



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

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April 2, 2012
Agenda Item No. 6b (Public Hearing)

March 26, 2012

TO: Local Agency Formation Commission

FROM: Budget Committee (Chilton, Kelly, and Simonds)

SUBJECT: Proposed Budget for Fiscal Year 2012-2013

The Commission will consider adopting a proposed budget for 2012-2013 nearly identical to the draft approved in February and subsequently circulated for review among local funding agencies. Proposed operating expenses total \$432,001 and represent a 0.9% increase over the current fiscal year. Proposed operating revenues total \$423,295 with the remaining shortfall (\$8,706) to be covered by drawing down on agency reserves.

Local Agency Formation Commissions (LAFCOs) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless LAFCO finds the reduced costs will nevertheless allow the agency to fulfill its prescribed duties. LAFCOs must adopt their proposed and final budgets at noticed public hearings.

A. Background

Prescriptive Funding Sources

LAFCO of Napa County's ("Commission") annual operating expenses are principally funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law specifies the County is responsible for one-half of the Commission's operating expenses while the remaining amount is to be apportioned among the five cities. The current formula for allocating the cities' shares of the Commission's budget was adopted by the municipalities in 2003 as an alternative to the standard method outlined in State law and is based on a weighted calculation of population and general tax revenues. Additional funding, typically representing less than one-fifth of total revenues, is budgeted from application fees and interest earned.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Budgeting Process

In preparing for its own provisions, the Commission has established a Budget Committee (“Committee”) consisting of two appointed Commissioners and the Executive Officer. The Committee’s initial responsibility is to prepare and present a draft proposed budget for approval by the Commission in February 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 Committee for adoption at its April and June meetings, respectively.¹

Fund Balance and Related Policy on Minimum Reserves

It is the Commission’s policy to retain sufficient reserves to equal no less than three months or 25 percent of budgeted operating expenses in the affected fiscal year less any capital depreciation. The Commission’s current unreserved/unrestricted fund balance totals \$131,692 as of July 1, 2011; an amount equaling 31 percent of budgeted operating expenses. This ratio is expected to decrease to 27 percent by the end of the fiscal year.²

Draft Proposed Budget for 2012-2013

The 2012-2013 Committee (Chilton, Kelly, and Simonds) conducted a noticed public meeting on January 19, 2012 to review the Commission’s operating expenses and revenues for the upcoming fiscal year. The Committee’s review incorporated three interrelated budget factors. First, the Committee considered baseline agency costs to maintain the current level of services at next year’s projected price for labor and supplies. Second, the Committee considered whether changes in baseline agency costs are appropriate to accommodate changes in need or demand. Third, upon setting operating expenses, the Committee considered the amount of new revenues needed from the funding agencies and whether agency reserves should be utilized in lowering contribution requirements.

The Committee incorporated the described factors – existing baseline costs, warranted changes in baseline costs, and revenue needs – in preparing and presenting a draft proposed budget at the Commission’s February 6, 2012 meeting. The draft represented a “status quo” in terms of maintaining existing service levels, including preserving present staffing levels at 2.5 full time equivalent employees, with operating expenses increasing over the current fiscal year by 0.7% and totaling \$431,252. Operating revenues in the draft also reflected an increase over the current fiscal year by 6.9% and totaling \$422,629 with the remaining shortfall (\$8,623) to be covered by drawing down on agency reserves.

¹ It is important to note in 2010-2011 the Commission made several substantive amendments to its budget process to improve the fiscal management of the agency. Most notably, this included eliminating annual appropriations for an operating reserve and consultant contingency in favor of establishing a fund balance policy objective to maintain no less than three months of operating expenses for unexpected costs less any capital depreciation. A key motivation underlying this amendment was to reduce the amount of unexpended monies accruing at the end of the fiscal years, which were being returned to the funding agencies in the form of credits against their subsequent year budget contributions. Importantly, by eliminating this practice, the Commission clarifies its financial position at the end of each fiscal year by reducing the amount of agency credits remaining in the fund balance. The funding agencies also benefit from eliminating the practice by enjoying more cost-certainty by receiving a more accurate appropriation charge at the beginning of each fiscal year.

