

SHASTA LAFCO

Report to the Shasta Local Agency Formation Commission

From: Marissa Jackson, Analyst _____

Meeting Date: September 12, 2013
Agenda Item #: 6b
Subject: Financial Status Report (*Information*)

Background and Discussion

Because this has not occurred following the end of the 2012/13 fiscal year, since commencement of the 2013/14 fiscal year, staff is presenting the Commission with comparisons of actual Shasta LAFCO expenses and revenues for FY 2012/13 and from July 1, 2013 to date. Significant deviations from budgeted expense or revenue categories for each period of time reviewed are noted on the attached spreadsheets providing the financial status information.

FY 2012/13

The attached spread sheet comparing actual to budgeted expenses and revenues is self-explanatory. As the attached spreadsheet shows, some expenses reflected in the FY 2012/13 budget were not fully realized and others were exceeded. For the budgeted revenues, primarily consisting of participating agency contributions, there were not significant deviations from the budget, but the originally anticipated need to use reserves to fund LAFCO activities did not need to occur.

Significantly, the actual expenses incurred for Shasta LAFCO functions in 2012/13 were approximately \$45,334 less than budgeted, or approximately 23% less than had been projected. This contributed to the carry-forward fund balance at the end of last year. The actual resulting fund balance carried into FY 2013/14 was \$59,063.22.

July 1, 2013 to Date

For year to date in FY 2013/14, higher than anticipated payroll costs as of the end of August are attributable to severance and mandatory accrued leave payments of the former Executive Officer following her separation from employment effective July 22, 2013. Extraordinary legal costs are attributable to LAFCO's General Counsel having been asked by the Commission to act as the Interim Executive Officer. This higher than budgeted expense category will be reduced upon the Commission's appointment of a new Executive Officer.

Future expenditures for Executive Officer services will depend on how the Commission determines to proceed, whether on an interim basis or otherwise, in the appointment of a new Executive Officer. Depending on how that issue may be addressed separately on the Commission's agenda of September 12th, there could be Salary and Benefit expense category cost savings as FY 2013/14 progresses. However, if a contract approach to Executive Officer services occurs for some or all of the balance of the year, there may be off-setting added Services and Supplies expenses.

There will be a need to proactively monitor opportunities for potential cost savings during the balance of FY 2013/14, in order to manage the extraordinary costs incurred associated with the former Executive Officer's recently discontinued employment with Shasta LAFCO. The attached spreadsheet

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Attachments: 2012/13 Budget vs. Actual Report, July 1, 2013 to Date Budget vs. Actual Report

for the current year therefore shows the adopted budget as well as actual costs incurred for each expenditure category, with notations about related opportunities for expenditures less than projected for FY 2013/14. These potential cost savings opportunities should be actively monitored by staff, with no less than quarterly reports provided to the Commission that also consider expenditure projection adjustments relating to any Executive Officer appointment that may occur.

Concerning revenues to date, most member agencies have paid their Commission approved cost-share allocations for FY 2013/14. For those who have not, including Fall River Mills Cemetery District, Anderson Fire Protection District, Buckeye Fire Protection District, Shasta Mosquito and Vector Control District, Western Shasta Resource Conservation District, Fall River Mills Community Services District and Mayers Memorial Hospital, none have expressed an unwillingness or inability to make the requested payment to help fund Shasta LAFCO. Accordingly, there are no indications that the requested payments will not be forthcoming. Second billings were sent out by the Shasta County Auditor's Office on or about September 3, 2013.

