San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
Consent | Action

October 4, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer

SUBJECT: **Proposed Budget Amendments for 2021-2022**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider proposed amendments to help ensure all budgeted operating expense units finish 2021-2022 with positive operating balances. The proposed amendments involve the internal transfer of $0.055 million out of the Salaries-Benefits Unit and into the Services-Supplies Unit. The proposed amendments cover the costs of furnishing the new LAFCO office that were unbudgeted at the start of the fiscal year. The proposed amendments do not change the total adopted budget expense of $1.941 million. Staff recommends approval.

BACKGROUND

Operating Budget and Fund Balance

San Diego LAFCO's adopted budget for 2021-2022 totals $1.941 million. This amount represents the total approved operating expenditures for the fiscal year and largely divided between two core units: Salaries-Benefits and Services-Supplies. A matching revenue total was also budgeted to provide a projected year-end net of $0 and with the purposeful aid of a planned $0.083 million transfer from unassigned reserves. The unrestricted fund balance as of July 1, 2021 was $1.623 million with $0.948 million unassigned.

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
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Vice Chair Jim Desmond, County of San Diego
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Barry Willis, Alpine Fire Protection
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DISCUSSION

This item is for San Diego LAFCO to consider proposed amendments for 2021-2022 involving the internal transfer of $0.055 million in budgeted expenses. The specific amendments would redirect budgeted monies from the salaries line-item in the Salaries-Benefits Unit and into the office supplies and furnishings line-item in the Services-Supplies Unit. The timing of the proposed amendments follows staff updating their year-end budget projections in step with completing the office relocation and related need to ensure all expense units finish with positive balances.

ANALYSIS

The proposed amendments before San Diego LAFCO remedy a projected year-end deficit within the Services-Supplies Unit by drawing on surplus monies in the Salaries-Wages Unit. The projected deficit in the Services-Supplies Unit ties to LAFCO's recent office relocation – which was finalized after the budget was adopted in May 2021 – that engendered several one-time costs and headlined by purchasing approximately $0.055 million in new furnishings. Close to 90% of these costs involve office furniture (desks, chairs, cabinets, etc.) purchased from one vendor and detailed in Attachment Two at the earlier request of Commissioner MacKenzie.[1] Staff separately projects a surplus of budgeted monies in the Salaries-Wages Unit given recent and pending retirements of two budgeted employees. These latter savings can readily accommodate the proposed transfer without impact.

RECOMMENDATION

It is recommended San Diego LAFCO approve budget amendments for 2021-2022 involving the transfer of $0.055 million in surplus monies within the Salaries-Benefits Unit to the Services-Supplies Unit. This recommendation is consistent and further prescribed as Alternative One outlined below.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):
Approve the following budget amendments for 2021-2022:

(a) Amend and reduce budgeted monies in the salaries and wages account (Salaries-Benefits) from $756,365 to $701,365; a difference of ($55,000).

(b) Amend and increase budgeted monies in the office supplies and furnishing account (Services-Supplies) from $14,300 to $69,300; a difference of $55,000.

[1] The remainder of furnishing purchased for the new office involve wall art (photography from local artists).

Alternative Two:
Continue to a future meeting and provide direction to staff with respect to any additional analysis or information requested.

PROCEDURES

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Keene Simonds
Executive Officer

Attachments:

1) 2021-2022 Operating Budget with Actuals Through August 31st and Year-End Projections
2) Furniture Purchases for New Office

