

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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**September 14, 2022**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Year End and Quarterly LAFCo Budget Update – Information Only

## Summary

The intent of the year end and quarterly financial reports is to provide the Commission with an update on how LAFCo performed financially in the previous fiscal year and quarter as compared to the adopted budget and to discuss any issues as appropriate. The practice was recommended during a previous audit as an additional safeguard to ensure sound financial management. In accordance with LAFCo Fiscal Policies and Procedures, the Commission adopts the final budget and is authorized to make adjustments as appropriate.

## End of Year Report for FY 2021-22

The LAFCo FY 2021-22 final budget was adopted on May 19, 2021

### *Revenues*

Overall, LAFCo revenues totaled \$839,911 exceeding its budgeted revenue of \$835,420. This included the carryover from FY 20-21 of \$129,745 for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District Municipal Service Review. Application fees of \$33,727 were received in the fiscal year.

### *Expenditures*

LAFCo expenditures totaled \$706,395 compared to a budgeted amount of \$896,551 (79%). The variance resulted from salary savings due to staffing changes and the vacancy of the Management Analyst position for half of the fiscal year, the cancelation of in-person CALAFCO conferences, and lower than anticipated charges for legal services.

Per the Commission adopted fiscal policy these funds will be allocated to the reserve fund until the FY 2023-24 budget process commences.

**COMMISSIONERS:** MIKE O'NEILL, CHAIR, CITY ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ HARVEY RARBACK, CITY ▪ DON HORSLEY, COUNTY  
 ▪ WARREN SLOCUM, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT ▪ RIC LOHMAN, SPECIAL DISTRICT

**ALTERNATES:** VACANT, SPECIAL DISTRICT ▪ DIANA REDDY, CITY ▪ JAMES O'NEILL, PUBLIC ▪ DAVE PINE, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

## **Year to Date Report for FY 2022-23**

### *Revenue*

LAFCo has received 75% of the 1/3 apportionment from member agencies. As of the publication of this report, 12 agencies have submitted payment which are currently being processed. Three agencies still have outstanding invoices and the County Controller's Office is working with the agencies to complete these payments. Application revenue to date is \$6,228.

In previous LAFCo budgets cycles, LAFCo staff highlighted an issue with a delay in billing member agencies, which resulted in a negative cash balance. To address this, the Controller's Office invoiced funding agencies prior to the end of the fiscal year, so that LAFCo would receive revenue in time for the new fiscal year. However, that then resulted in funds being received in the incorrect fiscal year. For example, if an agency was billed for FY21-22 charges, but the invoice was paid in FY20-21, the revenue was then credited to the FY20-21 instead of FY21-22.

For FY22-23, LAFCo, County Controller's Office, and San Mateo County Budget Office worked cooperatively to create a solution to this billing issue. For this billing cycle, FY22-23 apportionment funds that were received in FY21-22 were deferred to FY22-23 and recorded in the correct fiscal year. This process will be used for all future billing cycles.

### *Expenditures*

LAFCo is within budget for all expenditures.

### **Recommended Commission Action**

Receive the budget update.

### **Attachments**

- A. LAFCo FY 2021-22 Budget Actuals
- B. LAFCo FY 2022-23 Year to Date

**Attachment A**

LAFCo	Final Actuals FY 21-22 Budget September 14, 2022	Adopted FY 21-22	Actuals FY 21-22	Percent of budgeted
	<b>Expenditures</b>			
4111	Salary & Benefits Executive Officer	275,588	264,488	96%
4111	Salary & Benefits Management Analyst	200,714	133,500	67%
4141	Admin. Leave Cash Out	0	10,131	
4161	Commissioner Compensation	4,800	4,230	88%
<b>4000</b>	<b>SALARIES &amp; BENEFITS SUBTOTAL</b>	<b>481,102</b>	<b>412,349</b>	<b>86%</b>
5132	Internet/Communications	950	673	71%
5184	Refund County overpayment in 2014/15 & 18/19	17,346	12,416	72%
5191	Outside Printing (other special printing)	1,000	0	0%
5193	General Office Supplies	500	500	100%
5196	Photocopy - in-house copier	500	500	100%
5197	Postage & Mailing Service	1,000	61	6%
5211	Computer Supplies	500	100	20%
5212	Computer Equipment under \$5,000	5,000	0	0%
5215	Software License	700	590	84%
5218	Corovan Records Storage	700	290	41%
5331	Memberships (CALAFCO/CSDA)	16,000	13,872	87%
5341	Legal Advertising	1,200	767	64%
5712	Mileage Allowance	250	0	0%
5721	Meetings & Conferences	10,170	1,560	15%
5733	Training	250	0	0%
5814	Fiscal Office Specialist	1,526	1,526	100%
5838	.5 FTE LAFCo Clerk	58,161	56,225	97%
5842	Outside Auditing Services	13,400	9,065	68%
5848	Graphics	1,500	0	0%
5856	Consulting	130,000	129,449	100%
5858	Other Professional Contract Services	4,000	0	0%
5861	DPW/GIS Mapping	1,000	0	0%
5866	Fingerprinting new employee	0	0	0%
5872	Controller Admin	3,000	2,177	73%
<b>5000</b>	<b>SERVICES &amp; SUPPLIES SUBTOTAL</b>	<b>268,653</b>	<b>229,771</b>	<b>86%</b>
6712	Telephone	350	354	101%
6713	ISD (Automation Services)	11,500	8,477	74%
6714	Rent	13,587	13,587	100%
6717	Motor Pool	0	0	0%
6725	Gen'l Liability	8,500	7,461	88%
6727	Bond Insurance	100	64	64%
6732	County Counsel	40,000	23,942	60%
6733	Human Resources	150	217	145%
6738	Countywide Security	150	139	93%
6739	All Other Charges (Card key and Accounting Software)	400	269	67%
6821	A-87 Charges/County Cost Allocation	10,928	9,765	89%
<b>6000</b>	<b>OTHER CHARGES SUBTOTAL</b>	<b>85,665</b>	<b>64,275</b>	<b>75%</b>
	<b>Subtotal Appropriations</b>	<b>835,420</b>	<b>706,395</b>	<b>85%</b>
<b>8612</b>	<b>Reserve</b>	<b>61,131</b>	<b>0</b>	<b>0%</b>
	Special Reserve	0		0%
	<b>Total Appropriations Budget</b>	<b>896,551</b>	<b>706,395</b>	<b>79%</b>
	<b>Revenues</b>			
3333	Fund Balance	38,877	38,877	100%
2421	Application Fees	30,000	33,727	112%
2600	Miscellaneous Revenue	130,000	129,705	100%
1521	Interest	0	5,059	
2658	CALAFCO Deputy EO Stipend	4,000	0	0%
	<b>Intergov. Rev. (County/City/Dist)</b>	<b>632,543</b>	<b>632,543</b>	<b>100%</b>
	<b>Total Revenues</b>	<b>835,420</b>	<b>839,911</b>	<b>101%</b>
	<b>County/City/District 1/3 Apportionment</b>	<b>210,848</b>	<b>210,848</b>	<b>100%</b>

