



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

October 1, 2012
Agenda Item No. 5a (Consent/Action)

September 24, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Kathy Mabry, Commission Secretary

SUBJECT: Proposed Amendments to the Fiscal Year 2012-2013 Budget

The Commission will consider approving technical amendments to the current fiscal year budget to correspond with a new financial accounting system established by the County of Napa. This includes authorizing the establishment, redesignation and/or consolidation of certain accounts along with making corresponding fund transfers. The proposed amendments would not make changes to overall revenue or expense totals.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates operating costs for Local Agency Formation Commissions (LAFCOs) shall be annually funded by the affected counties, cities, and, if applicable, special districts. In most instances, the county is responsible for one-half of the LAFCO's annual budget with the remaining amount proportionally shared by the cities based on a weighted calculation of population and tax revenues. LAFCOs are also authorized to establish and collect fees for purposes of offsetting agency contributions.

A. Background

LAFCO of Napa County's ("Commission") adopted final budget for the current fiscal year totals \$432,460. This amount represents the total approved operating expenditures for the fiscal year within the Commission's two active expense units: salaries/benefits and services/supplies. Budgeted revenues total \$423,650 within three active revenue units: intergovernmental contributions; service charges; and investments. Markedly, an operating shortfall of (\$8,810) has been intentionally budgeted to reduce the funding requirements of the local agencies and to be covered by drawing down on unreserved/unrestricted reserves; the latter totaling \$116,033 as of July 1, 2012.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Keene Simonds
Executive Officer

B. Discussion/Analysis

The Commission contracts with the County of Napa for staff support services. This broad arrangement necessitates the Commission's administrative operations conform to County policies and procedures unless otherwise provided under adopted policy. Examples of the latter provision include the Commission independently approving an annual budget and contracting with outside third parties as needed.

With the preceding in mind, the County Auditor's Office recently revised its financial accounting system to include a new chart of accounts. The new chart of accounts became effective on July 1st and is intended to improve transparency and consistency by establishing a uniform reporting system in recording expenses and revenues; an intent highlighted by an approximate 80% reduction in the total number of accounts. The new chart of accounts also establishes definitions to help ensure consistent and compliant reporting within each department. To this latter point, for administrative purposes, the Commission is considered a "department" within the County.

As an alternative to adopting a separate policy on account management, technical and non-substantive amendments to the Commission's fiscal year line-item budget are needed to conform to the County's new chart of accounts. This includes renumbering all accounts as part of a new sequence listing while also establishing, redesignating, and/or consolidating other accounts based on function. Corresponding transfers are also proposed to fund new or consolidated accounts. A summary of the proposed amendments follows.

Establishment of New Accounts

- Other Government Entities (revenues) *
- Rents/Leases: Equipment (expenses) *
- Freight/Postage (expenses) *
- Utilities: Electric (expenses) *
- Computer/Software (expenses) *
- Appropriation for Contingencies (expenses)
- Office Supplies: Furniture/Fixtures (expenses)
- Election Services (expenses)

** Proposed Fund Transfer From Existing or Consolidated Account Applies; See Below*

Redesignations of Existing Accounts

- Standard Application Fees to Application/Permit Fees (revenues)
- Special Application Fees to Charges for Services (revenues)
- Regular Salaries to Salaries and Wages (expenses)
- Group Health Insurance to Employee Insurance: Premiums (expenses)
- Per Diems to Commissioner/Director Pay (expenses)
- Office Expenses to Office Supplies (expenses)
- Training to Training/Conference (expenses)
- Transportation/Travel to Business Travel/Mileage (expenses)
- Membership to Membership/Certificates (expenses)

Consolidation of Two or More Accounts with Corresponding Transfers

- American Canyon with \$33,320.64, Calistoga with \$12,095.39, Napa with \$136,583.40, St. Helena with \$14,152.67, and Yountville with \$8,635.07 into Other Governmental Entities (revenues)
- Private Mileage with \$1,000 and Reimbursable Meals with \$0 into Business Travel/Mileage (expenses)
- Operating Reserve with \$0 and Consultant Contingencies with \$0 into Appropriation for Contingencies (expenses)

Additional Transfers

- \$6,500 out of Office Supplies and into Rents/Lease: Equipment (expenses)
- \$800 out of Communications/Telephone and into Freight/Postage (expenses)
- \$1,500 out of Office Supplies and into Utilities: Electric (expenses)
- \$3,847.13 out of Information Technology Services and into Computer/Software (expenses)

C. Recommendation

It is recommended the Commission approve the proposed amendments to its 2012-2013 fiscal year budget as described in the preceding section and reflected in Attachment Two.

