



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

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JUNE 5, 2006
AGENDA ITEM NO. 6a

May 22, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: Adoption of FY06-07 Final Budget (Public Hearing)

The Commission will consider a resolution adopting a final budget for FY06-07 in the amount of \$456,757.

At its April 3, 2006 meeting, the Commission adopted a preliminary budget for FY06-07 in the amount of \$456,757. The adopted preliminary budget was distributed to the six agencies that fund LAFCO for their review. No comments were received.

Staff has prepared a final budget for FY06-07 for consideration by the Commission pursuant to California Government Code §56381(a). The final budget is identical to the adopted preliminary budget and projects a total increase in LAFCO operating costs over FY05-06 of \$19,843 or 4.5%. Nearly half of the increase is attributed to a contractual increase in group insurance (\$9,154), which represents LAFCO's share of employee healthcare costs. The remaining portion of the increase is primarily attributed to an increase in information technology services (\$4,422), which is provided to LAFCO by the County of Napa. This increase represents LAFCO's proportional share of deferred and planned system improvements to the County's technology services over the next three years.

RECOMMENDATION

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

- 1) Adopt the attached resolution approving a final budget for FY06-07; and
- 2) Direct the Executive Officer to distribute the FY06-07 Final Budget to the six agencies that fund LAFCO.

Respectfully submitted,

Keene Simonds
Acting Executive Officer

Attachments:

- 1) Draft Resolution
- 2) Summary of Expenses

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Bill Dodd, Chair
Supervisor, 4th District

Guy Kay, Commissioner
Representative of the General Public

Kevin Block, Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Brian Kelly, Alt. Commissioner
Representative of the General Public

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Keene Simonds
Acting Executive Officer

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A FISCAL YEAR 2006-2007 FINAL BUDGET**

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 final budget for the next fiscal year; and

WHEREAS, Government Code Section 56381 requires that the Commission adopt a final budget no later than June 15; and

WHEREAS, at the direction of the Commission, the Executive Officer circulated for review and comment an adopted preliminary budget to the administrative officer and the financial officer of each of the six local agencies that contribute to the LAFCO 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 comments concerning the adopted preliminary budget; and

WHEREAS, the Executive Officer prepared a report concerning the final 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 hearing on the final budget held on June 5th, 2006; and

WHEREAS, the Commission determined the final 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 final budget represented 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 5th day of June 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

LAFCO FY06-07 Proposed Final Budget

		FINAL FY04-05	FINAL FY05-06	PROPOSED FINAL FY06-07 5/25/2006	Change from Final FY05-06	
Salaries and Wages						
ACCT #	Account					
51100000	Regular Salaries	167,505.00	187,206.00	190,230.92 ^{1,2}	3,024.92	
51200100	Extra Help	6,188.00	2,206.26	0.00	(2,206.26)	
51200200	Overtime	0.00	0.00	0.00	-	
51200500	Per Diem	4,050.00	4,050.00	3,600.00	(450.00)	
51300100	Retirement	23,450.70	32,235.20	32,953.28	718.08	
51300300	Medicare	2,428.82	2,674.13	2,849.46	175.33	
51300500	Group Insurance	22,255.20	26,875.92	36,030.00 ³	9,154.08	
51301200	Ins Workers Comp	533.00	749.00	685.00	(64.00)	
51301700	401A Contributions	-	1,500.00	1,500.00	-	
51301800	Cell Phone Allowance	-	840.00	840.00	-	
		<u>226,410.72</u>	<u>258,336.51</u>	<u>268,688.66</u>	<u>10,352.15</u>	4.0%
Services and Supplies						
ACCT #	Account					
52070000	Communications	3,500.00	3,500.00	3,500.00	-	
52100300	Insurance: Liability	-	335.00	534.00	199.00	
52150000	Memberships	1,368.00	1,400.00	2,200.00 ⁴	800.00	
52170000	Office Exp.	12,000.00	15,000.00	15,000.00	-	
52180200	PSS: MIS	13,000.00	13,378.27	17,799.91 ⁵	4,421.64	
52180500	PSS: Legal	18,750.00	18,750.00	18,750.00	-	
52190000	PSS: Pubs/Not	1,000.00	1,000.00	1,000.00	-	
52180900	PSS: Contract Ex. Help	0.00	0.00	0.00	-	
52185000	PSS: Other	4,000.00	5,000.00	6,500.00 ⁶	1,500.00	
52235000	SDE: Other	1,000.00	1,000.00	1,000.00	-	
52240500	SDE: Prop. Lease	24,038.40	25,540.80	26,307.02 ⁷	766.22	
52250000	Trans & Travel	4,000.00	4,000.00	4,000.00	-	
52250800	T/T: Training	3,000.00	3,000.00	3,000.00	-	
52251200	T/T: Priv. Mileage	1,500.00	1,500.00	1,500.00	-	
		<u>87,156.40</u>	<u>93,404.07</u>	<u>101,090.93</u>	<u>7,686.86</u>	8.2%
	Total Expenses	313,567.12	351,740.58	369,779.59	18,039.01	5.1%
	Operating Reserve (10% of Expenses)	31,356.71	35,174.06	36,977.96	1,803.90	5.1%
	Professional Services Dedication	100,000.00	50,000.00	50,000.00	-	0.0%
	TOTAL	444,923.83	436,914.64	456,757.55	19,842.92	4.5%