² Staff currently projects the Commission will finish the fiscal year with an unreserved/unrestricted fund balance of \$115,933.

The Commission approved the draft proposed budgeted as submitted at the February 6th meeting and directed staff to seek comments from the funding agencies in anticipation of considering formal adoption – with or without any changes – in April. Staff electronically mailed notice to all six funding agencies the following week inviting their review and comment on the approved draft through March 14th. No comments were received.

B. Discussion

The Committee returns with a proposed budget for consideration by the Commission as part of a noticed public hearing. The proposed budget is nearly identical to the earlier approved draft with slight increases representing less than one-half percent differences to both operating expenses and operating revenues as a primary result of finalizing terms for a new office lease and recalculating current year-end expenses. A detail summary of the proposed budget and the changes incorporated since the draft approval in April follows with the corresponding general ledger showing all affected accounts attached.

Operating Expenses

The Committee proposes operating expenses increase from \$428,270 to \$432,001; a difference of \$3,732 or 0.9% over the current fiscal year. The Committee has also increased the total amount since the February draft by \$750 as the principal result of finalizing the terms of the new office lease as detailed in the succeeding paragraph. Further, while the total amount is relatively similar to the current fiscal year, several individual expense line item changes – both increases and decreases – underlie the proposed budget. The majority of these line item changes are deemed non-discretionary and dictated by the Commission's current staff support services agreement with the County; an agreement covering employee salaries and benefits as well as legal, computer network, and accounting services. Towards this end, minor to moderate cost increases are budgeted for salaries, retirement, and group insurance. A more significant cost increase is also budgeted for post-employment benefits and explained in the accompanying footnote.³

Another notable change in operating expenses going forward involves the pending relocation of the Commission' administrative office in downtown Napa to 1030 Seminary Street. This relocation was authorized by the Commission in April with the terms subsequently finalized by the Chair and Executive Officer. The finalized lease provides an annual and fixed rent charge of \$25,560 over the next five years with an option for an additional five year term. The annual and fixed charge represents an approximate 13% decrease or \$3,720 over the current fiscal year for office space at 1700 Second Street.⁴

³ The Commission's post-employment benefit costs are projected to increase by nearly one-third or \$2,798 over the current fiscal year as part of the County's revised 20 year amortization plan to fully cover retiree health insurance costs.

⁴ An adjustment following the draft approval in February has increased the property lease account by \$1,276 as a result of finalizing and recalculating the terms of an annual 3% inflation increase into the five-year fixed rent while receiving the free rent for the first three months. The Commission takes possession of the new office space on April 1, 2012. The space was recently built and includes 800 square feet divided between three private offices, a conference room, and a reception area; dedications matching the current suite while eliminating 400 square feet of underutilized space. The new office suite also includes its own communications closet, which provides added and needed security for the Commission's network system. A corresponding decrease in the office expense account in the amount of \$500 by no longer budgeting for garbage collection from the February draft was also tied to finalizing terms of the new office lease.

In terms of recommended changes in discretionary line items included in the proposed budget, the Committee respectfully highlights the following.

- An approximate 12% increase or \$1,500 is budgeted in the office expense account and is tied to the referenced office relocation to 1030 Seminary Street and would fund the Commission’s annual electricity bill; all other utilities are covered by the building’s owners association. This utility could, presumably, be absorbed within the existing budget line, but the Committee proposes the increase as a contingency with the intent of revisiting the item next fiscal year.⁵
- An approximate 250% increase or \$2,500 is budgeted in the special department expense account and is tied to establishing live video/audio streamlining of Commission meetings through the agency website. The one-time purchase would be with the County’s vendor for audio/video streaming (Granicus) and provide the Commission with a customized web page to transmit live as well as store audio/video recordings. The one-time purchase would also include staff training. The Committee believes this increase is warranted given it would help enhance the agency’s transparency and complement an earlier decision to contract with Napa Valley TV to rebroadcast agency meetings on Channel 28; live airing of agency meetings are not available due to other scheduling commitments.⁶

The Committee notes at least two other discretionary expense increases appear merited, but have not been included in the proposed budget to control overall costs and more specifically agency contributions in 2012-2013. Most notably, this includes purchasing iPads and related software for preparing/distributing electronic agenda packets at an estimated cost of \$6,000 to \$8,000. The Committee also believes the Commission would be better served by purchasing a software system to improve the preparation of meeting minutes. The software system currently utilized by most local governmental agencies – including the County – is operated by Granicus. The cost of Granicus’ software system, however, appears prohibitive given the upfront charge quoted is \$2,100 along with an annual license/support fee of \$4,380 to cover license/support. The Committee believes, however, these discretionary expenses should be revisited next fiscal year as appropriate.