D. Alternatives for Action

The following two alternatives are available to the Commission:

Alternative Action One (Recommended):

Approve the proposed amendments to the 2012-2013 fiscal year budget with any desired changes as specified by members.

Alternative Action Two:

Continue consideration of the item to another meeting while providing direction to staff with respect to any additional information requests or actions.

E. Procedures for Consideration

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully submitted,

Keene Simonds
Executive Officer

Kathy Mabry
Commission Secretary

Attachments:

- 1) Current Fiscal Year Budget
- 2) Current Fiscal Year Budget with Proposed Amendments



Local Agency Formation Commission of Napa County

Subdivision of the State of California

FY2012-2013 OPERATING BUDGET

Adopted on June 4, 2012

Expenses

		FY2009-10		FY2010-11		FY2011-12		FY2012-13			
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Estimate FY11-12	Adopted FY12-13	Difference	Difference	Notes
Salaries and Benefits											
<u>Account</u>	<u>Description</u>										
51100000	Regular Salaries	195,580.00	193,055.65	198,346.60	198,280.48	202,387.60	199,418.72	203,183.19	795.59	0.4%	1
51300500	Group Health Insurance	36,471.00	29,210.94	37,953.96	33,872.67	45,648.12	40,892.91	47,646.00	1,997.88	4.4%	2
51300100	Retirement (CalPERS)	34,064.00	33,015.37	34,991.95	34,924.41	36,701.99	36,163.80	37,736.30	1,034.31	2.8%	3
51200500	Per Diems	9,600.00	5,100.00	9,600.00	4,900.00	9,600.00	5,600.00	6,400.00	(3,200.00)	-33.3%	4
51300120	Other Post Employment Benefits	8,706.00	8,706.00	9,138.00	9,138.00	9,341.00	9,341.00	12,139.00	2,798.00	30.0%	5
51300300	Medicare	2,836.00	2,657.51	2,876.49	2,738.20	2,934.62	2,751.49	2,946.16	11.54	0.4%	
51301800	Cell Phone Allowance	840.00	843.50	840.00	843.50	840.00	840.00	840.00	-	0.0%	
51301200	Workers Compensation	168.00	168.00	226.00	226.00	327.00	327.00	396.00	69.00	21.1%	
51200100	Extra Help	-	-	-	-	-	-	-	-	0.0%	
51200200	Overtime	-	-	-	-	-	-	-	-	0.0%	
		288,265.00	272,756.97	293,973.00	284,923.26	307,780.33	295,334.92	311,286.64	3,506.31	1.1%	
Services and Supplies											
<u>Account</u>	<u>Description</u>										
52240500	Property Lease	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	25,560.00	(3,720.00)	-12.7%	6
52180500	Legal Services	24,990.00	17,938.31	26,010.00	17,659.74	22,540.00	18,000.00	22,540.00	-	0.0%	7
52180200	Information Technology Services	22,438.00	19,182.50	18,438.91	17,625.42	24,630.83	23,630.83	25,496.13	865.30	3.5%	8
52170000	Office Supplies	15,000.00	9,697.20	15,000.00	9,628.08	12,000.00	15,400.00	13,500.00	1,500.00	12.5%	9
52180510	Audit and Accounting Services	7,883.00	7,819.33	8,277.15	7,301.48	8,691.01	8,191.01	9,125.56	434.55	5.0%	10
52250800	Training	4,000.00	5,475.00	4,000.00	3,969.00	4,000.00	5,500.00	4,000.00	-	0.0%	
52250000	Transportation and Travel	3,500.00	4,510.88	3,500.00	5,171.79	4,000.00	1,000.00	4,000.00	-	0.0%	
52070000	Communications	3,500.00	1,205.16	3,500.00	1,640.02	4,470.00	4,970.00	3,770.00	(700.00)	-15.7%	
52150000	Memberships	2,275.00	2,200.00	2,275.00	2,200.00	2,275.00	2,200.00	2,248.40	(26.60)	-1.2%	
52190000	Publications and Notices	1,500.00	1,112.17	1,500.00	1,433.43	1,500.00	1,960.00	1,500.00	-	0.0%	
52235000	Special Departmental Purchases	1,000.00	1,095.25	1,000.00	2,482.00	1,000.00	606.00	3,500.00	2,500.00	250.0%	11
52251200	Private Mileage	1,000.00	533.60	1,000.00	1,297.66	1,000.00	1,000.00	1,000.00	-	0.0%	
52243900	Filing Fees	850.00	250.00	850.00	450.00	850.00	250.00	850.00	-	0.0%	
52250700	Meals Reimbursement - Taxable	500.00	588.92	500.00	171.97	-	-	-	-	0.0%	
52100300	Insurance: Liability	347.00	347.00	444.00	444.00	321.00	321.00	153.00	(168.00)	-52.3%	
53980200	Capital Replacement/Depreciation*	-	3,931.30	3,931.40	3,931.40	3,931.40	3,931.40	3,931.40	-	0.0%	
		118,063.00	105,166.62	119,506.46	104,685.99	120,489.23	116,240.23	121,174.48	685.25	0.6%	
Contingencies and Reserves											
<u>Account</u>	<u>Description</u>										
54000900	Operating Reserve	40,632.80	-	-	-	-	-	-	-		
54001000	Consultant Contingency	50,000.00	-	-	-	-	-	-	-		
		90,632.80	-	-	-	-	-	-	-		
EXPENSE TOTALS		496,960.80	377,923.59	413,479.46	389,609.25	428,269.56	411,575.15	432,461.12	4,191.56	0.98%	

