Subscriptions

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, postage, 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** – OC LAFCO legal counsel expenditures.
- ✓ **5520 Auditing/Accounting** – Bookkeeping and accounting services Platinum Consulting Group. This category also includes costs incurred for a certified public accounting firm to conduct mandated 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.

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/Communications

This category includes costs incurred for required legal notices and other communications 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.

5650 Rents/Maintenance

This category includes costs for leasing of OC LAFCO office space.

5675 Equipment Leases/Maintenance

This category includes costs for leasing and maintenance of the copier and printers, 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 Professional Development

This category includes costs related to mandatory or job-related staff development training workshops, university courses, or other training classes.

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 room rental, parking and miscellaneous supplies used for Commission meetings.

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 payouts).