



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

Agenda Item 5d (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: August 1, 2016

SUBJECT: Budget Adjustment for 2016-2017

RECOMMENDATION

It is recommended the Commission approve an adjustment to the 2016-2017 budget to increase the consulting services account by \$28,640.

BACKGROUND

The Commission's 2015-2016 budget included \$525,684 in total expenses and \$482,444 in total revenues with the remaining shortfall (\$43,240) to be covered by drawing from agency reserves. Approved expenses in 2015-2016 included several consultant contracts for professional services. On June 6, 2016, the Commission adopted a final 2016-2017 budget that includes \$505,688 in total expenses and \$482,444 in total revenues. The adopted 2016-2017 budget already includes \$25,000 in the consulting services account.

DISCUSSION

At the end of the 2015-2016 fiscal year, the Commission's budget included unspent encumbrances for two consultant contracts, as described further below. Because of the timing of the services provided, the two contracts are also included in the budget for the current fiscal year. All of the funds budgeted in 2015-2016 were not spent as anticipated, and will instead be billed for services provided by these consultants in the current fiscal year instead. Toward this end, the Commission's 2016-2017 budget requires an adjustment to re-encumber these amounts for the following two consultant contracts:

- 1) SWALE for preparation of municipal service reviews and sphere of influence updates for three cities and two special districts; and
- 2) ECS for historical file back-scanning for the electronic document management system.

Greg Pitts, Vice Chair
Councilmember, City of St. Helena

Juliana Inman, Commissioner
Councilmember, City of Napa

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

Diane Dillon, Chair
County of Napa Supervisor, 3rd District

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

Keith Caldwell, Alternate Commissioner
County of Napa Supervisor, 5th District

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

SUMMARY

The following table summarizes the expense amount that was encumbered in 2015-2016, the actual expenses for 2015-2016, and the resulting balance that is being proposed to be re-encumbered in 2016-2017.

Contract	Encumbered in 2015-2016	Actual Expense in 2015-2016	Resulting Balance
ECS	\$25,000	\$9,439	\$15,561
SWALE	\$56,245	\$43,166	\$13,079
TOTAL	\$81,245	\$52,605	\$28,640

As stated above, the expenses for these two contracts did not reach the full amounts anticipated during the prior fiscal year, resulting in the remaining balance of \$28,640 being added to the Commission's reserves at the end of the recently completed fiscal year.

This remaining balance of \$28,640 needs to be re-encumbered in the current fiscal year by way of a budget adjustment (Attachment Two). The re-encumbered amounts will be shown as an increase in the Commission's 2016-2017 budgeted appropriations under Consulting Services (Account No. 52310) with a corresponding reduction in agency reserves. However, because these funds were carried over from the prior fiscal year, in the form of reserves, the budget adjustment will not impact the Commission's bottom line or contributions from the local funding agencies.

It is important to note that the adopted 2016-2017 budget already includes \$25,000 associated with a contract with Ascent for environmental services. Therefore, the proposed 2016-2017 budget adjustment would increase the Commission's consulting services account from \$25,000 to \$53,640 as shown in Attachment One.

ATTACHMENTS

- 1) Proposed Adjusted Budget for 2016-2017
- 2) Budget Adjustment



Local Agency Formation Commission of Napa County

Subdivision of the State of California

FY2016-2017 OPERATING BUDGET / ADJUSTED

Proposed on August 1, 2016

Expenses

		FY2013-14		FY2014-15		FY2015-16		FY2016-17		
		Adopted	Actual	Adjusted	Actual	Adjusted	Actual	Adjusted		
		FY13-14	FY13-14	FY14-15	FY14-15	FY15-16	FY15-16	FY16-17		
Salaries and Benefits										
<u>Account</u>	<u>Description</u>								<u>Difference</u>	
51100 *	Salaries and Wages	155,519	148,968	147,625	150,093	152,582	138,142	218,926	66,344	43.5%
51200 *	401A Employer Contribution	-	-	1,000	300	-	2,000	1,000	1,000	-
51205 *	Cell Phone Allowance	840	595	840	682	840	401	420	(420)	-50.0%
51210	Commissioner/Director Pay	10,000	11,500	10,000	11,125	11,000	9,375	11,000	-	0.0%
51300 *	Medicare	3,012	2,477	3,012	2,410	3,251	1,951	3,374	123	3.8%
51305	FICA	-	193	-	496	500	395	550	50	10.0%
51400 *	Employee Insurance: Premiums	51,203	30,173	44,796	27,679	42,936	25,499	51,754	8,818	20.5%
51405 *	Workers Compensation	400	427	428	428	500	461	2,221	1,721	344.2%
51600 *	Retirement	39,595	28,257	39,853	27,040	43,791	25,502	43,690	(101)	-0.2%
51605 *	Other Post Employment Benefits	12,166	12,166	12,321	12,321	14,751	14,750	14,987	236	1.6%
		272,736	234,756	259,875	232,574	270,151	218,476	347,922	77,771	28.8%