Revenues

		FY2009-10		FY2010-11		FY2011-12		FY2012-13				
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Estimate FY11-12	Proposed Final FY12-13		<i>Difference</i>	<i>Difference</i>	<i>Notes</i>
Intergovernmental Contributions												
<u>Account</u>	<u>Description</u>											
45080600	County of Napa	-	153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17		13,236.67	6.91%	
45082200	City of Napa	-	105,428.75	119,646.81	119,647.00	126,330.38	126,330.38	136,583.40		10,253.02	8.12%	
45082400	City of American Canyon	-	22,010.54	27,468.37	27,468.00	32,912.04	32,912.04	33,320.64		408.60	1.24%	
45082300	City of St. Helena	-	11,135.35	12,656.54	12,657.00	12,997.37	12,997.37	14,152.67		1,155.30	8.89%	
45082100	City of Calistoga	-	8,742.73	10,642.45	10,642.00	11,393.34	11,393.34	12,095.39		702.05	6.16%	
45082500	Town of Yountville	-	6,648.33	7,595.60	7,596.00	7,917.37	7,917.37	8,635.07		717.70	9.06%	
		-	307,931.40	356,019.55	356,020.00	383,101.00	383,101.00	409,574.34		26,473.34	6.91%	
Service Charges												
<u>Account</u>	<u>Description</u>											
46003400	Standard Applications Fees	-	18,437.00	10,000.00	24,293.00	10,000.00	8,562.00	10,000.00		-	-	
46003300	Special Application Fees	-	625.00	-	3,187.00	-	175.00	-		-	-	
48040000	Miscellaneous	-	156.30	-	-	-	-	-		-	-	
		-	19,218.30	10,000.00	27,480.00	10,000.00	8,737.00	10,000.00		-	-	
Investments												
<u>Account</u>	<u>Description</u>											
44000300	Interest	-	3,791.48	5,000.00	2,570.00	2,340.00	4,078.20	4,076.00		1,736.00	42.57%	
		-	3,791.48	5,000.00	2,570.00	2,340.00	4,078.20	4,076.00		1,736.00	42.57%	
	REVENUE TOTALS	-	330,941.18	371,019.55	386,070.00	395,441.00	395,916.20	423,650.34		28,209.34	7.13%	

OPERATING DIFFERENCE - (43,051) (42,459.91) (3,539) (32,828.56) (15,658.95) (8,810.78)

MINIMUM THREE MONTH RESERVE GOAL 124,240.20 102,387.02 106,084.54 107,132.43
(budgeted expenses less capital depreciation)