**SHASTA LAFCO 2013-14 ADOPED BUDGET
VS. ACTUAL TO DATE**

Expenses & Income Categories	2013-14 Adopted Final	Year to Date through 8-31-13	Percentage of Final Budget	Actual 2012-13	Percentage 2013-14 Increase	Notes & Explanation
EXPENSES						
Employer Share Health/Dental	9,075	774	8.5%	8,975	1.1%	
Employer Taxes	11,750	3,568	30.4%	8,861	32.6%	This year to date expense is primarily attributed to separation payments to the former Executive Officer including her accrued leave payout.
Payroll	105,000	40,831	38.9%	106,019	-1.0%	This year to date expense is primarily attributed to separation payments to the former Executive Officer including her accrued leave payout.
Payroll - Temporary Personnel	300	0	0.0%	0		
Retirement	17,400	1,421	8.2%	18,715	-7.0%	
Worker's Comp Exposure	1,200	155	12.9%	849	41.3%	
Total Salaries & Benefits	144,725	46,749	32.3%	143,420	0.9%	
Bank & Transfer Fees	100	(7)	-7.0%	2		Reversal of charges carried over from last FY
Communications	2,800	580	20.7%	2,191	27.8%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Household Expense	500	35	7.1%	542	-7.7%	
Information Technology Tools & Equip	1,850	0	0.0%	1,495	23.7%	
Legal Counsel	2,500	7,149	285.9%	7,569	-67.0%	This is the result of extraordinary costs for services with LAFCO's General Counsel serving as the Interim Executive Officer.
Legal Reserves	2,500	0	0.0%	0		
Local Mileage Reimbursement	2,400	0	0.0%	1,896	26.6%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Memberships	3,350	2,300	68.7%	3,183	5.2%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Office Furnishings	0	0	NA	0		
Office Supplies	2,000	63	3.2%	2,075	-3.6%	
Postage & Shipping	1,300	127	9.8%	1,017	27.9%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Printing	500	0	0.0%	748	-33.1%	
Professional Svs Elections	400	0	0.0%	0		
Professional Svs Engineering	400	0	0.0%	0		
Professional Svs Audit	2,500	1,000	40.0%	5,500	-54.5%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Professional Svs InfoTech	1,000	0	0.0%	318	214.5%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Professional Svs InfoTech - Website	650	220	33.8%	279	133.0%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Professional Svs Payroll Process	2,000	262	13.1%	1,476	35.5%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Professional Svs Planning and GIS	2,000	2,000	100.0%	1,799	11.2%	This reflects the deposit of a refundable payment to the GIS services vendor.
Property & General Liability	3,000	1,415	47.2%	1,462	105.2%	This expense category should be reviewed for possible costs reductions if necessary to manage expenses as this year proceeds.
Publications and Legal Notices	1,500	186	12.4%	2,973	-49.5%	
Rents & Leases Equipment	2,500	394	15.8%	2,362	5.8%	
Rents & Leases of Structures	11,100	2,785	25.1%	11,029	0.6%	
Small Tools & Equipment	500	0	0.0%	426	17.3%	
Software	350	0	0.0%	299	17.1%	
Transportation/Travel - Staff Training	2,000	0	0.0%	2,057	-2.8%	
Transportation/Travel - Commissioner	0	0	NA	4,600	-100.0%	
Utilities	1,500	471	31.4%	1,438	4.3%	
Total Services & Supplies	51,200	18,982	37.1%	56,734	-9.8%	
Appropriation for Contingency	0	0	NA	0		
Total Expenses	195,925	65,731	33.5%	149,116	31.4%	Shasta LAFCO expenses, relative to FY 2012-13 actual costs, suggest an opportunity for savings relative to the current budget.
INCOME						
Interest Revenue	460	58	12.5%	233	97.4%	
Contribution from Cities	62,000	62,000	100.0%	62,000	0.0%	
Contribution from Shasta County	62,000	62,000	100.0%	62,000	0.0%	
Contribution from Special Districts	62,000	28,418	45.8%	62,000	0.0%	
Total Intergovernmental Revenues	186,000	152,476	82.0%	186,000	0.0%	
Proposal Fees Received	0	0		11,350	-100.0%	
Transfer from Reserves	9,465	0				
Miscellaneous Revenue	0	1,500				Received from former Executive Officer for personal computing equipment as part of her separation.
Total Income	195,925	154,033	78.6%	197,379	-0.7%	

**SHASTA LAFCO 2012-13 ADOPED BUDGET
VS. ACTUAL THROUGH JUNE 30, 2013**

Expenses & Income Categories	2012-13 Adopted Budget	Actual 2012-13	Percentage of Final Budget	Notes & Explanation
EXPENSES				
Employer Share Health/Dental	8,250	8,975	109%	SDRMA increased rates effective January 1, 2013
Employer Taxes	11,750	8,861	75%	
Payroll	105,000	106,019	101%	
Payroll - Temporary Personnel	300	0	0%	
Retirement	14,500	18,715	129%	
Worker's Comp Exposure	1,200	849	71%	Higher than anticipated PERS costs
Total Salaries & Benefits	141,000	143,420	102%	
Bank & Transfer Fees	100	2	2%	
Communications	3,100	2,191	71%	
Household Expense	750	542	72%	
Information Technology Tools & Equip	1,850	1,495	81%	
Legal Counsel	3,500	7,569	216%	\$3,248 of current FY legal costs are attributed to FRVCSD proceedings that are the subject of discussions with that District
Legal Reserves	0	0	0%	
Local Mileage Reimbursement	2,400	1,896	79%	
Memberships	3,250	3,183	98%	
Office Furnishings	250	0	0%	
Office Supplies	2,250	2,075	92%	
Postage & Shipping	1,600	1,017	64%	
Printing	1,000	748	75%	Most large print jobs can be done with our in-house color copier
Professional Svs Elections	400	0	0%	
Professional Svs Engineering	400	0	0%	
Professional Svs Audit	500	5,500	1100%	An audit was done in FY 2012/13. No audit had been done since FY 07/08.
Professional Svs InfoTech	1,000	318	32%	
Professional Svs InfoTech - Website	800	279	35%	
Professional Svs Payroll Process	2,000	1,476	74%	
Professional Svs Planning and GIS	2,000	1,799	90%	\$1200 of costs incurred were due to FRVCSD SOI expansion.
Property & General Liability	3,000	1,462	49%	
Publications and Legal Notices	1,200	2,973	248%	\$1,984 in publication costs is due and payable by FRVCSD.
Rents & Leases Equipment	2,500	2,362	94%	
Rents & Leases of Structures	10,750	11,029	103%	
Small Tools & Equipment	500	426	85%	
Software	350	299	85%	
Transportation/Travel - Staff Training	3,000	2,057	69%	
Transportation/Travel - Commissioner	3,000	4,600	153%	
Utilities	2,000	1,438	72%	
Total Services & Supplies	53,450	56,734	106%	
Appropriation for Contingency	0	0	0%	
Total Expenses	194,450	149,116	77%	
INCOME				
Interest Revenue	460	233	51%	
Contribution from Cities	62,000	62,000	100%	
Contribution from Shasta County	62,000	62,000	100%	
Contribution from Special Districts	62,000	62,000	100%	
Total Intergovernmental Revenues	186,000	186,000	100%	
Proposal Fees Received		11,350		
Transfer from Reserves	7,990			
Miscellaneous Revenue				
Total Income	194,450	197,379	102%	