**Attachment B**

LAFCo	Year to date for FY 22-23 Budget September 9, 2022	Adopted FY 22-23	FY 22-23 Year to Date (9/9/22)	Percent of budgeted
	<b>Expenditures</b>			
4111	Salary & Benefits Executive Officer	247,480	29,651	12%
4111	Salary & Benefits Management Analyst	183,460	0	0%
4141	Admin. Leave Cash Out	0	0	0%
4161	Commissioner Compensation	5,000	1,400	28%
<b>4000</b>	<b>SALARIES &amp; BENEFITS SUBTOTAL</b>	<b>435,940</b>	<b>31,051</b>	<b>7%</b>
5132	Internet/Communications	2,300	76	3%
5184	Refund County overpayment in 2014/15 & 18/19	0	0	0%
5191	Outside Printing (other special printing)	1,000	0	0%
5193	General Office Supplies	500	0	0%
5196	Photocopy - in-house copier	500	0	0%
5197	Postage & Mailing Service	1,000	6	1%
5211	Computer Supplies	500	0	0%
5212	Computer Equipment under \$5,000	0	0	0%
5215	Software License	800	0	0%
5218	Corovan Records Storage	700	14	2%
5331	Memberships (CALAFCO/CSDA)	16,000	11,287	71%
5341	Legal Advertising	1,500	0	0%
5712	Mileage Allowance	250	0	0%
5721	Meetings & Conferences	11,000	1,965	18%
5733	Training	250	0	0%
5814	Fiscal Office Specialist	2,000	0	0%
5838	.5 FTE LAFCo Clerk	68,534	0	0%
5842	Outside Auditing Services	7,700	1,535	20%
5848	Graphics	1,500	0	0%
5856	Consulting	0	0	0%
5858	Other Professional Contract Services (Recording of Meetings)	4,000	0	0%
5861	DPW/GIS Mapping	6,500	0	0%
5866	Fingerprinting new employee	100	0	0%
5872	Controller Admin	7,200	0	0%
<b>5000</b>	<b>SERVICES &amp; SUPPLIES SUBTOTAL</b>	<b>133,834</b>	<b>14,883</b>	<b>11%</b>
6712	Telephone	350	0	0%
6713	ISD (Automation Services)	12,500	0	0%
6714	Rent	14,000	0	0%
6717	Motor Pool	0	0	0%
6725	Gen'l Liability	9,000	5,161	57%
6727	Bond Insurance	100	0	0%
6732	County Counsel	40,000	0	0%
6733	Human Resources	150	0	0%
6738	Countywide Security	150	0	0%
6739	All Other Charges (Card key and Accounting Software)	400	0	0%
6821	A-87 Charges/County Cost Allocation	15,743	0	0%
<b>6000</b>	<b>OTHER CHARGES SUBTOTAL</b>	<b>92,393</b>	<b>5,161</b>	<b>6%</b>
	<b>Subtotal Appropriations</b>	<b>662,167</b>	<b>51,095</b>	<b>8%</b>
<b>8612</b>	<b>Reserve</b>	<b>60,000</b>	<b>0</b>	<b>0%</b>
	Special Reserve	75,000	0	0%
	<b>Total Appropriations Budget</b>	<b>797,167</b>	<b>51,095</b>	<b>6%</b>
	<b>Revenues</b>			
3333	Fund Balance	218,142	218,142	100%
2421	Application Fees	30,000	6,228	21%
2600	Miscellaneous Revenue	0	1,333	
1521	Interest	200	0	
2658	CALAFCO Deputy EO Stipend	0	0	0%
	<b>Intergov. Rev. (County/City/Dist)</b>	<b>548,825</b>	<b>377,231</b>	<b>69%</b>
	<b>Total Revenues</b>	<b>797,167</b>	<b>601,601</b>	<b>75%</b>
	<b>County/City/District 1/3 Apportionment</b>	<b>182,942</b>	<b>182,942</b>	