Expense Unit	Adopted FY11-12	Proposed FY12-13	Change %
1) Salaries/Benefits	307,780	311,287	1.14
2) Services/Supplies	120,489	120,714	0.19
3) Capital Replacement	3,931	3,931	0.0
	\$428,270	\$432,001	0.87

⁵ An adjustment following the draft approval in February has decreased the office expense account by \$500 after confirming garbage services at the new office space at 1300 Seminary Street will be the responsibility of the building’s association.

⁶ A related new annual expense of \$480 to cover license/support with Granicus is also budgeted within the information technology services line item.

Operating Revenues

The Committee proposes operating revenues increase from \$395,441 to \$423,295; a difference of \$27,845 or 7.0% over the current fiscal year. The Committee has also increased the total amount since the April draft by \$667 as the result of the subsequent rise in operating expenses as well as recalculating current year-end costs. Almost the entire total amount of new revenues to be collected – \$409,219 – is to be from agency contributions and would represent a composite increase of 6.8% or \$26,118 over the current fiscal year. The rationale for the increase in agency contributions is two-fold. First, as proposed, the Commission’s operating expenses would increase by \$3,732. Second, and most substantively, staff proposes reducing the amount of reserves the Commission would allocate for operating revenue next fiscal year by three-fourths from \$32,828 to \$8,706.⁷ This reduction follows similar decreases over the last few years in using reserves as offsetting revenues for the benefit of the local agencies as the Commission has gradually attempted to “catch-up” to its normal operating expenses after an extended vacancy in the analyst position artificially reduced agency contributions.⁸

Budgeted application fees and interest earned on the fund balance invested by the County Treasurer represent the remaining portion of revenues. No changes in application fees have been made relative to the current fiscal year. A relatively sizeable increase, though, has been made to earned interest to reflect the current return rate on the Commission’s fund balance generated through the current fiscal year.

Revenue Unit	Adopted FY11-12	Proposed FY12-13	Change %
1) Agency Contributions	383,101	409,219	6.82
(a) County of Napa	191,551	204,610	6.82
(b) City of Napa	126,330	136,465	8.02
(c) City of American Canyon	32,912	33,292	1.15
(d) City of St. Helena	12,997	14,140	8.79
(e) City of Calistoga	11,393	12,085	6.07
(f) Town of Yountville	7,917	8,628	8.97
2) Application Fees	10,000	10,000	0.0
3) Interest	2,340	4,076	0.0
Total	\$395,441	\$423,295	7.04

⁷ The amount of reserves - \$8,706 – included in the proposed budget as offsetting revenues represents a slight decrease from the \$8,623 included in the draft approved in April. The decrease is the result of recalculating current year-end expenses paired with maintaining a balance equal to three months of operating expenses.

⁸ LAFCO’s budgeted allocation of reserves as offsetting revenues over the last two years totaled \$42,459 in 2010-11 and \$32,828 in 2011-12. The amount of reserves calculated for use in 2012-13 represents one-fourth of the total difference in agency contributions between the two affected fiscal years if no reserve were utilized.

C. Analysis

The proposed budget for 2012-2013 accomplishes the Committee's two core objectives to (a) provide sufficient resources to maintain current service levels while (b) minimizing impacts on the funding agencies by limiting overall cost-increases. In particular, the proposed budget preserves present staffing levels the Committee believes are merited given the agency's prescribed duties along with budgeting a one-time special expense to begin live-streaming Commission meetings on the web. The proposed budget also incorporates the earlier and related approval of an office relocation to 1030 Seminary Street; a move providing the Commission with sufficient administrative space over the next five years at a fixed annual price while achieving a minimum net savings of \$10,000, which will be directly passed on to the funding agencies.⁹