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

OPERATING EXPENSES

		FY 2019-2020		FY 2020-2021		FY 2021-2022				
		Adopted (as amended)	Actuals	Adopted (as amended)	Actuals	Adopted	Actuals Aug 31st	Actuals % Budget	Projected Year End	Projected % Expended
Salaries and Benefits Unit										
Account No.	Description									
51110-51310	Salaries and Wages	722,780	695,356	841,000	851,062	756,365	117,135	15.5%	688,676	91.1%
51410	Retirement - SDCERA	258,148	255,294	316,593	293,416	301,077	42,237	14.0%	251,319	83.5%
51415	Retirement - OPEB	10,539	10,165	10,977	9,944	9,164	1,386	15.1%	7,858	85.7%
51421	Retirement - OPEB Bonds	40,321	38,219	41,998	38,804	37,655	5,852	15.5%	32,783	87.1%
51450	Payroll Taxes	53,393	49,698	55,613	61,062	55,934	8,962	16.0%	48,967	87.5%
51510-51550	Group Insurance	100,234	105,031	103,116	116,261	130,169	17,715	13.6%	115,901	89.0%
51560	Unemployment Insurance	3,769	138	2,000	239	2,000	69	3.5%	759	38.0%
		1,189,184	1,153,901	1,371,297	1,370,788	**1,292,364**	**193,356**	**15.0%**	**1,146,264**	**88.7%**
Services and Supplies Unit										
Account No.	Description									
52074	Communications	3,600	3,829	3,636	6,937	6,336	538	8.5%	5,906	93.2%
52138	General Liability Insurance	-	3,419	-	10,576	10,788	306	2.8%	11,093	102.8%
52178	Vehicle - Maintenance	1,500	1,309	980	646	980	56	5.7%	500	51.0%
52182	Vehicle - Fuel	1,000	245	1,000	112	500	-	0.0%	450	90.0%
52270	Memberships	28,139	18,049	18,181	17,261	25,510	11,546	45.3%	25,510	100.0%
52304	Miscellaneous	50	10	50	25	50	-	0.0%	-	0.0%
52330	Office: General	7,420	4,781	7,420	6,064	6,420	1,050	16.3%	6,050	94.2%
52332	Office: Postage	500	275	500	22	250	-	0.0%	250	100.0%
52334	Office: Printing	10,000	1,199	10,000	7,916	8,000	1,434	17.9%	8,000	100.0%
52336	Office: Books and Guidelines	2,000	4,112	2,000	437	2,000	-	0.0%	1,750	87.5%
52338	Office: Drafting/Engineering	50	-	50	-	50	-	0.0%	-	0.0%
52344	Office: Supplies and Furnishings	17,800	8,145	15,800	6,692	14,300	47,104	329.4%	53,507	374.2%
52354	Office: County Mail Services	10,000	8,514	10,000	7,156	10,000	1,663	16.6%	7,500	75.0%
52370	Professional Services: Consultants	234,505	226,762	190,094	192,297	199,740	38,278	19.2%	200,000	100.1%
52490	Publications and Legal Notices	4,650	8,088	4,650	15,118	4,650	2,542	54.7%	12,000	258.1%
52504	Leases: Equipment	6,600	5,915	6,600	6,477	6,600	1,576	23.9%	6,500	98.5%
52530	Leases: Office Space	82,657	81,877	84,764	109,094	89,764	9,034	10.1%	100,518	112.0%
52550	Special Expenses: County Overhead	100,896	48,613	50,904	40,739	75,346	9,197	12.2%	64,380	85.4%
52562	Special Expenses: HR Rpts	-	-	-	1,112	-	-	0.0%	-	0.0%
52566	Special Expenses: Minor Equipment	1,000	641	1,000	-	500	-	0.0%	-	0.0%
52602	Computer Training	2,000	-	2,000	-	500	-	0.0%	-	0.0%
52610	Travel and Training | In County	4,500	7,367	4,500	2,364	3,000	716	23.9%	2,216	73.9%
52612	Employee Auto	9,700	8,779	9,700	7,200	8,700	1,200	13.8%	7,200	82.8%
52620	Tutition Reimbursements	-	-	-	-	-	810		2,400	0.0%
52622	Travel and Training | Out of County	23,550	13,271	-	-	5,000	-	0.0%	5,000	100.0%
52704-52722	Reimbursements: Network	30,000	29,065	30,000	31,162	30,000	4,560	15.2%	27,361	91.2%
52723	Reimbursements: Data Center	45,000	29,233	29,006	28,752	40,000	4,584	11.5%	27,507	68.8%
52725	Reimbursements: Financial Systems	20,000	23,320	20,000	19,575	20,000	3,030	15.1%	18,180	90.9%
52726-52732	Reimbursements: Desktop Computing	25,000	51,246	43,000	46,459	25,000	4,024	16.1%	24,146	96.6%
52734	Reimbursements: Help Desk	3,000	2,689	3,000	2,274	3,000	371	12.4%	2,228	74.3%
52750-52754	Reimbursements: Catalog Equipment	45,000	38,602	10,532	8,776	45,000	-	0.0%	35,000	77.8%
52758	Reimbursements: Vehicle Lease	2,000	1,986	2,000	1,986	2,000	331	16.5%	1,986	99.3%
		722,117	631,341	561,367	559,716	**643,984**	**143,951**	**22.4%**	**657,135**	**102.0%**

