

**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION**

**FINAL BUDGET**

Fiscal Year 2020/21

*(Approved May 13, 2020)*

		<b>FY 20/21 Final Budget</b>
<b>REVENUES</b>		
	(Additions) / Uses of Unreserved Cash	\$ 115,010
4000	LAFCO Apportionment	1,124,500
4200	Interest	18,000
<b>REVENUES &amp; USES / (ADDITIONS) TO CASH</b>		<b>1,257,510</b>
<b>EXPENDITURES</b>		
<b>Salaries &amp; Benefits</b>		
5000	Salaries	529,220
5010	Hourly Employees	18,000
5106	Retirement	190,920
5109	Retiree Health Benefits	18,250
5108	Health Insurance	56,520
5110	Dental Insurance	5,710
5112	Life Insurance	510
5102	Optional Benefit Plan	18,500
5104	Deferred Compensation	16,130
5116	Medicare	8,210
5114	Worker's Compensation	3,940
5120	Salary Continuance	1,860
5122	Accidental Death Insurance	130
5125	Executive Car Allowance	7,200
<b>SubTotal: Salaries &amp; Benefits</b>		<b>875,100</b>
<b>Office Operations</b>		
5150	Information Technology	10,000
5151	Internet & Telephone	15,760
5200	County Charges	8,500
5250	Insurance	9,800
5350	Membership/Subscriptions	35,320
5450	Office Equipment/Supplies	10,000
<b>Professional Services</b>		
5510	Legal	60,000
5520	Audit/Accounting	43,200
5530	Human Resources	9,450
5540	Other Professional	60,000
<b>Other Operations</b>		
5535	Mapping	9,500
5550	Investment Admin Fees	630
5600	Public Noticing / Communications	5,400

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		<b>FY 20/21 Final Budget</b>
5610	Unincorporated Areas Program	6,000
5650	Rents/Maintenance	51,100
5675	Equipment Leases & Maintenance	7,860
5700	Commissioner/Staff Expenses	7,000
5710	Commission Stipends & Taxes/Fees	16,350
5750	Professional Development	-
5800	Registration/Travel	10,540
5850	Commission Meeting Expenses	6,000
<b>Subtotal: Office Operations &amp; Services</b>		<b>382,410</b>
<b>TOTAL EXPENDITURES</b>		<b>1,257,510</b>
<b>NET BUDGET</b>		<b>\$ -</b>

		<b>FY 20/21 Final Budget</b>
<b><u>PROJECTED RESERVES</u></b>		
1	Contingency reserve	\$ 100,000
2	Reserve for litigation	75,000
3	Unfunded liability reserve	30,000
4	Reserve - 25% of Budgeted Expenditures	314,377
<b><u>UNRESERVED CASH</u></b>		
6	<i>Balance at the Beginning of FY</i>	817,502
7	<i>Addition (Drawdown) to Unreserved Cash</i>	<u>(115,010)</u>
8	<i>Projected unreserved cash at the End of FY</i>	<u>702,492</u>
9	<b><i>Total Projected Cash Balance at End of FY</i></b>	<b><u>\$ 1,221,870</u></b>

## REVENUES

The following summarizes the revenue categories of the OC LAFCO Budget:

### **4000 OC LAFCO Apportionment**

These funds are provided by the County, independent special districts and cities. The County pays 1/3 of the total apportionment cost. The cost allocation formulas for the cities and special districts are in accordance with the alternative formulas adopted by the City Selection Committee and the Independent Special Districts Selection Committee respectively.

### **4050 Filing Fees**

These funds are provided by incoming project applications, including but not limited to annexations, reorganizations, incorporations, dissolutions, and consolidations. Filing fees vary with each project received and are not budgeted as revenue due to the uncertainty of when applications will be filed. Filing fees are collected to offset OC LAFCO salaries, benefits and other expenditures associated with applications.

### **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 the expenditure categories of the OC LAFCO Budget:

### **5000-5125 Salaries and Benefits**

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

### **5150 Information Technology**

This category includes costs incurred for the technical support for regular maintenance and upgrades to the OC LAFCO computer systems and website. OC LAFCO contracts with an independent consultant for IT services.

### **5151 Internet and Telephone**

This category includes costs for the usage, technical support, equipment purchasing, leasing and maintenance for office and mobile telephones, website hosting, and internet service.

**5200 County Charges**

This category includes costs incurred for payroll processing, records archiving and storage, and billing and collection services provided by the County of Orange.

**5250 Insurance**

This category includes costs incurred for insurance coverage. OC LAFCO contracts with the County and a joint powers authority for the following coverages for instances that occur during the general operation of the agency.

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

**5350 Membership/Subscriptions**

This category includes memberships and subscriptions fees to CALAFCO, CSDA, OCBC, CDR and other applicable memberships.

**5450 Office Equipment and Supplies**

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

**5500 Professional Services**

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

- ✓ **5510 Legal** – OC LAFCO legal counsel services.
- ✓ **5520 Auditing/Accounting** – Bookkeeping, accounting and auditing services. OC LAFCO audited financial statements are prepared by an independent auditor.
- ✓ **5530 Human Resources** – Personnel services that may be provided by an independent consultant for assistance with recruitment, professional development and other human resource areas.
- ✓ **5535 Mapping** – OC LAFCO’s Geographic Information System (GIS) and other mapping programs.
- ✓ **5540 Other Professional Services** – Outside consulting and professional services used for complex and contentious projects that may include meeting facilitation, peer reviews, and preparation of Municipal Service Reviews, fiscal studies and other 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.

**5600 Public Noticing/Communications**

This category includes costs incurred for required legal notices and other communications for Commission-initiated and other projects (e.g., spheres of influence reviews and updates, municipal service reviews, and annual budget adoption) that are not reimbursable through application fees.

**5610 Unincorporated Areas Program**

This category includes costs incurred for the processing of applications under the Commission's Unincorporated Areas Program.

**5650 Rents/Maintenance**

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

**5675 Equipment Leases/Maintenance**

This category includes costs for leasing and maintenance of the OC LAFCO copier and printers.

**5700 Commissioner/Staff Expenses**

This category includes costs incurred by Commissioners and staff to attend OC LAFCO and other related business meetings and activities.

**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 employee professional development (e.g., college/university degree programs and courses, certificate programs, leadership seminars).

**5800 Transportation/Travel/Registration**

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

**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 litigation not covered by application fees and deposits.

**Unfunded Liability Reserve**

Restricted funds used to offset anticipated agency liabilities (i.e., employee compensated absences).