Irrespective of the preceding comments, the Committee recognizes the proposed budgeted increases agency contributions by nearly seven percent over the current fiscal year from \$383,101 to \$409,219; an amount exceeding the current inflation rate for the San Francisco Bay Area region by over two-fold.¹⁰ The Committee, nevertheless, believes this increase is reasonable and justified as the Commission continues to adjust back to normal after an extended analyst vacancy artificially reduced the annual apportionments to a low of \$272,032 in 2007-2008. Specifically, since filling the analyst position on a permanent basis three years ago, the Commission has gradually increased its agency allocations back to normal over the this period by utilizing decreasing amounts of reserves as a means to limit the annual increase given the recession; the alternative option would have been to immediately adjust agency funding requirements back to normal in one year's period. The Committee believes this process of utilizing reserves as an offsetting measure should continue for the next fiscal year, albeit at a reduced level from \$32,828 to \$8,706 given the Commission is approaching its minimum three month operating level.

D. Recommendation

Adopt the proposed budget for 2012-2013 as submitted by the Committee with any desired changes. Direct the Executive Officer to circulate the adopted proposed budget for review among the six funding agencies in anticipation of the Commission considering a final budget adoption at its June 4, 2012 meeting.

⁹ The estimated \$10,000 in savings over the next five years associated with the office relocation involves a \$3,720 reduction in annual rent less \$1,500 in new budgeted office expenses tied to utility costs at 1030 Seminary Street. Moving costs are expected to be funded entirely out of the current fiscal year through cost-savings associated with limiting travel and training activities.

¹⁰ The current 12-month consumer price index for the San Francisco Bay Area region is 2.9 percent according to the United States Bureau of Labor Statistics as of January 2012.

E. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative One (Recommendation):

- (a) Adopt the attached resolution provided as Attachment One approving the proposed budget within any desired changes.
- (b) Direct the Executive Officer to circulate the adopted proposed budget to funding agencies for a 30 day review.
- (c) Direct the Executive Officer to schedule a public hearing for June 4, 2012 to consider adopting a final budget.

Alternative Two:

- (a) Continue consideration of the item to a special meeting scheduled no later than May 1st as required under LAFCO law relative to the Commission adopting a proposed budget.

F. Procedures for Consideration

This item has been agendized as part of a noticed public hearing. The following procedures are recommended with respect to Commission's consideration of this item:

- 1) Receive verbal report from the Committee;
- 2) Open the public hearing (mandatory); and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted on behalf of the Committee

Keene Simonds
Executive Officer

Attachments:
1) Draft Resolution Adopting a Proposed Budget for FY 2012-13
2) Calculation of Agency Contributions for FY 2012-13

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A PROPOSED BUDGET FOR THE 2012-2013 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 an approved draft proposed budget to the administrative and financial officers of each of the six local agencies that contribute to the Commission budget; and

WHEREAS, the Commission reviewed all substantive written and verbal 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 2, 2012; 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.
2. The proposed budget provides the Commission sufficient resources to fulfill its regulatory and planning responsibilities in accordance with Government Code Section 56381(a).

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on April 2, 2012 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 of Napa County

