



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 7, 2017
SUBJECT: Budget Adjustment for 2017-2018

RECOMMENDATION

It is recommended the Commission approve an adjustment to the 2017-2018 budget to increase the consulting services account by \$26,811.

BACKGROUND

The Commission's 2016-2017 budget included \$534,828 in total expenses and \$482,444 in total revenues with the remaining shortfall (\$52,384) to be covered by drawing from agency reserves. Approved expenses in 2016-2017 included several consultant contracts for professional services. On June 5, 2017, the Commission adopted a final 2017-2018 budget that includes \$498,713 in total expenses and \$452,947 in total revenues. The adopted 2017-2018 budget already includes \$25,500 in the consulting services account for environmental services and website upgrades.

DISCUSSION

At the end of the 2016-2017 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 also need to be included in the budget for the current fiscal year. Specifically, a portion of the funds budgeted in 2016-2017 were not spent by June 30, 2017, and will instead be billed for services provided by these consultants in the current fiscal year. Toward this end, the Commission's 2017-2018 budget requires an adjustment to re-encumber these amounts for the following two consultant contracts:

- 1) ECS for historical file back-scanning for the electronic document management system; and
- 2) E Mulberg & Associates for preparation of municipal service reviews and sphere of influence updates

Juliana Inman, Commissioner
Councilmember, City of Napa

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Kenneth Leary, Alternate Commissioner
Councilmember, City of American Canyon

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

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

Ryan Gregory, 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

Brendon Freeman
Executive Officer

SUMMARY

The following table summarizes the expense amount that was encumbered in 2016-2017, the actual expenses for 2016-2017, and the resulting balance that is being proposed to be re-encumbered in 2017-2018.

Contract	Encumbered in 2016-2017	Actual Expense in 2016-2017	Resulting Balance
ECS	\$15,561	\$10,100	\$5,461
E Mulberg & Associates	\$24,700	\$3,350	\$21,350
TOTAL	\$40,261	\$13,450	\$26,811

As stated above, the expenses for these two contracts did not reach the full amounts that were budgeted during the 2016-2017 fiscal year, resulting in the remaining balance of \$26,811 being added to the Commission's reserves.

This remaining balance of \$26,811 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 2017-2018 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 2017-2018 budget already includes \$25,500 associated with the following two contracts:

- 1) \$25,000 allocated to Ascent for environmental consulting services; and
- 2) \$500 allocated to Planeteria for website upgrades

Therefore, the proposed 2017-2018 budget adjustment would increase the Commission's consulting services account from \$25,500 to \$52,311 as shown in Attachment One.

ATTACHMENTS

- 1) Proposed Adjusted Budget for 2017-2018
- 2) Proposed Budget Adjustment



Local Agency Formation Commission of Napa County

Subdivision of the State of California

FY2017-2018 FINAL OPERATING BUDGET

Adjusted on August 7, 2017

Expenses

		FY2014-15		FY2015-16		FY2016-17		FY2017-18	Difference	
		Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Actual FY15-16	Adjusted FY16-17	Actual FY16-17	Adjusted FY17-18		
Salaries and Benefits										
<u>Account</u>	<u>Description</u>									
51100 *	Salaries and Wages	147,625	150,093	152,582	138,142	192,301	157,926	230,519	38,218	19.9%
51200 *	401A Employer Contribution	1,000	300	-	2,000	1,000	1,000	1,000	-	0.0%
51205 *	Cell Phone Allowance	840	682	840	401	420	404	420	-	0.0%
51210	Commissioner/Director Pay	10,000	11,125	11,000	9,375	12,875	12,750	11,000	(1,875)	-14.6%
51300 *	Medicare	3,012	2,410	3,251	1,951	3,424	2,334	3,500	76	2.2%
51305	FICA	-	496	500	395	550	490	500	(50)	-9.1%
51400 *	Employee Insurance: Premiums	44,796	27,679	42,936	25,499	51,754	34,190	51,818	64	0.1%
51405 *	Workers Compensation	428	428	500	461	2,221	2,221	719	(1,502)	-67.6%
51600 *	Retirement	39,853	27,040	43,791	25,502	43,690	30,437	46,010	2,320	5.3%
51605 *	Other Post Employment Benefits	12,321	12,321	14,751	14,750	14,987	14,987	14,214	(773)	-5.2%
		259,875	232,574	270,151	218,476	323,222	256,739	359,701	36,479	11.3%

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

* These accounts include funding for a full-time Analyst I at step 1 of the salary schedule for 2017-2018.