NOTES

- Assumes appointment of Executive Officer at midpoint of current salary range, \$90,771.
- Assumes a 3.0% COLA for all employees. The County MOU with represented employees requires a COLA to be determined by an agreed formula. The COLA could be as low as 2.5% and as high as 4.0%. The County advises using a 3.0% factor at this time.
- Assumes Executive Officer will select Kaiser-PERS health insurance plan for self, partner, and an additional dependent.
- The CALAFCO Board of Directors approved an increase to its annual dues at its January 13, 2006 Board meeting. Implementation of the increase is pending a successful vote of its members, which is scheduled in September at the CALAFCO Annual Conference in San Diego. Based on the formula approved by the Board, Napa LAFCO's dues will range from \$1,800 to \$2,200.
- This account is for administration costs associated with the County's Information Technology Information Department (ITS) and includes network and database 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. The increase represents LAFCO's proportional share of deferred and planned system improvements.
- This account includes costs associated with the preparation of an independent audit as well as charges from the Napa County Auditor-Controller for services rendered. Based on the rising cost of the independent audit and increased use of the Auditor-Controller, an increase in this line item is warranted.
- LAFCO does not yet have a lease for FY06-07. This figure represents last year's rent plus 3%.

May 25, 2006

SUMMARY OF EXPENSES
LAFCO FY06-07 PROPOSED FINAL BUDGET

Prior year figures are final budget amounts.

Salaries and Wages

This portion of the budget includes salaries and benefits for the Executive Officer, Analyst, and Commission Secretary (.5 FTE – “full time equivalent”). It also includes per diem funds for commissioners for up to six regular and three special meetings. An overall increase in salaries and wages of \$10,352 is projected. This increase is primarily drawn from a significant rise in LAFCO’s group insurance premium (added staff dependents) and a projected 3.0% cost-of-living adjustment scheduled for all employees as part of the County’s Memorandum of Understanding with represented employees.

Note: Budgeted amount assumes the appointment of an Executive Officer at the midpoint salary range of \$90,771. It also assumes that the Executive Officer will select Kaiser-Pers health insurance plan for self, partner, and an additional dependent.

FY2006-07:	\$268,688 (Proposed Final Budget)
FY2005-06:	\$258,337
FY2004-05:	\$226,411
FY2003-04:	\$203,537
FY2002-03:	\$210,545
FY2001-02:	\$171,034

Communications

This account covers telecommunications and mail costs. There are no changes from FY05-06.

FY2006-07:	\$3,500 (Proposed Final Budget)
FY2005-06:	\$3,500
FY2004-05:	\$3,500
FY2003-04:	\$3,500
FY2002-03:	\$2,000
FY2001-02:	\$2,000

Summary of Expenses

Insurance: Liability

This account covers liability insurance costs. An increase of \$199 from FY05-06 is budgeted and reflects LAFCO's portion of the County's risk pool.

FY2006-07:	\$534 (Proposed Final Budget)
FY2005-06	\$335
FY2004-05:	n/a
FY2003-04:	n/a
FY2002-03:	n/a
FY2001-02:	n/a

Memberships

This account covers membership in CALAFCO. An increase of \$800 from FY05-06 is budgeted and reflects the projected increase in CALAFCO's annual dues.

FY2006-07:	\$2,200 (Proposed Final Budget)
FY2005-06	\$1,400
FY2004-05:	\$1,368
FY2003-04:	\$1,340
FY2002-03:	\$1,340
FY2001-02:	\$1,340

Office Expenses

This account covers general office expenses. There are no changes from FY05-06.

