



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

Agenda Item 5b (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*
Stephanie Pratt, Clerk/Jr. Analyst *SP*

MEETING DATE: August 5, 2024

SUBJECT: Draft Year-End Budget Report for Fiscal Year 2023-24

SUMMARY

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

The Commission will receive a draft year-end budget to actual report for the 2023-24 fiscal year, included as Attachment 1. All final numbers will be presented to the Commission at its December regular meeting as part of the annual audit report.

Following three mid-year budget adjustments, operating revenues and expenses were budgeted at \$709,436 and \$824,434, respectively. The intentional deficit totaling \$114,998 was primarily tied to drawing down reserves to finance a contract with AP Triton to prepare the Countywide Fire and Emergency Medical Services Municipal Service Review. The Commission budgeted \$100,000 for this project in fiscal year 2023-24. Only \$17,246 was paid during the year, resulting in a remaining balance totaling \$82,754.

The draft budget sheet, include as Attachment 1, shows actual revenues and expenses totaling \$741,963.88 and \$581,761.52, respectively. However, LAFCO staff salaries and benefits – which are combined under account 52100 (Administration Services) – for the fourth quarter haven't been charged to LAFCO by the County of Napa as of the date of this report. The fourth quarter charge will total \$164,392.03, resulting in year-end expenses totaling \$746,153.55.

A summary of recent and additional budget adjustments is provided on the next page.

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Commissioner
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner
Councilmember, City of American Canyon

Anne Cottrell, Chair
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner
County of Napa Supervisor, 1st District

Kenneth Leary, Vice Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Budget Adjustment No. 3 for Fiscal Year 2023-24

Consistent with local policy, the Executive Officer and the Chair approved a budget adjustment without requiring full Commission action. The budget adjustment, included as Attachment 2, resulted in an increase of \$1,000 to account 51210 (Director/Commissioner Pay) and a decrease of \$1,000 to account 52905 (Business Travel/Mileage).

This budget adjustment was needed due to a shortfall in the Salaries and Employee Benefits expense unit, which is specific to Commissioner per diem payments and associated Medicare and FICA expenses.¹ The shortfall was identified by staff only after the Commission's previous meeting held on June 3, 2024.

The oversight was due to deficiencies with staff's internal system for tracking and processing Commissioner per diems. Additionally, the Commission has two elected representatives on the CALAFCO Board of Directors, leading to numerous per diem requests throughout the year. These oversights occurred due to issues with staff's internal system for tracking and processing per diem requests. A new system has now been implemented. Additionally, staff set up year-end reminders to prevent similar budget emergencies from occurring in the future.

Additional Budget Adjustments Needed

It is important to note that actual year-end expenses within the Services and Supplies unit will exceed the budgeted amount for all accounts within this unit. A budget adjustment for fiscal year 2023-24 is needed that will increase the Services and Supplies unit by approximately \$6,000. Absent this budget adjustment, LAFCO will be unable to reimburse the County for the fourth quarter charges under account 52100 (Administration Services).

The Commission also needs to carry over the remaining \$82,754 balance that was specifically budgeted in fiscal year 2023-24 for the aforementioned AP Triton contract. This will require budget adjustments for fiscal years 2023-24 and 2024-25.

The additional budget adjustments are included on today's agenda as item 6b.

ATTACHMENTS

- 1) FY 2023-24 Draft Year-End Revenue & Expense Report
- 2) Budget Adjustment No. 3 for FY 23-24

¹ Notably, LAFCO staff salaries and benefits are all combined under expense account 52100 (Administration Services), which is part of the Services and Supplies expense unit. For budgeting purposes, the Salaries and Employee Benefits expense unit is separate from the Services and Supplies expense unit, meaning a shortfall in an individual expense *account* can only be covered by drawing from unspent funds that were budgeted for other accounts within the same *unit*.



Statement of Revenues and Expenses Budget vs. Actual

Fiscal Year: 2024 Through Period: 12

Fund: 8400 - Local Agency Formation Comm

Object	Budget			Encumbrances	Actuals	Available Budget	% of Budget
	Adopted	Adjustments	Revised				
License, Permits and Franchises							
42690 - Permits Other/Application Fees	22,950.00	-	22,950.00	-	40,170.00	(17,220.00)	175.03 %
Total License, Permits and Franchises	22,950.00	-	22,950.00	-	40,170.00	(17,220.00)	175.03 %
Intergovernmental Revenues							
43910 - County of Napa	339,738.00	-	339,738.00	-	339,738.00	-	100.00 %
43950 - Other - Governmental Agencies	339,738.00	-	339,738.00	-	339,738.00	-	100.00 %
Total Intergovernmental Revenues	679,476.00	-	679,476.00	-	679,476.00	-	100.00 %
Revenue from Use of Money and Property							
45100 - Interest	6,500.00	-	6,500.00	-	18,167.88	(11,667.88)	279.51 %
Total Revenue from Use of Money and Property	6,500.00	-	6,500.00	-	18,167.88	(11,667.88)	279.51 %
Charges for Services							
46800 - Charges for Services	510.00	-	510.00	-	4,150.00	(3,640.00)	813.73 %
Total Charges for Services	510.00	-	510.00	-	4,150.00	(3,640.00)	813.73 %
Salaries and Employee Benefits							
51210 - Director/Commissioner Pay	15,000.00	1,000.00	16,000.00	-	15,750.00	250.00	98.44 %
51300 - Medicare	250.00	-	250.00	-	228.37	21.63	91.35 %
51305 - FICA	600.00	500.00	1,100.00	-	967.20	132.80	87.93 %
Total Salaries and Employee Benefits	15,850.00	1,500.00	17,350.00	-	16,945.57	404.43	97.67 %

