



Local Agency Formation Commission of Napa County
 Subdivision of the State of California

1030 Seminary Street, Suite B
 Napa, California 94559
 Phone: (707) 259-8645
 Fax: (707) 251-1053
 www.napa.lafco.ca.gov

We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 5c (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer
 Kathy Mabry, Secretary

MEETING DATE: August 1, 2016

SUBJECT: Fourth Quarter Budget Report for 2015-2016

DISCUSSION

The Commission will review a fourth quarter budget report for 2015-2016. The report compares budgeted versus actual transactions through June 30, 2016. The report indicates the Commission eliminated its budgeted funding gap of (\$43,240) and finished the fiscal year with an overall operating surplus of \$90,157. This item is being presented to the Commission for information purposes only.

SUMMARY

The Commission’s adjusted final 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 \$241,832 as of July 1, 2015.

Adjusted Final Budget Operating Expenses	Adjusted Final Budget Operating Revenues	Adjusted Final Budget Operating Balance
\$525,684	\$482,444	(\$43,240)

Greg Pitts, Vice Chair
 Councilmember, City of St. Helena

Juliana Inman, Commissioner
 Councilmember, City of Napa

Joan Bennett, Alternate Commissioner
 Councilmember, City of American Canyon

Diane Dillon, 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

Operating Revenues

The Commission's operating revenues for 2015-2016 were budgeted at \$482,444. Actual revenues collected through the fourth quarter totaled \$479,137, resulting in a deficit of (\$3,307) relative to the budgeted amount. This amount represents 99% of the adopted budget total through the end of the fiscal year. The following table compares budgeted and actual revenues through the fourth quarter.

Revenue Units	Adjusted Budget	End of 4th Quarter	Dollar Difference	Percent Collected
Intergovernmental	\$449,944	\$449,944	\$0	100.0
Service Charges	\$30,500	\$26,947	(\$3,553)	88.4
Investments	\$2,000	\$2,246	\$246	112.3
Total	\$482,444	\$479,137	(\$3,307)	99.3%

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

Intergovernmental

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. All agency invoices have been paid in full leaving a zero balance.

Service Charges

The Commission budgeted \$30,500 in service charges in 2015-2016. At the end of the fourth quarter, actual revenues collected within this unit were lower than originally anticipated and totaled \$26,947 or 88% 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 through the fourth quarter were higher than originally anticipated and totaled \$2,246 or 112% of the budgeted amount.

Operating Expenses

The Commission’s operating expenses for 2015-2016 were budgeted at \$525,684. Actual expenses, including encumbrances, through the fourth quarter totaled \$388,980, resulting in a surplus/savings of \$136,885 relative to the budgeted amount. This amount represents 74% of the adopted budget total through the end of the fiscal year. The following table compares budgeted and actual expenses through the fourth quarter.

Expense Units	Adjusted Budget	End of 4 th Quarter	Dollar Difference	Percent Expended
Salaries/Benefits	\$270,151	\$218,476	\$51,675	80.9
Services/Supplies	\$255,533	\$170,504	\$85,029	66.7
Contingencies	\$0	\$0	\$0	0.0
Total	\$525,684	\$388,980	\$136,704	74.0%

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

Salaries/Benefits

The Commission budgeted \$270,151 in salaries and benefits for 2015-2016. At the end of the fourth quarter, the Commission’s actual expenses within the 10 affected accounts totaled \$218,476, representing 81% of the budgeted amount. The surplus/savings of \$51,675 is primarily associated with employee insurance and retirement costs tied to the vacancy in the Analyst position coupled with a lower actual Executive Officer salary than the amount included in the adjusted budget.

Services/Supplies

The Commission budgeted \$255,533 in services and supplies for 2015-2016. At the end of the fourth quarter, the Commission’s actual expenses within the 22 affected accounts totaled \$170,504, which represents 67% of the budgeted amount. The surplus/savings of \$85,029 is primarily associated with lower than anticipated expenses tied to (1) accounting/auditing services; (2) consulting services; (3) training/conferences; (4) office supplies; (5) special departmental expenses; and (6) capital replacement/depreciation. Consulting services represent the largest surplus/savings at \$67,423. A portion of this surplus/savings includes services not rendered during 2015-2016 that will be re-encumbered in the current fiscal year by way of a budget adjustment as part of item 5d on today’s agenda. It is important to note the communications/telephone expense account finished the fourth quarter with a (\$1,424) deficit associated with longer than expected Commission meetings that were recorded by Napa TV, which charges the Commission on an hourly basis.

