



Local Agency Formation Commission
LAFCO of Napa County

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October 6, 2008
Agenda Item No. 5a

September 30, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: First Quarter Budget Report for Fiscal Year 2008-2009 (Consent: Action)
The Commission will receive a first quarter budget report for the 2008-2009 fiscal year. The budget report summarizes overall expenses through the first three months and is being presented to the Commission to receive and file.

The Commission's annual operating costs are entirely 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 local 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 given its prescribed funding sources.

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 first quarter of the Commission's 2008-2009 fiscal year ended on September 30, 2008. Overall operating costs (expenditures and encumbrances) through the first quarter totaled \$73,218. This amount represents 15.9% of the total adopted budget (not including contingencies) with one-fourth of the fiscal year complete.

<u>Operating Budget</u>	<u>1st Quarter Expenses</u>	<u>Remaining Balance</u>	<u>Percent Available</u>
\$461,516	\$73,218	\$388,298	84.1

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

Jack Gingles, Commissioner
Mayor, City of Calistoga

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

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

Juliana Inman, Commissioner
Councilmember, City of Napa

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

Keene Simonds
Executive Officer

Salaries and Benefits

At the end of the first quarter the Commission spent \$29,952 on salaries and benefits. This amount represents 10% of the total amount budgeted, as amended, in the eight affected accounts for the fiscal year. Savings are accumulating in several of these accounts as a result of hiring an extra help employee to fill the analyst position, which reduces benefit costs to the Commission. All accounts finished the first quarter with balances at or above 75%.

Services and Supplies

At the end of the first quarter the Commission spent \$43,266 on services and supplies. This amount represents 26% of the total amount budgeted in the 14 affected accounts for the fiscal year. Five accounts – memberships, office expenses, publications and notices, property lease, and training – finished the first quarter with balances below 75%. 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 2008-2009 is \$2,200, which was paid in full in July 2008.

Office Expenses

The office expense account covers general overhead supplies ranging from a copy machine lease with Xerox to weekly purchases with Office Depot. In the first quarter the Commission spent \$5,794 in this account, which represents approximately 39% percent of the total amount budgeted for the fiscal year. Staff will continue to monitor this account to help ensure a end-of-year deficit does not occur.

Publications and Notices

The publications and notices account covers the Commission's legal noticing requirements for all public hearings. Through the first quarter the Commission has spent \$862 in this account, which represents approximately 57% percent of the total amount budgeted for the fiscal year. These early expenses were anticipated and are associated with the noticing requirements for the four sphere of influence reviews the Commission has been processing during the beginning months of the fiscal year. Staff will continue to monitor this account to help ensure a end-of-year deficit does not occur.

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 first quarter the Commission has spent \$1,170 in this account, which represents approximately 29% of the total amount budgeted for the fiscal year. The majority of first quarter expenses in this account were drawn from registration costs for the 2008 CALAFCO Annual Conference in Los Angeles, which was attended by two staff and one commissioner. Staff will continue to monitor the account to help ensure that a end-of-year deficit does not occur.

Contingencies

Through the first quarter the Commission has not drawn funds from its two budgeted contingency accounts, professional services reserve (\$50,000) and operating reserve (\$40,594). It is not expected the Commission will need to draw funds from either contingency account during the remainder of the fiscal year.

B. Summary

The Commission is on course to finish the 2008-2009 fiscal year with an overall positive balance. Unexpended budgeted 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 2009-2010.

Staff will return to the Commission at the end of each quarter with a budget report. The second quarter ends on December 31, 2008 and will be reported to the Commission at its first regular meeting of 2009.

C. Recommendation

It is recommended that the Commission take the following action:

- 1) Receive and file the "First Quarter Budget Report for Fiscal Year 2008-2009."

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) First 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: 2009**

9/30/2008

<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>
5110000	S/W:REGULAR SALARIES	194,915	-26,010.00	0.00	14,445.27	154,460.16	91.45
51200100	S/W:EXTRA HELP	0	26,010.00	0.00	6,138.36	19,871.64	76.40
51200500	S/W:PER DIEM	9,600	0.00	0.00	500.00	9,100.00	94.79
51300100	E/B:RETIREMENT	34,551	0.00	0.00	2,463.34	32,087.59	92.87
51300120	OTHER POST EMPLOYMENT BENEFITS	11,295	0.00	0.00	2,824.00	8,471.00	75.00
51300300	E/B:MEDICARE	2,826	0.00	0.00	280.54	2,545.73	90.07
51300500	E/B:GROUP INSURANCE	40,148	0.00	0.00	3,160.83	36,987.21	92.13
51301200	E/B:INS:WORKERS COMP	149	0.00	0.00	37.25	111.75	75.00
51301800	E/B:CELL PHONE ALLOWANCE	840	0.00	0.00	101.93	738.07	87.87
	Total Salaries & Employee Benefits	294,325	0.00	0.00	29,951.52	264,373.15	89.82
52070000	COMMUNICATIONS	3,500	0.00	0.00	301.34	3,198.66	91.39
52100300	INSURANCE:LIABILITY	546	0.00	0.00	136.25	409.75	75.05
52150000	MEMBERSHIPS	2,200	0.00	0.00	2,200.00	0.00	0.00
52170000	OFFICE EXPENSE	15,000	0.00	4,499.84	1,293.73	9,206.43	61.38
52180200	PSS:MGMT INFO SVCS	17,768	0.00	0.00	4,442.01	13,325.99	75.00
52180500	PSS:LEGAL EXPENSE	26,320	0.00	0.00	0.00	26,320.00	100.00
52185000	PSS:OTHER	7,507	0.00	0.00	0.00	7,507.00	100.00
52190000	PSS:PUBLICATNS/LGL NOTICE	1,500	0.00	0.00	861.87	638.13	42.54
52235000	SDE:OTHER	56,000	0.00	0.00	290.05	55,709.95	99.48
52240500	SDE:PROPERTY LEASE	27,000	0.00	18,000.00	9,000.00	0.00	0.00
52243900	SDE:FILING FEE	850	0.00	0.00	150.00	700.00	82.35
52250000	TRANSPORTATION & TRAV	4,000	0.00	0.00	902.58	3,097.42	77.44
52250800	T/T:TRAINING	4,000	0.00	0.00	1,170.00	2,830.00	70.75
52251200	T/T:PRIVATE VEH MILE	1,000	0.00	0.00	18.72	981.28	98.13
	Total Services & Supplies	167,191	0.00	22,499.84	20,766.55	123,924.61	74.12
54000900	OPERATING RESERVE	40,594	0.00	0.00	0.00	40,594.00	100.00
54001000	PROFESSIONAL SERVICES RESERVE	50,000	0.00	0.00	0.00	50,000.00	100.00
	Total Contingencies & Reserves	90,594	0.00	0.00	0.00	90,594.00	100.00
02910	NAPA LAFCO	552,110	0.00	22,499.84	50,718.07	478,891.76	86.74
2910	NAPA CO LOCAL AGENCY FORMATION	552,110	0.00	22,499.84	50,718.07	478,891.76	86.74

ATTACHMENT ONE