Fund: 8400 - Local Agency Formation Comm

Object	Budget			Encumbrances	Actuals	Available Budget	% of Budget
	Adopted	Adjustments	Revised				
Services and Supplies							
52100 - Administration Services	548,598.00	10,417.00	559,015.00	-	410,405.08	148,609.92	73.42 %
52125 - Accounting/Auditing Services	7,500.00	-	7,500.00	-	8,039.25	(539.25)	107.19 %
52130 - Information Technology Svcs	34,309.00	-	34,309.00	-	32,014.67	2,294.33	93.31 %
52131 - ITS Communication Charges	2,000.00	-	2,000.00	-	2,000.00	-	100.00 %
52140 - Legal Services	35,000.00	-	35,000.00	-	36,195.00	(1,195.00)	103.41 %
52310 - Consulting Services	105,000.00	-	105,000.00	-	20,661.55	84,338.45	19.68 %
52345 - Janitorial Services	300.00	-	300.00	-	-	300.00	0.00 %
52515 - Maint - Software	3,062.00	-	3,062.00	-	1,762.00	1,300.00	57.54 %
52600 - Rents/Leases - Equipment	3,500.00	-	3,500.00	-	2,994.36	505.64	85.55 %
52605 - Rents/Leases - Buildings/Land	26,775.00	-	26,775.00	-	26,775.00	-	100.00 %
52700 - Insurance - Liability	716.00	-	716.00	-	-	716.00	0.00 %
52800 - Communications/Telephone	3,000.00	2,000.00	5,000.00	-	4,397.34	602.66	87.95 %
52830 - Publications and Legal Notices	750.00	-	750.00	-	1,132.66	(382.66)	151.02 %
52835 - Filing Fees	150.00	-	150.00	-	100.00	50.00	66.67 %
52900 - Training/Conference Expenses	15,000.00	(2,500.00)	12,500.00	-	11,182.66	1,317.34	89.46 %
52905 - Business Travel/Mileage	3,000.00	(1,000.00)	2,000.00	-	200.73	1,799.27	10.04 %
53100 - Office Supplies	2,000.00	-	2,000.00	-	1,192.26	807.74	59.61 %
53110 - Freight/Postage	100.00	-	100.00	-	-	100.00	0.00 %
53115 - Books/Media/Subscriptions	119.00	-	119.00	-	-	119.00	0.00 %
53120 - Memberships/Certifications	3,332.00	-	3,332.00	-	3,332.00	-	100.00 %
53205 - Utilities - Electric	2,400.00	-	2,400.00	-	1,837.11	562.89	76.55 %
53410 - Computer Equipment/Accessories	-	571.00	571.00	-	-	571.00	0.00 %
53415 - Computer Software/Licnsng Fees	225.00	-	225.00	-	-	225.00	0.00 %
53650 - Business Related Meals/Supply	260.00	500.00	760.00	-	594.28	165.72	78.19 %
Total Services and Supplies	797,096.00	9,988.00	807,084.00	-	564,815.95	242,268.05	69.98 %

33100 - Beginning Available Fund Balance				392,300.60		
Total Revenues	709,436.00		709,436.00	<u>741,963.88</u>	(32,527.88)	104.59 %
Total Expenditures	812,946.00	<u>11,488.00</u>	824,434.00	<u>581,761.52</u>	242,672.48	70.56 %
Net Surplus / (Deficit)	(103,510.00)	(11,488.00)	(114,998.00)	160,202.36		
33100 - Fiscal Year 2024 Transactions				19,656.50		
33100 - Current Available Fund Balance				572,159.46		

BUDGET ADJUSTMENT REQUEST
Increase/Decrease Between Expenses

Fiscal Year: 2023-2024

Date: 06/28/24
 Department: LAFCO
 Prepared By: Stephanie Prati
 Phone: 707-259-8645

Board # (if Appl): _____
 Budget Journal ID: _____
 Journal Entry ID: _____
 Date Posted: _____

Fund	Sub-division	Program	Account Code	Account Description	Increase	Decrease
8400	8400000		51210	Commissioner Per Diems	1,000.00	
8400	8400000		52905	Business Travel/Mileage		1,000.00
Adjustment Totals					1,000.00	1,000.00

Justification: Need to increase account 51210 to pay for Commissioner per diems in order to close payroll. Will be offsent by decreasing 52905, which has unspent funds remaining.

Department Authorization	Chair Authorization	Auditor-Controller	Board of Supervisor's Action
Budget Adjustment and Related Journal Entry, if applicable, reviewed and approved. <u>July 8, 2024</u> Date <i>Brandon Freeman</i> Department Head	<input checked="" type="checkbox"/> Approve <u>July 2, 2024</u> Date <input type="checkbox"/> Disapprove <i>Anne Cottrell</i> LAFCO Chair	Budget Adjustment and Related Journal Entry, if applicable, approved as to Accounting Form. _____ Date Auditor-Controller	<input type="checkbox"/> Approve _____ Date <input type="checkbox"/> Disapprove _____ Date Agenda Item Clerk of the Board of Supervisors