



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

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June 6, 2011

Agenda Item No. 5b (Consent/Action)

May 30, 2011

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendment to Fiscal Year 2010-2011 Budget and Authorization to Contribute Funds to CALAFCO for Mobile Workshop

The Commission will consider amending its current fiscal year budget to increase its special departmental expense account by \$2,000 and make a related contribution to CALAFCO to fund a mobile workshop as part of the 2011 Annual Conference at the Silverado Resort.

Local Agency Formation Commissions (LAFCOs) are responsible for making their own arrangements for facilities, personnel, and supplies necessary to perform its prescribed duties under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This includes adopting an annual budget for operating costs, which are proportionally funded by local agencies. LAFCOs are also empowered to establish and collect application fees to help offset agency contributions.

A. Discussion

Adopted Budget/Current Projections

LAFCO of Napa County's ("Commission") adopted final budget for 2010-2011 totals \$413,480. This amount represents the total approved operating expenditures for the fiscal year within the Commission's three expense units: salaries/benefits; services/supplies; and capital replacement. Budgeted revenues total \$371,020 within three revenue units: agency contributions; service charges; and investments. Markedly, an operating shortfall of (\$42,460) was intentionally budgeted to reduce the funding requirements of the local agencies given the recession and to be covered by drawing down on unreserved funds. The unreserved fund balance totaled \$168,819 as of July 1, 2010.

As detailed in Agenda Item No. 5a, staff currently projects the Commission will finish the fiscal year with \$22,506 in unexpended funds within these three expense units. Staff also projects the Commission will finish with \$15,055 in excess budgeted revenues. Accordingly, if these projects prove accurate, the Commission will close its budgeted operating shortfall from (\$42,460) to (\$4,900); a change that would result in the unreserved fund balance decreasing only to \$163,319 by June 30, 2011.

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Joan Bennett, Commissioner
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Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

CALAFCO 2011 Annual Conference/Possible Monetary Contribution

The Commission was awarded hosting privileges for CALAFCO's 2011 Annual Conference in April 2008. The Commission – with special assistance from Chair Dodd – has secured the Silverado Resort to hold the Annual Conference between August 31 and September 2, 2011. Feedback to date suggests attendance will exceed last year's event in Palm Springs and range from 250 to 300.

As the Commission expected, hosting the Annual Conference is proving time-consuming in terms of allocating staff resources in making appropriate arrangements. Staff is pleased to note a substantial amount of work has already been completed. This includes organizing a mobile workshop, developing a conference theme and logo, and – most importantly – drafting a program. An expanded discussion on current and pending planning activities is scheduled as part of Agenda Item No. 8c.

CALAFCO's budget for the Annual Conference is tight this year given the Board's (a) decision not to increase registration costs from last year to encourage attendance and (b) higher-than expected food and service charges at Silverado. With this in mind, corporate sponsorships are being aggressively pursued to help supplement registration fees in funding the various educational and social activities tied to the Annual Conference. Sponsorships have been categorized into four available levels: platinum (\$2,000); gold (\$1,500); silver (\$1,000); and bronze (\$500).¹ Further, as host, the Commission may wish to consider making a monetary contribution to fund either general or specific costs.

B. Analysis

Staff believes it would be appropriate as host for the Commission to contribute \$2,000 to help fund CALAFCO's 2011 Annual Conference. This contribution would match the "platinum" corporate sponsorship level established for the Annual Conference and would help ensure sufficient funds are available in providing an excellent experience for visiting member agencies. Facilitating the \$2,000 contribution would involve amending the Commission's special department expense account from \$1,000 to \$3,000. It would also be reasonable for the Commission to specify the contribution be used to help fund the six-hour mobile workshop that has been organized by Commissioner Inman and staff. The theme of the mobile workshop is "Exploring Napa Valley Sustainable Agricultural Practices" and will include special visits to prominent wineries to learn about their innovative business practices as well as stop at River Ranch Farmworker Housing Center. Total cost of the mobile workshop is estimated at \$1,800 to \$2,000 and includes the bus rental fee as well as providing a light breakfast and box lunches to attendees.

¹ CALAFCO's target is to collect \$17,500 in corporate sponsorships for the 2011 Annual Conference.

No significant impacts would occur with respect to amending the 2010-2011 budget to increase the special departmental expense account from \$1,000 to \$3,000 for purposes of making a \$2,000 contribution to CALAFCO to fund the mobile workshop. As referenced in the preceding section, the Commission is on course to finish the fiscal year with approximately \$37,500 in combined cost-savings and unexpected revenues relative to the adopted budget. The only measurable impact tied to the making the amendment and contribution would involve a proportional decrease in the Commission's year-end unreserved fund balance; the actual change, however, is expected to be less than 1.5%.

C. Alternatives for Action

The following three alternative actions are outlined for Commission consideration.

Alternative One: Amend the 2010-2011 budget to increase the special department expense account (52235000) by \$2,000 or as specified and authorize a corresponding contribution to CALAFCO to help fund the mobile workshop planned as part of the Annual Conference.

Alternative Two: Continue consideration to a future meeting and provide direction to staff for more information as needed.

Alternative Three: Take no action.

D. Recommendation

It is recommended the Commission proceed with Alternative One as outlined in the preceding section.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments: none