



Local Agency Formation Commission
LAFCO of Napa County

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February 5, 2007
Agenda Item No. 7a

January 30, 2007

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Draft Proposed Budget for Fiscal Year 2007-2008 (Action)

The Commission will receive a draft proposed budget from the 2007-2008 Budget Committee. The draft proposed budget projects a total increase in operating expenses of 1.9% from the current fiscal year and is being presented to the Commission for review and direction.

California Government Code §56381 directs the Commission to annually prepare and adopt a proposed budget by May 1st and a final budget by June 15th. In preparing for its own provisions, it is the policy of the Commission to establish a budget committee that includes two appointed Commissioners and the Executive Officer. The budget committee is responsible for preparing a draft proposed budget for review by the Commission and those agencies that are statutorily responsible for funding LAFCO no less than 30 days prior to its adoption. It has been the practice of the Commission to adopt proposed and final budgets at its April and June meetings, respectively.

2007-2008 Draft Proposed Budget

At its December 4, 2006 meeting, the Commission appointed Commissioners Kelly and Wagenknecht to serve on the 2007-2008 Budget Committee. The Committee met on January 10, 2007 to review LAFCO's operating expenses for the upcoming fiscal year. (It is the practice of LAFCO to budget only for expenses.) A spending baseline was constructed to estimate how much it would cost to continue LAFCO's current level of services and activities at next fiscal year's price for labor and supplies. In reviewing these estimates, the Committee considered actual expenses from past fiscal years and whether increases or decreases in spending was appropriate to reflect anticipated changes in demand or need.

Drawing from its review process, the Committee has prepared a draft proposed budget that projects a 1.9% increase in total operating costs from FY06-07. The largest increase to the budget involves an approximate 29% contractual rise in group insurance, which represents LAFCO's contribution to employee healthcare costs. In terms of discretionary items, the Committee recommends increases to the Commission's per diem and training accounts. These changes are recommended in order to raise the Commission's per diem

Jack Gingles, Chair
Mayor, City of Calistoga

Cindy Coffey, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice-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, Commissioner
Representative of the General Public

Vacant, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

from \$50 to \$100 and to provide additional training opportunities for new Commissioners and staff. Savings in salaries, retirement, and information technology services have helped to absorb and limit the overall increase in operating costs. An expanded summary of all projected expenses is attached.

In addition to offering a draft proposed budget, the Committee recommends that LAFCO review its adopted fee schedule to consider whether changes are appropriate with respect to improving cost-recovery. The Committee also recommends that LAFCO consider adopting a policy to manage its reserve fund.

Recommendation

It is recommended for the Commission to take the following actions:

- 1) Accept with any desired changes the draft proposed budget from the 2007-2008 Budget Committee; and
- 2) Direct the Executive Officer to circulate the draft proposed budget for review and comment by the six agencies that fund LAFCO and schedule a public hearing for the Commission to consider its adoption on April 2, 2007; and
- 3) Direct the Executive Officer to review LAFCO's adopted fee schedule and to prepare a report with recommendations for consideration by the Commission; and
- 4) Direct the Executive Officer to review reserve policy options and to prepare a report with recommendations for consideration by the Commission.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

1. 2007-2008 Draft Proposed Budget (Line Item Format)
- ~~2. Summary of Expenses for 2007-2008 Draft Proposed Budget~~
3. Current Adopted Fee Schedule

