



Lou Ann Teixeira
Executive Officer

February 12, 2025

Contra Costa Local Agency Formation Commission
40 Muir Road, 1st Floor
Martinez, CA 94553

February 12, 2025
Agenda Item 7

Fiscal Year 2024-25 Mid-Year Budget Report

Dear Members of the Commission:

This is the second quarter (mid-year) budget report for FY 2024-25, which compares adopted and actual expenses and revenue for the period July 1, 2024 through December 31, 2024.

The LAFCO operating budget includes several components: salaries/benefits, services/supplies, a contingency/reserve fund, Other Post-Employment Benefits (OPEB) and retirement pre-funding accounts. The budget is based on the “bottom line,” which allows for variation within line-item accounts if the overall balance remains positive. Funds may not be drawn from the contingency/reserve without Commission approval.

The LAFCO budget is funded primarily by the County, cities, and independent special districts, with each group paying one-third of the LAFCO expenses. The County pays one-third, and the city and district shares are prorated based on general revenue reported to the State Controller’s Office. LAFCO also receives revenue through application fees and interest earnings.

DISCUSSION

On June 12, 2024, the Commission adopted the final FY 2024-25 LAFCO budget with total appropriations of \$1,034,702, which includes an \$87,000 contingency/reserve fund. The FY 2024-25 budget includes \$30,000 prefunding of the Other Post-Employment Benefits (OPEB) and \$25,000 prefunding of the Contra Costa County Employees’ Retirement Association (CCCERA).

With 50% of the fiscal year elapsed, the LAFCO’s total expenditures are \$400,812 or 42% of total appropriations (including contingency). The Commission budgeted \$480,492 in *salaries/benefits* for FY 2024-25; at the end of the second quarter, actual expenses total \$221,272 or 46% of the budgeted amount. The Commission budgeted \$412,210 in *services/supplies*; and at the end of the second quarter, actual expenses total \$179,540 or 44% of the budgeted amount.

The primary sources of revenue are local agency contributions, application fees, and available fund balance. Total revenue received during the first half of FY 2024-25 is \$1,009,845 (including

appropriated fund balance) or approximately 97.6% of estimated revenues. As of this writing, all local agencies have remitted their annual apportionments to LAFCO.

As for application activity, FY 2024-25 mid-year application activity is comparable to FY 2023-24. During the first half of FY 2023-24 LAFCO received two new applications, and during the first half of FY 2024-25 LAFCO received two new applications.

Other revenues include investment earnings through the OPEB trust account, which remains in that account, and fund balance. LAFCO budgets fund balance to offset agency contributions. The FY 2024-25 budget includes \$250,000 in budgeted fund balance. See table below for a summary of mid-year expenditures and revenues.

Account	FY 2024-25 Final Budget	Mid-Year Actuals
Salaries & Benefits	\$ 480,492	\$ 221,272
Services & Supplies	412,210	179,540
Contingency/Reserve	250,000	0
OPEB Trust	---	----
CCCERA Pre-Fund	---	----
Total Appropriations	\$ 956,775	\$ 400,812
Agency Contributions	\$ 759,702	\$758,995
Application/Other Revenue	25,000	\$ 8,590
Interest Earnings	-	-
Fund Balance	250,000	250,000
Total Revenues	\$ 1,034,702	\$1,017,585

No budget adjustments are needed currently. LAFCO staff will continue to closely monitor the budget, and keep the Commission apprised.

RECOMMENDATION

It is recommended that the Commission receive the FY 2024-25 mid-year budget report.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER