



Local Agency Formation Commission
LAFCO of Napa County

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DECEMBER 4, 2006
AGENDA ITEM NO. 6a

November 27, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: First Quarter Budget Report: Fiscal Year 2006-2007 (Receive and File)

The Commission will receive a first quarter budget report for the 2006-2007 fiscal year. The budget report provides an overview of first quarter expenses and is being presented to the Commission to receive and file.

The first quarter of the Commission's 2006-2007 fiscal year ended on September 30, 2006. Overall first quarter expenses totaled \$76,366, which represents 17% of the budget with 25% of the fiscal year complete. An overview of expenses for the first quarter follows.

Salaries and Benefits:

At the end of the first quarter the Commission expended \$35,213 on salaries and benefits. These expenditures represent 13% of the total amount budgeted in the eight affected accounts for the fiscal year. All accounts finished the first quarter with balances above 75%.

Services and Supplies:

At the end of the first quarter the Commission expended \$41,153 on services and supplies. These expenditures represent 41% of the total amount budgeted in the 13 affected accounts for the fiscal year. Three accounts – property lease, training, and office expense – finished the first quarter with balances below 75%. The property lease and training accounts are both expected to finish the fiscal year in a deficit. A summary of these accounts follows.

- The property lease account is encumbered in full at the beginning of the fiscal year by the County Auditor's Office. A deficit of \$693 is reflected in this account and is the result of an amended lease agreement that was approved by the Commission following the adoption of the final budget. The amended lease agreement for office space at 1700 Second Street in Napa establishes a fixed monthly rent rate of \$2,250 through June 2009. This rent amount is \$58 more a month than projected by staff at the time the final budget was approved. Expected savings in the salaries and benefits accounts will be used to cover this shortfall.

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Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
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Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

- The training account is used for a variety of instructional activities for staff and Commissioners. In the first quarter the Commission expended \$2,760 in this account, which represents approximately 92 percent of the total amount budgeted for the fiscal year. All first quarter expenditures were drawn from registration costs for the 2006 CALAFCO Annual Conference in San Diego, which was attended by two staff and four Commissioners. Additional instructional expenses are expected over the final three quarters, including training for a new analyst, and will produce a deficit in the account. Staff will closely monitor this account to ensure that expected savings in other accounts, including salaries and benefits, are sufficient to cover a shortfall.

Contingencies and Reserves:

The Commission did not expend any of its budgeted reserve or professional services funds during the first quarter.

Staff will return to the Commission at the end of each quarter with a budget report. The second quarter ends on December 31, 2006 and will be reported to the Commission at its first regular meeting of 2007.

Attachments:

- 1) First Quarter General Ledger Report: July 1, 2006 through September 30, 2006