



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1030 Seminary Street, Suite B  
Napa, California 94559  
Phone: (707) 259-8645  
Fax: (707) 251-1053  
www.napa.lafco.ca.gov

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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 5c (Consent/Information)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer  
Kathy Mabry, Secretary

**MEETING DATE:** November 18, 2019

**SUBJECT:** First Quarter Budget Report for 2019-2020

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**BACKGROUND**

On June 3, 2019, the Commission adopted a final budget for fiscal year 2019-2020.

On August 5, 2019, the Commission approved a budget adjustment to re-encumber (i.e., carry over) two consultant contracts. This budget adjustment had a net zero effect on the Commission's bottom line given that the re-encumbered (i.e., carried over) contract amounts were budgeted in the 2018-2019 fiscal year but were unspent by June 30, 2019.

**SUMMARY**

This item is being presented to the Commission for information purposes only.

The Commission will receive a first quarter budget report for fiscal year 2019-2020. A first quarter budget sheet with year-end projections is included as Attachment One.

This report compares budgeted versus actual transactions through September 30, 2019. The report also includes year-end projections and projects the Commission will outperform its intentionally-budgeted funding gap of \$156,239 by finishing with an overall operating shortfall of \$131,971, representing a savings of \$24,268 relative to the adjusted budget.

The Commission's adjusted budget for 2019-2020 totals \$660,000. This amount represents the total approved operating expenditures for the fiscal year divided between salaries and benefits, services and supplies, and contingencies. Budgeted revenues total \$503,761 and are divided between intergovernmental fees, service charges, and investments.

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Kenneth Leary, Vice Chair  
Councilmember, City of American Canyon

Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

Brad Wagenknecht, Commissioner  
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

Gregory Rodeno, Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

Notably, an operating shortfall of \$156,239 was intentionally budgeted to reduce the funding requirements of the local agencies and to be covered by drawing down on the unrestricted portion of the fund balance (“reserves”). The Commission’s reserves totaled \$421,830 as of July 1, 2019, representing 63.9% of budgeted expenditures in 2019-2020.<sup>1</sup>

Adjusted Budget Operating Expenses	Adjusted Budget Operating Revenues	Adjusted Budget Year-End Operating Balance
\$660,000	\$503,761	(\$156,239)

***Operating Revenues***

The Commission’s operating revenues for 2019-2020 are budgeted at \$503,761. Actual revenues collected through the first quarter totaled \$487,919. This amount represents 96.9% of the budgeted amount with 25% of the fiscal year complete.

Actuals through the first quarter and related analysis suggest the Commission will finish the fiscal year with \$515,640 in total revenues, resulting in a surplus of \$11,879 or 2.4% relative to the budgeted amount.

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

***Operating Expenses***

The Commission’s adjusted operating expenses for 2019-2020 are budgeted at \$660,000.<sup>2</sup> Actual expenses through the first quarter (including encumbrances associated with consultant contracts) totaled \$288,243. This amount represents 31.2% of the budgeted total with 25% of the fiscal year complete.

Actuals through the first quarter and related analysis suggest the Commission will finish the fiscal year with \$647,611 in total expenses and produce a savings of \$12,389 or 1.9% relative to the budgeted amount.

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

**ATTACHMENT**

- 1) 2019-2020 First Quarter Budget Sheet with Year-End Projections

<sup>1</sup> Local policy directs the Commission to maintain reserves equal to a minimum of 33.3% of annually budgeted operating expenses. The adjusted budget for 2019-2020 is consistent with local policy.

<sup>2</sup> On August 5, 2019, the Commission approved a budget adjustment to re-encumber two consultant contracts that resulted in a \$102,624 increase in total operating expenses to be covered by drawing down on reserves. This budget adjustment had a net zero effect on the Commission’s bottom line given that the re-encumbered consultant contract amounts were budgeted in the 2018-2019 fiscal year but were unspent by June 30, 2019, and therefore the \$102,624 total unspent amount was carried over to 2019-2020.

