



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

April 7, 2014

Agenda Item No. 6d (Public Hearing)

March 31, 2014

TO: Local Agency Formation Commission

FROM: Budget Committee

SUBJECT: Approval of Proposed Budget for Fiscal Year 2014-2015

The Commission will consider adopting a proposed budget for 2014-2015 similar to the draft approved in February and subsequently circulated for review among local funding agencies. Proposed operating expenses total \$456,560 and represent a 3.4% decrease over the adjusted budget amount for the current fiscal year. Proposed operating revenues total \$444,205 with the majority coming from local funding agencies; the latter of which would increase by 2.9% over the adjusted budget amount for the current fiscal year. The anticipated shortfall – (\$12,355) – would 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 regulatory and planning duties.

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 earnings.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

Budgeting Policies

It is the policy of the Commission to utilize a Budget Committee (“Committee”) to inform the agency’s decision-making process in adopting an annual operating budget. The Commission establishes a Committee for each fiscal year to include two appointed Commissioners and the Executive Officer. The Committee’s core responsibilities are divided between three distinct and sequential phases as summarized below.

- The Committee’s initial responsibility is to present a draft proposed budget for Commission approval in February before it is circulated for comment to each funding agency for no less than 21 days. The draft proposed budget, notably, is the opportunity for the Committee to identify and propose recommendations on changes in baseline expenditures for Commission feedback. It also provides the funding agencies an early opportunity to review and comment on the Commission’s anticipated budget needs relative to their own budgeting processes.
- The Committee’s second formal action is to incorporate the comments received from the funding agencies during the initial review along with any updated cost/revenue projections into a proposed budget for Commission adoption in April. The adopted proposed budget is subsequently circulated to the funding agencies for review and comment for another 21 day period. The adopted proposed budget is also posted for public review and comment on the Commission’s website.
- The Committee’s third and final formal action is to incorporate the comments received from the funding agencies and general public on the proposed budget into a final budget for Commission adoption in June. Significantly, and in terms of intent, any changes incorporated into the final budget in June are generally limited to relatively minor updates or to address new information on budgetary needs that was not previously known or addressed by the Committee.

Two specific policy determinations underlie the Committee’s work and related recommendations to the Commission. First, it is the policy of the Commission to ensure the agency is appropriately funded to effectively and proactively meet its prescribed duties while controlling operating expenses whenever possible to limit the financial impact on the funding agencies. Markedly, and by practice, this means utilizing reserves when appropriate to offset increases in agency contributions. Second, it is the policy of the Commission to retain sufficient reserves to equal no less than three months of budgeted operating expenses in the affected fiscal year less any capital depreciation.

Draft Proposed Budget for 2014-2015

The 2014-2015 Committee conducted a public meeting on January 23, 2014 to review and develop draft recommendations on the Commission's operating expenses and revenues for the upcoming fiscal year.¹ Four specific budget factors permeated the Committee's review. 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 adjustments – increases or decreases – in baseline agency costs are appropriate to accommodate changes in need or demand. Third, upon a preliminary setting of operating expenses, the Committee considered the need for any changes in agency contributions and whether agency reserves should be utilized to lower contribution requirements. Fourth, the Committee compared the preliminary setting of operating expenses and revenues to previous fiscal years and the current consumer price index for the region.

The Committee incorporated the four described budget factors – existing baseline costs, warranted changes in baseline costs, revenue needs, and relationship to the price index – in presenting a draft proposed budget at the Commission's February 3, 2014 meeting. The draft represented a "status-quo" in terms of generally maintaining existing service levels and highlighted by preserving current staff at 2.5 fulltime equivalent employees. The draft contemplated a decrease in operating expenses to \$456,560. The draft also contemplated an increase in operating revenues to \$442,720 with the remaining shortfall – (\$13,840) – to be covered by drawing down on agency reserves.

The Commission approved the draft proposed budget as submitted at the February 3rd meeting and directed the Committee to seek comments from the funding agencies in anticipation of considering formal adoption – with or without changes – in April. Notice of the draft approval was electronically circulated to all six funding agencies the following week inviting comments through March 7th. No comments were received.

