

Notes on the FY 18-19 Proposed Budget by Account

NOTE: Please note that in the last two years, staff did not utilize the process of budgeting by line account, as presented in the proposed budget for the coming fiscal year. After review of the budget format that was used and the format that is used by most cities, it was decided that it would be better to return to the line account method.

Based on available data, staff deconstructed the adopted budget to provide some comparison by line account between the adopted and the proposed amounts. These may not be 100% accurate as many of the revenue sources or expenditures did not necessarily have specific or detailed descriptions; however, the total amount is reconciled with the adopted budget document. In addition, some of these accounts were adjusted at mid-year to reflect new grants. For the coming fiscal year, staff created new account codes which will allow for better comparison in the future.

In addition, this budget includes funding for a new financial system.

Many acronyms are listed below. Please refer to the List of Acronyms at the end of the budget document for definitions.

REVENUES:

Dues (4020) – From member cities billed annually. The \$20,000 increase from \$352,500 to \$372,500 represents the fourth year of the Board approved increase, which is to be set aside as reserve.

General Assembly Sponsorship (4050) – From private donations to fund annual event; no change.

Holiday Light Exchange (4055) – For purchase of energy-efficient holiday lights; from private donations; no change.

MTA South Bay Deputy Admin Fee (4070) – To fund the Metro Liaison; annual increase of 3% - \$5,944 based on the adopted amount; however, the budget was adjusted at mid-year to reflect an increase from \$92,000 to \$95,144 or \$3,144. This is a pass-through expenditure, from Metro, and the amount is determined by Metro to match compensation increases that they give to their staff.

Interest Income (4090) – Assumes SBCCOG will keep \$500,000 invested in LAIF @ 1% throughout the year provided the cash flow allows it.

Green Business Assist Program Sponsors (4125) – To encourage businesses to be more energy-efficient; monies were received from SCE/SCG, WBMWD and Golden State Water; decrease of \$50,000 as no funds are expected from SCE/SCG; at mid-year we received \$24,000 less.

Reimbursable Expense (4190) – LGSEC quarterly meeting for Environmental Services Analyst.

CIMP Dominguez Channel Admin Fee (4810) – Payment to SBCCOG for administering the Dominguez Channel contract; flat fee based on a new contract.

SBWIB Broadband Income (4135) – For meetings & materials supporting the development of a fiber backbone network for the South Bay cities; estimated at \$18,700; at mid-year we received \$27,500.

SBWIB Telework (4136) – To conduct a study on the impact of telework alternatives working with employers in the South Bay; new revenue source \$15,000.

PUC SCE/SCG Contract (4510) – For energy-efficiency partnership program; contribution from SCE is \$90,000 less than the prior year.

SCG-DWP Outreach (4512) – To promote education and information regarding saving water and energy; additional \$10,000 more than prior year.

WBMWD Contract (4520) – To facilitate public outreach for West Basin’s water conservation programs and promote the importance of local control of water and developing drought-proof resources; \$10,180 less than prior year.

Sanitation Districts (4525) – To support Sanitation Districts events and educational programs and to provide information on website regarding safe disposal of household hazardous and electronic waste in the South Bay; no change.

Torrance Water (4540) – To carry out and promote water conservation programs; no change.

Metro Vanpool (4545) – To reach employers and multi-tenant building owners/managers to assist with forming vanpools for their employees and tenants; no change.

Metro Express Lane (4546) – To provide information on obtaining Metro’s Express Lanes Transponders for the I-110 High Occupancy Toll lanes; no change.

Metro Smart Mobility (4548) – Grant completed FY17-18.

ZEV-CEC MUD (4552) – Grant completed FY17-18.

Charge Bliss (4553) – Grant completed FY17-18.

Measure R South Bay Highway Program (4570) – To identify, schedule, and oversee the delivery of the South Bay Measure R Highway Program projects, to improve operations of South Bay freeways; State Highways; and adjacent arterials; reduced by \$109,520 due to reduction in sub-contractors.

Metro Strategic Growth Council (4575) – Grant completed FY17-18.

PACE: HERO, Ygrene (4580) – PACE programs; reduced FY17-18.

HERO Renewables (4581) – Grant completed FY17-18.

Home Upgrade (REN/Bki) (4587) – Outreach grant with BKI Consulting completed FY17-18.

Integrated Pest Management (4589) – To incorporate web page(s) on integrated pest management information and other storm water pollution prevention content into SBCCOG’s website; \$3,420 increase at midyear.