# LAFCO of Napa County First Quarter Budget Report for Fiscal Year 2019-2020 Attachment One

## Revenues and Expenses through September 30, 2019 with Year-End Projections

Account	Category	Adopted Budget	Budget Adjustments	Adjusted Budget	Encumbrances	Actual YTD	YTD Total with Encumbrances	YTD Percent of Budget with Encumbrances	Year-End Projection	Year-End Projection Percent of Budget
<b>Revenues</b>										
42690	Permits/Application Fees	25,000	-	25,000	-	11,364	11,364	45.5%	30,864	123.5%
43910	County of Napa	235,631	-	235,631	-	235,631	235,631	100.0%	235,631	100.0%
43950	Other-Governmental Agencies	235,630	-	235,630	-	235,630	235,630	100.0%	235,631	100.0%
45100	Interest	7,000	-	7,000	-	5,168	5,168	73.8%	12,921	184.6%
46800	Charges for Services	500	-	500	-	125	125	25.0%	593	118.6%
<b>Total Revenues</b>		<b>503,761</b>	<b>-</b>	<b>503,761</b>	<b>-</b>	<b>487,918</b>	<b>487,918</b>	<b>96.9%</b>	<b>515,640</b>	<b>102.4%</b>
<b>Expenses</b>										
51100	Salaries and Wages	269,085	-	269,085	-	50,229	50,229	18.7%	269,085	100.0%
51200	401A Employer Contribution	1,000	-	1,000	-	-	-	0.0%	1,000	100.0%
51205	Cell Phone Allowance	420	-	420	-	105	105	25.0%	420	100.0%
51210	Director/Commissioner Pay	15,000	-	15,000	-	1,350	1,350	9.0%	13,500	90.0%
51300	Medicare	4,090	-	4,090	-	702	702	17.2%	2,807	68.6%
51305	FICA	500	-	500	-	56	56	11.2%	488	97.5%
51400	Employee Insurance-Premiums	54,408	-	54,408	-	13,602	13,602	25.0%	54,408	100.0%
51405	Workers Compensation	675	-	675	-	169	169	25.0%	675	100.0%
51600	Retirement	53,691	-	53,691	-	13,423	13,423	25.0%	53,691	100.0%
51605	Other Post Employment Benefits	16,134	-	16,134	-	4,034	4,034	25.0%	16,134	100.0%
<b>Total for: Salaries and Benefits</b>		<b>415,003</b>	<b>-</b>	<b>415,003</b>	<b>-</b>	<b>83,669</b>	<b>83,669</b>	<b>20.2%</b>	<b>412,207</b>	<b>99.3%</b>
52105	Election Services	200	-	200	-	-	-	0.0%	-	0.0%
52125	Accounting/Auditing Services	8,000	-	8,000	4,000	1,027	5,027	62.8%	8,000	100.0%
52130	Information Technology Service	24,590	-	24,590	-	6,148	6,148	25.0%	24,590	100.0%
52140	Legal Services	30,000	-	30,000	20,943	9,057	30,000	100.0%	30,000	100.0%
52310	Consulting Services	10,000	102,624	112,624	102,661	9,963	112,624	100.0%	105,000	93.2%
52345	Janitorial Services	300	-	300	225	75	300	100.0%	300	100.0%
52515	Maintenance-Software	2,000	-	2,000	1,660	120	1,779	89.0%	1,779	89.0%
52600	Rents and Leases - Equipment	5,500	-	5,500	4,517	364	4,881	88.7%	5,121	93.1%
52605	Rents and Leases - Bldg/Land	29,523	-	29,523	22,142	7,381	29,523	100.0%	29,523	100.0%
52700	Insurance - Liability	4,554	-	4,554	-	1,139	1,139	25.0%	4,554	100.0%
52800	Communications/Telephone	3,000	-	3,000	2,400	162	2,562	85.4%	3,048	101.6%
52830	Publications & Legal Notices	1,500	-	1,500	-	322	322	21.5%	1,494	99.6%
52835	Filing Fees	250	-	250	-	50	50	20.0%	250	100.0%
52900	Training/Conference Expenses	12,295	-	12,295	-	5,384	5,384	43.8%	11,894	96.7%
52905	Business Travel/Mileage	3,000	-	3,000	-	881	881	29.4%	2,676	89.2%
53100	Office Supplies	2,000	-	2,000	-	355	355	17.8%	1,650	82.5%
53110	Freight/Postage	300	-	300	-	100	100	33.3%	300	100.0%
53120	Memberships/Certifications	3,261	-	3,261	-	3,261	3,261	100.0%	3,261	100.0%
53205	Utilities - Electric	1,300	-	1,300	-	239	239	18.4%	1,488	114.5%
53410	Computer Equipment/Accessories	300	-	300	-	-	-	0.0%	225	75.0%
53650	Business Related Meal/Supplies	500	-	500	-	-	-	0.0%	250	50.0%
<b>Total for: Services and Supplies</b>		<b>142,373</b>	<b>102,624</b>	<b>244,997</b>	<b>158,548</b>	<b>46,026</b>	<b>204,574</b>	<b>83.5%</b>	<b>235,403</b>	<b>96.1%</b>
<b>Total Expenditures</b>		<b>557,376</b>	<b>102,624</b>	<b>660,000</b>	<b>158,548</b>	<b>129,695</b>	<b>288,243</b>	<b>43.7%</b>	<b>647,611</b>	<b>98.1%</b>
<b>Net Surplus (Deficit)</b>		<b>(53,615)</b>	<b>(102,624)</b>	<b>(156,239)</b>	<b>(158,548)</b>	<b>440,299</b>	<b>199,676</b>	<b>-127.8%</b>	<b>(131,971)</b>	<b>84.5%</b>