



**Local Agency Formation Commission**  
**LAFCO of Napa County**

1700 Second Street, Suite 268  
Napa, California 94559  
Telephone: (707) 259-8645  
Facsimile: (707) 251-1053  
<http://napa.lafco.ca.gov>

**April 7, 2008**  
**Agenda Item No. 6b**

March 28, 2008

**TO:** Local Agency Formation Commission

**FROM:** 2008-2009 Budget Committee

**SUBJECT: Proposed Budget for Fiscal Year 2008-2009 (Public Hearing)**

The Commission will receive a proposed budget from the 2008-2009 Budget Committee. The proposed budget projects a total increase in operating costs of 6.5% (\$30,496) over the current fiscal year and is being presented to the Commission for adoption as part of a draft resolution.

California Government Code §56381 directs the Commission to annually prepare and adopt a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. 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's initial responsibility is to prepare and present a draft proposed budget for approval by the Commission before it is circulated for comment to each funding agency. It has been the practice of the Commission to receive proposed and final budgets from the budget committee for adoption at its April and June meetings, respectively.

As provided under the law, the Commission's annual operating costs are entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. The County is responsible for 50% of the Commission's operating costs while the remaining portion is shared by the five cities based on a weighted calculation involving population and general tax revenues. Each agency is responsible for paying their share of the Commission's adopted budget at the beginning of each fiscal year. As a result of this prescribed funding relationship with local agencies, it is the practice of the Commission to only budget costs.

### **Background**

At its December 3, 2007 meeting, the Commission appointed Commissioners Gingles and Kelly to serve on the 2008-2009 Budget Committee, hereafter identified as the "Committee." The Committee met on January 7, 2008 to review the Commission's operating costs for the upcoming fiscal year. A spending baseline was constructed to estimate how much it would cost to continue the Commission'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 costs from previous fiscal years and whether increases or decreases in spending was appropriate to reflect anticipated changes in demand

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Juliana Inman, Commissioner  
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

Brad Wagenknecht, 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, Vice Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

or need. Based on this initial review, the Committee presented a draft proposed budget projecting an overall increase in operating costs of 6.4% to the Commission at its February 4, 2008 meeting. Following its discussion, the Commission approved the draft proposed budget as submitted and directed staff to seek comments from the funding agencies in anticipation of holding a public hearing to adopt the proposed budget at the April 7<sup>th</sup> meeting. On February 7<sup>th</sup>, staff circulated the approved draft proposed budget to the funding agencies for review and comment. No substantive comments were received.

## **Discussion**

The Committee's proposed budget for 2008-2009 is nearly identical to the draft approved by the Commission at its February meeting and projects an overall increase in total operating costs over the current fiscal year of 6.5% or \$30,496. The only change made by the Committee involves a small increase (\$567) in the expense account for management information services. This change reflects the County's most recent and final calculation to provide information technology services to the Commission, which covers all network administration and monitoring costs.

The majority of the projected cost increase is attributed to contractual obligations associated with the Commission's support services agreement with the County. This includes establishing a new expense account to begin funding for other post-employment benefits (OPEB), which covers retiree health and dental care costs. OPEB costs are calculated by the County based on the total number of budgeted employees and represent over one-third of the projected increase. Other key factors contributing to the projected increase includes an anticipated 3.2% cost-of-living adjustment for all employees and a scheduled salary step advancement for the Executive Officer.

The Committee has also made two substantive changes in budgeting legal service costs contributing to a \$4,800, or 24%, increase in the affected expense account in 2008-2009. First, the Committee has revised the methodology used in calculating legal service costs by budgeting for an actual number of billable hours, which in 2008-2009 is 160. Second, in making the calculation, the Committee has divided the 160 hours budgeted for legal services between the anticipated hourly rates of County Counsel at \$156 and an outside counsel at \$190, which is the current median amount charged by three private law firms that work for other LAFCOs in California.<sup>1</sup> The Committee has weighted the calculation to anticipate 75% of legal services in 2008-2009 will continued to be provided by County Counsel with the remaining 25% provided by an outside counsel.