UNRESERVED/UNRESTRICTED FUND BALANCE

Beginning:	186,574.00	134,344.00	131,692.00	116,033.05
Ending:	134,344.00	131,692.00	116,033.05	107,222.26

NOTES TO OPERATING BUDGET

- Account budgets two full-time (Executive Officer and Analyst) and one part-time employee (Secretary). Increase provides merit increase for the Analyst position along with a 1.5% cost-of-living adjustment for all employees
- Account funds health, dental, and basic life insurance for all three employees. The increase is principally attributed to a rise in Kaiser Permanente premiums for all County employees.
- Account funds the Commission's contribution share for employee pension benefits with CalPers. The increase reflects a matching percentage rise in employee-paid benefits in 2012-13.
- Account funds \$100 per diem payments for Commission attendance at each regular, special, or committee meeting. Decrease contemplates a total of seven regular/special meetings along with four committee meetings.
- Account funds the Commission's apportionment for other non pension post employment benefits, such as health coverage. These costs are increasing by 23% for all County employees in 2012-13.
- Account funds the Commission's rental costs for office space. Decrease is tied to a pending office relocation to 1030 Seminary Street, Suite B.
- It is expected the Commission's need for County Counsel services in 2012-13 will remain the same at approximately 140 total hours. An expected 5% increase in the current \$154 hourly rate was budgeted last year, but did not occur. Staff anticipates - for budgeting purposes - a 5% increase will occur in 2012-13.
- Account funds the Commission's technology services that include network (County), electronic document database (Incrementum), and website hosting/updating (Planeteria). An increase is budgeted to fund a new monthly service charge from Granicus to begin live-streaming all Commission meetings along with a rise in County ITS cost; the latter generated by a new cost-recovery method employed by the County.
- Account funds nominal/routine office expenses for the Commission; the largest single cost involving a lease with Xerox for copying/printing. An increase is budgeted to cover new utility costs at 1030 Seminary Street, Suite B.
- Account covers auditing/accounting services provided by the County of Napa as well as funding an independent annual audit. A 5.0% increase in the Auditor's hourly staff rate is budgeted.

11) Account covers one-time expenses. An increase is budgeted to fund a software and training purchase from Granicus to implement live video streaming services for Commission meetings.



