



Local Agency Formation Commission
LAFCO of Napa County

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August 2, 2010
Agenda Item No. 5b (Consent: Action)

July 27, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Fourth Quarter Budget Report for 2009-2010

The Commission will receive a fourth quarter budget report for the 2009-2010 fiscal year. The report compares adopted and actual expenses through the fourth and final quarter and confirms the Commission finished the fiscal year with \$122,820 in unexpended budgeted funds. The report is being presented to the Commission to receive and file.

The Local Agency Formation Commission of Napa County's ("Commission") annual budget is funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law dictates the County is responsible for one-half of the Commission's annual budget with the remaining amount proportionally shared by the five cities based on a weighted calculation of population and general revenues. It is the Commission's practice to only budget expenses given its prescribed funding sources.

The Commission divides its annual budget into three units: (a) salaries/benefits; (b) services/supplies; and (c) contingencies/reserves. The Commission practices bottom-line accounting, which allows for shortfalls within individual accounts in the salaries/benefits and services/supplies units as long as the overall balance remains positive. Funds may not be drawn from the contingencies/reserves unit without Commission approval.

A. Discussion

On June 1, 2009, the Commission adopted a final budget for 2009-2010 totaling \$496,961. The Commission's actual expenses in the fiscal year, including encumbrances, totals \$374,141. This amount represents close to 75% of the adopted budget.

<u>Adopted Expenses</u>	<u>Actual Expenses</u>	<u>Balance</u>	<u>% Remaining</u>
\$496,961	\$374,141	\$122,820	24.7

An expanded discussion of adopted and actual expenses through the fourth quarter within the Commission's three budget units follows.

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

Bill Dodd, Vice Chair
County of Napa Supervisor, 4th District

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

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

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Salaries/Benefits

The Commission budgeted \$288,265 in salaries and benefits in 2009-2010. Actual expenses within the eight affected accounts totaled \$272,757 and represent 95% of the budgeted amount. None of the affected accounts finished with a negative balance.

Services/Supplies

The Commission budgeted \$118,063 in services and supplies in 2009-2010. Actual expenses within the 15 affected accounts totaled \$101,384 and represent 86% of the budgeted amount. Four accounts – special departmental expense, transportation and travel, meals reimbursement, and training – finished with negative balances. A summary of expenses in these four accounts follows.

Special Departmental Expense

This account covers one-time office expenditures. The Commission budgeted \$1,000 in this account in 2009-2010 and expended \$1,095. The \$95 shortfall is attributed to purchasing several custom picture frames for wall decorations. Savings in other services/supplies accounts were used to cover the shortfall.

Transportation and Travel

This account covers annual travel costs for Commissioners and staff, such as attending out-of-area trainings or business meetings. The Commission budgeted \$4,000 in this account in 2009-2010 before transferring out \$500 to fund a new account to cover meal reimbursements. The transfer resulted in an adjusted budgeted amount of \$3,500. Actual expenses in the account totaled \$4,511 leaving a shortfall of (\$1,011). Nearly all of the expenses are tied to Commissioners and staff attending CALAFCO's Annual Conference in Yosemite. Savings in other services/supplies accounts were used to cover the shortfall.

Meals Reimbursement

As discussed in the preceding paragraph, this account was established after the adoption of the final budget in June at the request of the County Auditor's Office to comply with new changes involving the taxability of meal reimbursements.¹ The account was budgeted at \$500. Actual expenses totaled \$589 leaving a shortfall of (\$89). Savings in other services/supplies accounts were used to cover the shortfall.

¹ This change involves the taxability of meals incurred during the same day of business travel. In short, if a meal occurs during the same day as business travel, then the reimbursement for the meal is generally taxable to the employee. This change does not affect the reimbursement of meals that occur during business travel involving an overnight stay, which will continue to be non-taxable.

Training

This account is used for a variety of instructional activities for Commissioners and staff. The Commission budgeted \$4,000 for training expenses in 2009-2010. Actual expenses totaled \$5,624 leaving a shortfall of (\$1,624). The shortfall is primarily attributed to registration costs involving CALAFCO's Annual Conference (Yosemite) and Staff Workshop (Santa Rosa). Savings in other services/supplies accounts were used to cover the shortfall.

Contingencies/Reserves

The Commission budgeted \$90,633 in contingences and reserves in 2009-2010. No funds were drawn from either of the two accounts.

B. Analysis

The Commission's actual expenses in 2009-2010 generally matched prior year costs. The remaining end-of-year balance, however, has decreased in terms of percentage and is at its lowest point over the last five fiscal years. This percentage decrease is attributed to the Commission filling all budgeted positions for the entire fiscal year, which has not occurred since 2004-2005.