Homeless – PATH (4600) – To provide and perform community engagement, city coordination, and report on progress to stakeholders regarding homeless issues; possible \$10,000 decrease.

Homeless – LA County (4601) – To engage South Bay City Councils and managers to participate and support Homeless Initiatives, etc. Grant started October 2017, included in midyear budget.

Water Replenishment District (4610) – To promote WRD programs to replenish, manage, and protect the groundwater basins; \$25,000 new funding included in mid-year budget; additional \$65,000 for FY18-19.

Measure M Sub-Regional Programs (4611) – To identify, schedule, and oversee the delivery of the South Bay Measure M Sub-regional Programs; new revenue source \$150,000.

EXPENDITURES:

Salaries/Regular (6010) – Covers salaries of 10 full-time employees; budget based on current salaries plus up to 3% cost of living increase.

Overtime (6011) – Applies only to two employees covered by Overtime Law.

Medical/Deferred Comp (6012) – Based on \$500 allowance for each employee for health insurance premiums or for contribution to a deferred compensation plan, as chosen by employee.

Life Insurance (6013) - Life insurance premium for each employee at \$10.10/employee per month; \$116 increase more than prior year.

Social Security (6014) – Employer contribution based on 6.75% of employees' gross wages; increase \$2,173 reflects increase in salary.

Medicare (6015) – Employer contribution based on 1.45% of gross wages; increase \$439 reflects salary increase.

FUTA (6016) – Employer contribution for federal unemployment insurance at 0.6% of \$7,000 salary per employee.

California SUI-ER (6017) – Employer contribution for State unemployment insurance at 6.2% of \$7,000 salary per employee.

Workers' Comp (6018) – Employer contribution for workers' compensation insurance at 64 cents/100 of employee's salary.

Employee Reimbursable Expense (6019) – To cover employee reimbursements for mileage and allowance for phone for certain employees at \$55/month.

Office Supplies (6201) – Pens, paper, and general office supplies; budget estimate based on current year's expenditure trend.

Postage (6202) – For general office mail. Was not budgeted as a line account in FY17-18; included in Office Supplies in the past; separated out now for better tracking.

Refreshments (6203) – Refreshments for board/committee meetings and outreach events; no change.

Membership Dues (6204) – Memberships for various Chambers of Commerce; ICLEI; LGSEC; and CALCOG; increase \$301 from the prior year.

Mileage Reimbursement (6205) – Reimbursements to staff based on IRS mileage rate; was not budgeted as a line account in FY17-18; was included in Travel account.

Meetings/Conferences (6206) – For travel, lodging, meals, and registration costs for Executive Director and staff members as required; decrease \$17,500 due to reduction in grant related required meeting travel.

Staff Training/Development (6207) – Registration for specific training/staff development; no change.

Newsletter (6208) – For quarterly Newsletter; covers printing; decrease \$380 as postage was moved to Postage account code.

Audit Fees (6209) – Independent auditors' fee based on contract.

Contractual Services (6210) – For all contractors excluding Jacki Bacharach & Associates; which is included in Professional Services account code; no budget for Strategic Growth Council consultants; minimal budget for Siembab Corporation.

Professional Services (6211) – For Jacki Bacharach & Associates contract services; increase \$15,000 more than prior year; however less than budgeted in 2015-16 (\$421,659).

Rent (6212) – Facility rent; increase \$3,674 based on contract.

Equipment Lease (6213) – For Xerox copier; \$658 increase based on contract.

Telephone (6214) – For telephone (previously bundled under Electronic Services) – 8x8.

IT Services/Maintenance (6215) – For Computer Solutions Group (overall IT support); other contracts such as Go Daddy; CivicConnect; Mac Server back-up, etc.

Software/Hardware (6216) – QuickBooks; GIS; Adobe licenses and proposed new Finance System (increase of \$10,783.)

Liability Insurance (6217) – Payments to Hartford Insurance to cover liability insurance; was not budgeted as a line account in FY17-18 included in Miscellaneous Supplies in the past; separated out now for better tracking.

Subscription/Advertising (6218) – Subscription to LA Times and recruitments at Jobs Available; in prior years, budget was included in Miscellaneous Supplies.

Miscellaneous Supplies/HLE (6219) – For holiday lights; no change.

Miscellaneous Expenses (6225) – Monthly service administration fee to CalChoice based on number of active employees; banking supplies from Wells Fargo, etc.