**Local Agency Formation Commission of Napa County
Draft Proposed Budget for 2007-2008**

		FINAL FY04-05	FINAL FY05-06	FINAL FY06-07	DRAFT FY07-08 (1/30/2007)	Difference From FY06-07	
Salaries and Wages							
<u>Account No.</u>	<u>Account</u>						
51100000	Regular Salaries	\$ 167,505.00	\$ 187,206.00	\$ 190,230.92	\$ 184,988.01 ^{1,2}	\$ (5,242.91)	
51200100	Extra Help	\$ 6,188.00	\$ 2,206.26	\$ -	\$ -	\$ -	
51200200	Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	
51200500	Per Diems	\$ 4,050.00	\$ 4,050.00	\$ 3,600.00	\$ 9,600.00 ³	\$ 6,000.00	
51300100	Retirement	\$ 23,450.70	\$ 32,235.20	\$ 32,953.28	\$ 31,417.25	\$ (1,536.03)	
51300300	Medicare	\$ 2,428.82	\$ 2,674.13	\$ 2,849.46	\$ 2,649.92	\$ (199.54)	
51300500	Group Insurance	\$ 22,255.20	\$ 26,875.92	\$ 36,030.00	\$ 46,498.32	\$ 10,468.32	
51301200	Workers Compensation	\$ 533.00	\$ 749.00	\$ 685.00	\$ 185.00	\$ (500.00)	
51301700	401A Employer Contributions	-	\$ 1,500.00	\$ 1,500.00	\$ - ⁴	\$ (1,500.00)	
51301800	Cell Phone Allowance	-	\$ 840.00	\$ 840.00	\$ 840.00	\$ -	
		\$ 226,410.72	\$ 258,336.51	\$ 268,688.66	\$ 276,178.50	\$ 7,489.84	2.8%
Services and Supplies							
<u>Account No.</u>	<u>Account</u>						
52070000	Communications	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ -	
52100300	Insurance: Liability	-	\$ 335.00	\$ 534.00	\$ 352.00	\$ (182.00)	
52150000	Memberships	\$ 1,368.00	\$ 1,400.00	\$ 2,200.00	\$ 2,000.00	\$ (200.00)	
52170000	Office Expenses	\$ 12,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	
52180200	Management Information Services	\$ 13,000.00	\$ 13,378.27	\$ 17,799.91	\$ 16,387.00	\$ (1,412.91)	
52180500	Legal	\$ 18,750.00	\$ 18,750.00	\$ 18,750.00	\$ 18,750.00	\$ -	
52190000	Publications and Notices	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00 ⁵	\$ 500.00	
52185000	PSS: Other (Accounting/Auditing)	\$ 4,000.00	\$ 5,000.00	\$ 6,500.00	\$ 7,150.00 ⁶	\$ 650.00	
52235000	SDE: Other (Office Improvements)	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -	
52240500	Property Lease	\$ 24,038.40	\$ 25,540.80	\$ 26,307.02	\$ 27,000.00 ⁷	\$ 692.98	
52250000	Transportation and Travel	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ -	
52250800	Training	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00 ⁸	\$ 1,000.00	
52251200	Private Mileage	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00 ⁹	\$ (500.00)	
		\$ 87,156.40	\$ 93,404.07	\$ 101,090.93	\$ 101,639.00	\$ 548.07	0.5%
	Sub Total Expenses	\$ 313,567.12	\$ 351,740.58	\$ 369,779.59	\$ 377,817.50	\$ 8,037.91	
Contingencies and Reserves							
<u>Account No.</u>	<u>Account</u>						
54000900	Operating Reserve (10% of Expenses)	\$ 31,356.71	\$ 35,174.06	\$ 36,977.96	\$ 37,781.75	\$ 803.79	
54001000	Professional Services Dedication	\$ 100,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -	
		\$ 131,356.71	\$ 85,174.06	\$ 86,977.96	\$ 87,781.75	\$ 803.79	0.9%
	TOTAL	\$ 444,923.83	\$ 436,914.64	\$ 456,757.55	\$ 465,599.25	\$ 8,841.70	1.9%

NOTES

- Assumes a 3.0% cost-of-living adjustment for all employees. The County MOU with represented employees requires a cost-of-living-adjustment to be determined by an agreed formula. The adjustment could be as low as 2.5% and as high as 4.0%. The County advises using a 3.0% factor at this time.
- Anticipates scheduled salary increases for Keene Simonds, Executive Officer, and Tracy Geraghty, Analyst II. Kathy Mabry, Commission Secretary, is at the top of her classification range and is not eligible for a salary increase.
- An increase in the Commission's meeting per diem from \$50 to \$100 is recommended to reflect the medium per diem rate of the eight other Bay Area LAFCOs. This increase also takes into account that the Commission is now meeting on a monthly basis.
- The Executive Officer has elected not to participate in a 401A plan. No other employees are eligible to receive a matching contribution from the Commission.
- An increase in the amount of \$500 is recommended to reflect the average cost to LAFCO for notices and publications over the last five fiscal years.
- An increase in the amount of \$650 is recommended to reflect an anticipated 10% increase in hourly staff rates for the County Auditor-Controller's Office.
- An amended lease agreement for office space at 1700 Second Street in Napa was approved by the Commission in June 2006. The amended lease agreement establishes a fixed monthly rent rate of \$2,250 through June 2009.
- An increase in the amount of \$1,000 is recommended to help ensure that sufficient training funds are available for current and new Commissioners to attend the 2007 CALAFCO Annual Conference, which is scheduled for August 28-31 in Sacramento.
- A decrease in the amount of \$500 is recommended to account for the car allowance that was established for the Executive Officer position in 2006.

