



**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*

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**Agenda Item 7d (Consent/Information)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer *BF*

**MEETING DATE:** December 6, 2021

**SUBJECT:** First Quarter Budget Report for Fiscal Year 2021-22

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**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 first quarter budget report for fiscal year 2021-22 that compares budgeted versus actual transactions through September 30, 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 first 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 shortfall of \$24,372 as summarized on the following page.

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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 first quarter totaled \$516,655. This amount represents 95.6% of the budgeted amount with 25% of the fiscal year complete. The majority of revenues collected to date are contributions from the Commission's funding agencies.

Actuals through the first quarter and related analysis suggest the Commission will finish the fiscal year with \$535,501 in total revenues, resulting in a shortfall of \$4,769 or 0.9% relative to the amount in the adjusted budget. The projected shortfall is based on lower than expected proposal activity to date.

See Attachment One for additional information on actual revenues through the first 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 first quarter totaled \$142,714. 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. This estimated total operating expenses amount represents 25% of the budgeted total with 25% of the fiscal year complete.

Actuals and estimates through the first quarter and related analysis suggest the Commission will finish the fiscal year with \$559,873 in total expenses and produce a surplus of \$10,093 or 1.8% relative to the amount in the adjusted budget.

See Attachment One for additional information on actual and estimated expenses through the first 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 shortfall of \$24,372, which would reduce reserves to \$246,214, or 43.2%, of expenses in the current budget. These amounts are consistent with the aforementioned local policy directive.

## **ATTACHMENT**

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

# LAFCO FY 2021-22 First Quarter Budget Report

## Revenues and Expenses through 9/30/21 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
<b>Revenues</b>								
42690	Permits/Application Fees	20,000	-	20,000	4,500	22.5%	18,000	90.0%
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	1,682	16.8%	6,728	67.3%
46800	Charges for Services	600	-	600	624	104.0%	924	154.0%
47900	Miscellaneous	-	-	-	179	0.0%	179	0.0%
<b>Total Revenues</b>		<b>540,270</b>	<b>-</b>	<b>540,270</b>	<b>516,655</b>	<b>95.6%</b>	<b>535,501</b>	<b>99.1%</b>
<b>Expenses</b>								
51210	Director/Commissioner Pay	12,500	-	12,500	1,950	15.6%	12,000	96.0%
51300	Medicare	250	-	250	28	11.2%	200	80.0%
51305	FICA	500	-	500	84	16.8%	400	80.0%
52100	Administration Services *	424,076	15,825	439,901	109,975	25.0%	439,901	100.0%
52125	Accounting/Auditing Services	7,500	-	7,500	442	5.9%	7,000	93.3%
52130	Information Technology Service	24,489	-	24,489	6,068	24.8%	24,489	100.0%
52131	ITS Communication Charges	1,837	-	1,837	459	25.0%	1,837	100.0%
52140	Legal Services	25,000	-	25,000	6,439	25.8%	25,000	100.0%
52345	Janitorial Services	300	-	300	-	0.0%	150	50.0%
52515	Maintenance-Software	1,930	-	1,930	120	6.2%	1,930	100.0%
52600	Rents and Leases - Equipment	4,000	-	4,000	623	15.6%	4,000	100.0%
52605	Rents and Leases - Bldg/Land	31,322	-	31,322	12,233	39.1%	29,800	95.1%
52700	Insurance - Liability	578	-	578	-	0.0%	578	100.0%
52800	Communications/Telephone	2,000	-	2,000	453	22.7%	1,812	90.6%
52830	Publications & Legal Notices	1,000	-	1,000	280	28.0%	1,120	112.0%
52835	Filing Fees	200	-	200	50	25.0%	200	100.0%
52900	Training/Conference Expenses	10,000	-	10,000	-	0.0%	3,000	30.0%
52905	Business Travel/Mileage	500	-	500	-	0.0%	250	50.0%
53100	Office Supplies	1,000	-	1,000	-	0.0%	800	80.0%
53110	Freight/Postage	500	-	500	-	0.0%	300	60.0%
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	457	30.5%	1,828	121.9%
53415	Computer Software/License	225	-	225	-	0.0%	225	100.0%
<b>Total Expenditures</b>		<b>554,141</b>	<b>15,825</b>	<b>569,966</b>	<b>142,714</b>	<b>25.0%</b>	<b>559,873</b>	<b>98.2%</b>
<b>Net Surplus (Deficit)</b>		<b>(13,871)</b>	<b>(15,825)</b>	<b>(29,696)</b>	<b>373,941</b>	<b>65.6%</b>	<b>(24,372)</b>	<b>(4.2%)</b>

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