B. Discussion

The Committee returns with a proposed budget in line-item form for consideration by the Commission as part of a noticed public hearing. The proposed budget worksheet reflects a budget amendment for the current fiscal year that was approved at the Commission's February 3rd meeting to increase current fiscal year operating expenses by \$13,500 for purposes of extending the interim Executive Officer's consulting services contract to allow the Commission additional time to recruit and appoint its new Executive Officer. The proposed budget worksheet also updates operating revenues to correct a previous error in calculating agency contributions. A detailed summary of proposed operating expenses and revenues follows with the corresponding general ledger showing all affected accounts provided as an exhibit to the attached draft resolution of approval.

¹ The Commission appointed Commissioners Pitts and Bennett to the 2014-2015 Budget Committee at its December 2, 2013 meeting.

Operating Expenses

The Committee proposes a decrease in operating expenses from \$472,799 to \$456,560; a difference of \$16,239 or (3.4%) over the adjusted budget amount for the current fiscal year. **The proposed amount includes an additional \$35 in operating expenses post the February draft to account for an adjusted increase in the Commission’s membership cost for the California Association of LAFCOs (“CALAFCO”).** No other changes from the February draft have been made.

Nearly all of the decrease lies within the services/supplies unit with the majority associated with the Commission transitioning from a consulting services agreement for interim Executive Officer services to a full-time Executive Officer with standard salary and benefits. The proposed budget incorporates a limited number of changes to reflect current fiscal year expense trends with the changes summarized below.

- The Committee proposes increasing the salaries and wages account from \$155,519 to \$212,625. The proposed change represents a \$57,106 or 36.7% increase and accounts for hiring a full-time Executive Officer. The Committee proposes a corresponding decrease of \$61,500 in the consulting services account that is budgeted for the interim Executive Officer during the current fiscal year.
- The Committee proposes decreasing the employee insurance premiums account from \$51,203 to \$44,796. The proposed change represents a \$6,407 or 12.5% decrease and reconciles the previous practice of counting the part-time Commission Secretary as a full-time employee for purposes of budgeting benefits.
- The Committee proposes increasing the legal service account from \$22,540 to \$32,000. The proposed change represents a \$9,460 or 42% increase and reflects a current trend in which Commission Counsel is utilized on an expanded basis to aid in the establishment of and transition to the new Executive Officer.
- The Committee proposes decreasing the special departmental expense account from \$21,500 to \$4,000. The proposed change represents a \$17,500 or 81.4% decrease and eliminates a budgeted expense associated with the County Human Resource Department’s efforts to recruit the new Executive Officer.

The following table summarizes operating expenses in the proposed budget.

| Expense Unit | Adjusted FY13-14 | Proposed FY14-15 | Change % |
|----------------------|---------------------|---------------------|----------|
| 1) Salaries/Benefits | 272,735 | 323,875 | 18.8 |
| 2) Services/Supplies | 200,064 | 132,685 | (33.7) |
| 3) Contingencies | 0 | 0 | 0.0 |
| | \$472,799 | \$456,560 | (3.4) |

Operating Revenues

The Committee proposes operating revenues increase from \$432,850 to \$444,205; a difference of \$11,355 or 2.6% over the current fiscal year. **The proposed amount includes \$1,520 in operating revenues post the February draft to account for the correction in calculating agency contributions as well as the \$35 increase in CALAFCO membership expenses as described in the preceding section.** No other changes from the February draft have been made.

The Committee proposes nearly the entire amount of new operating revenues to be collected – \$431,705 – would be drawn from agency contributions and would exceed the current fiscal year total by \$12,355 or 2.9%. Service charges and interest earnings on the fund balance invested by the County Treasurer represent the remaining portion of operating revenues in the proposed budget. No changes in service charges are proposed. A \$1,000 decrease in interest earnings is budgeted based on current fiscal year collections.

