



**Local Agency Formation Commission**  
**LAFCO of Napa County**

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**August 4, 2008**  
**Agenda Item No. 5b**

July 25, 2008

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

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

The Commission will receive a fourth quarter budget report for the 2007-2008 fiscal year. The budget report summarizes overall expenses through the fourth and final 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 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: (a) salaries and benefits; (b) services and supplies; and (c) 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.

**A. Discussion**

The fourth and final quarter of the Commission's 2007-2008 fiscal year ended on June 30, 2008. Overall operating costs (expenditures and encumbrances) in the fiscal year totaled \$284,576. This amount represents 61% of the total adopted budget. An overview of total expenses in the fiscal year within the Commission's three budget units follows.

**Salaries and Benefits**

The Commission spent a total of \$171,829 on salaries and benefits. This amount represents 67% of the total amount budgeted, as amended, in the seven affected accounts for the fiscal year. Savings accumulated in several of the accounts due to the extended vacancy of the analyst position. All affected accounts finished the fourth quarter with zero or positive balances.

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

## **Services and Supplies**

The Commission spent a total of \$112,747 on services and supplies. This amount represents 91% of the total amount budgeted, as amended, in the 14 affected accounts for the fiscal year. Three accounts – legal expense, publications and notices, and private vehicle miles – finished the fourth quarter with negative balances. A summary of expenses in these three accounts follows.

### ***Legal Expenses***

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The legal expenses account covers the Commission's costs for services provided by County Counsel. The Commission's legal expenses at the end of the fourth quarter totaled \$24,153, which exceeded the amount budgeted by \$2,653. This shortfall is attributed to Commission Counsel Gong's assistance to the Executive Officer in developing and reviewing policy alternatives relating to outside service provision in south Napa County during the first two quarters. Savings in other services and supplies accounts were used to cover this shortfall.

### ***Publications and Notices***

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The publications and notices account covers the Commission's legal noticing requirements for all public hearings. The Commission's expenses for publications and notices at the end of the fourth quarter totaled \$2,099, which exceeded the amount budgeted by \$599. This shortfall is attributed to publishing an above-normal number of notices for sphere of influence updates during the final two quarters. Savings in other services and supplies accounts were used to cover this shortfall.

### ***Private Vehicle Miles***

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This account provides reimbursement to staff and Commissioners for automobile travel associated with official LAFCO business. The Commission's expenses for private vehicle miles at the end of the fourth quarter totaled \$1,184, which exceeded the amount budgeted by \$184. This shortfall is attributed to increased automobile travel by the Executive Officer associated with attending meetings of the CALAFCO Legislative Committee during the fiscal year. Savings in other services and supplies accounts were used to cover this shortfall.

## **Contingencies**

The Commission did not access funds from its two budgeted contingency accounts, professional services (\$50,000) and operating reserve (\$37,879), during the fiscal year.

## B. Summary

2007-2008 represents the third consecutive fiscal year in which the Commission experienced an overall decrease in actual operating costs. This trend is largely attributed to savings associated with departures and extended vacancies involving the Commission's two budgeted fulltime positions, Executive Officer and Analyst. A comparison of budgeted and actual operating costs over the last five fiscal years follows.

<b>Fiscal Year</b>	<b>Budgeted Operating Costs</b>	<b>Actual Operating Costs</b>	<b>End of Year Operating Balance</b>
2003-2004	\$417,215	\$346,558	\$69,657
2004-2005	\$444,924	\$370,858	\$74,066
2005-2006	\$436,914	\$302,260	\$134,654
2006-2007	\$456,758	\$292,637	\$164,121
2007-2008	\$466,672	\$284,576	\$182,096

Most of the end of year operating balance from 2007-2008 will be returned to the funding agencies along with other collected revenues, such as application fees, in the form of credits towards their calculated share of the Commission's operating costs in 2008-2009. In accordance with actions taken at the June 2, 2008 meeting, the Commission is carrying-forward \$55,000 in unexpended revenues from 2007-2008 to fund an electronic document management system and develop a new agency website. The calculation of actual agency credits for 2008-2009 is provided as part of Agenda Item No. 5c.