OPERATING EXPENSES CONTINUED...

		FY 2019-2020		FY 2020-2021		FY 2021-2022				
Other Units		**Adopted**	**Actuals**	**Adopted**	**Actuals**	**Proposed Final**	**Actuals Aug 31st**	**Actuals % Budget**	**Projected Year End**	**Projected % Expended**
Account No.	Description									
53585	Equipment Depreciation	2,500	2,500	2,500	-	2,500	-	0.0%	2,500	100.0%
54955-54961	Fixed Assets	2,500	-	2,500	-	2,500	-	0.0%	-	0.0%
		5,000	2,500	5,000	-	**5,000**	**-**	**0.0%**	**2,500**	**50.0%**
	EXPENSE TOTALS	1,916,300	1,787,742	1,937,664	1,930,504	**1,941,348**	**337,307**	**17.4%**	**1,805,899**	**93.0%**

OPERATING REVENUES

		FY 2019-2020		FY 2020-2021		FY 2021-2022				
Intergovernmental Unit		**Adopted**	**Actuals**	**Adopted**	**Actuals**	**Proposed Final**	**Actuals Aug 31st**	**Actuals % Budget**	**Projected Year End**	**Projected % Collected**
Account No.	Description									
45918.1	Apportionments | County	486,771	486,771	483,914	483,914	483,914	1,628,416	336.5%	483,914	100.0%
45918.2	Apportionments | Cities (less SD)	486,771	486,771	483,914	483,914	483,914	-	0.0%	483,914	100.0%
45918.3	Apportionments | City of San Diego	243,386	243,386	241,957	241,957	241,957	-	0.0%	241,957	100.0%
45918.4	Apportionments | Special Districts	486,771	486,771	483,914	483,914	483,914	-	0.0%	483,914	100.0%
		1,703,700	1,703,700	1,693,700	1,693,700	**1,693,700**	**1,628,416**	**96.1%**	**1,693,700**	**100.0%**
Service Charges Unit										
Account No.	Description									
46234	Application Fees	125,000	201,419	130,000	221,918	150,000	30,619	20.4%	150,000	100.0%
		125,000	201,419	130,000	221,918	**150,000**	**30,619**	**20.4%**	**150,000**	**100.0%**
Earnings Unit										
Account No.	Description									
44105	Interest and Dividends	15,000	25,812	20,000	8,368	15,000	1,213	8.1%	10,000	66.7%
		15,000	25,812	20,000	8,368	**15,000**	**1,213**	**8.1%**	**10,000**	**66.7%**
Miscellaneous Unit										
Account No.	Description									
47540	Transfer from Fund Balance	72,600	-	72,600	72,600	82,648	-	0.0%	82,648	100.0%
		72,600	-	72,600	72,600	**82,648**	-	0.0%	**82,648**	**100.0%**
	REVENUE TOTALS	1,916,300	1,930,931	1,916,300	1,996,586	**1,941,348**	**1,660,247**	**85.5%**	**1,936,348**	**99.7%**
OPERATING NET		**-**	**143,189**		**66,082**	**-**				

