



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 5g (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: June 6, 2022

SUBJECT: Third Quarter Budget Report for Fiscal Year 2021-22

BACKGROUND AND 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 third quarter budget report for fiscal year 2021-22 that compares budgeted versus actual transactions through March 31, 2022.

On June 7, 2021, the Commission adopted a final budget for fiscal year 2021-22.

On August 2, 2021, the Commission approved a budget adjustment to increase expenses related to staff salaries and benefits by \$15,825. This amount will be covered by drawing down the Commission's undesignated/unreserved fund balance ("reserves").

The Commission's adjusted budget totals \$569,966. This amount represents the total approved operating expenses divided between salaries and benefits, services and supplies, and contingencies. Budgeted revenues total \$540,270 and are divided between intergovernmental fees, service charges, and investments. An operating shortfall of \$29,696 is intentionally budgeted to reduce the burden on the Commission's funding agencies. The intentional shortfall is covered by drawing down reserves.

A third quarter budget sheet with year-end projections is included as Attachment One. Based on actual and anticipated expenses and revenues, staff projects the Commission will finish the fiscal year with a budget surplus of \$25,405 as summarized on the following page.

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice Chair
County of Napa Supervisor, 1st District

Diane Dillon, Commissioner
County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Operating Revenues

The Commission's operating revenues for 2021-22 are budgeted at \$540,270. Actual revenues collected through the third quarter totaled \$538,443. This amount represents 99.7% of the budgeted amount with 75% of the fiscal year complete.

Actuals through the third quarter and related analysis suggest the Commission will finish the fiscal year with \$544,739 in total revenues, resulting in a surplus of \$4,469 or 0.8% relative to the amount in the adjusted budget.

See Attachment One for additional information on actual revenues through the third quarter and projected year-end revenues.

Operating Expenses

The Commission's operating expenses for 2021-22 are budgeted at \$569,966. Actual expenses through the third quarter totaled \$409,906. This amount represents 71.9% of the budgeted total with 75% of the fiscal year complete.

Actuals through the third quarter and related analysis suggest the Commission will finish the fiscal year with \$519,334 in total expenses and produce a savings/surplus of \$50,632 or 8.9% relative to the amount in the adjusted budget. The savings/surplus is primarily due to a staff vacancy in the Commission Clerk position that will not be filled until next fiscal year.

See Attachment One for additional information on actual expenses through the third quarter and projected year-end expenses.

Reserves

Local policy directs the Commission to maintain reserves equal to a minimum of four months, or 33.3%, of budgeted operating expenses. The Commission's reserves totaled \$270,586 as of July 1, 2021, representing 47.4% of expenditures in the current budget. The Commission is projected to finish the fiscal year with a budget surplus of \$25,405, which would increase reserves to \$295,991, or 51.9%, of expenses in the current budget. These amounts are consistent with the aforementioned local policy directive.

ATTACHMENT

- 1) Third Quarter Budget Sheet for Fiscal Year 2021-22 with Year-End Projections

LAFCO FY 2021-22 Third Quarter Budget Report

Revenues and Expenses through 3/31/22 with Year-End Projections

Account	Category	Adopted Budget	Budget Adjustments	Adjusted Budget	Actual YTD	YTD Percent of Budget	Year-End Projection	Year-End Projection Percent of Budget
Revenues								
42690	Permits/Application Fees	20,000	-	20,000	23,400	117.0%	25,450	127.3%
43910	County of Napa	254,835	-	254,835	254,835	100.0%	254,835	100.0%
43950	Other-Governmental Agencies	254,835	-	254,835	254,835	100.0%	254,835	100.0%
45100	Interest	10,000	-	10,000	4,506	45.1%	5,700	57.0%
46800	Charges for Services	600	-	600	774	129.0%	1,074	179.0%
47900	Miscellaneous	-	-	-	93	0.0%	2,845	0.0%
Total Revenues		540,270	-	540,270	538,443	99.7%	544,739	100.8%
Expenses								
51210	Director/Commissioner Pay	12,500	-	12,500	9,600	76.8%	12,300	98.4%
51300	Medicare	250	-	250	152	60.8%	205	82.0%
51305	FICA	500	-	500	413	82.6%	525	105.0%
52100	Administration Services	424,076	15,825	439,901	331,796	75.4%	408,954	93.0%
52125	Accounting/Auditing Services	7,500	-	7,500	2,192	29.2%	6,847	91.3%
52130	Information Technology Service	24,489	-	24,489	18,204	74.3%	24,489	100.0%
52131	ITS Communication Charges	1,837	-	1,837	1,378	75.0%	1,837	100.0%
52140	Legal Services	25,000	-	25,000	14,537	58.1%	22,000	88.0%
52345	Janitorial Services	300	-	300	75	25.0%	150	50.0%
52515	Maintenance-Software	1,930	-	1,930	510	26.4%	1,930	100.0%
52600	Rents and Leases - Equipment	4,000	-	4,000	2,088	52.2%	2,784	69.6%
52605	Rents and Leases - Bldg/Land	31,322	-	31,322	21,784	69.5%	28,234	90.1%
52700	Insurance - Liability	578	-	578	-	0.0%	578	100.0%
52800	Communications/Telephone	2,000	-	2,000	1,225	61.3%	1,485	74.3%
52830	Publications & Legal Notices	1,000	-	1,000	828	82.8%	1,100	110.0%
52835	Filing Fees	200	-	200	100	50.0%	150	75.0%
52900	Training/Conference Expenses	10,000	-	10,000	-	0.0%	-	0.0%
52905	Business Travel/Mileage	500	-	500	-	0.0%	-	0.0%
53100	Office Supplies	1,000	-	1,000	286	28.6%	400	40.0%
53110	Freight/Postage	500	-	500	50	10.0%	100	20.0%
53115	Books/Media/Subscriptions	-	-	-	119	0.0%	119	0.0%
53120	Memberships/Certifications	2,934	-	2,934	2,934	100.0%	2,934	100.0%
53205	Utilities - Electric	1,500	-	1,500	1,597	106.5%	1,950	130.0%
53410	Computer Equipment/Accessories	-	-	-	38	0.0%	38	0.0%
53415	Computer Software/License	225	-	225	-	0.0%	225	100.0%
Total Expenditures		554,141	15,825	569,966	409,906	71.9%	519,334	91.1%
Net Surplus (Deficit)		(13,871)	(15,825)	(29,696)	128,537	22.6%	25,405	4.5%