



**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*

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**Agenda Item 5c**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer

**MEETING DATE:** December 7, 2015

**SUBJECT:** First Quarter Budget Report for 2015-2016

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**BACKGROUND**

The Commission's adjusted budget for 2015-2016 totals \$525,684. This amount represents the total approved operating expenditures for the fiscal year divided between salaries and benefits, services and supplies, and contingencies. Budgeted revenues total \$482,444 and are divided between intergovernmental fees, service charges, and investments. It is important to note that an operating shortfall of (\$43,240) was intentionally budgeted to reduce the funding requirements of the local agencies and to be covered by drawing down on unreserved funds. The unreserved portion of the fund balance totaled \$245,825 as of July 1, 2015.

Adopted Budget Operating Expenses	Adopted Budget Operating Revenues	Adopted Budget Year-End Operating Balance
\$525,684	\$482,444	(\$43,240)

**DISCUSSION**

***Operating Revenues***

The Commission's operating revenues for 2015-2016 were budgeted at \$482,444. Actual revenues collected through the first quarter totaled \$17,988. This amount represents 3.7% of the adopted budget total and results in a year-ending balance of \$464,456 and is summarized in the following table.

Revenue Units	Adjusted Budget	End of 1 <sup>st</sup> Quarter	Dollar Difference	Percent Collected
Intergovernmental	\$449,944	\$0	\$449,944	0.0
Service Charges	\$30,500	\$17,613	\$12,887	57.7
Investments	\$2,000	\$375	\$1,625	18.8
<b>Total</b>	<b>\$482,444</b>	<b>\$17,988</b>	<b>\$464,456</b>	<b>3.73%</b>

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Juliana Inman, Chair  
Councilmember, City of Napa

Greg Pitts, Commissioner  
Councilmember, City of St. Helena

Joan Bennett, Alternate Commissioner  
Councilmember, City of American Canyon

Diane Dillon, Vice Chair  
County of Napa Supervisor, 3rd District

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

Keith Caldwell, Alternate Commissioner  
County of Napa Supervisor, 5th District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

An expanded discussion on budgeted and actual revenues through the first quarter within the Commission's three revenue units follows.

### Intergovernmental Fees

The Commission budgeted \$449,944 in intergovernmental fees in 2015-2016. Half of the total was invoiced to the County of Napa in the amount of \$224,972. The remaining amount was proportionally invoiced to the cities based on a weighted calculation of population and general tax revenues. This latter formula resulted in invoice charges totaling \$35,997 for American Canyon, \$13,467 for Calistoga, \$149,571 for Napa, \$14,582 for St. Helena, and \$11,355 for Yountville. No agency invoices were paid by the end of the first quarter due to a slight delay in notifying the six agencies of their respective funding obligations. The agencies were subsequently notified of their Commission funding requirements and all intergovernmental fees are expected to be received within the calendar year.<sup>1</sup>

### Service Charges

The Commission budgeted \$30,500 in service charges in 2015-2016. Actual revenues collected within this unit at the end of the first quarter totaled \$17,613 or 58% of the budgeted amount. The collected service charges are predominantly tied to the submittal of proposals associated with annexations, sphere of influence amendment requests, and outside service agreements.

### Investments

The Commission budgeted \$2,000 in investment income in 2015-2016. All income generated in this unit is tied to interest earned on the Commission's fund balance, which is under pooled investment by the County Treasurer. Actual interest earnings generated at the end of the first quarter totaled \$375 or 19% of the budgeted amount due to lower than expected investment gains.

### ***Operating Expenses***

The Commission's operating expenses for 2015-2016 were budgeted at \$525,684. Actual expenses, including encumbrances, through the first quarter totaled \$159,213. This amount represents 30% of the budgeted total and is summarized in the following table.