LAFCO of Napa County
Schedule of Fees and Deposits
(Adopted December 13, 2001, Revised June 6, 2005)

The policy of the Commission is:

1. This fee schedule shall be administered in accordance with the provisions of Government Code §56383.
2. Applications submitted to LAFCO shall be accompanied by a non-refundable initial fee as detailed in this schedule.
3. Applicants are responsible for any fees or charges incurred by LAFCO or required by other agencies in the course of the processing of an application.
4. Initial fees include a fixed number of staff hours as detailed in the fee schedule.
5. Additional LAFCO staff time shall be charged to the applicant at a rate of \$50.00 per hour.
6. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
7. Additional LAFCO staff time and administrative costs shall not be charged for city annexation applications that are comprised solely of one, entire unincorporated island.
8. If the Executive Officer estimates that a proposal will require more than 20 hours staff time to complete, he shall provide a written statement to that effect to the applicant and request a deposit in an amount sufficient to cover anticipated costs. If this or any subsequent deposit proves insufficient, the Executive Officer shall provide an accounting of expenditures and request deposit of additional funds.
9. If the processing of an application requires that LAFCO contract from another agency or from a private firm or individual for services that are beyond the normal scope of LAFCO staff work (such as the drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis), the applicant shall be responsible for all costs associated with that contract. The applicant will provide LAFCO with a deposit sufficient to cover the cost of the contract.
10. The Executive Officer may stop work on any proposal until the applicant submits a requested deposit.
11. Written appeal of fees and/or deposits, specifying the reason for the appeal, may be submitted to LAFCO prior to the submission of an application or prior to the submission of a deposit requested by the Executive Officer. The appeal will be considered at the next regular meeting of the Commission.
12. Upon completion of a project, the Executive Officer shall issue to the applicant a statement detailing all expenditures from a deposit for additional time and materials and shall have a refund for any remaining funds issued to the applicant.

INITIAL FEES

ANNEXATIONS AND DETACHMENTS

With 100% consent of property owners and affected agencies	\$500 (10 hrs)
Without 100% consent of property owners and affected agencies	\$1,000 (20 hrs)
Unincorporated Island Annexation to City (entire island only)	\$100 (n/a)

SERVICE REVIEW	\$2,000 (40 hrs)
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SPHERE OF INFLUENCE

Revision or amendment	\$1,000 (20 hrs)
Review or Update	\$2,000 (40 hrs)
Establishment	\$2,500 (50 hrs)

REORGANIZATIONS OTHER THAN ANNEXATIONS AND DETACHMENTS (i.e. Incorporations, District Establishments, Mergers, Formations or Dissolutions)	\$5,000 (100 hrs)
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REQUEST FOR RECONSIDERATION	\$1,000 (20 hrs)
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REVIEW OF OUT-OF-AGENCY AGREEMENTS OR SERVICE CONTRACTS	\$500 (10 hrs)
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EXTENSION OF TIME REQUEST	\$250 (5 hrs)
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SPECIAL MEETING FEE	\$800
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ADMINISTRATIVE SERVICES

The following are charges to be assessed to persons or entities other than the applicant.

Copying	\$.50 per copy for first five copies, \$.10 per copy thereafter
Faxing	\$1.00 service charge, plus \$.15 per page
Mailing or Shipping	Cost
Research/Archive Retrieval	\$20 per hour, minimum of 1 hour charge.
Duplication of Meeting Recording	time billed at research rate plus cost of tape.

OTHER AGENCY FEES

Registered Voter List for Hearing Notice (req. for proposals w/o 100% consent) varies
 Made payable to "County of Napa" (Current Hourly Rate is \$55)

Mapping Service \$125
 Made payable to "Napa County Assessor"

County Surveyor Fees as described
 Made Payable to "County of Napa" \$30 flat fee for the first hour of staff time.
 Most reviews require one hour or less. More complex reviews shall be charged for additional time at the following rates:

Work done by Eng. Aide III	\$30 per hour
Work done by Civil Engineer	\$47 per hour

LAFCO GIS Fees as described

Made Payable to "LAFCO of Napa County" \$125 flat fee for the first hour of staff time.
 Most reviews require one hour or less. More complex reviews shall be charged for additional time at the \$125/hour rate.

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Environmental (State Fish & Game) Filing Fee (Fish & Game Code §711.4(d)
 Payable to "Napa County Clerk-Recorder"

When LAFCO is Responsible Agency
 Filing of Negative Declaration, LAFCO is Lead Agency
 Filing of EIR, LAFCO is Lead Agency

~~\$50~~

~~\$1,800~~

~~\$2,500~~

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State Board of Equalization Recordation
 Made payable to "State Board of Equalization"

see
 table

ACRES	FEE
Less than 1	\$300
1-5	\$350
6-10	\$500
11-20	\$800
21-50	\$1200
51-100	\$1500
101-500	\$2000
501-1000	\$2500
1001-2000	\$3000
2001 and above	\$3500