Subdivision of the State of California

ATTACHMENT TWO

FY2012-2013 OPERATING BUDGET

Proposed as of March 26, 2012

Expenses

		FY2009-10		FY2010-11		FY2011-12		FY2012-13			
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Estimate FY11-12	Proposed FY12-13	Difference	Difference	Notes
Salaries and Benefits											
<u>Account</u>	<u>Description</u>										
51100000	Regular Salaries	195,580.00	193,055.65	198,346.60	198,280.48	202,387.60	199,418.72	203,183.19	795.59	0.39%	1
51300500	Group Health Insurance	36,471.00	29,210.94	37,953.96	33,872.67	45,648.12	40,892.91	47,646.00	1,997.88	4.38%	2
51300100	Retirement: Pension (CalPers)	34,064.00	33,015.37	34,991.95	34,924.41	36,701.99	36,163.80	37,736.30	1,034.31	2.82%	3
51200500	Commissioner Per Diems	9,600.00	5,100.00	9,600.00	4,900.00	9,600.00	5,600.00	6,400.00	(3,200.00)	-33.33%	4
51300120	Retirement: Non-Pension (OPEB)	8,706.00	8,706.00	9,138.00	9,138.00	9,341.00	9,341.00	12,139.00	2,798.00	29.95%	5
51300300	Medicare	2,836.00	2,657.51	2,876.49	2,738.20	2,934.62	2,751.49	2,946.16	11.54	0.39%	
51301800	Cell Phone Allowance	840.00	843.50	840.00	843.50	840.00	840.00	840.00	-	-	
51301200	Workers Compensation	168.00	168.00	226.00	226.00	327.00	327.00	396.00	69.00	21.10%	
51200100	Extra Help	-	-	-	-	-	-	-	-	-	
51200200	Overtime	-	-	-	-	-	-	-	-	-	
		288,265.00	272,756.97	293,973.00	284,923.26	307,780.33	295,334.92	311,286.64	3,506.31	1.14%	
Services and Supplies											
<u>Account</u>	<u>Description</u>										
52240500	Property Lease	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	25,560.00	(3,720.00)	-12.70%	6
52180500	Legal Services	24,990.00	17,938.31	26,010.00	17,659.74	22,540.00	18,000.00	22,540.00	-	-	7
52180200	Information Technology Services	22,438.00	19,182.50	18,438.91	17,625.42	24,630.83	23,630.83	25,036.13	405.30	1.65%	8
52170000	Office Expenses	15,000.00	9,697.20	15,000.00	9,628.08	12,000.00	15,500.00	13,500.00	1,500.00	12.50%	9
52180510	Audit and Accounting Services	7,883.00	7,819.33	8,277.15	7,301.48	8,691.01	8,191.01	9,125.56	434.55	5.00%	10
52250800	Training	4,000.00	5,475.00	4,000.00	3,969.00	4,000.00	5,500.00	4,000.00	-	-	
52250000	Transportation and Travel	3,500.00	4,510.88	3,500.00	5,171.79	4,000.00	1,000.00	4,000.00	-	-	
52070000	Communications	3,500.00	1,205.16	3,500.00	1,640.02	4,470.00	4,970.00	3,770.00	(700.00)	-15.66%	
52150000	Memberships	2,275.00	2,200.00	2,275.00	2,200.00	2,275.00	2,200.00	2,248.40	(26.60)	-1.17%	
52190000	Publications and Notices	1,500.00	1,112.17	1,500.00	1,433.43	1,500.00	1,960.00	1,500.00	-	-	
52235000	Special Departmental Purchases	1,000.00	1,095.25	1,000.00	2,482.00	1,000.00	606.00	3,500.00	2,500.00	250.00%	11
52251200	Private Mileage	1,000.00	533.60	1,000.00	1,297.66	1,000.00	1,000.00	1,000.00	-	-	
52243900	Filing Fees	850.00	250.00	850.00	450.00	850.00	250.00	850.00	-	-	
52250700	Meals Reimbursement - Taxable	500.00	588.92	500.00	171.97	-	-	-	-	-	
52100300	Insurance: Liability	347.00	347.00	444.00	444.00	321.00	321.00	153.00	(168.00)	-52.34%	
53980200	Capital Replacement/Depreciation*	-	3,931.30	3,931.40	3,931.40	3,931.40	3,931.40	3,931.40	-	-	
		118,063.00	105,166.62	119,506.46	104,685.99	120,489.23	116,340.23	120,714.48	225.25	0.19%	
Contingencies and Reserves											
<u>Account</u>	<u>Description</u>										
54000900	Operating Reserve	40,632.80	-	-	-	-	-	-	-	-	
54001000	Consultant Contingency	50,000.00	-	-	-	-	-	-	-	-	
		90,632.80	-	-	-	-	-	-	-	-	
EXPENSE TOTALS		496,960.80	377,923.59	413,479.46	389,609.25	428,269.56	411,675.15	432,001.12	3,731.56	0.87%	