The following table summarizes operating revenues in the proposed budget.

| Revenue Unit | Adjusted FY13-14 | Proposed FY14-15* | Change \$ | Change % |
|-----------------------------|------------------|-------------------|-----------------|------------|
| 1) Agency Contributions | 419,350 | 431,705 | 12,355 | 2.9 |
| (a) County of Napa | 209,675 | 215,853 | 6,177 | 2.9 |
| (b) City of Napa | 140,020 | 144,164 | 4,144 | 3.0 |
| (c) City of American Canyon | 33,757 | 34,795 | 1,038 | 3.1 |
| (d) City of St. Helena | 13,957 | 14,338 | 382 | 2.7 |
| (e) City of Calistoga | 12,389 | 12,742 | 353 | 2.9 |
| (f) Town of Yountville | 9,552 | 9,812 | 260 | 2.7 |
| 2) Service Charges | 10,500 | 10,500 | 0 | 0.0 |
| 3) Interest Earnings | 3,000 | 2,000 | 1,000 | (33.3) |
| Total | \$432,850 | \$444,205 | \$11,355 | 2.6 |

* Proposed agency contributions for 2014-15 reflect general tax revenues for 2010-11 as provided by the State Controller's Office's (SCO) Cities Annual Report as well as population estimates for January 1, 2013 as provided by the State Department of Finance's (DOF) Population Estimates. Agency contributions will be updated in the final budget to reflect general tax revenues from SCO's 2011-2012 Cities Annual Report and new population estimates as of January 1, 2014 from DOF's 2014 Population Estimates once these reports have been published.

C. Analysis

The proposed budget for 2014-2015 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 contribution increases. In particular, the proposed budget preserves present staff and service levels the Committee believes are merited given the agency's prescribed and expanding duties. The proposed budget also provides additional monies to retain an outside consultant to facilitate the next biannual workshop as well as provide per diems for members to represent the Commission at outside events and meetings, such as the CALAFCO annual conferences. Finally, despite allocating \$12,355 as offsetting revenues, the proposed budget positions the Commission to finish the fiscal year with an available fund balance of \$152,362; an amount more than sufficient to meet the Commission's policy to retain reserves equal to no less than three months of operating expenses.

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

(a) Adopt the proposed budget for 2014-2015 as provided in Attachment One with any desired changes. (b) Direct the Committee to circulate the adopted proposed budget to funding agencies as well as make available to the general public for review and comment. (c) Direct the Committee to return with recommendations for a final budget for adoption at a noticed public hearing on June 2, 2014.

Alternative Action Two:

Continue the item to a special meeting scheduled no later than May 1, 2014 and provide direction to staff with respect to providing additional information as needed.

E. Recommendation

It is recommended the Commission take all three of the actions provided in Alternative One as outlined in the preceding section.

F. Procedures for Consideration

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

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

Respectfully submitted on behalf of the Committee,

Brendon Freeman
Analyst

Attachments:

- 1) Draft Resolution of Approval (Proposed Budget Provided as Exhibit "A")
- 2) Local Agency Contributions Worksheet

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A PROPOSED BUDGET FOR THE 2014-2015 FISCAL YEAR**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) 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, the Commission appoints and utilizes a Budget Committee to help inform and make decisions regarding the agency’s funding requirements; and

WHEREAS, at the direction of the Commission, the Budget Committee 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 Budget Committee prepared a report concerning the proposed budget, including recommendations thereon; and

WHEREAS, the Budget Committee’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 7, 2014; 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 7, 2014 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Laura Snideman
Executive Officer