A copy of the proposed budget for 2008-2009 is attached. A draft allocation identifying each funding agency's anticipated budget contribution is also attached. Actual allocations will not be determined until a final budget is adopted and unexpended revenues, which includes agency contributions, application fees, and investment earnings, are totaled at the end of the fiscal year and converted into agency credits.

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<sup>1</sup> The median rate identified for outside counsel is based on the current hourly rates of Scott Browne and Associates (\$175), Colantuono and Levin (\$190), and Best Best & Krieger (\$195).

## **Analysis**

The proposed budget for 2008-2009 provides sufficient resources for the Commission to continue to provide the current level and range of services. This includes budgeting two full time (Executive Officer and Analyst) and one part time (Secretary) positions, which will help the Commission continue to build its organizational capacity in effectively fulfilling its regulatory and planning responsibilities. In particular, the analyst position allows the Commission to continue to use its own staff in preparing municipal service reviews and sphere of influence reviews involving each local agency every five years. The proposed increases for legal services will also help the Commission build its organization capacity by making available funds to use outside counsel at its discretion without adversely impacting the budget.

Finally, the Committee did identify and consider the merits of budgeting for two office improvements in 2008-2009. These improvements include implementing an electronic document management system and designing a new website. Based on staff's discussions with potential vendors, reasonable cost estimates for these two improvements are \$15,000 and \$30,000, respectively. Although both improvements are warranted, given the other increases in the proposed budget, the Committee has decided not to incorporate additional funds for these projects to limit the fiscal impact to the funding agencies. The Committee does support, however, funding one or both of these projects using unexpended revenues from the current fiscal year if available. With this in mind, staff will return at the May meeting to discuss the possibility of carrying over unexpended revenues from the current fiscal year to fund one or both the projects in 2008-2009.

## **Recommendation**

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

- 1) Adopt with any desired changes the attached draft resolution approving the proposed budget for 2008-2009;
- 2) Direct the Executive Officer to circulate the adopted proposed budget for review and comment to each funding agency; and
- 3) Direct the Executive Officer to schedule a public hearing for the Commission to consider adopting a final budget at its June 2, 2008 meeting.

Respectfully submitted on behalf of the Budget Committee,

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Keene Simonds  
Executive Officer