* These accounts were combined and reclassified under Services and Supplies as Administration Services (Account No. 52100). For historical consistency and transparency purposes, this budget sheet displays the old individual accounts.

Expenses

		FY2013-14		FY2014-15		FY2015-16		FY2016-17		
		Adopted FY13-14	Actual FY13-14	Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Actual FY15-16	Adjusted FY16-17		
<u>Account</u>	<u>Description</u>								<u>Difference</u>	
52100 *	Administration Services	-	-	249,875	220,953	258,651	208,706	336,372	77,721	30.0%
52105	Election Services	-	150	-	75	150	-	300	150	0.0%
52125	Accounting/Auditing Services	9,126	8,460	10,000	8,128	10,000	7,496	9,500	(500)	-5.0%
52130	Information Technology Services	22,374	22,374	24,000	23,663	24,052	24,052	24,052	-	0.0%
52140	Legal Services	22,540	32,864	32,000	27,670	28,600	26,093	32,000	3,400	11.9%
52310	Consulting Services	61,500	58,600	107,350	78,097	126,600	59,177	53,640	(72,960)	-57.6%
52345	Janitorial Services	-	-	-	-	-	420	500	500	NEW
52515	Maintenance-Software	-	4,401	-	1,127	1,500	1,869	2,000	500	33.3%
52600	Rents and Leases: Equipment	6,000	5,995	6,000	5,594	6,500	5,962	7,000	500	7.7%
52605	Rents and Leases: Building/Land	25,560	25,560	25,560	25,560	25,560	25,560	25,560	-	0.0%
52700	Insurance: Liability	35	35	100	98	150	304	1,206	1,056	704.0%
52800	Communications/Telephone	2,950	2,488	2,950	1,232	2,000	3,424	3,000	1,000	50.0%
52830	Publications and Notices	1,500	1,823	2,000	728	1,500	1,406	2,000	500	33.3%
52835	Filing Fees	850	-	-	-	500	200	500	-	0.0%
52900	Training/Conference	4,000	7,494	8,995	5,426	10,000	7,041	10,000	-	0.0%
52905	Business Travel/Mileage	5,000	2,883	2,000	1,866	2,000	1,110	2,000	-	0.0%
53100	Office Supplies	5,000	2,302	4,000	3,410	4,000	2,435	4,000	-	0.0%
53110	Freight/Postage	800	354	800	250	500	200	500	-	0.0%
53120	Memberships/Certifications	2,293	2,300	2,335	2,335	2,381	2,381	2,548	167	7.0%
53205	Utilities: Electric	1,500	1,051	1,500	1,107	1,100	1,261	1,600	500	45.5%
53410	Computer Equipment/Accessories	-	-	-	4,993	-	-	-	-	-
53415	Computer Software/License	3,488	183	2,500	6,150	500	-	1,000	500	100.0%
53600	Special Departmental Expense	21,500	10,850	15,150	129	4,000	113	3,500	(500)	-12.5%
54600	Capital Replacement/Depreciation	3,931	3,931	3,940	-	3,940	-	-	(3,940)	-100.0%
		199,946	194,099	251,180	197,637	255,533	170,504	186,406	(69,127)	-27.1%
Contingencies and Reserves										
<u>Account</u>	<u>Description</u>									
58100	Appropriation for Contingencies	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	EXPENSE TOTALS	472,681	428,854	511,055	430,212	525,684	388,980	534,328	8,644.17	1.6%

* This account reflects the Salaries and Wages accounts that were combined and reclassified under Services and Supplies as Administration Services (Account No. 52100).

Operating expenses for 2014-2015 reflect a one-time \$11,000 cost associated with an EDMS software upgrade project. Agency reserves were utilized to cover this cost.

Operating expenses for 2015-2016 reflect a one-time \$25,000 cost associated with EDMS back-filing project. Agency reserves were utilized to cover this cost.

