



Lou Ann Teixeira
Executive Officer

MEMBERS

Donald A. Blubaugh <i>Public Member</i>	Dwight Meadows <i>Special District Member</i>
Federal Glover <i>County Member</i>	Mary N. Piepho <i>County Member</i>
Michael R. McGill <i>Special District Member</i>	Rob Schroder <i>City Member</i>
	Don Tatzin <i>City Member</i>

ALTERNATE MEMBERS

Candace Andersen <i>County Member</i>
Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
George H. Schmidt <i>Special District Member</i>

September 12, 2012 (Agenda)

September 12, 2012
Agenda Item 11

Contra Costa Local Agency Formation Commission (LAFCO)
651 Pine Street, Sixth Floor
Martinez, CA 94553

Fourth Quarter Budget Report – FY 2011-12

Dear Commissioners:

The Contra Costa Local Agency Formation Commission (LAFCO) adopts an annual budget each year in May. LAFCO's budget is primarily funded by application fees and in equal thirds by the County, the 19 cities and 44 independent special districts in Contra Costa County in accordance with State law.

The expense portion of the LAFCO budget is divided into three main objects: *Salaries/Benefits*, *Services/Supplies*, and *Contingency Reserve*. Financing sources include application charges, available year-end fund balance, miscellaneous revenues, and revenues received from the County, cities and independent special districts.

DISCUSSION

This report compares adopted and actual expenses and revenues through the fourth and final quarter of FY 2011-12 as summarized in the attached and discussed below.

On May 11, 2011, the Commission adopted a final budget for FY 2011-12 with appropriations totaling \$695,377, including an \$80,000 contingency reserve and a \$10,000 appropriation toward LAFCO's unfunded OPEB liability. FY 2011-12 actual expenditures were \$604,172.

FY 2011-12 total budgeted revenues were \$695,377; actual revenues were \$604,172. In sum, FY 2011-12 expenditures and revenues both came in under the budgeted amounts.

Expenditures - The FY 2011-12 budget included \$326,607 in *Salaries/Benefits*. Actual expenditures were \$337,512. The overage was primarily attributable to a "true-up" and increased retirement benefit costs per the Contra Costa County Employees' Retirement Association (CCCERA); and an error in the employee and employer contributions for health and dental benefits, which was corrected by the County Human Resources Department and County Auditor's Office.

The FY 2011-12 budget included \$304,770 in *Services/Supplies*. Actual expenses totaled \$256,660. Most accounts came in under budget, with the most significant savings in Professional & Specialized Services and Commissioner Training/Registration/Stipends. Those accounts and sub accounts that exceeded the budgeted amounts include Publications and Legal Notices, Mileage and Travel, Legal Services and Data Processing Services.

In FY 2011-12, the Commission budgeted \$80,000 in *Contingency Reserve*. Funds may not be drawn from the *Contingency Reserve* without Commission approval. On August 10, 2011, the Commission approved a budget adjustment and allocated \$26,000 from the Contingency Reserve to fund a special study relating to the Mt. Diablo Health Care District governance options. The total cost of the study was approximately \$23,000.

Revenues - LAFCO's funding sources include local agency (i.e., County, cities and independent special districts) contributions, application fees, other revenues (e.g. interest earnings), and available year-end fund balance. Local agency contributions represent the most significant revenue source. The statute includes provisions for apportioning and collecting these revenues. All local agencies paid their contributions in FY 2011-12.

Application fees came in under budget due to a decline in application activity and the sluggish economy. The total number of new applications received in FY 2011-12 was eight, as compared to 13 new applications in FY 2010-11. LAFCO is currently receiving no investment earnings, and awaits the County Treasurer's notice to resume investment activity based on market conditions.

With regard to the available fund balance, the statute provides that if at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year budget. The FY 2011-12 budget anticipated using \$175,000 of available fund balance to offset revenues, thereby reducing the revenues to be collected from the funding agencies. Given that FY 2011-12 costs came in below budget, the available fund balance needed to balance the FY 2011-12 budget is approximately \$89,290. The excess funds will accrue to the FY 2012-13 fund balance and will be used to offset the FY 2012-13 budget.