### Attachments:

1. 2008-2009 Proposed Budget
2. 2008-2009 Draft Allocation
3. Draft Resolution



**Local Agency Formation Commission  
LAFCO of Napa County**

**2008-2009 Draft Proposed Budget: Operating Costs**

|                                   | Final<br>FY05-06 | Final<br>FY06-07 | Final<br>FY07-08 | Draft Proposed<br>FY08-09    | Difference<br>(Dollars) | Difference<br>(Percentage) |
|-----------------------------------|------------------|------------------|------------------|------------------------------|-------------------------|----------------------------|
| <b>Salaries and Benefits</b>      |                  |                  |                  |                              |                         |                            |
| <u>Account No. Account Name</u>   |                  |                  |                  |                              |                         |                            |
| 51100000                          | \$ 187,206.00    | \$ 190,230.92    | \$ 185,526.79    | \$ 194,915.43 <sup>1,2</sup> | \$ 9,388.64             | 5.06%                      |
| 51200100                          | \$ 2,206.26      | \$ -             | \$ -             | \$ -                         |                         |                            |
| 51200200                          | \$ -             | \$ -             | \$ -             | \$ -                         |                         |                            |
| 51200500                          | \$ 4,050.00      | \$ 3,600.00      | \$ 9,600.00      | \$ 9,600.00                  |                         |                            |
| 51300100                          | \$ 32,235.20     | \$ 32,953.28     | \$ 31,583.44     | \$ 34,550.93                 | \$ 2,967.49             | 9.40%                      |
| TBD                               | -                | -                | -                | \$ 11,295.00 <sup>3</sup>    | \$ 11,295.00            | 100%                       |
| 51300300                          | \$ 2,674.13      | \$ 2,849.46      | \$ 2,649.92      | \$ 2,826.27                  | \$ 176.35               | 6.66%                      |
| 51300500                          | \$ 26,875.92     | \$ 36,030.00     | \$ 43,168.32     | \$ 40,148.04                 | \$ (3,020.28)           | -7.00%                     |
| 51301200                          | \$ 749.00        | \$ 685.00        | \$ 185.00        | \$ 149.00                    | \$ (36.00)              | -19.46%                    |
| 51301700                          | \$ 1,500.00      | \$ 1,500.00      | \$ -             | \$ -                         |                         |                            |
| 51301800                          | \$ 840.00        | \$ 840.00        | \$ 840.00        | \$ 840.00                    |                         |                            |
|                                   | \$ 258,336.51    | \$ 268,688.66    | \$ 273,553.47    | \$ 294,324.68                | \$ 20,771.21            | 7.59%                      |
| <b>Services and Supplies</b>      |                  |                  |                  |                              |                         |                            |
| <u>Account No. Account Name</u>   |                  |                  |                  |                              |                         |                            |
| 52243900                          | -                | -                | \$ 850.00        | \$ 850.00                    |                         |                            |
| 52070000                          | \$ 3,500.00      | \$ 3,500.00      | \$ 3,500.00      | \$ 3,500.00                  |                         |                            |
| 52100300                          | \$ 335.00        | \$ 534.00        | \$ 352.00        | \$ 546.00                    | \$ 194.00               | 55.11%                     |
| 52150000                          | \$ 1,400.00      | \$ 2,200.00      | \$ 2,000.00      | \$ 2,200.00 <sup>4</sup>     | \$ 200.00               | 10.00%                     |
| 52170000                          | \$ 15,000.00     | \$ 15,000.00     | \$ 15,000.00     | \$ 15,000.00                 |                         |                            |
| 52180200                          | \$ 13,378.27     | \$ 17,799.91     | \$ 16,387.00     | \$ 17,201.00 <sup>5</sup>    | \$ 814.00               | 4.97%                      |
| 52180500                          | \$ 18,750.00     | \$ 18,750.00     | \$ 21,500.00     | \$ 26,320.00 <sup>6</sup>    | \$ 4,820.00             | 22.42%                     |
| 52190000                          | \$ 1,000.00      | \$ 1,000.00      | \$ 1,500.00      | \$ 1,500.00                  |                         |                            |
| 52185000                          | \$ 5,000.00      | \$ 6,500.00      | \$ 7,150.00      | \$ 7,507.50 <sup>7</sup>     | \$ 357.50               | 5.00%                      |
| 52235000                          | \$ 1,000.00      | \$ 1,000.00      | \$ 1,000.00      | \$ 1,000.00                  |                         |                            |
| 52240500                          | \$ 25,540.80     | \$ 26,307.02     | \$ 27,000.00     | \$ 27,000.00                 |                         |                            |
| 52250000                          | \$ 4,000.00      | \$ 4,000.00      | \$ 4,000.00      | \$ 4,000.00                  |                         |                            |
| 52250800                          | \$ 3,000.00      | \$ 3,000.00      | \$ 4,000.00      | \$ 4,000.00                  |                         |                            |
| 52251200                          | \$ 1,500.00      | \$ 1,500.00      | \$ 1,000.00      | \$ 1,000.00                  |                         |                            |
|                                   | \$ 93,404.07     | \$ 101,090.93    | \$ 105,239.00    | \$ 111,624.50                | \$ 6,385.50             | 6.07%                      |
| <b>Sub Total Expenses</b>         | \$ 351,740.58    | \$ 369,779.59    | \$ 378,792.47    | \$ 405,949.18                |                         |                            |
| <b>Contingencies and Reserves</b> |                  |                  |                  |                              |                         |                            |
| <u>Account No. Account</u>        |                  |                  |                  |                              |                         |                            |
| 54000900                          | \$ 35,174.06     | \$ 36,977.96     | \$ 37,879.25     | \$ 40,594.92                 |                         |                            |
| 54001000                          | \$ 50,000.00     | \$ 50,000.00     | \$ 50,000.00     | \$ 50,000.00                 |                         |                            |
|                                   | \$ 85,174.06     | \$ 86,977.96     | \$ 87,879.25     | \$ 90,594.92                 | \$ 2,715.67             | 3.09%                      |
| <b>TOTAL</b>                      | \$ 436,914.64    | \$ 456,757.55    | \$ 466,671.72    | \$ 496,544.10                | \$ 29,872.38            | 6.40%                      |

