



Local Agency Formation Commission
LAFCO of Napa County

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August 6, 2007
Agenda Item No. 5b

July 31, 2007

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

**SUBJECT: Fourth Quarter Budget Report for Fiscal Year 2006-2007
(Consent: Information)**

The Commission will receive a fourth quarter budget report for the 2006-2007 fiscal year. The budget report summarizes LAFCO's overall expenses through the end of the fiscal year and is being presented to the Commission to receive and file.

The fourth and final quarter of the Commission's 2006-2007 fiscal year ended on June 30, 2007. Overall expenses in the fiscal year totaled \$273,396, which represents 74% of the adopted operating budget (not including operating reserves or contingency funds). An overview of total expenses within LAFCO's three budget categories for the fiscal year follows.

Salaries and Benefits:

The Commission expended a total of \$197,446 on salaries and benefits during the fiscal year. These expenditures represent 73% of the total amount budgeted in the eight affected accounts. All accounts finished the fiscal year with zero balances or surpluses totaling \$71,243. This total surplus is primarily due to the extended vacancy of the analyst position, which was not filled until December 2006.

Services and Supplies:

The Commission expended \$75,950 on services and supplies during the fiscal year. These expenditures represent 75% of the total amount budgeted in the 13 affected accounts. Four accounts – professional services, property lease, publications, and legal – finished the fiscal year with shortfalls. A summary of expenditures in all four of these accounts follows.

- The professional services account covers the cost of the annual independent audit and services provided by the County Auditor-Controller's Office. Due to increased usage of the Auditor-Controller's Office, expenditures at the end of the fiscal year exceeded the budgeted amount by \$2,213, or 34%. Savings in other services and supplies accounts were used to cover this shortfall.

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Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
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Brad Wagenknecht, Vice-Chair
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Bill Dodd, Commissioner
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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

- The property lease account is encumbered in full at the beginning of the fiscal year by the County Auditor-Controller's Office to cover LAFCO's lease agreement for office space at 1700 Second Street in Napa. LAFCO experienced a shortfall in this account in the amount of \$693 (3%) as a result of an amended lease agreement that was approved by the Commission following the adoption of the final budget. (The amended lease agreement establishes a fixed monthly rent rate of \$2,250 through June 2009.) Savings in other services and supplies accounts were used to cover this shortfall.
- The publications account covers all legal notices and related expenses. Due to advertisement and noticing costs associated with the alternate public member position, expenditures at the end of the fiscal year exceeded the budgeted amount by \$728, or 73%. Savings in other services and supplies accounts were used to cover this shortfall.
- The legal expense account covers services provided by Counsel Jackie Gong. Expenditures at the end of the fiscal year exceeded the budgeted amount by \$1,944, or 10%. The majority of this shortfall was generated in the second half of the fiscal year as a result of Counsel Gong assisting the Executive Officer in reviewing issues relating to outside service provision in south Napa County. Savings in other services and supplies accounts were used to cover this shortfall.

Operating Reserve and Contingency Funds:

The Commission did not expend any of its budgeted operating reserve or contingency funds during the fiscal year.

Please note that LAFCO's end-of-year expenses for 2006-2007 does not include charges for information technology services (ITS) provided by the County. LAFCO negotiated and budgeted \$17,991 for ITS in 2006-2007, which was deposited in the Management Information Services account and covers computer maintenance and network administration. Due to an oversight, the County did not charge LAFCO for ITS prior to the close of the 2006-2007 fiscal year. Staff is currently working with ITS and the County Auditor's Office to determine the appropriate steps to make a payment to ITS for services provided in 2006-2007.

Attachments:

- 1) General Line-Item Budget: July 1, 2006 through June 30, 2007