Fiscal Year	Budgeted Costs	Actual Costs	Remaining Balance	Remaining Balance %
2005-2006	\$436,914	\$302,260	\$134,654	30.8
2006-2007	\$456,758	\$292,637	\$164,121	35.9
2007-2008	\$466,672	\$284,576	\$182,096	39.0
2008-2009	\$552,110	\$389,812	\$162,296	29.3
2009-2010	\$496,961	\$374,141	\$122,820	24.7

The remaining budgeted balance of \$122,820 will be incorporated into credits returned to the funding agencies along with other collected revenues. The credits will offset agency contributions for 2010-2011 and are discussed as part of Agenda Item No. 5c.

C. Alternatives for Commission Action

Staff has identified two alternative actions for Commission consideration with respect to this budget report. These alternatives are:

Option One: Receive and file the budget report.

Option Two: If more information is needed, continue consideration of the budget report to a future meeting and provide direction to staff as appropriate.

D. Recommendation

Staff recommends the Commission receive and file the budget report as outlined in the preceding section as Option One.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:
1) General Ledger, 2009-2010



Report ID: GLC8020w

Fund: 2910 NAPA CO LOCAL AGENCY FORMATION

Dept: 02910 NAPA LAFCO

County of Napa
General Ledger Organization Budget Status
 For Periods: 1 To: 12 FY: 2010

7/27/2010

<u>Account</u>	<u>Account Description</u>	<u>Final Budget</u>	<u>Adjustments</u>	<u>Encumbrances</u>	<u>Expenditures</u>	<u>Remaining Balance</u>	<u>Percent Available</u>
51100000	S/W:REGULAR SALARIES	195,580	0.00	0.00	193,055.65	2,524.35	1.29
51200500	S/W:PER DIEM	9,600	0.00	0.00	5,100.00	4,500.00	46.88
51300100	E/B:RETIREMENT	34,064	0.00	0.00	33,015.37	1,048.63	3.08
51300120	OTHER POST EMPLOYMENT BENE	8,706	0.00	0.00	8,706.00	0.00	0.00
51300300	E/B:MEDICARE	2,836	0.00	0.00	2,657.51	178.49	6.29
51300500	E/B:GROUP INSURANCE	36,471	0.00	0.00	29,210.94	7,260.06	19.91
51301200	E/B:INS:WORKERS COMP	168	0.00	0.00	168.00	0.00	0.00
51301800	E/B:CELL PHONE ALLOWANCE	840	0.00	0.00	843.50	-3.50	-0.42
	Total Salaries & Employee Benefits	288,265	0.00	0.00	272,756.97	15,508.03	5.38
52070000	COMMUNICATIONS	3,500	0.00	0.00	1,205.16	2,294.84	65.57
52100300	INSURANCE:LIABILITY	347	0.00	0.00	347.00	0.47	0.14
52150000	MEMBERSHIPS	2,275	0.00	0.00	2,200.00	75.00	3.30
52170000	OFFICE EXPENSE	15,000	0.00	922.55	8,774.65	5,302.80	35.35
52180200	PSS:MGMT INFO SVCS	22,438	0.00	0.00	19,182.50	3,255.50	14.51
52180500	PSS:LEGAL EXPENSE	24,990	0.00	0.00	17,938.31	7,051.69	28.22
52185000	PSS:OTHER	7,883	0.00	0.00	7,819.33	63.67	0.81
52190000	PSS:PUBLICATNS/LGL NOTICE	1,500	0.00	0.00	1,112.17	387.83	25.86
52235000	SDE:OTHER	1,000	0.00	0.00	1,095.25	-95.25	-9.53
52240500	SDE:PROPERTY LEASE	29,280	0.00	0.00	29,280.00	0.00	0.00
52243900	SDE:FILING FEE	850	0.00	0.00	250.00	600.00	70.59
52250000	TRANSPORTATION & TRAV	4,000	-500.00	0.00	4,510.88	-1,010.88	-28.88
52250700	MEALS-REIMBURSABLE/TAXABLE	0	500.00	0.00	588.92	-88.92	-17.78
52250800	T/T:TRAINING	4,000	0.00	0.00	5,624.00	-1,624.00	-40.60
52251200	T/T:PRIVATE VEH MILE	1,000	0.00	0.00	533.60	466.40	46.64
	Total Services & Supplies	118,063	0.00	922.55	100,461.77	16,679.15	14.13
53980200	DEPR-EQUIPMENT	0	3,991.00	0.00	0.00	3,991.00	100.00
	Total Other Charges	0	3,991.00	0.00	0.00	3,991.00	100.00
54000900	OPERATING RESERVE	40,633	0.00	0.00	0.00	40,633.00	100.00
54001000	PROFESSIONAL SERVICES RESERV	50,000	0.00	0.00	0.00	50,000.00	100.00
	Total Contingencies & Reserves	90,633	0.00	0.00	0.00	90,633.00	100.00
02910	NAPA LAFCO	496,961	3,991.00	922.55	373,218.74	126,811.18	25.31



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2910	NAPA CO LOCAL AGENCY FORMATION	496,961	3,991.00	922.55	373,218.74	126,811.18	25.31