**Notes**

- 1) This account budgets two fulltime (Executive Officer and Analyst II) and one partime (Secretary) employee and anticipates scheduled salary step increases.
- 2) Assumes approval of a 3.2% 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 5.0%. County CAO advises using a 3.2% factor at this time.
- 3) At its April 10, 2007 meeting, the County Board of Supervisors approved a payment plan to begin prefunding its current unfunded liability involving Other Post Employment Benefits (OPEB) over the next 14 years. OPEB involves non-pension benefits, such as retiree health care coverage. It has been the practice of the County to fund these benefits at the time they are due (pay-as-you-go). In 2008-2009, the County's OPEB payment is \$6.0 million. LAFCO's portion of the 2008-2009 payment is based on its total number of budgeted fulltime employees. The County's 2009-2010 payment is tentatively scheduled at \$6.2 million.
- 4) Current membership dues are limited to CALAFCO. CALAFCO has scheduled an approximate 10% increase in all member dues for 2008-2009.
- 5) This account is for administration costs associated with the County's Information Technology Information Department (ITS) and includes network maintenance for payroll, purchasing, accounting, and geographic information services. ITS costs, which are calculated by the County, are apportioned to all of its "customers" by a series of formulae that consider the number of computers and the number of employees in a each department and agency.
- 6) This account budgets a total of 160 hours for legal services. It is expected that 120 hours will be provided by County Counsel at the hourly rate of \$156, with the remaining 40 hours provided by an outside counsel at the hourly rate of \$190.
- 7) Anticipates a 5.0% across-the-board increase in hourly rates for the County Auditor's Office in 2008-2009.

**FY2008-2009 Draft Allocation for Annual LAFCO Costs to County and Cities (3/21/08)**  
**(Alternative Allocation Formula Approved by Cities)**