RECOMMENDATION

Receive and file the fourth quarter FY 2011-12 budget report.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – FY 2011-12 Budget – Adopted and Actuals

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
FOURTH QUARTER BUDGET REPORT FY 2011-12 - BUDGET TO ACTUALS**

<u>Account name and number</u>	FY 2011-12 Approved <u>Adjusted</u>	FY 2011-12 <u>Actuals</u>	Remaining <u>Balance</u>
Salaries and Employee Benefits			
Permanent Salaries- 1011	\$ 188,340	\$ 191,086	\$ (2,746)
FICA- 1042	\$ 14,408	\$ 14,189	\$ 219
Retirement expense- 1044	\$ 65,847	\$ 69,347	\$ (3,500)
Employee Group Insurance- 1060	\$ 36,228	\$ 41,964	\$ (5,736)
Retiree Health Insurance- 1061	\$ 20,000	\$ 19,174	\$ 826
Unemployment Insurance- 1063	\$ 784	\$ 713	\$ 71
Workers Comp Insurance- 1070	\$ 1,000	\$ 1,039	\$ (39)
Total Salaries and Benefits	\$ 326,607	\$ 337,512	\$ (10,905)
Services and Supplies			
Office Expense- 2100 (includes courier service)	\$ 4,000	\$ 2,909	\$ 1,091
Publications -2102	\$ 300	\$ -	\$ 300
Postage -2103	\$ 3,000	\$ 1,444	\$ 1,556
Communications - 2110	\$ 240	\$ 158	\$ 82
Tele Exchange Services 2111	\$ 880	\$ 854	\$ 26
Minor Comp Equipment - 2132	\$ 2,000	\$ 2,464	\$ (464)
Pubs & Legal Notices 2190	\$ 3,000	\$ 4,444	\$ (1,444)
Memberships - 2200	\$ 8,000	\$ 7,870	\$ 130
Rents & Leases - 2250 (copier)	\$ 4,000	\$ 3,219	\$ 781
Data Processing Laserfiche Setup - 2251	\$ 1,100	\$ -	\$ 1,100
Bldg Occupancy Costs - 2262	\$ 7,282	\$ 5,312	\$ 1,970
Auto Mileage Emp. - 2301	\$ 500	\$ 774	\$ (274)
Other Travel Employees - 2303	\$ 10,000	\$ 11,656	\$ (1,656)
Prof & Spec Services - 2310	\$ 211,000	\$ 169,913	\$ 41,087
Assessor	\$ 20,800	\$ 9,633	\$ 11,167
Financial Audit	\$ 6,800	\$ 6,500	\$ 300
GIS/Mapping	\$ 25,000	\$ 10,703	\$ 14,297
Legal	\$ 40,000	\$ 80,000	\$ (40,000)
MSRs	\$ 35,000	\$ 18,342	\$ 16,659
Planning	\$ 50,000	\$ 16,964	\$ 33,036
Special Projects (document imaging)	\$ 4,400	\$ 3,159	\$ 1,241
Investment Services/Misc	\$ 500	\$ 325	\$ 175
LAFCO Sponsored Training	\$ 2,500	\$ 1,364	\$ 1,136
Special Study (MDHCD)	\$ 26,000	\$ 22,925	\$ 3,075
Contracted Temp Help - 2314 (Web)	\$ 2,340	\$ 2,340	\$ -
Data Processing Services - 2315	\$ 4,000	\$ 5,009	\$ (1,009)
Data Processing Security - 2326	\$ 100	\$ 44	\$ 56
Courier - 2331	\$ 2,200	\$ 2,045	\$ 155
NOD/NOE Filings - 2490	\$ 500	\$ 350	\$ 150
Liability/E&O Insurance - 2360	\$ 4,028	\$ 4,080	\$ (52)
Commission Training/Registration/Stipends - 2467	\$ 36,300	\$ 31,775	\$ 4,525
Total Services & Supplies	\$ 304,770	\$ 256,660	\$ 48,110
Total Expenditures	\$ 631,377	\$ 594,172	\$ 37,205
Contingency Reserve	\$ 54,000		
OPEB Trust	\$ 10,000	\$ 10,000	
TOTAL APPROPRIATIONS	\$ 695,377	\$ 604,172	\$ 91,205
Revenues	\$ 695,377	\$ 604,172	\$ 91,205
Agency contributions - 9500 & 9800	\$ 486,377	\$ 486,377	
Application & other revenues	\$ 34,000	\$ 28,505	\$ 5,495
Interest Earnings			
Fund Balance	\$ 175,000	\$ 89,290	\$ 85,710
TOTAL FINANCE SOURCES & REVENUE	\$ 695,377	\$ 604,172	\$ 91,205