Expenses

Attachment One

		FY2014-15		FY2015-16		FY2016-17		FY2017-18	Difference	
<u>Account</u>	<u>Description</u>	Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Actual FY15-16	Adjusted FY16-17	Actual FY16-17	Adjusted FY17-18		
Services and Supplies										
52100 *	Administration Services	249,875	220,953	258,651	208,706	309,797	243,499	348,201	38,404	12.4%
52105	Election Services	-	75	150	-	300	-	100	(200)	0.0%
52125	Accounting/Auditing Services	10,000	8,128	10,000	7,496	9,500	7,655	9,500	-	0.0%
52130	Information Technology Services	24,000	23,663	24,052	24,052	24,052	24,052	16,859	(7,193)	-29.9%
52140	Legal Services	32,000	27,670	28,600	26,093	32,000	25,867	26,500	(5,500)	-17.2%
52310	Consulting Services	107,350	78,097	126,600	59,177	78,840	35,415	52,311	(26,529)	-33.6%
52345	Janitorial Services	-	-	-	420	500	150	200	(300)	-60.0%
52515	Maintenance-Software	-	1,127	1,500	1,869	2,000	1,779	2,000	-	0.0%
52600	Rents and Leases: Equipment	6,000	5,594	6,500	5,962	7,000	5,240	6,000	(1,000)	-14.3%
52605	Rents and Leases: Building/Land	25,560	25,560	25,560	25,560	25,560	25,560	27,828	2,268	8.9%
52700	Insurance: Liability	100	98	150	304	1,206	1,206	249	(957)	-79.4%
52800	Communications/Telephone	2,950	1,232	2,000	3,424	3,000	3,021	3,000	-	0.0%
52830	Publications and Notices	2,000	728	1,500	1,406	2,000	1,588	2,000	-	0.0%
52835	Filing Fees	-	-	500	200	500	400	500	-	0.0%
52900	Training/Conference	8,995	5,426	10,000	7,041	10,000	8,050	9,000	(1,000)	-10.0%
52905	Business Travel/Mileage	2,000	1,866	2,000	1,110	2,000	830	1,500	(500)	-25.0%
52906	Fleet Charges	-	-	-	-	-	38	100	100	NEW
53100	Office Supplies	4,000	3,410	4,000	2,435	4,000	1,949	3,000	(1,000)	-25.0%
53110	Freight/Postage	800	250	500	200	500	250	300	(200)	-40.0%
53120	Memberships/Certifications	2,335	2,335	2,381	2,381	2,548	2,548	2,726	178	7.0%
53205	Utilities: Electric	1,500	1,107	1,100	1,261	1,600	1,121	1,300	(300)	-18.8%
53410	Computer Equipment/Accessories	-	4,993	-	-	-	418	500	500	-
53415	Computer Software/License	2,500	6,150	500	-	1,000	145	-	(1,000)	-100.0%
53600	Special Departmental Expense	15,150	129	4,000	113	3,500	595	-	(3,500)	-100.0%
56350	Business Related Meal/Supplies	-	-	-	-	-	652	350	350	NEW
54600	Capital Replacement/Depreciation	3,940	-	3,940	-	-	-	-	-	-
		251,180	197,637	255,533	170,504	211,606	148,529	165,823	(45,783)	-21.6%
Contingencies and Reserves										
58100	Appropriation for Contingencies	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	EXPENSE TOTALS	511,055	430,212	525,684	388,980	534,828	405,268	525,524	(9,304)	-1.7%

* This account reflects the Salaries and Benefits (S&B) accounts that have been combined and reclassified under Services and Supplies as Administration Services and were already added to total expenses under S&B.

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.

Operating expenses for 2017-2018 reflect a one-time \$26,811 increase associated with re-encumbering existing consultant contracts that were not fully utilized in 2016-2017.

Revenues

		FY2014-15		FY2015-16		FY2016-17		FY2017-18		
		Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Actual FY15-16	Adjusted FY16-17	Actual FY16-17	Adjusted FY17-18	<i>Difference</i>	
Intergovernmental										
Account	Description									
43910	County of Napa	215,853	215,853	224,972	224,972	224,972	224,972	213,724	(11,249)	-5.0%
43950	Other Governmental Agencies	215,853	215,853	224,972	224,972	224,972	224,972	213,724	(11,249)	-5.0%
----	City of Napa	144,529	144,529	149,571	149,571	149,066	149,066	143,028	(6,038)	-4.1%
----	City of American Canyon	34,422	34,422	35,997	35,997	35,330	35,330	34,380	(950)	-2.7%
----	City of St. Helena	14,145	14,145	14,582	14,582	15,908	15,908	13,856	(2,052)	-12.9%
----	City of Calistoga	12,907	12,907	13,467	13,467	13,208	13,208	12,349	(859)	-6.5%
----	Town of Yountville	9,850	9,850	11,355	11,355	11,458	11,458	10,111	(1,347)	-11.8%
		431,705	431,705	449,944	449,944	449,944	449,944	427,447	(22,497)	-5.0%
Service Charges										
42690	Application/Permit Fees	10,000	48,462	30,000	26,322	30,000	5,043	20,000	(10,000)	-33.3%
46800	Charges for Services	500	1,375	500	625	500	250	500	-	0.0%
47900	Miscellaneous	-	-	-	-	-	-	-	-	0.0%
		10,500	49,837	30,500	26,947	30,500	5,293	20,500	(10,000)	-32.8%
Investments										
45100	Interest	2,000	2,202	2,000	2,246	2,000	4,592	5,000	3,000	150.0%
		2,000	2,202	2,000	2,246	2,000	4,592	5,000	3,000	150.0%
	REVENUE TOTALS	444,205	483,744	482,444	479,137	482,444	459,829	452,947	(29,497)	-6.1%
OPERATING DIFFERENCE		(66,850)	53,532	(43,240)	90,157	(52,384)	54,561	(72,577)		

Negative Balance Indicates Use of Unrestricted Fund Balance Reserves

	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Adjusted
RESTRICTED FUND BALANCE (EQUIPMENT REPLACEMENT RESERVE)				
Beginning:	19,657	19,657	19,657	19,657
Ending:	19,657	19,657	19,657	19,657
UNRESERVED/UNRESTRICTED FUND BALANCE				
Beginning:	189,741	243,273	333,430	387,991
Ending:	243,273	333,430	387,991	315,415
TOTAL FUND BALANCE				
Beginning:	209,398	262,930	353,087	407,648
Ending:	262,930	353,087	407,648	335,072
MINIMUM FOUR MONTH RESERVE GOAL	169,038	173,915	178,276	175,175

