



AGENDA ITEM 6B

MEETING: January 20, 2016

TO: Humboldt LAFCo Commissioners

FROM: George Williamson, Executive Officer

SUBJECT: **Fiscal Year 2015-16 Mid-Year Budget Review**

The Commission will review a mid-year budget report of revenues and expenses for FY 2015-16. The report is being presented to the Commission to accept and file as well as to provide direction as needed.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates operating costs for Local Agency Formation Commissions (LAFCOs) shall be annually funded by the affected counties, cities, and independent special districts on a one-third apportionment process. Apportionments for cities and independent special districts are further divided and proportional to each agency's total revenues as a percentage of the overall revenue amount collected in the county. LAFCOs are also authorized to establish and collect fees to offset agency contributions.

DISCUSSION

Humboldt LAFCo's adopted final budget for the current fiscal year totals \$135,300. This amount represents the total approved operating expenditures for the fiscal year within the Commission's two active expense units: staffing and services/supplies. Budgeted revenues also total \$135,300 within three active revenue units: intergovernmental contributions, service charges, and investments. The amounts from the county, cities and independent special districts have been collected by the Auditor. As shown in the attachment, all expenses are within budget. A summary of expenditures is as follows:

Mid-Year Expense Comparison	Adopted	Actual	%
Staffing	\$117,000.00	\$52,159.15	44.6
Services/Supplies	\$18,300.00	\$12,404.83	67.8
Total	\$135,300.00	\$64,563.98	47.7

The staffing and services/supplies accounts are under budget at mid-year, except for Account 2116 (Postage), and Account 2115 (Memberships) which was inadvertently charged for conference registrations; staff will work with the Auditor's office to re-assign conference registration costs, of \$1,295.52, to Account 2614 (Staff Development and Training). With these exceptions, staffing and services/supplies are projected to remain at or under budget for the remainder of the fiscal year. Applications for the FY 2015-16 were budgeted at \$25,000. Application fees deposited with LAFCo for the first six months of FY 2015-16 are \$3,786.00. The professional services expenses for applications of \$17,108.15 are drawn from this, and in some cases application fees are deposited in prior years. All application expenses are tracked separately, with the applicant receiving an itemized list of expenses at application process completion.

RECOMMENDATION

Staff recommends the Commission receive and file this report as presented. The Commission is invited to discuss the item and provide direction to staff as needed.

Attachments

Attachment A: FY 2015-16 Mid-Year Budget

Revenues:		FY 2014-15	FY 2014-15	FY 2015-16	FY 2015-16
<u>Account</u>	<u>Title</u>	ADOPTED	ACTUAL	ADOPTED	MID YEAR
Intergovernmental					
671181	Cities	35,684.00	35,684.00	36,567.00	36,567.01
671182	Special Districts	35,684.00	35,534.32	36,567.00	36,422.30
671183	County	35,684.00	35,684.00	36,566.00	36,566.00
Intergovernmental Total		\$ 107,052.00	\$ 106,902.32	\$ 109,700.00	\$ 109,555.31
Service Charges					
631100	Professional Services (Application Fees)	7,500.00	23,235.87	25,000.00	3,786.00
682238	Charges for Services	-	-	-	-
707010	Miscellaneous	-	-	-	-
Service Charges Total		\$ 7,500.00	\$ 23,235.87	\$ 25,000.00	\$ 3,786.00
Investments					
401000	Interest	450.00	699.56	600.00	382.70
Interest Total		\$ 450.00	\$ 699.56	\$ 600.00	\$ 382.70
Revenue Total		\$ 115,002.00	\$ 130,837.75	\$ 135,300.00	\$ 113,724.01
Expenses:		FY 2014-15	FY 2014-15	FY 2015-16	FY 2015-16
<u>Account</u>	<u>Title</u>	ADOPTED	ACTUAL	ADOPTED	MID YEAR
Staffing					
2255	Legal Fees	5,000.00	2,048.00	5,000.00	1,408.00
2118	Professional & Special Services (Task Order 1)	30,000.00	12,663.00	32,000.00	6,647.00
2118	Professional & Special Services (Task Order 2)	55,000.00	53,426.50	55,000.00	26,896.00
2118	Professional & Special Services (App Review)	7,500.00	27,961.90	25,000.00	17,108.15
2325	Contract Services	-	150.00	-	100.00
Staffing Total		\$ 97,500.00	\$ 96,249.40	\$ 117,000.00	\$ 52,159.15
Services and Supplies					
2106	Communications	300.00	155.40	300.00	77.70
2107	Duplicating	200.00	110.06	300.00	80.64
2110	Insurance	2,100.00	1,923.90	2,200.00	1,923.90
2115	Memberships	3,500.00	3,416.00	3,600.00	4,832.52
2116	Postage	102.00	84.69	100.00	188.88
2117	Office Supplies	100.00	50.64	100.00	1.44
2119	Publications and Legal Notices	1,000.00	884.40	1,000.00	229.06
2121	Rents & Leases - Structures	5,400.00	5,400.00	5,400.00	2,700.00
2123	Special Departmental Expense	500.00	660.00	500.00	340.00
2125	Transportation & Travel	400.00	867.60	400.00	279.47
2147	Media	400.00	200.32	400.00	148.26
2225	Transportation Out of County	2,500.00	1,574.33	3,000.00	1,602.96
2614	Staff Development and Training	1,000.00	600.00	1,000.00	-
Services and Supplies Total		\$ 17,502.00	\$ 15,927.34	\$ 18,300.00	\$ 12,404.83
Contingency/ Carryover					
2020	Contingency	-	-	-	-
Contingency Total		-	-	-	-
Expense Total		\$ 115,002.00	\$ 112,176.74	\$ 135,300.00	\$ 64,563.98
Operating Difference		\$ -	\$ 18,661.01	\$ -	\$ 49,160.03

