



## **Solano Local Agency Formation Commission**

675 Texas St. Ste. 6700 • Fairfield, California 94533  
(707) 439-3897 • FAX: (707) 438-1788

### **Staff Report**

DATE: February 9, 2015

TO: Local Agency Formation Commission

FROM: Elliot Mulberg, Executive Officer  
Michelle McIntyre, Analyst

SUBJECT: MID-YEAR PROJECTION FY 2014-2015

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#### Recommendation:

The Commission receive and file this report.

#### Background:

The Commission adopted its final budget at its June 2014 meeting as required by CKH. The approved budget totaled \$462,402, with \$282,403 for salaries and benefits and \$179,999 for services and supplies. Owing to a fund balance of \$91,000 and anticipated revenues from applications the total cost to the County and cities was reduced to \$350,795.

As is often the case when adopting a budget, which in a sense is a spending plan, unforeseen savings and expenses occur. For example we were informed by our landlord in September of a rent increase at the Hilborn Rd. office. The increase was based on the lease agreement which allowed for a COLA increase each September. The landlord had neglected to impose the increase in 2012 and 2013. He was willing to waive the increase for 2012 but sent us a bill for 2013 of \$1,645. Our lease agreement was reviewed by our legal counsel who concurred that the landlord could legally increase the rent. Instead of \$2,300/month we now obligated to pay \$2,493/month through August of 2015.

Other increased expenses for office space were related to the move. We budgeted \$1,000 based on the cost four years ago, but the real cost this year was \$2,000. In addition we were charged \$311 to move our phones and internet service. There will also be an additional cost for insurance for two offices until the Hilborn Rd. lease expires. We did save \$600 in expenses to move the copier and large format scanner. The leasing company agreed to move it at no cost since our lease on the old copier expired would be replaced with an updated model. In addition the cost for copies with the new copier will be slightly reduced for color copies. We will also be saving on the cost of janitorial service for the remainder of this fiscal year. Other variances in the services and supplies account include the costs

associated with general accounting, payroll, and biennial audit services (subobject 0002235) which were more than anticipated. Despite some increased costs we anticipate to be within our budgeted expenses at the end of the fiscal year.

On the revenue side the sources are contributions from the cities and the county, interest earned, and application fees. Revenues from applications are highly unpredictable that is why we made a very conservative estimate in the June budget. To date application fees are less than expected. Many of the anticipated applications have yet to be filed. While we continue to get inquiries about possible applications we expect application fees to be under the budget estimate of \$20,000. In fact we are projecting a \$6,800 shortfall.

Other changes to the budget adopted last June relate to transfers. Once the Commission determined the Executive Officer position was going to be filled by an independent contractor and not an employee the Commission was able to re-appropriate \$148,004 from salaries and benefits to services and supplies. In addition there was \$20,256 that was transferred from the FY 2013/14 budget for the fire district MSR contract which began in FY 2013/14 and was completed this fiscal year.

Overall the mid-year budget projection for fiscal year 2014-2015 anticipates a fund balance of approximately \$25,267. A summary of the mid-year budget is shown in Table 1. Attachment A includes the detailed report.

Table 1 - Summary of Mid Year Budget

	2014-15 Final (Adjusted)	2014-15 Projected	Difference Final-Projected
Salaries and Benefits (1000s)	\$134,399	\$116,231	\$18,167
Services and Supplies (2000s)	\$348,260	\$334,360	\$13,900
<b>Total Expenses</b>	<b>\$482,659</b>	<b>\$450,591</b>	<b>\$32,067</b>
Licenses & Permits (9229)	\$20,000	\$13,200	-\$6,800
Interest Income (9401)	\$500	\$500	\$0
Estimated Fund Balance			<b>\$25,267</b>

Recommendation:

1. The Commission receive the mid-year budget report.

Attachment:

Mid-year budget summary and detailed projection for FY 2014-2015

Mid Year Projection FY2014-2015

SUBJECT CATEGORY DESCRIPTIONS	2014-2015 Final Budget	Adjustment	Adjusted Budget	July	August	September	October	November	December	YTD - As of Dec 31, 2014	Balance	Percentage of Funds Spent	End of Year Projection	Change Between Budget & MY
<b>1000 - Salaries and Employee Benefits</b>														
0001110 SALARY/WAGES REGULAR	\$190,876	-\$101,097	\$89,779	\$ 4,310.87	\$ 6,158.39	\$ 6,380.10	\$ 10,093.32	\$ 6,903.28	\$ 6,903.26	\$ 40,749.22	\$49,030	45%	\$ 82,167.00	\$7,612
0001210 RETIREMENT-EMPLOYER	\$42,870	-\$27,336	\$15,534	\$ 1,001.07	\$ 1,430.10	\$ 1,294.80	\$ 1,940.14	\$ 1,326.94	\$ 1,326.94	\$ 8,319.99	\$7,214	54%	\$ 15,534.00	\$0
0001212 DEFERRED COMP-EMPLOYER MATCH	\$260	-\$130	\$130	\$ 7.00	\$ 10.00	\$ 10.00	\$ 15.00	\$ 10.00	\$ 10.00	\$ 62.00	\$68	48%	\$ 124.00	\$6
0001220 FICA-EMPLOYER	\$11,834	-\$5,994	\$5,840	\$ 371.93	\$ 531.33	\$ 539.64	\$ 370.27	\$ 103.28	\$ 97.08	\$ 2,013.53	\$3,826	34%	\$ 2,600.00	\$3,240
0001230 HEALTH INS-EMPLOYER	\$22,003	-\$6,877	\$15,126	\$ 352.09	\$ 502.98	\$ 383.98	\$ 383.98	\$ 383.98	\$ 885.44	\$ 2,892.45	\$12,234	19%	\$ 8,202.00	\$6,924
0001231 VISION CARE INSURANCE	\$420	-\$180	\$240	\$ 8.54	\$ 12.20	\$ 12.20	\$ 12.20	\$ 12.20	\$ 12.20	\$ 69.54	\$170	29%	\$ 139.08	-\$101
0001240 COMPENSATION INSURANCE	\$1,430	\$0	\$1,430	\$ 259.93	\$ 85.93	\$ 379.57	\$ -	\$ -	\$ -	\$ 725.43	\$705	51%	\$ 1,450.86	\$21
0001241 LT DISABILITY INSURANCE ER	\$1,387	-\$1,221	\$166	\$ 15.99	\$ 15.12	\$ 15.12	\$ 15.12	\$ 15.12	\$ 15.12	\$ 91.59	\$74	55%	\$ 183.18	-\$17
0001250 UNEMPLOYMENT INSURANCE	\$798	\$0	\$798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$798	0%	\$ 798.00	\$0
0001260 DENTAL INS-EMPLOYER	\$1,872	-\$624	\$1,248	\$ 72.80	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 103.90	\$ 592.70	\$655	47%	\$ 1,185.40	\$63
0001270 ACCRUED LEAVE CTO PAYOFF	\$7,266	-\$3,897	\$3,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,369	0%	\$ 3,369.00	\$0
0001290 LIFE INSURANCE-EMPLOYER	\$1,387	-\$648	\$739	\$ 29.41	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 239.51	\$499	32%	\$ 479.02	\$260
<b>TOTAL Salaries and Employee Benefits</b>	<b>\$282,403</b>	<b>-\$148,004</b>	<b>\$134,399</b>	<b>\$6,429.63</b>	<b>\$8,892.07</b>	<b>\$9,161.43</b>	<b>\$12,976.05</b>	<b>\$8,900.82</b>	<b>\$9,395.96</b>	<b>\$55,755.96</b>	<b>\$78,643</b>	<b>41%</b>	<b>\$ 116,231.54</b>	<b>\$18,167</b>
<b>2000 - Services and Supplies</b>														