RECORDED: Kathy Mabry
Commission Secretary



Local Agency Formation Commission of Napa County

Subdivision of the State of California

EXHIBIT A

FY2014-2015 OPERATING BUDGET / PROPOSED

Prepared on March 25, 2014

| Expenses | | FY2011-12 | | FY2012-13 | | FY2013-14 | | FY2014-15 | <i>Difference</i> | |
|-----------------------------------|-------------------------------------|--------------------|-------------------|--------------------|-------------------|----------------------|---------------------|---------------------|--------------------|---------------|
| | | Adopted FY11-12 | Actual FY11-12 | Adopted FY12-13 | Actual FY12-13 | Adjusted* FY13-14 | Estimate FY13-14 | Proposed FY14-15 | | |
| Salaries and Benefits | | | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | | |
| 51100 | Salaries and Wages | 202,387.60 | 203,108.73 | 203,183.19 | 212,429.87 | 155,519.15 | 150,400.00 | 212,624.80 | 57,105.65 | 36.7% |
| 51105 | Extended Hours | - | - | - | - | - | 95.00 | - | - | - |
| 51400 | Employee Insurance: Premiums | 45,648.12 | 37,643.35 | 47,646.00 | 39,635.35 | 51,202.80 | 35,600.00 | 44,796.00 | (6,406.80) | -12.5% |
| 51600 | Retirement | 36,701.99 | 36,871.55 | 37,736.30 | 37,730.04 | 39,595.42 | 24,850.00 | 39,853.01 | 257.59 | 0.7% |
| 51605 | Other Post Employment Benefits | 9,341.00 | 9,341.00 | 12,139.00 | 12,139.00 | 12,166.00 | 12,166.00 | 12,321.00 | 155.00 | 1.3% |
| 51210 | Commissioner/Director Pay | 9,600.00 | 5,700.00 | 6,400.00 | 6,000.00 | 10,000.00 | 12,000.00 | 10,000.00 | - | 0.0% |
| 51300 | Medicare | 2,934.62 | 2,790.20 | 2,946.16 | 2,896.38 | 3,012.22 | 2,500.00 | 3,012.22 | (0.00) | 0.0% |
| 51305 | FICA | - | - | - | - | - | 93.00 | - | - | - |
| 51205 | Cell Phone Allowance | 840.00 | 843.50 | 840.00 | 840.00 | 840.00 | 140.00 | 840.00 | - | 0.0% |
| 51405 | Workers Compensation | 327.00 | 327.00 | 396.00 | 396.00 | 400.00 | 427.00 | 428.00 | 28.00 | 7.0% |
| 51110 | Extra Help | - | - | - | - | - | - | - | - | - |
| 51115 | Overtime | - | - | - | - | - | - | - | - | - |
| | | 307,780.33 | 296,625.33 | 311,286.65 | 312,066.64 | 272,735.59 | 238,271.00 | 323,875.02 | 51,139.43 | 18.8% |
| Services and Supplies | | | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | | |
| 52605 | Rents and Leases: Building/Land | 29,280.00 | 29,280.00 | 25,560.00 | 25,560.00 | 25,560.00 | 25,560.00 | 25,560.00 | - | 0.0% |
| 52140 | Legal Services | 22,540.00 | 17,593.30 | 22,540.00 | 10,673.44 | 22,540.00 | 26,000.00 | 32,000.00 | 9,460.00 | 42.0% |
| 52310 | Consulting Services | - | - | - | - | 61,500.00 | 61,500.00 | - | (61,500.00) | -100.0% |