FUND BALANCE (unrestricted)	**audited**	**unaudited**
Committed		
... Stabilization	250,000	250,000
... Opportunity	300,000	300,000
Assigned by EO	125,000	125,000
Unassigned	954,738	948,220
	1,629,738	1,623,220

NATIONAL BUSINESS FURNITURE
National Business Furniture, LLC
770 South 70th Street
Milwaukee, WI 53214
Service: 800.558.1010 option 2
Fax: 800.329.9349 www.NBF.com
Email: service@nbf.com
Federal ID: 20-3851320

Invoice: QL278932

Invoice Date: July 23, 2021
Due On: August 22, 2021

◄ Please remit payment to this address

Bill to:

SD LAFCO
KEENE SIMONDS
9335 HAZARD WAY STE 200
SAN DIEGO, CA 92123

Account Number:AY5262

Ship to:

SD LAFCO
KEENE SIMONDS
9335 HAZARD WAY STE 200
SAN DIEGO, CA 92123

Account Number:AY5262

Please return the top portion with your remittance

Qty	Item	Description	Price Each	Extended Price
1	16093	Corner Desk Adj Ht 72x72	$1,165.59	$1,165.59
1	221425	Coffee Table	$525.69	$525.69
1	30884	4 Drawer Lateral File 42"W	$674.10	$674.10
1	36334	Steel Shelving-36"W x 24"D	$323.10	$323.10
1	36596	72"Wall Cabinet	$1,061.10	$1,061.10
4	53031	Polyurethane Chair	$377.10	$1,508.40
1	58102	48" Round Table	$467.10	$467.10
1	14663	Corner Desk w/ Inside Curve	$295.61	$295.61
1	16536	Low Wall Cabinet w/Wood Doors	$434.83	$434.83
1	221485	Mesh Chair	$210.59	$210.59
2	30936	Box/Box/File Mobile Pedestal	$395.10	$790.20
6	56622	Faux Leather Conference Chair	$192.54	$1,155.24
1	221554	78" Conference Table	$336.73	$336.73
1	16099	Corner Desk Mod Panel 60x60	$871.71	$871.71
1	221485	Mesh Chair	$210.59	$210.59
2	53610	Armless Oversize Guest Chair	$530.10	$1,060.20
1	87334	Full Spectrum LED Desk Lamp	$82.80	$82.80
1	16099	Corner Desk Mod Panel 60x60	$871.71	$871.71
1	221485	Mesh Chair	$210.59	$210.59
2	53610	Armless Oversize Guest Chair	$530.10	$1,060.20
1	87334	Full Spectrum LED Desk Lamp	$82.80	$82.80
1	221485	Mesh Chair	$210.59	$210.59
2	221585	Lateral File w/Storage	$458.10	$916.20
1	16377	L Desk w/Adj Ht Rgt Return 60"	$1,574.10	$1,574.10
1	221485	Mesh Chair	$210.59	$210.59
1	34963	Three Drawer Pedestal w/Lock	$251.10	$251.10
2	76895	Armless Guest Chair	$215.10	$430.20
1	87334	Full Spectrum LED Desk Lamp	$82.80	$82.80
1	16377	L Desk w/Adj Ht Rgt Return 60"	$1,574.10	$1,574.10
1	221485	Mesh Chair	$210.59	$210.59
1	34963	Three Drawer Pedestal w/Lock	$251.10	$251.10
2	76895	Armless Guest Chair	$215.10	$430.20
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1	221485	Mesh Chair	$210.59	$210.59
2	76895	Armless Guest Chair	$215.10	$430.20
1	87334	Full Spectrum LED Desk Lamp	$82.80	$82.80