Expense Units	Adjusted Budget	End of 1 <sup>st</sup> Quarter	Dollar Difference	Percent Expended
Salaries/Benefits	\$270,151	\$45,373	\$224,778	16.8
Services/Supplies	\$251,593	\$113,840	\$137,753	45.3
Other Expenses	\$3,940	\$0	\$3,940	0.0
<b>Total</b>	<b>\$525,684</b>	<b>\$159,213</b>	<b>\$366,471</b>	<b>30.29%</b>

<sup>1</sup> As of the date of today's Commission meeting, only the Cities of American Canyon and Calistoga have not yet submitted their respective funding obligations.

An expanded discussion on budgeted and actual expenses through the first quarter within the Commission's three expense units follows.

*Salaries/Benefits*

The Commission budgeted \$270,151 in salaries and benefits for 2015-2016 for the 2.5 fulltime equivalent employees assigned to the agency. Actual expenses within the 11 affected accounts through the end of the first quarter totaled \$45,373, representing 17% of the budgeted amount. This amount is lower than anticipated and is the result of savings associated with a vacancy in the Analyst position.

*Services/Supplies*

The Commission budgeted \$251,593 in services and supplies for 2015-2016. Actual expenses in the 23 affected accounts, including contractual encumbrances associated with consultant contracts, through the end of the first quarter totaled \$113,840, representing 45% of the budgeted amount.

*Contingencies*

The Commission did not budget or use funds for contingencies in 2015-2016.

**ATTACHMENT**

- 1) Statement of Revenues and Expenses: Budget vs. Actual through September 30, 2015

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## Statement of Revenues and Expenses Budget vs. Actual - by Fund

8400 - Local Agency Formation Comm  
Periods 1 through 3 of Fiscal Year: 2016

		Budget			Encumbrances	Actual YTD	YTD Total	Budget vs Actual	Percent of Budget
		Adopted Budget	Adjustments	Adjusted Budget					
<b>Revenues</b>									
42690	Permits/Application Fees	30,000.00	-	30,000.00	-	17,113.10	17,113.10	12,886.90	57.04%
43910	County of Napa	224,972.00	-	224,972.00	-	-	-	224,972.00	0.00%
43950	Other-Governmental Agencies	224,972.00	-	224,972.00	-	-	-	224,972.00	0.00%
45100	Interest	2,000.00	-	2,000.00	-	375.07	375.07	1,624.93	18.75%
46800	Charges for Services	500.00	-	500.00	-	500.00	500.00	-	100.00%
<b>Total Revenues</b>		<b>482,444.00</b>	<b>-</b>	<b>482,444.00</b>	<b>-</b>	<b>17,988.17</b>	<b>17,988.17</b>	<b>464,455.83</b>	<b>3.73%</b>
<b>Expenses</b>									
51100	Salaries and Wages	224,182.00	(71,600.00)	152,582.00	-	27,000.36	27,000.36	125,581.64	17.70%
51200	401A Employer Contribution	-	-	-	-	1,000.00	1,000.00	(1,000.00)	0.00%
51205	Cell Phone Allowance	840.00	-	840.00	-	52.50	52.50	787.50	6.25%
51210	Director/Commissioner Pay	11,000.00	-	11,000.00	-	2,375.00	2,375.00	8,625.00	21.59%
51300	Medicare	3,251.00	-	3,251.00	-	392.99	392.99	2,858.01	12.09%
51305	FICA	500.00	-	500.00	-	93.00	93.00	407.00	18.60%
51400	Employee Insurance-Premiums	42,936.00	-	42,936.00	-	5,532.44	5,532.44	37,403.56	12.89%
51405	Workers Compensation	500.00	-	500.00	-	115.25	115.25	384.75	23.05%
51600	Retirement	43,791.00	-	43,791.00	-	5,132.30	5,132.30	38,658.70	11.72%
51605	Other Post Employment Benefits	14,751.00	-	14,751.00	-	3,687.50	3,687.50	11,063.50	25.00%
<b>Total for: Salaries and Benefits</b>		<b>341,751.00</b>	<b>(71,600.00)</b>	<b>270,151.00</b>	<b>-</b>	<b>45,381.34</b>	<b>45,381.34</b>	<b>224,769.66</b>	<b>16.80%</b>
52105	Election Services	150.00	-	150.00	-	-	-	150.00	0.00%
52125	Accounting/Auditing Services	10,000.00	-	10,000.00	4,725.00	1,401.93	6,126.93	3,873.07	61.27%
52130	Information Technology Service	24,052.00	-	24,052.00	-	6,013.00	6,013.00	18,039.00	25.00%
52140	Legal Services	28,600.00	-	28,600.00	12,988.60	2,268.30	15,256.90	13,343.10	53.35%
52310	Consulting Services	55,000.00	71,600.00	126,600.00	49,628.55	1,242.99	50,871.54	75,728.46	40.18%
52515	Maintenance-Software	1,500.00	-	1,500.00	-	119.85	119.85	1,380.15	7.99%
52600	Rents and Leases - Equipment	6,500.00	-	6,500.00	5,076.48	1,001.12	6,077.60	422.40	93.50%
52605	Rents and Leases - Bldg/Land	25,560.00	-	25,560.00	19,170.00	6,390.00	25,560.00	-	100.00%
52700	Insurance - Liability	150.00	-	150.00	-	76.00	76.00	74.00	50.67%
52800	Communications/Telephone	2,000.00	-	2,000.00	-	295.12	295.12	1,704.88	14.76%
52830	Publications & Legal Notices	1,500.00	-	1,500.00	-	134.13	134.13	1,365.87	8.94%
52835	Filing Fees	500.00	-	500.00	-	-	-	500.00	0.00%