0002028 TELEPHONE SERVICES	\$2,000	\$0	\$2,000	\$ -	\$ 162.54	\$ 167.54	\$ 167.29	\$ -	\$ 341.74	\$ 839.11	\$1,161	42%	\$ 1,828.00	\$172
0002035 HOUSEHOLD EXPENSE	\$300	\$0	\$300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$300	0%	\$ 300.00	\$0
0002051 LIABILITY INSURANCE	\$3,927	\$0	\$3,927	\$ 3,856.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,856.55	\$70	98%	\$ 5,784.00	-\$1,857
0002120 MAINTENANCE EQUIPMENT	\$50	\$0	\$50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50	0%	\$ 50.00	\$0
0002140 MAINTENANCE-BLDGS & IMPROV	\$500	\$0	\$500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124.00	\$ 124.00	\$376	25%	\$ 248.00	\$252
0002170 MEMBERSHIPS	\$4,238	\$0	\$4,238	\$ 3,133.00	\$ 623.66	\$ 285.00	\$ -	\$ -	\$ 1,081.00	\$ 5,122.66	-\$885	121%	\$ 5,122.66	-\$885
0002171 PROFESSIONAL LICENSES & CERT	\$800	\$0	\$800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$800	0%	\$ 500.00	\$300
0002180 BOOKS & SUBSCRIPTIONS	\$400	\$0	\$400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$400	0%	\$ 400.00	\$0
0002200 OFFICE EXPENSE	\$4,000	\$0	\$4,000	\$ 72.00	\$ 65.85	\$ 148.67	\$ -	\$ -	\$ 168.29	\$ 454.81	\$3,545	11%	\$ 2,000.00	\$2,000
0002202 CONTROLLED ASSETS \$1500-\$4999	\$2,000	\$0	\$2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77.38	\$ 77.38	\$1,923	4%	\$ 2,006.29	-\$6
0002203 COMPUTER COMPONENTS <\$1,500	\$500	\$0	\$500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$500	0%	\$ 500.00	\$0
0002205 POSTAGE	\$1,500	\$0	\$1,500	\$ -	\$ 37.41	\$ -	\$ -	\$ 15.42	\$ 133.58	\$ 186.41	\$1,314	12%	\$ 750.00	\$750
0002235 ACCOUNTING & FINANCIAL SERVICE	\$20,410	\$0	\$20,410	\$ -	\$ -	\$ -	\$ 772.30	\$ -	\$ -	\$ 772.30	\$19,638	4%	\$ 25,000.00	-\$4,590
0002245 CONTRACTED SERVICES	\$50,000	\$20,256.88	\$70,257	\$ -	\$ -	\$18,245.34	\$ 8,464.00	\$ -	\$ 5,299.38	\$ 32,008.72	\$38,248	46%	\$ 70,257.00	\$0
0002250 OTHER PROFESSIONAL SERVICES	\$32,400	\$148,004.00	\$180,404	\$ 350.00	\$ 11,700.00	\$11,450.00	\$ 13,363.60	#####	\$ 12,600.00	\$ 61,063.60	\$119,340	34%	\$ 160,000.00	\$20,404
0002261 SOFTWARE MAINTENANCE	\$0	\$0	\$0	\$ -	\$ -	\$ -	\$ 139.99	\$ -	\$ -	\$ -	\$0	0%	\$ 139.99	-\$140
0002266 CENTRAL DATA PROCESSING SVCE	\$8,674	\$0	\$8,674	\$ 722.84	\$ 722.84	\$ 722.84	\$ 722.84	\$ 722.84	\$ 722.84	\$ 4,337.04	\$4,337	50%	\$ 8,674.00	\$0
0002270 SOFTWARE	\$500	\$0	\$500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$500	0%	\$ 500.00	\$0
0002280 PUBLICATIONS AND LEGAL NOTICES	\$1,000	\$0	\$1,000	\$ -	\$ -	\$ -	\$ -	\$ (69.19)	\$ 69.19	\$ -	\$1,000	0%	\$ 1,000.00	\$0
