



Local Agency Formation Commission
LAFCO of Napa County

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April 7, 2008
Agenda Item No. 5b

April 1, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Third Quarter Budget Report for Fiscal Year 2007-2008
(Consent: Action)

The Commission will receive a third quarter budget report for the 2007-2008 fiscal year. The budget report summarizes overall expenses through the third quarter and is being presented to the Commission to receive and file.

The Commission's annual operating costs are funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. State law provides that the County is responsible for 50% of the Commission's operating costs with the remaining amount proportionally shared by the five cities based on a weighted calculation of population and general tax revenues. Each agency is responsible for paying their share of the Commission's adopted budget at the beginning of each fiscal year. It is the practice of the Commission to only budget operating costs.

The Commission's annual budget is divided into three units: 1) salaries and benefits; 2) services and supplies; and 3) contingencies. The Commission practices bottom-line accounting. This allows for shortfalls within individual accounts in the salaries and benefits and services and supplies units as long as the overall balance remains positive. Funds may not be drawn from the contingencies unit without Commission approval.

Discussion

The third quarter of the Commission's 2007-2008 fiscal year ended on March 31, 2008. Overall expenses (expenditures and encumbrances) through the third quarter totaled \$194,861. This amount represents close to half of the adopted budget (not including contingencies) with three-fourths of the fiscal year complete.

2007-2008 Adopted Budget

| Operating Budget | Expenses 7/1/07 to 3/31/2008 | Remaining Balance |
|-----------------------------|---|------------------------------|
| \$378,793 | \$194,861 (51%) | \$183,932 (49%) |

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Chair
County of Napa Supervisor, 1st District

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Vice Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

An overview of total expenses through the third quarter within the Commission's three budget units follows.

Salaries and Benefits

At the end of the third quarter the Commission spent \$119,041 on salaries and benefits. This amount represents 47% of the total amount budgeted, as amended, in the seven affected accounts for the fiscal year. Savings have been accumulating in several of the accounts due to the vacancy of the analyst position. All accounts finished the third quarter with balances at or above 25%.

Services and Supplies

At the end of the third quarter the Commission spent \$75,820 on services and supplies. This amount represents 61% of the total amount budgeted, as amended, in the 14 affected accounts for the fiscal year. Five accounts – memberships, publications and notices, property lease, training, and private vehicle miles – finished the third quarter with balances below 25%. A summary of expenses in these five accounts follows.

Memberships

The membership account covers the Commission's annual due for the California Association of Local Agency Formation Commissions (CALAFCO). The Commission's budgeted membership due for CALAFCO in 2007-2008 is \$2,000, which was paid in full during the first quarter.

Publications and Notices

The publications and notices account covers the Commission's legal noticing requirements for all public hearings. Through the third quarter the Commission has spent \$1,387 in this account, which represents approximately 92% percent of the total amount budgeted for the fiscal year. A modest shortfall is expected to occur in this account. Expected savings in the salaries and benefits unit will be used to cover this anticipated shortfall.

Property Lease

The property lease account covers the Commission's lease for office space at 1700 Second Street, Suite 268 in Napa. The Commission's current lease provides a fixed monthly rate of \$2,250 through June 2009. The total lease amount for the fiscal year (\$27,000) has been encumbered by the County Auditor's Office for the purpose of simplifying payment to the landlord.

Training

The training account is used for a variety of instructional activities for staff and Commissioners. Through the third quarter the Commission has spent \$3,019 in this account, which represents approximately 76% of the total amount budgeted for the fiscal year. The majority of expenses in this account occurred in the first quarter from registration costs for the 2007 CALAFCO Annual Conference, which was held in Sacramento and attended by two staff and four Commissioners. Recent transactions involving this account include registration payments for the Executive Officer and Commission Counsel to attend the CALAFCO Workshop, which is scheduled for April 2-4 in San Jose. No other training activities are currently planned.

Private Vehicle Miles

This account provides reimbursement to staff and Commissioners for automobile travel associated with official LAFCO business. Through the third quarter the Commission has spent \$999 in this account, which represents approximately 99% percent of the total amount budgeted for the fiscal year. A modest shortfall is expected to occur in this account. Expected savings in the salaries and benefits unit will be used to cover this anticipated shortfall.

Contingencies

Through the third quarter the Commission has not drawn funds from its two budgeted contingency accounts, professional services reserve (\$50,000) and operating reserve (\$37,879). It is not expected that the Commission will draw funds from either contingency account during the remainder of the fiscal year.

Summary

The Commission is currently on course to finish the 2007-2008 fiscal year with excess operating funds in all three of its budget units. Unexpended funds will be returned to the agencies along with any other revenues, such as application fees, in the form of credits towards their calculated share of the Commission's operating costs in 2008-2009.