| <b>Step 1</b>  | <b>LAFCO Budget</b>                                |    | <u>Final</u><br><u>FY07-08</u> | <u>Draft Proposed</u><br><u>FY08-09</u> | <u>Difference</u><br><u>Dollar</u> | <u>Difference</u><br><u>Percentage</u> |                     |                    |                      |
|----------------|--|----|--------------------------------|---|------------------------------------|--|---------------------|--------------------|----------------------|
|                | Total  | \$ | 466,671.72                     | \$ 497,167.80                           | \$ 30,496.08                       | 6.5%                                   |                     |                    |                      |
| <b>Step 2</b>  | <b>Annual Allocation</b>                           |    |                                |   |                                    |  |                     |                    |                      |
|                | 50% to County                                      | \$ | 233,335.86                     | \$ 248,583.90                           | \$ 15,248.04                       | 6.5%                                   |                     |                    |                      |
|                | 50% to Cities                                      | \$ | 233,335.86                     | \$ 248,583.90                           | \$ 15,248.04                       | 6.5%                                   |                     |                    |                      |
| <b>Step 3a</b> | <b>Cities' Share Based on Total General Taxes*</b> |    |                                |   |                                    |  |                     |                    |                      |
|                | <u>General Tax Revenues</u>                        |    | <u>American Canyon</u>         | <u>Calistoga</u>                        | <u>Napa</u>                        | <u>St. Helena</u>                      | <u>Yountville</u>   | <u>All Cities</u>  |                      |
|                | Secured & Unsecured Property Tax                   | \$ | 4,545,186                      | \$ 701,215                              | \$ 6,145,405                       | \$ 1,832,604                           | \$ 356,712          | \$ 13,581,122      |                      |
|                | Voter Approved Indettedness Property Tax           | \$ | -                              | \$ -                                    | \$ -                               | \$ -                                   | \$ -                | \$ -               |                      |
|                | Other Property Tax                                 | \$ | 812,106                        | \$ 280,020                              | \$ 4,175,654                       | \$ 322,645                             | \$ 217,200          | \$ 5,807,625       |                      |
|                | Sales and Use Taxes                                | \$ | 1,141,614                      | \$ 387,446                              | \$ 7,296,549                       | \$ 1,764,833                           | \$ 333,917          | \$ 10,924,359      |                      |
|                | Transportation Tax                                 | \$ | -                              | \$ -                                    | \$ -                               | \$ -                                   | \$ -                | \$ -               |                      |
|                | Transient Lodging Tax                              | \$ | 119,303                        | \$ 2,257,440                            | \$ 5,697,141                       | \$ 1,163,367                           | \$ 2,842,489        | \$ 12,079,740      |                      |
|                | Franchises   | \$ | 305,033                        | \$ 130,702                              | \$ 2,243,052                       | \$ 128,643                             | \$ 50,602           | \$ 2,858,032       |                      |
|                | Business License Taxes                             | \$ | 141,421                        | \$ 131,693                              | \$ 2,351,101                       | \$ 133,008                             | \$ 3,767            | \$ 2,760,990       |                      |
|                | Real Property Transfer Taxes                       | \$ | 248,217                        | \$ 36,734                               | \$ 637,586                         | \$ 57,077                              | \$ 16,143           | \$ 995,757         |                      |
|                | Utility Users Tax                                  | \$ | -                              | \$ -                                    | \$ -                               | \$ -                                   | \$ -                | \$ -               |                      |
|                | Other Non-Property Taxes                           | \$ | 1,666,103                      | \$ 244,010                              | \$ 2,375,561                       | \$ 481,299                             | \$ 101,189          | \$ 4,868,162       |                      |
|                | Total  | \$ | 8,978,983                      | \$ 4,169,260                            | \$ 30,922,049                      | \$ 5,883,476                           | \$ 3,922,019        | \$ 53,875,787      |                      |
|                | Percentage of Total Taxes to all Cities            |    | 16.7%                          | 7.7%                                    | 57.4%                              | 10.9%                                  | 7.3%                | 100%               |                      |
| <b>Step 3b</b> | <b>Cities' Share Based on Total Population**</b>   |    | <u>American Canyon</u>         | <u>Calistoga</u>                        | <u>Napa</u>                        | <u>St. Helena</u>                      | <u>Yountville</u>   | <u>All Cities</u>  |                      |
|                | Population   |    | 16,031                         | 5,302                                   | 76,997                             | 5,993                                  | 3,290               | 107,613            |                      |
|                | Population Percentage                              |    | 14.90%                         | 4.93%                                   | 71.55%                             | 5.57%                                  | 3.06%               | 100%               |                      |
| <b>Step 4</b>  | <b>Cities Allocation Formula</b>                   |    | <u>American Canyon</u>         | <u>Calistoga</u>                        | <u>Napa</u>                        | <u>St. Helena</u>                      | <u>Yountville</u>   | <u>All Cities</u>  |                      |
|                | Cities' Share Based on Total General Taxes         |    | 16.7%                          | 7.7%                                    | 57.4%                              | 10.9%                                  | 7.3%                | 100%               |                      |
|                | Portion of LAFCO Budget                            | \$ | 16,571.68                      | \$ 7,694.82                             | \$ 57,069.97                       | \$ 10,858.59                           | \$ 7,238.51         | <b>40%</b>         |                      |
|                | Cities' Share Based on Total Population            |    | 14.90%                         | 4.93%                                   | 71.55%                             | 5.57%                                  | 3.06%               | 100%               |                      |
|                | Portion of LAFCO Budget                            | \$ | 22,218.78                      | \$ 7,348.51                             | \$ 106,716.93                      | \$ 8,306.23                            | \$ 4,559.90         | <b>60%</b>         |                      |
|                | Total Agency Allocation                            | \$ | 38,790.45                      | \$ 15,043.33                            | \$ 163,786.90                      | \$ 19,164.81                           | \$ 11,798.41        | \$ 248,583.90      |                      |
|                | Allocation Share                                   |    | 15.6046%                       | 6.0516%                                 | 65.8880%                           | 7.7096%                                | 4.7462%             | 100%               |                      |
| <b>Step 5</b>  | <b>FY08-09 Projected Invoice</b>                   |    | <u>County</u>                  | <u>American Canyon</u>                  | <u>Calistoga</u>                   | <u>Napa</u>                            | <u>St. Helena</u>   | <u>Yountville</u>  | <u>All Agencies</u>  |
|                | FY07-08 Agency Share                               | \$ | 248,583.90                     | \$ 38,790.45                            | \$ 15,043.33                       | \$ 163,786.90                          | \$ 19,164.81        | \$ 11,798.41       | \$ 497,167.80        |
|                | Less Agency Credits***                             | \$ | 43,939.63                      | \$ 6,856.60                             | \$ 2,659.05                        | \$ 28,950.94                           | \$ 3,387.57         | \$ 2,085.46        | \$ 87,879.25         |
|                | Net Invoice  | \$ | <b>204,644.28</b>              | \$ <b>31,933.85</b>                     | \$ <b>12,384.28</b>                | \$ <b>134,835.95</b>                   | \$ <b>15,777.25</b> | \$ <b>9,712.95</b> | \$ <b>409,288.55</b> |