0002285 RENTS & LEASES - EQUIPMENT	\$5,500	\$0	\$5,500	\$ 504.89	\$ 325.89	\$ -	\$ 382.25	\$ 501.86	\$ 448.46	\$ 2,163.35	\$3,337	39%	\$ 5,500.00	\$0
0002295 RENTS & LEASES-BUILDINGS/IMPR	\$28,500	\$0	\$28,500	\$ 4,600.00	\$ -	\$ 4,890.46	\$ 1,548.46	\$ 2,493.64	\$ 2493.64	\$ 16,026.20	\$12,474	56%	\$ 31,000.00	-\$2,500
0002310 EDUCATION & TRAINING	\$1,000	\$0	\$1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,000	0%	\$ 1,000.00	\$0
0002311 TUITION REIMBURSEMENT	\$2,200	\$0	\$2,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,200	0%	\$ 2,200.00	\$0
0002335 TRAVEL EXPENSE	\$5,500	\$0	\$5,500	\$ 14.00	\$ 1,620.00	\$ 606.10	\$ -	\$ -	\$ 1127.13	\$ 3,367.23	\$2,133	61%	\$ 5,500.00	\$0
0002339 MANAGEMENT BUSINESS EXPENSE	\$300	\$0	\$300	\$ -	\$ -	\$ -	\$ -	\$ 60.21	\$ -	\$ 60.21	\$240	20%	\$ 300.00	\$0
0002355 PERSONAL MILEAGE	\$1,200	\$0	\$1,200	\$ -	\$ -	\$ -	\$ 169.34	\$ -	\$ 169.34	\$ 1,031	\$1,031	14%	\$ 1,000.00	\$200
0002360 UTILITIES	\$2,600	\$0	\$2,600	\$ 288.13	\$ 321.23	\$ -	\$ 283.92	\$ 275.61	\$ 228.74	\$ 1,397.63	\$1,202	54%	\$ 2,800.00	-\$200
<b>TOTAL Services and Supplies</b>	<b>\$179,999</b>	<b>\$168,261</b>	<b>\$348,260</b>	<b>\$13,455</b>	<b>\$13,942.16</b>	<b>\$37,484.44</b>	<b>\$26,768.76</b>	<b>#####</b>	<b>\$24,915.37</b>	<b>\$132,166.53</b>	<b>\$216,093</b>	<b>38%</b>	<b>\$ 334,359.94</b>	<b>\$13,900</b>
<b>TOTAL Expenses</b>	<b>\$462,402</b>	<b>\$0</b>	<b>\$482,658.88</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$187,922.49</b>	<b>\$0</b>	<b>41%</b>	<b>\$450,591.48</b>	<b>\$32,067.40</b>
<b>9200 - Revenue: Licenses, Permits &amp; Franchise</b>														
0009229 LICENSES & PERMITS-OTHER	\$20,000	\$0	\$20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	\$20,000	0%	\$ 13,200.00	\$ (6,800.00)
<b>TOTAL Licenses, Permits &amp; Franchise</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	<b>0%</b>	<b>\$ 13,200.00</b>	<b>\$ (6,800.00)</b>
<b>9400 - Revenue From Use Of Money/Prop</b>														
0009401 INTEREST INCOME	\$500	\$0	\$500	\$ -	\$ -	\$ -	\$ 344.60	\$ -	\$ -	\$ 344.60	\$155	69%	\$ 500.00	\$0
<b>TOTAL Revenue From Use Of Money/Prop</b>	<b>\$500</b>	<b>\$0</b>	<b>\$500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$344.60</b>	<b>\$0</b>	<b>\$0</b>	<b>\$344.60</b>	<b>\$500</b>	<b>0%</b>	<b>\$ 500.00</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$441,902</b>	<b>\$0</b>	<b>\$482,659</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$187,578</b>	<b>\$0</b>	<b>41%</b>	<b>\$436,891</b>	<b>\$25,267</b>