Revenues

		FY2009-10		FY2010-11		FY2011-12		FY2012-13			
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Estimate FY11-12	Draft FY12-13			
Intergovernmental Contributions											
<u>Account</u>	<u>Description</u>								<i>Difference</i>	<i>Difference</i>	<i>Notes</i>
45080600	County of Napa	-	153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,609.55	13,059.05	6.82%	
45082200	City of Napa	-	105,428.75	119,646.81	119,647.00	126,330.38	126,330.38	136,464.94	10,134.55	8.02%	
45082400	City of American Canyon	-	22,010.54	27,468.37	27,468.00	32,912.04	32,912.04	33,291.74	379.70	1.15%	
45082300	City of St. Helena	-	11,135.35	12,656.54	12,657.00	12,997.37	12,997.37	14,140.39	1,143.02	8.79%	
45082100	City of Calistoga	-	8,742.73	10,642.45	10,642.00	11,393.34	11,393.34	12,084.90	691.56	6.07%	
45082500	Town of Yountville	-	6,648.33	7,595.60	7,596.00	7,917.37	7,917.37	8,627.58	710.21	8.97%	
		-	307,931.40	356,019.55	356,020.00	383,101.00	383,101.00	409,219.09	26,118.09	6.82%	
Service Charges											
<u>Account</u>	<u>Description</u>										
46003400	Standard Applications Fees	-	18,437.00	10,000.00	24,293.00	10,000.00	8,562.00	10,000.00	-	-	
46003300	Special Application Fees	-	625.00	-	3,187.00	-	175.00	-	-	-	
48040000	Miscellaneous	-	156.30	-	-	-	-	-	-	-	
		-	19,218.30	10,000.00	27,480.00	10,000.00	8,737.00	10,000.00	-	-	
Investments											
<u>Account</u>	<u>Description</u>										
44000300	Interest	-	3,791.48	5,000.00	2,570.00	2,340.00	4,078.20	4,076.00	1,736.00	42.57%	
		-	3,791.48	5,000.00	2,570.00	2,340.00	4,078.20	4,076.00	1,736.00	42.57%	
	REVENUE TOTALS	-	330,941.18	371,019.55	386,070.00	395,441.00	395,916.20	423,295.09	27,854.09	7.04%	

OPERATING DIFFERENCE - (43,051) (42,459.91) (3,539) (32,828.56) (15,758.95) (8,706.03)

MINIMUM THREE MONTH RESERVE GOAL 124,240.20 102,387.02 106,084.54 107,017.43
(budgeted expenses less capital depreciation)

UNRESERVED/UNRESTRICTED FUND BALANCE

Beginning:	186,574.00	134,344.00	131,692.00	115,933.05
Ending:	134,344.00	131,692.00	115,933.05	107,227.01

NOTES TO OPERATING BUDGET

- Account budgets two full-time (Executive Officer and Analyst) and one part-time employee (Secretary). Increase provides merit increase for the Analyst position along with a 1.5% cost-of-living adjustment for all employees
- Account funds health, dental, and basic life insurance for all three employees. The increase is principally attributed to a rise in Kaiser Permanente premiums for all County employees.
- Account funds the Commission's contribution share for employee pension benefits with CalPers. The increase reflects a matching percentage rise in employee-paid benefits in 2012-13.
- Account funds \$100 per diem payments for Commission attendance at each regular, special, or committee meeting. Decrease contemplates a total of seven regular/special meetings along with four committee meetings.
- Account funds the Commission's apportionment for other non pension post employment benefits, such as health coverage. These costs are increasing by 23% for all County employees in 2012-13.
- Account funds the Commission's rental costs for office space. Decrease is tied to a pending office relocation to 1030 Seminary Street, Suite B.
- It is expected the Commission's need for County Counsel services in 2012-13 will remain the same at approximately 140 total hours. An expected 5% increase in the current \$154 hourly rate was budgeted last year, but did not occur. Staff anticipates - for budgeting purposes - a 5% increase will occur in 2012-13.
- Account funds the Commission's technology services that include network (County), electronic document database (Incrementum), and website hosting (Planeteria). A small increase is budgeted to fund a new monthly service charge from Granicus to begin live-streaming all Commission meetings.
- Account funds nominal/routine office expenses for the Commission; the largest single cost involving a lease with Xerox for copying/printing. An increase is budgeted to cover new utility costs at 1030 Seminary Street, Suite B.
- Account covers auditing/accounting services provided by the County of Napa as well as funding an independent annual audit. A 5.0% increase in the Auditor's hourly staff rate is budgeted.