| 52130 | Information Technology Services | 24,630.83 | 23,385.87 | 22,009.00 | 22,149.36 | 22,374.00 | 22,374.00 | 24,000.00 | 1,626.00 | 7.3% |
| 52125 | Accounting/Auditing Services | 8,691.01 | 7,340.78 | 9,125.56 | 8,051.60 | 9,125.56 | 8,200.00 | 10,000.00 | 874.44 | 9.6% |
| 52600 | Rents and Leases: Equipment | - | - | 6,500.00 | 5,739.88 | 6,000.00 | 6,200.00 | 6,000.00 | - | 0.0% |
| 53100 | Office Supplies | 12,000.00 | 14,508.46 | 5,500.00 | 2,375.00 | 5,000.00 | 2,700.00 | 4,000.00 | (1,000.00) | -20.0% |
| 52905 | Business Travel/Mileage | 5,000.00 | 2,253.35 | 5,000.00 | 6,528.78 | 5,000.00 | 4,000.00 | 2,000.00 | (3,000.00) | -60.0% |
| 52900 | Training/Conference | 4,000.00 | 5,141.00 | 4,000.00 | 6,925.77 | 4,000.00 | 7,000.00 | 8,000.00 | 4,000.00 | 100.0% |
| 53600 | Special Departmental Expense | 1,000.00 | 426.64 | 3,500.00 | 3,415.29 | 21,500.00 | 17,500.00 | 4,000.00 | (17,500.00) | -81.4% |
| 53415 | Computer Software/License | - | - | 3,487.13 | - | 3,487.73 | 3,487.00 | 3,500.00 | 12.27 | 0.4% |
| 52800 | Communications/Telephone | 4,470.00 | 2,329.81 | 2,970.00 | 2,486.89 | 2,950.00 | 2,500.00 | 2,950.00 | - | 0.0% |
| 53120 | Memberships/Certifications | 2,275.00 | 2,200.00 | 2,248.00 | 2,248.00 | 2,292.96 | 2,300.00 | 2,335.00 | 42.04 | 1.8% |
| 53205 | Utilities: Electric | - | - | 1,500.00 | 1,029.77 | 1,500.00 | 1,100.00 | 1,500.00 | - | 0.0% |
| 52830 | Publications and Notices | 1,500.00 | 2,255.64 | 1,500.00 | 1,169.59 | 1,500.00 | 1,750.00 | 1,500.00 | - | 0.0% |
| 52830 | Filing Fees | 850.00 | 237.50 | 850.00 | 350.00 | 850.00 | - | 500.00 | (350.00) | -41.2% |
| 53110 | Postage/Freight | - | - | 800.00 | 277.42 | 800.00 | 300.00 | 800.00 | - | 0.0% |
| 52700 | Insurance: Liability | 321.00 | 321.00 | 153.00 | 148.00 | 34.63 | 35.00 | 100.00 | 65.37 | 188.8% |
| 52705 | Insurance: Premiums | - | - | - | - | 118.00 | - | - | (118.00) | -100.0% |
| 52105 | Election Services | - | - | - | 150.00 | - | 150.00 | - | - | - |
| 53105 | Office Supplies: Furniture/Fixtures | - | - | - | 322.38 | - | - | - | - | - |
| 54600 | Capital Replacement/Depreciation | 3,931.40 | 3,931.40 | 3,931.40 | 3,931.40 | 3,931.00 | 3,931.00 | 3,940.00 | 9.00 | 0.2% |
| | | 120,489.24 | 111,204.75 | 121,174.09 | 103,532.57 | 200,063.88 | 196,587.00 | 132,685.00 | (67,378.88) | -33.7% |
| Contingencies and Reserves | | | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | | |
| 58100 | Appropriation for Contingencies | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - |
| | EXPENSE TOTALS | 428,269.57 | 407,830.08 | 432,460.74 | 415,599.21 | 472,799.47 | 434,858.00 | 456,560.02 | (16,239.45) | -3.4% |