Operating expenses for 2016-2017 reflect a one-time \$28,640 increase associated with re-encumbering existing consultant contracts that were not fully utilized in 2015-2016.

Revenues

		FY2013-14		FY2014-15		FY2015-16		FY2016-17		
		Adopted FY13-14	Actual FY13-14	Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Actual FY15-16	Adjusted FY16-17	<i>Difference</i>	
Intergovernmental										
Account	Description									
43910	County of Napa	209,675	209,675	215,853	215,853	224,972	224,972	224,972	-	0.0%
43950	Other Governmental Agencies	209,675	209,675	215,853	215,853	224,972	224,972	224,972	-	0.0%
----	<i>City of Napa</i>	140,021	140,021	144,529	144,529	149,571	149,571	149,066	(505)	-0.3%
----	<i>City of American Canyon</i>	33,757	33,757	34,422	34,422	35,997	35,997	35,330	(667)	-1.9%
----	<i>City of St. Helena</i>	13,957	13,957	14,145	14,145	14,582	14,582	15,908	1,326	9.1%
----	<i>City of Calistoga</i>	12,389	12,389	12,907	12,907	13,467	13,467	13,209	(258)	-1.9%
----	<i>Town of Yountville</i>	9,552	9,552	9,850	9,850	11,355	11,355	11,459	104	0.9%
		419,350	419,350	431,705	431,705	449,944	449,944	449,944	-	0.0%
Service Charges										
42690	Application/Permit Fees	10,000	31,488	10,000	48,462	30,000	26,322	30,000	-	0.0%
46800	Charges for Services	500	375	500	1,375	500	625	500	-	0.0%
47900	Miscellaneous	-	-	-	-	-	-	-	-	0.0%
		10,500	31,863	10,500	49,837	30,500	26,947	30,500	-	0.0%
Investments										
45100	Interest	3,000	1,514	2,000	2,202	2,000	2,246	2,000	-	0.0%
		3,000	1,514	2,000	2,202	2,000	2,246	2,000	-	0.0%
	REVENUE TOTALS	432,850	452,727	444,205	483,744	482,444	479,137	482,444	-	0.0%
OPERATING DIFFERENCE		(39,831)	23,873	(66,850)	53,532	(43,240)	90,157	(51,884)		

Negative Balance Indicates Use of Unrestricted Fund Balance Reserves



	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Final Budget
RESTRICTED FUND BALANCE (EQUIPMENT REPLACEMENT RESERVE)				
Beginning:	15,824	19,657	19,657	19,657
Ending:	19,657	19,657	19,657	19,657
UNRESERVED/UNRESTRICTED FUND BALANCE				
Beginning:	164,427	188,300	241,832	331,989
Ending:	188,300	241,832	331,989	280,104
TOTAL FUND BALANCE				
Beginning:	180,251	207,957	261,489	351,646
Ending:	207,957	261,489	351,646	299,761
MINIMUM FOUR MONTH RESERVE GOAL	156,250	169,038	173,915	178,109

BUDGET ADJUSTMENT REQUEST

Increase/Decrease Between Expenses

Increase/Decrease Between Revenues

Fiscal Year: 2016-2017

Date: 08/01/16
 Division: LAFCO
 Prepared By: Brendon Freeman
 Phone: (707)259-8645

Board # (If Appl): _____
 Budget Journal ID: _____
 Journal Entry ID: _____
 Date Posted: _____

Fund	Sub-Division	Program	Account	Descriptions	Increase	Decrease
8400	8400000		52310	Consulting Services	28,640.00	
Adjustment Totals					28,640.00	0.00

Justification: This amount was encumbered in 2015-2016 for existing consultant contracts where services were not fully rendered during the fiscal year.
These services will be rendered in the current fiscal year and therefore they need to be re-encumbered.

Department Authorization	Auditor-Controller	CEO's Recommendation	Board of Supervisor's Action
Budget Adjustment and Related Journal Entry, if applicable, reviewed and approved. Date _____	Budget Adjustment and Related Journal Entry, if applicable, approved as to Accounting Form. Date _____	[] Approve [] Disapprove _____ Date Budget Adjustment is in Accordance with Board Resolution 03-112 (>\$10,000)	[] Approve [] Disapprove _____ Date Agenda Item
Department Head	Auditor-Controller	County Executive Officer	Clerk of the Board of Supervisors