FY2006-07:	\$15,000 (Proposed Final Budget)
FY2005-06	\$15,000
FY2004-05:	\$12,000
FY2003-04:	\$12,000
FY2002-03:	\$12,000
FY2001-02:	\$16,000

Summary of Expenses

Management Information Services (PSS: MIS)

This account covers network administration costs, including database maintenance for payroll, accounting, and GIS. An increase of \$4,422 from FY05-06 is budgeted and reflects LAFCO's assigned and proportional share of deferred and planned system improvements to the County's technology services over the next three years.

FY2006-07:	\$17,799 (Proposed Final Budget)
FY2005-06:	\$13,378
FY2004-05:	\$13,000
FY2003-04:	\$13,000
FY2002-03:	\$12,418
FY2001-02:	\$4,000

Legal Services (PSS: Legal)

This account covers legal services from County Counsel. There are no changes from FY05-06.

FY2006-07:	\$18,750 (Proposed Final Budget)
FY2005-06:	\$18,750
FY2004-05:	\$18,750
FY2003-04:	\$15,000
FY2002-03:	\$12,000
FY2001-02:	\$15,000

Publications/Legal Notices (PSS: Pubs/Not)

This account covers all legal notices. There are no changes from FY05-06.

FY2006-07:	\$1,000 (Proposed Final Budget)
FY2005-06:	\$1,000
FY2004-05:	\$1,000
FY2003-04:	\$1,000
FY2003-04:	\$1,000
FY2001-02:	\$750

Summary of Expenses

PSS: Other

This account covers the cost of an independent audit, as well as services from County Auditor-Controller. An increase of \$1,500 from FY05-06 is budgeted and reflects the rising costs for the preparation of the independent audit and charges from the Auditor-Controller.

FY2006-07:	\$6,500 (Proposed Final Budget)
FY2005-06:	\$5,000
FY2004-05:	\$4,000
FY2002-03:	\$4,000
FY2002-03:	\$5,000
FY2001-02:	n/a

SDE: Other

This account covers the cost of improvements to the LAFCO office. There are no changes from FY05-06.

FY2006-07:	\$1,000 (Proposed Final Budget)
FY2005-06:	\$1,000
FY2004-05:	\$1,000
FY2002-03:	\$3,500
FY2002-03:	\$1,000
FY2001-02:	n/a

Property Lease/Utilities

This account covers LAFCO's lease agreement. LAFCO does not currently have a lease for FY06-07. The amount budgeted is based on last year's rent plus 3.0%. This results in an increase of \$744 from FY05-06.

FY2006-07:	\$26,307 (Proposed Final Budget)
FY2005-06:	\$25,541
FY2004-05:	\$24,040
FY2003-04:	\$23,000
FY2002-03:	\$9,100
FY2001-02:	\$6,500

Summary of Expenses

Transportation and Travel

This account covers all transportation and travel costs that do not involve private vehicle mileage. There are two CALAFCO events that are annual costs in this account. In FY06-07, these events will be held in San Diego (annual conference) and Orange County staff workshop). Two to four people have generally attended each event. There are no changes from FY05-06.

FY2006-07:	\$4,000 (Proposed Final Budget)
FY2005-06:	\$4,000
FY2004-05:	\$4,000
FY2003-04:	\$4,000
FY2002-03:	\$4,000
FY2001-02:	\$3,500

Training

This account covers training courses for staff. There are no changes from FY05-06.

FY2006-07:	\$3,000 (Proposed Final Budget)
FY2005-06:	\$3,000
FY2004-05:	\$3,000
FY2002-03:	\$3,000
FY2002-03:	\$3,000
FY2001-02:	\$3,000

Mileage

This account covers private vehicle mileage. There are no changes from FY05-06.

FY2006-07:	\$1,500 (Proposed Final Budget)
FY2005-06:	\$1,500
FY2004-05:	\$1,500
FY2003-04:	\$1,500
FY2002-03:	\$1,500
FY2001-02:	\$1,500

Summary of Expenses

ZERO DOLLAR LINE ITEMS

The following accounts should be included in the budget as zero dollar line items to allow the Executive Officer the flexibility to use these accounts as necessary.

Extra Help

This account covers the employment of a student intern.

Overtime

This account covers overtime for non-management personnel (Analyst and Commission Secretary).

PSS: Contract Extra Help:

This account covers any supplemental administrative staff that LAFCO might hire from a temporary agency.