Notes:

\* Draft amounts are drawn from the FY04-05 State Controller's Cities Annual Report and does not include functional revenues.

\*\* Draft amounts are drawn from the California Department of Finance, January 2007. Estimates for January 1, 2008 are not expected to be released until May 1, 2008

\*\*\* Staff has incorporated a total credit amount of \$87,879.2. This amount reflects LAFCO's budgeted reserve and contingency operating funds for FY07-08. Acutal credits will not be determined until the end of the fiscal year.

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
ADOPTING A PROPOSED BUDGET FOR THE 2008-2009 FISCAL YEAR**

**WHEREAS**, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”) to adopt a proposed budget for the next fiscal year; and

**WHEREAS**, Government Code Section 56381 requires the Commission to adopt a proposed budget no later than May 1; and

**WHEREAS**, at the direction of the Commission, the Executive Officer circulated for review and comment a draft of the proposed budget to the administrative officer and financial officer of each of the six local agencies that contribute to the Commission budget, those agencies being the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Town of Yountville; and

**WHEREAS**, the Commission reviewed all substantive written and oral comments concerning the draft proposed budget; and

**WHEREAS**, the Executive Officer prepared a report concerning the proposed budget, including his recommendations thereon; and

**WHEREAS**, the Executive Officer’s report was presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its public hearing on the proposed budget held on April 7, 2008; and

**WHEREAS**, the Commission determined the proposed budget projects the staffing and program costs of the Commission as accurately and appropriately as is possible;

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. The proposed budget as outlined in Exhibit A is approved.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7<sup>th</sup> day of April 2008, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

