



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 7b (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: February 7, 2022

SUBJECT: Second 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 second quarter budget report for fiscal year 2021-22 that compares budgeted versus actual transactions through December 31, 2021.

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 second 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 year with a budget surplus of \$28,354 as summarized on the following page.

Margie Mohler, Vice Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

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

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st 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 second quarter totaled \$531,924. This amount represents 98.5% of the budgeted amount with 50% of the fiscal year complete. The majority of revenues collected to date are contributions from the Commission's funding agencies.

Actuals through the second quarter and related analysis suggest the Commission will finish the fiscal year with \$548,865 in total revenues, resulting in a surplus of \$8,595 or 1.6% relative to the amount in the adjusted budget.

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

Operating Expenses

The Commission's operating expenses for 2021-22 are budgeted at \$569,966. Estimated expenses through the second quarter totaled \$277,108. This amount includes actuals in all accounts with the exception of Administration Services (Account No. 52100), which is an estimate at this time given the expenses have not yet been posted for the first or second quarters. This estimated total operating expenses amount represents 48.6% of the budgeted total with 50% of the fiscal year complete.

Actuals and estimates through the second quarter and related analysis suggest the Commission will finish the fiscal year with \$520,511 in total expenses and produce a savings/surplus of \$49,455 or 8.7% relative to the amount in the adjusted budget. The savings/surplus is predominantly attributed to a staff vacancy that is not expected to be filled until after the end of the current fiscal year.

See Attachment One for additional information on actual and estimated expenses through the second 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 \$28,354, which would increase reserves to \$298,940, or 52.4%, of expenses in the current budget. These amounts are consistent with the aforementioned local policy directive.

ATTACHMENT

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

LAFCO FY 2021-22 Second Quarter Budget Report

Revenues and Expenses through 12/31/21 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	18,150	90.8%	27,300	136.5%
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	3,237	32.4%	6,728	67.3%
46800	Charges for Services	600	-	600	774	129.0%	1,074	179.0%
47900	Miscellaneous	-	-	-	93	0.0%	4,093	0.0%
Total Revenues		540,270	-	540,270	531,924	98.5%	548,865	101.6%
Expenses								
51210	Director/Commissioner Pay	12,500	-	12,500	5,836	46.7%	12,436	99.5%
51300	Medicare	250	-	250	83	33.3%	167	66.8%
51305	FICA	500	-	500	236	47.2%	472	94.4%
52100	Administration Services *	424,076	15,825	439,901	219,950	50.0%	409,535	93.1%
52125	Accounting/Auditing Services	7,500	-	7,500	5,417	72.2%	7,250	96.7%
52130	Information Technology Service	24,489	-	24,489	12,136	49.6%	24,489	100.0%
52131	ITS Communication Charges	1,837	-	1,837	919	50.0%	1,837	100.0%
52140	Legal Services	25,000	-	25,000	8,872	35.5%	20,000	80.0%
52345	Janitorial Services	300	-	300	150	50.0%	300	100.0%
52515	Maintenance-Software	1,930	-	1,930	390	20.2%	1,930	100.0%
52600	Rents and Leases - Equipment	4,000	-	4,000	1,321	33.0%	2,642	66.1%
52605	Rents and Leases - Bldg/Land	31,322	-	31,322	15,934	50.9%	27,934	89.2%
52700	Insurance - Liability	578	-	578	-	0.0%	578	100.0%
52800	Communications/Telephone	2,000	-	2,000	707	35.4%	1,714	85.7%
52830	Publications & Legal Notices	1,000	-	1,000	828	82.8%	1,928	192.8%
52835	Filing Fees	200	-	200	100	50.0%	200	100.0%
52900	Training/Conference Expenses	10,000	-	10,000	-	0.0%	1,000	10.0%
52905	Business Travel/Mileage	500	-	500	-	0.0%	250	50.0%
53100	Office Supplies	1,000	-	1,000	60	6.0%	500	50.0%
53110	Freight/Postage	500	-	500	50	10.0%	150	30.0%
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	1,066	71.1%	1,921	128.1%
53415	Computer Software/License	225	-	225	-	0.0%	225	100.0%
Total Expenditures		554,141	15,825	569,966	277,108	48.6%	520,511	91.3%
Net Surplus (Deficit)		(13,871)	(15,825)	(29,696)	254,816	44.7%	28,354	5.0%

* Administration Services (52100) expenses in the first two quarters have not yet posted and are estimated at this time.