## C. Recommendation

It is recommended the Commission take the following action:

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

Respectfully submitted,

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Keene Simonds  
Executive Officer

### Attachment:

- 1) Fourth 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: 12 FY: 2008**

7/29/2008

<u>Account</u>	<u>Account Description</u>	<u>Final Budget</u>	<u>Adjustments</u>	<u>Encumbrances</u>	<u>Expenditures</u>	<u>Remaining Balance</u>	<u>Percent Available</u>
51100000	S/W:REGULAR SALARIES	185,527	-18,500.00	0.00	123,561.84	43,464.95	26.02
51200500	S/W:PER DIEM	9,600	0.00	0.00	5,500.00	4,100.00	42.71
51300100	E/B:RETIREMENT	31,583	0.00	0.00	21,093.46	10,489.98	33.21
51300300	E/B:MEDICARE	2,650	0.00	0.00	1,658.89	991.03	37.40
51300500	E/B:GROUP INSURANCE	43,168	0.00	0.00	18,982.88	24,185.44	56.03
51301200	E/B:INS:WORKERS COMP	185	0.00	0.00	185.00	0.00	0.00
51301800	E/B:CELL PHONE ALLOWANCE	840	0.00	0.00	846.88	-6.88	-0.82
<b>Total Salaries &amp; Employee Benefits</b>		<b>273,553</b>	<b>-18,500.00</b>	<b>0.00</b>	<b>171,828.95</b>	<b>83,224.52</b>	<b>32.63</b>
52070000	COMMUNICATIONS	3,500	0.00	0.00	1,973.00	1,527.00	43.63
52100300	INSURANCE:LIABILITY	352	0.00	0.00	352.00	0.00	0.00
52150000	MEMBERSHIPS	2,000	0.00	0.00	2,000.00	0.00	0.00
52170000	OFFICE EXPENSE	15,000	0.00	0.00	7,287.95	7,712.05	51.41
52180200	PSS:MGMT INFO SVCS	16,387	0.00	0.00	16,386.96	0.04	0.00
52180500	PSS:LEGAL EXPENSE	21,500	0.00	0.00	24,152.89	-2,652.89	-12.34
52185000	PSS:OTHER	7,150	18,500.00	0.00	23,313.83	2,336.17	9.11
52190000	PSS:PUBLICATNS/LGL NOTICE	1,500	0.00	0.00	2,098.99	-598.99	-39.93
52235000	SDE:OTHER	1,000	0.00	0.00	396.67	603.33	60.33
52240500	SDE:PROPERTY LEASE	27,000	0.00	0.00	27,000.00	0.00	0.00
52243900	SDE:FILING FEE	850	0.00	0.00	550.00	300.00	35.29
52250000	TRANSPORTATION & TRAV	4,000	0.00	0.00	2,009.74	1,990.26	49.76
52250800	T/T:TRAINING	4,000	0.00	0.00	3,924.00	76.00	1.90
52251200	T/T:PRIVATE VEH MILE	1,000	0.00	0.00	1,183.89	-183.89	-18.39
<b>Total Services &amp; Supplies</b>		<b>105,239</b>	<b>18,500.00</b>	<b>0.00</b>	<b>112,629.92</b>	<b>11,109.08</b>	<b>8.98</b>
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
<b>Total Contingencies &amp; Reserves</b>		<b>87,879</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>87,879.25</b>	<b>100.00</b>
<b>02910</b>	<b>NAPA LAFCO</b>	<b>466,672</b>	<b>0.00</b>	<b>0.00</b>	<b>284,458.87</b>	<b>182,212.85</b>	<b>39.05</b>
<b>2910</b>	<b>NAPA CO LOCAL AGENCY FORMATION</b>	<b>466,672</b>	<b>0.00</b>	<b>0.00</b>	<b>284,458.87</b>	<b>182,212.85</b>	<b>39.05</b>