Contingencies

The Commission did not budget funds for contingencies in 2015-2016, and instead will rely on its unreserved fund balance to address any unexpected costs.

ATTACHMENT

- 1) 2015-2016 General Ledger through June 30, 2016



Local Agency Formation Commission of Napa County

Subdivision of the State of California

FY2015-2016 FOURTH QUARTER BUDGET REPORT

Prepared on July 25, 2016

Expenses

		FY2012-13		FY2013-14		FY2014-15		FY2015-16		
		Adopted FY12-13	Actual FY12-13	Adjusted FY13-14	Actual FY13-14	Adjusted FY14-15	Actual FY14-15	Adjusted Final FY15-16	Actual 4th Quarter	%
Salaries and Benefits										
<u>Account</u>	<u>Description</u>									
51100	Salaries and Wages	203,183	212,430	155,519	148,968	147,625	150,093	152,582	138,142	90.5%
51200	401A Employer Contribution	-	-	-	-	1,000	300	-	2,000	-
51205	Cell Phone Allowance	840	840	840	595	840	682	840	401	47.7%
51210	Commissioner/Director Pay	6,400	6,000	10,000	11,500	10,000	11,125	11,000	9,375	85.2%
51300	Medicare	2,946	2,896	3,012	2,477	3,012	2,248	3,251	1,951	60.0%
51305	FICA	-	-	-	193	-	496	500	395	79.1%
51400	Employee Insurance: Premiums	47,646	39,635	51,203	30,173	44,796	27,679	42,936	25,499	59.4%
51405	Workers Compensation	396	396	400	427	428	428	500	461	92.2%
51600	Retirement	37,736	37,730	39,595	28,257	39,853	27,040	43,791	25,502	58.2%
51605	Other Post Employment Benefits	12,139	12,139	12,166	12,166	12,321	12,321	14,751	14,750	100.0%
		311,287	312,067	272,736	234,756	259,875	232,413	270,151	218,476	80.9%
Services and Supplies										
<u>Account</u>	<u>Description</u>									
52105	Election Services	-	150	-	150	-	75	150	-	0.0%
52125	Accounting/Auditing Services	9,126	8,052	9,126	8,460	10,000	8,128	10,000	7,496	75.0%
52130	Information Technology Services	22,009	22,149	22,374	22,374	24,000	23,663	24,052	24,052	100.0%
52140	Legal Services	22,540	10,673	22,540	32,864	32,000	27,829	28,600	26,093	91.2%
52310	Consulting Services	-	-	61,500	58,600	107,350	78,097	126,600	59,177	46.7%
52345	Janitorial Services	-	-	-	-	-	-	-	420	-
52515	Maintenance-Software	-	-	-	4,401	-	1,127	1,500	1,869	124.6%
52600	Rents and Leases: Equipment	6,500	5,740	6,000	5,995	6,000	5,594	6,500	5,962	91.7%
52605	Rents and Leases: Building/Land	25,560	25,560	25,560	25,560	25,560	25,560	25,560	25,560	100.0%
52700	Insurance: Liability	153	148	35	35	100	98	150	304	202.7%
52800	Communications/Telephone	2,970	2,487	2,950	2,488	2,950	1,232	2,000	3,424	171.2%
52830	Publications and Legal Notices	1,500	1,170	1,500	1,823	2,000	728	1,500	1,406	93.7%
52835	Filing Fees	850	350	850	-	-	-	500	200	40.0%
52900	Training/Conference	4,000	6,926	4,000	7,494	8,995	5,426	10,000	7,041	70.4%
52905	Business Travel/Mileage	5,000	6,529	5,000	2,883	2,000	1,866	2,000	1,110	55.5%
53100	Office Supplies	5,500	2,375	5,000	2,302	4,000	3,410	4,000	2,435	60.9%
53110	Freight/Postage	800	277	800	354	800	250	500	200	40.0%
53120	Memberships/Certifications	2,248	2,248	2,293	2,300	2,335	2,335	2,381	2,381	100.0%
53205	Utilities: Electric	1,500	1,030	1,500	1,051	1,500	1,107	1,100	1,261	114.6%
53415	Computer Software/License	3,487	-	3,488	183	2,500	6,150	500	-	0.0%
53600	Special Departmental Expense	3,500	3,415	21,500	10,850	15,150	129	4,000	113	2.8%
54600	Capital Replacement/Depreciation	3,931	3,931	3,931	3,931	3,940	-	3,940	-	0.0%
		121,174	103,210	199,946	194,099	251,180	192,804	255,533	170,504	66.7%
Contingencies and Reserves										
<u>Account</u>	<u>Description</u>									
58100	Appropriation for Contingencies	-	-	-	-	-	-	-	-	-
	EXPENSE TOTALS	432,461	415,277	472,681	428,854	511,055	425,217	525,684	388,980	74.0%