ATTEST: Keene Simonds  
Executive Officer

RECORDED: Kathy Mabry  
Commission Secretary



**Local Agency Formation Commission  
LAFCO of Napa County**

**2008-2009 Draft Proposed Budget: Operating Costs**

|                                   | Final<br>FY05-06 | Final<br>FY06-07 | Final<br>FY07-08 | Draft Proposed<br>FY08-09           | Difference<br>(Dollars) | Difference<br>(Percentage) |
|-----------------------------------|------------------|------------------|------------------|-------------------------------------|-------------------------|----------------------------|
| <b>Salaries and Benefits</b>      |                  |                  |                  |                                     |                         |                            |
| <u>Account No. Account Name</u>   |                  |                  |                  |                                     |                         |                            |
| 51100000                          | \$ 187,206.00    | \$ 190,230.92    | \$ 185,526.79    | \$ <b>194,915.43</b> <sup>1,2</sup> | \$ 9,388.64             | 5.06%                      |
| 51200100                          | \$ 2,206.26      | \$ -             | \$ -             | \$ -                                |                         |                            |
| 51200200                          | \$ -             | \$ -             | \$ -             | \$ -                                |                         |                            |
| 51200500                          | \$ 4,050.00      | \$ 3,600.00      | \$ 9,600.00      | \$ <b>9,600.00</b>                  |                         |                            |
| 51300100                          | \$ 32,235.20     | \$ 32,953.28     | \$ 31,583.44     | \$ <b>34,550.93</b>                 | \$ 2,967.49             | 9.40%                      |
| TBD                               | -                | -                | -                | \$ <b>11,295.00</b> <sup>3</sup>    | \$ 11,295.00            | 100%                       |
| 51300300                          | \$ 2,674.13      | \$ 2,849.46      | \$ 2,649.92      | \$ <b>2,826.27</b>                  | \$ 176.35               | 6.66%                      |
| 51300500                          | \$ 26,875.92     | \$ 36,030.00     | \$ 43,168.32     | \$ <b>40,148.04</b>                 | \$ (3,020.28)           | -7.00%                     |
| 51301200                          | \$ 749.00        | \$ 685.00        | \$ 185.00        | \$ <b>149.00</b>                    | \$ (36.00)              | -19.46%                    |
| 51301700                          | \$ 1,500.00      | \$ 1,500.00      | \$ -             | \$ -                                |                         |                            |
| 51301800                          | \$ 840.00        | \$ 840.00        | \$ 840.00        | \$ <b>840.00</b>                    |                         |                            |
|                                   | \$ 258,336.51    | \$ 268,688.66    | \$ 273,553.47    | \$ <b>294,324.68</b>                | \$ 20,771.21            | 7.59%                      |
| <b>Services and Supplies</b>      |                  |                  |                  |                                     |                         |                            |
| <u>Account No. Account Name</u>   |                  |                  |                  |                                     |                         |                            |
| 52243900                          | -                | -                | \$ 850.00        | \$ <b>850.00</b>                    |                         |                            |
| 52070000                          | \$ 3,500.00      | \$ 3,500.00      | \$ 3,500.00      | \$ <b>3,500.00</b>                  |                         |                            |
| 52100300                          | \$ 335.00        | \$ 534.00        | \$ 352.00        | \$ <b>546.00</b>                    | \$ 194.00               | 55.11%                     |
| 52150000                          | \$ 1,400.00      | \$ 2,200.00      | \$ 2,000.00      | \$ <b>2,200.00</b> <sup>4</sup>     | \$ 200.00               | 10.00%                     |
| 52170000                          | \$ 15,000.00     | \$ 15,000.00     | \$ 15,000.00     | \$ <b>15,000.00</b>                 |                         |                            |
| 52180200                          | \$ 13,378.27     | \$ 17,799.91     | \$ 16,387.00     | \$ <b>17,201.00</b> <sup>5</sup>    | \$ 814.00               | 4.97%                      |
| 52180500                          | \$ 18,750.00     | \$ 18,750.00     | \$ 21,500.00     | \$ <b>26,320.00</b> <sup>6</sup>    | \$ 4,820.00             | 22.42%                     |
| 52190000                          | \$ 1,000.00      | \$ 1,000.00      | \$ 1,500.00      | \$ <b>1,500.00</b>                  |                         |                            |
| 52185000                          | \$ 5,000.00      | \$ 6,500.00      | \$ 7,150.00      | \$ <b>7,507.50</b> <sup>7</sup>     | \$ 357.50               | 5.00%                      |
| 52235000                          | \$ 1,000.00      | \$ 1,000.00      | \$ 1,000.00      | \$ <b>1,000.00</b>                  |                         |                            |
| 52240500                          | \$ 25,540.80     | \$ 26,307.02     | \$ 27,000.00     | \$ <b>27,000.00</b>                 |                         |                            |
| 52250000                          | \$ 4,000.00      | \$ 4,000.00      | \$ 4,000.00      | \$ <b>4,000.00</b>                  |                         |                            |
| 52250800                          | \$ 3,000.00      | \$ 3,000.00      | \$ 4,000.00      | \$ <b>4,000.00</b>                  |                         |                            |
| 52251200                          | \$ 1,500.00      | \$ 1,500.00      | \$ 1,000.00      | \$ <b>1,000.00</b>                  |                         |                            |
|                                   | \$ 93,404.07     | \$ 101,090.93    | \$ 105,239.00    | \$ <b>111,624.50</b>                | \$ 6,385.50             | 6.07%                      |
| <b>Sub Total Expenses</b>         | \$ 351,740.58    | \$ 369,779.59    | \$ 378,792.47    | \$ <b>405,949.18</b>                |                         |                            |
| <b>Contingencies and Reserves</b> |                  |                  |                  |                                     |                         |                            |
| <u>Account No. Account</u>        |                  |                  |                  |                                     |                         |                            |
| 54000900                          | \$ 35,174.06     | \$ 36,977.96     | \$ 37,879.25     | \$ <b>40,594.92</b>                 |                         |                            |
| 54001000                          | \$ 50,000.00     | \$ 50,000.00     | \$ 50,000.00     | \$ <b>50,000.00</b>                 |                         |                            |
|                                   | \$ 85,174.06     | \$ 86,977.96     | \$ 87,879.25     | \$ <b>90,594.92</b>                 | \$ 2,715.67             | 3.09%                      |
| <b>TOTAL</b>                      | \$ 436,914.64    | \$ 456,757.55    | \$ 466,671.72    | \$ <b>496,544.10</b>                | \$ 29,872.38            | 6.40%                      |