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## Statement of Revenues and Expenses Budget vs. Actual - by Fund

8400 - Local Agency Formation Comm  
Periods 1 through 3 of Fiscal Year: 2016

		Budget			Encumbrances	Actual YTD	YTD Total	Budget vs Actual	Percent of Budget
		Adopted Budget	Adjustments	Adjusted Budget					
52900	Training/Conference Expenses	10,000.00	-	10,000.00	-	3,952.05	3,952.05	6,047.95	39.52%
52905	Business Travel/Mileage	2,000.00	-	2,000.00	-	459.31	459.31	1,540.69	22.97%
53100	Office Supplies	4,000.00	-	4,000.00	-	638.50	638.50	3,361.50	15.96%
53110	Freight/Postage	500.00	-	500.00	-	50.00	50.00	450.00	10.00%
53120	Memberships/Certifications	2,381.00	-	2,381.00	-	2,381.00	2,381.00	-	100.00%
53205	Utilities - Electric	1,100.00	-	1,100.00	-	433.39	433.39	666.61	39.40%
53415	Computer Software/Licensing Fe	500.00	-	500.00	-	-	-	500.00	0.00%
53600	Special Departmental Expense	4,000.00	-	4,000.00	-	120.00	120.00	3,880.00	3.00%
	<b>Total for: Services and Supplies</b>	<b>179,993.00</b>	<b>71,600.00</b>	<b>251,593.00</b>	<b>91,588.63</b>	<b>26,976.69</b>	<b>118,565.32</b>	<b>133,027.68</b>	<b>47.13%</b>
54600	Depreciation Expense	3,940.00	-	3,940.00	-	-	-	3,940.00	0.00%
	<b>Total for: Other Expenses</b>	<b>3,940.00</b>	<b>-</b>	<b>3,940.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,940.00</b>	<b>0.00%</b>
	<b>Total Expenditures</b>	<b>525,684.00</b>	<b>-</b>	<b>525,684.00</b>	<b>91,588.63</b>	<b>72,358.03</b>	<b>163,946.66</b>	<b>361,737.34</b>	<b>31.19%</b>
	<b>Net Surplus (Deficit)</b>	<b>(43,240.00)</b>	<b>-</b>	<b>(43,240.00)</b>	<b>(91,588.63)</b>	<b>(54,369.86)</b>	<b>(145,958.49)</b>		
<b>33100 - Available Fund Balance - Beginning</b>						<b>245,825.39</b>			
<b>Net Surplus (Deficit)</b>						<b>(54,369.86)</b>			
<b>33100 - Available Fund Balance - Ending</b>						<b>191,455.53</b>			