Revenues

		FY2012-13		FY2013-14		FY2014-15		FY2015-16		
		Adopted FY12-13	Actual FY12-13	Adjusted FY13-14	Actual FY13-14	Adjusted FY14-15	Actual FY14-15	Adjusted Final FY15-16	Actual 4th Quarter	%
Intergovernmental										
<u>Account</u>	<u>Description</u>									
43910	County of Napa	204,787	204,787	209,675	209,675	215,853	215,853	224,972	224,972	100.0%
43950	Other Governmental Agencies	204,787	204,787	209,675	209,675	215,853	215,853	224,972	224,972	100.0%
----	<i>City of Napa</i>	<i>136,583</i>	<i>136,583</i>	<i>140,021</i>	<i>140,021</i>	<i>144,529</i>	<i>144,529</i>	<i>149,571</i>	<i>149,571</i>	<i>100.0%</i>
----	<i>City of American Canyon</i>	<i>33,321</i>	<i>33,321</i>	<i>33,757</i>	<i>33,757</i>	<i>34,422</i>	<i>34,422</i>	<i>35,997</i>	<i>35,997</i>	<i>100.0%</i>
----	<i>City of St. Helena</i>	<i>14,153</i>	<i>14,153</i>	<i>13,957</i>	<i>13,957</i>	<i>14,145</i>	<i>14,145</i>	<i>14,582</i>	<i>14,582</i>	<i>100.0%</i>
----	<i>City of Calistoga</i>	<i>12,095</i>	<i>12,095</i>	<i>12,389</i>	<i>12,389</i>	<i>12,907</i>	<i>12,907</i>	<i>13,467</i>	<i>13,467</i>	<i>100.0%</i>
----	<i>Town of Younville</i>	<i>8,635</i>	<i>8,635</i>	<i>9,552</i>	<i>9,552</i>	<i>9,850</i>	<i>9,850</i>	<i>11,355</i>	<i>11,355</i>	<i>100.0%</i>
		409,574	409,574	419,350	419,350	431,705	431,705	449,944	449,944	100.0%
Service Charges										
42690	Application/Permit Fees	10,000	23,078	10,000	31,488	10,000	48,462	30,000	26,322	87.7%
46800	Charges for Services	-	500	500	375	500	1,375	500	625	125.0%
47900	Miscellaneous	-	181	-	-	-	-	-	-	-
		10,000	23,759	10,500	31,863	10,500	49,837	30,500	26,947	88.4%
Investments										
45100	Interest	4,076	1,985	3,000	1,514	2,000	2,202	2,000	2,246	112.3%
		4,076	1,985	3,000	1,514	2,000	2,202	2,000	2,246	112.3%
	REVENUE TOTALS	423,650	435,318	432,850	452,727	444,205	483,744	482,444	479,137	99.3%
	OPERATING DIFFERENCE	(8,810)	20,041	(39,831)	23,873	(66,850)	58,527	(43,240)	90,157	

Negative Balance Indicates Use of Reserves