Recommendation

It is recommended that the Commission take the following action:

- 1) Receive and file the "Third Quarter Budget Report for Fiscal Year 2007-2008."

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) Third Quarter General Ledger Report



Report ID: GLC8020W
 Fund: 2910 NAPA CO LOCAL AGENCY FORMATION
 Dept: 02910 NAPA LAFCO

County of Napa
 General Ledger Organization Budget Status
 For Periods: 1 To: 9 FY: 2008

4/1/2008

| Account | Account Description | Final Budget | Adjustments | Encumbrances | Expenditures | Remaining Balance | Percent Available |
|----------|---|----------------|-------------------|-----------------|-------------------|-------------------|-------------------|
| 51100000 | S/W:REGULAR SALARIES | 185,527 | -18,500.00 | 0.00 | 84,726.83 | 82,299.96 | 49.27 |
| 51200500 | S/W:PER DIEM | 9,600 | 0.00 | 0.00 | 3,800.00 | 5,800.00 | 60.42 |
| 51300100 | E/B:RETIREMENT | 31,583 | 0.00 | 0.00 | 14,439.23 | 17,144.21 | 54.28 |
| 51300300 | E/B:MEDICARE | 2,650 | 0.00 | 0.00 | 1,136.48 | 1,513.44 | 57.11 |
| 51300500 | E/B:GROUP INSURANCE | 43,168 | 0.00 | 0.00 | 14,202.56 | 28,965.76 | 67.10 |
| 51301200 | E/B:INS:WORKERS COMP | 185 | 0.00 | 0.00 | 138.75 | 46.25 | 25.00 |
| 51301800 | E/B:CELL PHONE ALLOWANCE | 840 | 0.00 | 0.00 | 597.38 | 242.62 | 28.88 |
| | Total Salaries & Employee Benefits | 273,553 | -18,500.00 | 0.00 | 119,041.23 | 136,012.24 | 53.33 |
| 52070000 | COMMUNICATIONS | 3,500 | 0.00 | 0.00 | 1,081.59 | 2,418.41 | 69.10 |
| 52100300 | INSURANCE:LIABILITY | 352 | 0.00 | 0.00 | 264.00 | 88.00 | 25.00 |
| 52150000 | MEMBERSHIPS | 2,000 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 |
| 52170000 | OFFICE EXPENSE | 15,000 | 0.00 | 1,748.80 | 5,196.89 | 8,054.31 | 53.70 |
| 52180200 | PSS:MGMT INFO SVCS | 16,387 | 0.00 | 0.00 | 12,290.22 | 4,096.78 | 25.00 |
| 52180500 | PSS:LEGAL EXPENSE | 21,500 | 0.00 | 0.00 | 12,981.83 | 8,518.17 | 39.62 |
| 52185000 | PSS:OTHER | 7,150 | 18,500.00 | 0.00 | 5,638.26 | 20,011.74 | 78.02 |
| 52190000 | PSS:PUBLICATIONS/LGL NOTICE | 1,500 | 0.00 | 0.00 | 1,386.81 | 113.19 | 7.55 |
| 52235000 | SDE:OTHER | 1,000 | 0.00 | 0.00 | 356.78 | 643.22 | 64.32 |
| 52240500 | SDE:PROPERTY LEASE | 27,000 | 0.00 | 4,500.00 | 22,500.00 | 0.00 | 0.00 |
| 52243900 | SDE:FILING FEE | 850 | 0.00 | 0.00 | 450.00 | 400.00 | 47.06 |
| 52250000 | TRANSPORTATION & TRAV | 4,000 | 0.00 | 0.00 | 1,406.84 | 2,593.16 | 64.83 |
| 52250800 | T/T:TRAINING | 4,000 | 0.00 | 0.00 | 3,019.00 | 981.00 | 24.53 |
| 52251200 | T/T:PRIVATE VEH MILE | 1,000 | 0.00 | 0.00 | 999.06 | 0.94 | 0.09 |
| | Total Services & Supplies | 105,239 | 18,500.00 | 6,248.80 | 69,571.28 | 47,918.92 | 38.73 |
| 54000900 | OPERATING RESERVE | 37,879 | 0.00 | 0.00 | 0.00 | 37,879.25 | 100.00 |
| 54001000 | PROFESSIONAL SERVICES RESERVE | 50,000 | 0.00 | 0.00 | 0.00 | 50,000.00 | 100.00 |
| | Total Contingencies & Reserves | 87,879 | 0.00 | 0.00 | 0.00 | 87,879.25 | 100.00 |
| 02910 | NAPA LAFCO | 466,672 | 0.00 | 6,248.80 | 188,612.51 | 271,810.41 | 58.24 |
| 2910 | NAPA CO LOCAL AGENCY FORMATION | 466,672 | 0.00 | 6,248.80 | 188,612.51 | 271,810.41 | 58.24 |