* Adjusted Budget for 2013-14 reflects (1) decrease in salary and benefits tied to departure of prior Executive Officer, (2) consulting services for interim Executive Officer, and (3) County Human Resources' recruitment to hire a permanent Executive Officer.

Revenues

| | | FY2011-12 | | FY2012-13 | | FY2013-14 | | FY2014-15 | | |
|-----------------------------|--------------------------------|-------------|------------|------------|------------|-------------|------------|-------------------|-------------------|--------|
| | | Adopted | Actual | Adopted | Actual | Adjusted | Estimate | Proposed | <i>Difference</i> | |
| | | FY11-12 | FY11-12 | FY12-13 | FY12-13 | FY13-14 | FY13-14 | FY14-15 | | |
| Intergovernmental | | | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | | |
| 43910 | County of Napa | 191,550.50 | 191,550.50 | 204,787.17 | 204,787.17 | 209,675.02 | 209,675.02 | 215,852.51 | 6,177.49 | 2.9% |
| 43950 | Other Governmental Agencies | 191,550.50 | 191,550.50 | 204,787.17 | 204,787.17 | 209,675.01 | 209,675.01 | 215,852.51 | 6,177.50 | 2.9% |
| ---- | <i>City of Napa</i> | 126,330.38 | 126,330.38 | 136,583.40 | 136,583.40 | 140,020.50 | 140,020.50 | 144,164.46 | 4,143.96 | 3.0% |
| ---- | <i>City of American Canyon</i> | 32,912.04 | 32,912.04 | 33,320.64 | 33,320.64 | 33,757.20 | 33,757.20 | 34,795.50 | 1,038.30 | 3.1% |
| ---- | <i>City of St. Helena</i> | 12,997.37 | 12,997.37 | 14,152.67 | 14,152.67 | 13,956.84 | 13,956.84 | 14,338.47 | 381.63 | 2.7% |
| ---- | <i>City of Calistoga</i> | 11,393.34 | 11,393.34 | 12,095.39 | 12,095.39 | 12,388.75 | 12,388.75 | 12,742.16 | 353.41 | 2.9% |
| ---- | <i>Town of Yountville</i> | 7,917.37 | 7,917.37 | 8,635.00 | 8,635.00 | 9,551.72 | 9,551.72 | 9,811.92 | 260.20 | 2.7% |
| | | 383,101.00 | 383,101.00 | 409,574.34 | 409,574.34 | 419,350.03 | 419,350.03 | 431,705.02 | 12,354.99 | 2.9% |
| Service Charges | | | | | | | | | | |
| 42690 | Application/Permit Fees | 10,000.00 | 8,562.00 | 10,000.00 | 23,078.00 | 10,000.00 | 13,750.00 | 10,000.00 | - | |
| 46800 | Charges for Services | - | 475.00 | - | 500.00 | 500.00 | 250.00 | 500.00 | - | |
| 47900 | Miscellaneous | - | 50.00 | - | 180.70 | - | - | - | - | |
| | | 10,000.00 | 9,087.00 | 10,000.00 | 23,758.70 | 10,500.00 | 14,000.00 | 10,500.00 | - | 0.0% |
| Investments | | | | | | | | | | |
| 45100 | Interest | 2,340.00 | 2,472.66 | 4,076.00 | 1,985.03 | 3,000.00 | 1,800.00 | 2,000.00 | (1,000.00) | -33.3% |
| | | 2,340.00 | 2,472.66 | 4,076.00 | 1,985.03 | 3,000.00 | 1,800.00 | 2,000.00 | (1,000.00) | -33.3% |
| | REVENUE TOTALS | 395,441.00 | 394,660.66 | 423,650.34 | 435,318.07 | 432,850.03 | 435,150.03 | 444,205.02 | 11,354.99 | 2.6% |
| OPERATING DIFFERENCE | | (32,828.57) | (13,169) | (8,810.40) | 19,718.86 | (39,949.44) | 292.03 | (12,355.00) | | |

Negative Balance Indicates Use of Reserves

| | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
|---|-----------|-----------|-----------|-----------------|
| | Actual | Actual | Estimate | Proposed Budget |
| PERCENTAGE OF OPERATING EXPENSES | | | | |
| Salaries/Benefits | 72.7% | 75.1% | 54.8% | 70.9% |
| Services/Supplies | 27.3% | 24.9% | 45.2% | 29.1% |

| UNRESERVED/UNRESTRICTED FUND BALANCE | | | | |
|---|------------|------------|------------|------------|
| Beginning: | 157,875.26 | 144,706.26 | 164,425.12 | 164,717.15 |
| Ending: | 144,706.26 | 164,425.12 | 164,717.15 | 152,362.15 |

| MINIMUM THREE MONTH RESERVE GOAL | | | | |
|---|------------|------------|------------|------------|
| | 106,084.54 | 107,132.34 | 117,217.12 | 113,155.01 |