Local Agency Formation Commission of Napa County

Subdivision of the State of California

FY2012-2013 OPERATING BUDGET

Presented for Adoption on October 1, 2012

Expenses

		FY2009-10		FY2010-11		FY2011-12		FY2012-13
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13
Salaries and Benefits								
<u>Account</u>	<u>Description</u>							
51100	Salaries and Wages	195,580.00	193,055.65	198,346.60	198,280.48	202,387.60	203,108.73	203,183.19
51400	Employee Insurance: Premiums	36,471.00	29,210.94	37,953.96	33,872.67	45,648.12	37,643.35	47,646.00
51600	Retirement	34,064.00	33,015.37	34,991.95	34,924.41	36,701.99	36,871.55	37,736.30
51605	Other Post Employment Benefits	8,706.00	8,706.00	9,138.00	9,138.00	9,341.00	9,341.00	12,139.00
51210	Commissioner/Director Pay	9,600.00	5,100.00	9,600.00	4,900.00	9,600.00	5,700.00	6,400.00
51300	Medicare	2,836.00	2,657.51	2,876.49	2,738.20	2,934.62	2,790.20	2,946.16
51205	Cell Phone Allowance	840.00	843.50	840.00	843.50	840.00	843.50	840.00
51405	Workers Compensation	168.00	168.00	226.00	226.00	327.00	327.00	396.00
51110	Extra Help	-	-	-	-	-	-	-
51115	Overtime	-	-	-	-	-	-	-
		288,265.00	272,756.97	293,973.00	284,923.26	307,780.33	296,625.33	311,286.64
Services and Supplies								
<u>Account</u>	<u>Description</u>							
52605	Rents and Leases: Building/Land	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	25,560.00
52140	Legal Services	24,990.00	17,938.31	26,010.00	17,659.74	22,540.00	17,593.30	22,540.00
52130	Information Technology Services	22,438.00	19,182.50	18,438.91	17,625.42	24,630.83	23,385.87	22,009.00
52125	Accounting/Auditing Services	7,883.00	7,819.33	8,277.15	7,301.48	8,691.01	7,340.78	9,125.56
52600	Rents and Leases: Equipment	-	-	-	-	-	-	6,500.00
53100	Office Supplies	15,000.00	9,697.20	15,000.00	9,628.08	12,000.00	14,508.46	5,500.00
52905	Business Travel/Mileage	4,500.00	5,044.48	4,500.00	6,469.45	5,000.00	2,253.35	5,000.00
52900	Training/Conference	4,500.00	6,063.92	4,500.00	4,140.97	4,000.00	5,141.00	4,000.00
53600	Special Departmental Purchases	1,000.00	1,095.25	1,000.00	2,482.00	1,000.00	426.64	3,500.00
53415	Computer Software/License	-	-	-	-	-	-	3,487.13
52800	Communications/Telephone	3,500.00	1,205.16	3,500.00	1,640.02	4,470.00	2,329.81	2,970.00
53120	Memberships/Certifications	2,275.00	2,200.00	2,275.00	2,200.00	2,275.00	2,200.00	2,248.40
53205	Utilities: Electric	-	-	-	-	-	-	1,500.00
52830	Publications and Notices	1,500.00	1,112.17	1,500.00	1,433.43	1,500.00	2,255.64	1,500.00
52830	Filing Fees	850.00	250.00	850.00	450.00	850.00	237.50	850.00
53110	Postage/Freight	-	-	-	-	-	-	800.00
52700	Insurance: Liability	347.00	347.00	444.00	444.00	321.00	321.00	153.00
52105	Election Services	-	-	-	-	-	-	-
53105	Office Supplies: Furniture/Fixtures	-	-	-	-	-	-	-
54600	Capital Replacement/Depreciation*	-	3,931.30	3,931.40	3,931.40	3,931.40	3,931.40	3,931.40
		118,063.00	105,166.62	119,506.46	104,685.99	120,489.23	111,204.75	121,174.49
Contingencies and Reserves								
<u>Account</u>	<u>Description</u>							
58100	Appropriation for Contingencies	90,632.80	-	-	-	-	-	-
		90,632.80	-	-	-	-	-	-
EXPENSE TOTALS		496,960.80	377,923.59	413,479.46	389,609.25	428,269.56	407,830.08	432,461.13

Revenues

		FY2009-10		FY2010-11		FY2011-12		FY2012-13
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13
Intergovernmental								
Account	Description							
43910	County of Napa	-	153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17
43950	Other Governmental Agencies		153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17
----	<i>City of Napa</i>	-	105,428.75	119,646.81	119,647.00	126,330.38	126,330.38	136,583.40
----	<i>City of American Canyon</i>	-	22,010.54	27,468.37	27,468.00	32,912.04	32,912.04	33,320.64
----	<i>City of St. Helena</i>	-	11,135.35	12,656.54	12,657.00	12,997.37	12,997.37	14,152.67
----	<i>City of Calistoga</i>	-	8,742.73	10,642.45	10,642.00	11,393.34	11,393.34	12,095.39
----	<i>Town of Yountville</i>	-	6,648.33	7,595.60	7,596.00	7,917.37	7,917.37	8,635.07
			307,931.40	356,019.55	356,020.00	383,101.00	383,101.00	409,574.34
Service Charges								
42690	Application/Permit Fees	-	18,437.00	10,000.00	24,293.00	10,000.00	8,562.00	10,000.00
46800	Charges for Services	-	625.00	-	3,187.00	-	475.00	-
47900	Miscellaneous	-	156.30	-	-	-	50.00	-
			19,218.30	10,000.00	27,480.00	10,000.00	9,087.00	10,000.00
Investments								
45100	Interest	-	3,791.48	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00
			3,791.48	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00
	REVENUE TOTALS	-	330,941.18	371,019.55	386,070.00	395,441.00	394,660.66	423,650.34
OPERATING DIFFERENCE		-	(43,051)	(42,459.91)	(3,539)	(32,828.56)	(13,169.42)	(8,810.79)

MINIMUM THREE MONTH RESERVE GOAL (budgeted expenses less capital depreciation)	124,240.20	102,387.02	106,084.54	107,132.43
UNRESERVED/UNRESTRICTED FUND BALANCE				
Beginning:	186,574.00	134,344.00	131,692.00	118,522.58
Ending:	134,344.00	131,692.00	118,522.58	109,711.79