Local Agency Formation Commission of Napa County

Subdivision of the State of California

2012-2013 Agency Contributions Calculation

Step 1		Total Agency Contributions		FY12-13	Difference	Difference		
		FY11-12	FY-12-13	Adjusted	Dollar	Percentage		
Total		383,101.00	432,001.12	409,219.09	\$ 26,118.09	6.8%		
Step 2		Allocation Between County and Cities		Difference	Difference			
		FY11-12	FY12-13	Dollar	Percentage			
50% to the County of Napa		\$ 191,550.50	\$ 204,609.55	\$ 13,059.05	6.8%			
50% to the 5 Cities		\$ 191,550.50	\$ 204,609.55	\$ 13,059.05	6.8%			
Step 3a		Cities' Share Based on Total General Tax Revenues (FY2009-10)						
General Tax Revenues		American Canyon	Calistoga	Napa	St. Helena	Yountville	All Cities	
Secured & Unsecured Property Tax		5,920,329.00	1,210,979.00	15,687,842.00	2,779,340.00	583,887.00	26,182,377.00	
Voter Approved Indebtedness Property Tax		-	-	-	-	-	-	
Other Property Tax		1,100,159.00	443,614.00	6,179,234.00	485,208.00	356,851.00	8,565,066.00	
Sales and Use Taxes		1,434,084.00	499,545.00	8,393,151.00	1,631,540.00	477,717.00	12,436,037.00	
Transportation Tax		-	-	-	-	-	-	
Transient Lodging Tax		557,365.00	3,042,315.00	8,256,152.00	1,193,860.00	3,068,999.00	16,118,691.00	
Franchises		547,297.00	156,811.00	1,610,107.00	153,392.00	70,840.00	2,538,447.00	
Business License Taxes		151,538.00	123,799.00	2,508,457.00	147,517.00	7,440.00	2,938,751.00	
Real Property Transfer Taxes		79,443.00	12,147.00	206,326.00	3,779.00	4,446.00	306,141.00	
Utility Users Tax		-	-	-	-	-	-	
Other Non-Property Taxes		493,590.00	171,363.00	2,516,680.00	446,419.00	165,870.00	3,793,922.00	
Total		\$ 10,283,805	\$ 5,660,573	\$ 45,357,949	\$ 6,841,055	\$ 4,736,050	\$ 72,879,432	
Percentage of Total Taxes to all Cities		14.1%	7.8%	62.2%	9.4%	6.5%	100%	
Step 3b		American Canyon	Calistoga	Napa	St. Helena	Yountville	All Cities	
Cities' Share Based on Total Population**								
Population		19,693	5,188	77,464	5,849	2,997	111,191	
Population Percentage		17.71%	4.67%	69.67%	5.26%	2.70%	100%	
Step 4		American Canyon	Calistoga	Napa	St. Helena	Yountville	All Cities	
Cities Allocation Formula								
Cities' Share Based on Total General Taxes		14.1%	7.8%	62.2%	9.4%	6.5%	100%	
Portion of LAFCO Budget		11,548.74	6,356.84	50,937.11	7,682.53	5,318.60	40%	
Cities' Share Based on Total Population		17.71%	4.67%	69.67%	5.26%	2.70%	100%	
Portion of LAFCO Budget		21,743.00	5,728.06	85,527.82	6,457.87	3,308.98	60%	
Total Agency Allocation		\$ 33,291.74	\$ 12,084.90	\$ 136,464.94	\$ 14,140.39	\$ 8,627.58	\$ 204,609.55	
Allocation Share		16.2709%	5.9063%	66.6953%	6.9109%	4.2166%	100%	
Step 5		County of Napa	American Canyon	Calistoga	Napa	St. Helena	Yountville	All Agencies
FY12-13 Invoices		\$ 204,609.55	\$ 33,291.74	\$ 12,084.90	\$ 136,464.94	\$ 14,140.39	\$ 8,627.58	\$ 409,219.09
Difference From FY11-12:		\$ 13,059.05	\$ 379.70	\$ 691.56	\$ 10,134.56	\$ 1,143.02	\$ 710.21	\$ 26,118.09