Subtotal	$21,070.43
Shipping	$4,387.11

Installation	$4,380.38
Tax	$1,632.96
Total	**$31,470.88**
Payments	$0.00
Adjustments	$0.00
Balance Due	**$31,470.88**

THANK YOU FOR YOUR ORDER

Options to Pay

1. ACH (Preferred Method)
   Bank Routing Number: 075000019
   Account Number: 650560600
   Account Name: National Business Furniture, LLC
2. Credit Card – Call 1-800-558-1010 (Option #2) to process credit card payment
3. Check – mail check payable to National Business Furniture, LLC to 770 S 70th street, Milwaukee, WI 53214

*Terms Net 30

If your deposit was made with a credit card and the balance is not paid within 60 days of invoice date, your credit card will be charged" automatically for the balance

Need a copy of our W-9? Please visit our website at:
https://www.nbf.com/Customer-Services/FAQs/Duns-and-Federal-Tax-Identification-Numbers

No returns accepted without prior written consent from National Business Furniture, LLC

Sales Tax will be included only for shipments into locations where we are registered to collect sales tax. Customer may be liable for self-assessment if shipment is into a location where we are not registered to collect tax. If you feel any taxes are charged in error, please make sure we have received the proper exemption documentation. All documentation will be reviewed to ensure it meets state & local requirements prior to removing any taxes.

Customer: Your local sales associate is David Hulst

National Business Furniture, LLC
770 South 70th Street
Milwaukee, WI 53214
Service: 800.558.1010 option 2
Fax: 800.329.9349 www.NBF.com
Email: service@nbf.com
Federal ID: 20-3851320

Invoice: QL279722

Invoice Date: July 23, 2021
Due On: August 22, 2021

◄ Please remit payment to this address

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KEENE SIMONDS
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SAN DIEGO, CA 92123

Account Number:AY5262

Ship to:

SD LAFCO
KEENE SIMONDS
9335 HAZARD WAY STE 200
SAN DIEGO, CA 92123

Account Number:AY5262

Please return the top portion with your remittance

Qty	Item	Description	Price Each	Extended Price
2	14479	Four Shelf Credenza	$359.10	$718.20
1	14499	Credenza with Hutch	$719.10	$719.10
1	14499	Credenza with Hutch	$719.10	$719.10
1	37409	Storage Unit 60"	$285.56	$285.56
1	37409	Storage Unit 60"	$285.56	$285.56
4	56622	Faux Leather Conference Chair	$192.54	$770.16
2	76913	Lounge chair	$295.61	$591.22
1	58292	66" L Desk Executive Set	$2,140.54	$2,140.54
1	58292	66" L Desk Executive Set	$2,140.54	$2,140.54
1	10349	U-Shape Reception w/ADA Return	$3,554.10	$3,554.10

Subtotal	$11,924.08
Shipping	$2,376.15
Installation	$408.75
Tax	$924.12
Total	**$15,633.10**
Payments	$0.00
Adjustments	$0.00
Balance Due	**$15,633.10**

THANK YOU FOR YOUR ORDER

Options to Pay

1. ACH (Preferred Method)
   Bank Routing Number: 075000019
   Account Number: 650560600
   Account Name: National Business Furniture, LLC
2. Credit Card – Call 1-800-558-1010 (Option #2) to process credit card payment
3. Check – mail check payable to National Business Furniture, LLC to 770 S 70th street, Milwaukee, WI 53214

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https://www.nbf.com/Customer-Services/FAQs/Duns-and-Federal-Tax-Identification-Numbers

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Sales Tax will be included only for shipments into locations where we are registered to collect sales tax. Customer may be liable for self-assessment if shipment is into a location where we are not registered to collect tax. If you feel any taxes are charged in error, please make sure we have received the proper exemption documentation. All documentation will be reviewed to ensure it meets state & local requirements prior to removing any taxes.

Customer: Your local sales associate is David Hulst