**Notes**

- 1) This account budgets two fulltime (Executive Officer and Analyst II) and one partime (Secretary) employee and anticipates scheduled salary step increases.
- 2) Assumes approval of a 3.2% 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 5.0%. County CAO advises using a 3.2% factor at this time.
- 3) At its April 10, 2007 meeting, the County Board of Supervisors approved a payment plan to begin prefunding its current unfunded liability involving Other Post Employment Benefits (OPEB) over the next 14 years. OPEB involves non-pension benefits, such as retiree health care coverage. It has been the practice of the County to fund these benefits at the time they are due (pay-as-you-go). In 2008-2009, the County's OPEB payment is \$6.0 million. LAFCO's portion of the 2008-2009 payment is based on its total number of budgeted fulltime employees. The County's 2009-2010 payment is tentatively scheduled at \$6.2 million.
- 4) Current membership dues are limited to CALAFCO. CALAFCO has scheduled an approximate 10% increase in all member dues for 2008-2009.
- 5) This account is for administration costs associated with the County's Information Technology Information Department (ITS) and includes network maintenance for payroll, purchasing, accounting, and geographic information services. ITS costs, which are calculated by the County, are apportioned to all of its "customers" by a series of formulae that consider the number of computers and the number of employees in a each department and agency.
- 6) This account budgets a total of 160 hours for legal services. It is expected that 120 hours will be provided by County Counsel at the hourly rate of \$156, with the remaining 40 hours provided by an outside counsel at the hourly rate of \$190.
- 7) Anticipates a 5.0% across-the-board increase in hourly rates for the County Auditor's Office in 2008-2009.