Humboldt LAFCo: FY 2015-16 Operating Budget - DESCRIPTION

Revenues:

<u>Account</u>	<u>Title</u>	<u>Description</u>
Intergovernmental		
671181	Cities	Contributes 1/3 of Commission's operating expenses
671182	Special Districts	Contributes 1/3 of Commission's operating expenses
671183	County	Contributes 1/3 of Commission's operating expenses
Service Charges		
631100	Professional Services	Application Deposits per Fee Schedule
682238	Charges for Services	Accrued at hourly staff rates (i.e., mapping service fees)
707010	Miscellaneous	Available for one-time (nothing above \$5,000)
Investments		
401000	Interest	Earnings on the fund balance invested by the County Treasurer

Expenses:

<u>Account</u>	<u>Title</u>	<u>Description</u>
Staffing		
2255	Legal Fees	Contract Legal Counsel staffing services related to attending LAFCo meetings and providing other legal services as needed
2118	Professional & Special Services (Task Order 1)	Contract Executive Officer and Administrator staffing services related to preparing sphere of influence updates and municipal service reviews
2118	Professional & Special Services (Task Order 2)	Contract Executive Officer and Administrator staffing services related to reviewing or preparing agendas, staff reports, policies and procedures, and other written correspondence; attending LAFCo meetings; conducting environmental review; and maintaining GIS mapping database for city and special district boundaries and SOIs
2118	Professional & Special Services (Application Review)	Contract Executive Officer and Administrator staffing services related to reviewing, noticing, preparing and presenting reports, including alternatives and recommendations to the Commission regarding annexations, district formations, out-of-agency service applications, detachments, consolidations or other changes of organization or reorganization
2325	Contract Services	For other potential contracts
Services and Supplies		
2106	Communications	Telephone
2147	Media	Website
2121	Rents & Leases - Structures	Office space
2117	Office Supplies	Office supplies
2107	Duplicating	Printing costs (primarily agenda packets and mailings)
2116	Postage	Stamps for mailings to member agencies and other correspondence
2119	Publications and Legal Notices	Includes costs associated with the legal noticing of LAFCo public hearings
2110	Insurance	SDRMA Liability Insurance
2115	Memberships	CALAFCO and CSDA memberships
2123	Special Departmental Expense	Honorarium reimbursement for Commissioner expenses incurred as a result of attending LAFCo meetings
2125	Transportation & Travel	Commissioner travel reimbursement to regular and special meetings
2225	Transportation Out of County	Conference travel, lodging, meals and related expenses
2614	Staff Development and Training	Conference registration costs associated with attendance of Commissioners/staff at CALAFCO-sponsored conferences and workshops
Contingency/ Carryover		
2020	Contingency	Appropriation for contingencies reduced to \$0 in past years