Local Agency Formation Commission of Napa County

Subdivision of the State of California

ATTACHMENT TWO

2014-2015 Agency Contributions Calculation

| Step 1 | | Total Agency Contributions | | FY14-15 | Difference | Difference | |
|--|------------------------|--|----------------------|---------------------|---------------------|----------------------|---------------------|
| | <u>FY13-14</u> | <u>FY14-15</u> | <u>Adjusted</u> | <u>Dollar</u> | <u>Percentage</u> | | |
| Total | 419,350.03 | 456,560.02 | 431,705.02 | \$ 12,354.99 | 2.9% | | |
| Step 2 | | Allocation Between County and Cities | | Difference | Difference | | |
| | <u>FY13-14</u> | <u>FY14-15</u> | <u>Dollar</u> | <u>Percentage</u> | | | |
| 50% to the County of Napa | \$ 209,675.02 | \$ 215,852.51 | \$ 6,177.50 | 2.9% | | | |
| 50% to the 5 Cities | \$ 209,675.02 | \$ 215,852.51 | \$ 6,177.50 | 2.9% | | | |
| Step 3a | | Cities' Share Based on Total General Tax Revenues (FY2010-2011*) | | | | | |
| <u>General Tax Revenues</u> | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Cities</u> | |
| Secured & Unsecured Property Tax | 6,049,610.00 | 1,282,769.00 | 14,327,620.00 | 2,648,790.00 | 557,680.00 | 24,866,469.00 | |
| Voter Approved Indebtedness Property Tax | - | - | - | - | - | - | |
| Other Property Tax | 1,284,257.00 | 402,800.00 | 9,327,213.00 | 483,887.00 | 359,888.00 | 11,858,045.00 | |
| Sales and Use Taxes | 1,492,056.00 | 583,927.00 | 8,596,583.00 | 1,500,441.00 | 556,754.00 | 12,729,761.00 | |
| Transportation Tax | - | - | - | - | - | - | |
| Transient Lodging Tax | 784,127.00 | 3,431,407.00 | 9,871,985.00 | 1,465,172.00 | 4,035,425.00 | 19,588,116.00 | |
| Franchises | 546,528.00 | 157,604.00 | 1,684,730.00 | 161,652.00 | 104,339.00 | 2,654,853.00 | |
| Business License Taxes | 140,049.00 | 139,896.00 | 2,572,293.00 | 150,397.00 | 7,060.00 | 3,009,695.00 | |
| Real Property Transfer Taxes | 57,286.00 | 18,013.00 | 314,459.00 | 29,372.00 | 10,444.00 | 429,574.00 | |
| Utility Users Tax | - | - | - | - | - | - | |
| Other Non-Property Taxes | 473,554.00 | 162,980.00 | 2,862,595.00 | 503,912.00 | 209,263.00 | 4,212,304.00 | |
| Total | \$ 10,827,467 | \$ 6,179,396 | \$ 49,557,478 | \$ 6,943,623 | \$ 5,840,853 | \$ 79,348,817 | |
| Percentage of Total Taxes to all Cities | 13.6% | 7.8% | 62.5% | 8.8% | 7.4% | 100% | |
| Step 3b | | Cities' Share Based on Total Population (1/1/13*) | | | | | |
| | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Cities</u> | |
| Population | 19,862 | 5,194 | 77,881 | 5,854 | 2,983 | 111,774 | |
| Population Percentage | 17.77% | 4.65% | 69.68% | 5.24% | 2.67% | 100% | |
| Step 4 | | Cities Allocation Formula | | | | | |
| | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Cities</u> | |
| Cities' Share Based on Total General Taxes | 13.6% | 7.8% | 62.5% | 8.8% | 7.4% | 100% | |
| Portion of LAFCO Budget | 11,781.58 | 6,723.92 | 53,924.46 | 7,555.49 | 6,355.55 | 40% | |
| Cities' Share Based on Total Population | 17.77% | 4.65% | 69.68% | 5.24% | 2.67% | 100% | |
| Portion of LAFCO Budget | 23,013.92 | 6,018.24 | 90,240.00 | 6,782.98 | 3,456.37 | 60% | |
| Total Agency Allocation | \$ 34,795.50 | \$ 12,742.16 | \$ 144,164.46 | \$ 14,338.47 | \$ 9,811.92 | \$ 215,852.51 | |
| Allocation Share | 16.1200% | 5.9032% | 66.7884% | 6.6427% | 4.5457% | 100% | |
| Step 5 | | FY14-15 Invoices | | | | | |
| | <u>County of Napa</u> | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Agencies</u> |
| | \$ 215,852.51 | \$ 34,795.50 | \$ 12,742.16 | \$ 144,164.46 | \$ 14,338.47 | \$ 9,811.92 | \$ 431,705.02 |
| <i>Difference From FY13-14:</i> | \$ 6,177.49 | \$ 1,038.30 | \$ 353.41 | \$ 4,143.96 | \$ 381.63 | \$ 260.20 | \$ 12,354.99 |
| | 2.95% | 3.08% | 2.85% | 2.96% | 2.73% | 2.72% | 2.95% |