



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*

MEETING DATE: June 7, 2021

SUBJECT: Third Quarter Budget Report for Fiscal Year 2020-2021

BACKGROUND AND SUMMARY

This item is for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

The Commission will receive a third quarter budget report for fiscal year 2020-2021 that compares budgeted versus actual transactions through March 31, 2021.

On June 1, 2020, the Commission adopted a final budget for fiscal year 2020-2021. Three budget adjustments were later approved with no effect on the Commission's bottom line.

The Commission's budget for 2020-2021 totals \$566,394 and represents operating expenditures divided between salaries and benefits, services and supplies, and contingencies. Budgeted revenues total \$519,084 and are divided between intergovernmental fees, service charges, and investments.

An operating shortfall of \$47,310 has been intentionally budgeted to reduce the burden on the local funding agencies (i.e., Napa County and the five cities/town). The shortfall will be covered by drawing down on the Commission's undesignated/unreserved fund balance ("reserves").

A summary of the Commission's actual and projected revenues, expenses, and reserves is provided 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 2020-2021 are budgeted at \$519,084. Actual revenues collected through the third quarter totaled \$508,910. This amount represents 98.0% 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 \$520,813 in total revenues, representing \$1,729 or 0.3% more than 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 2020-2021 are budgeted at \$566,394. Actual expenses through the third quarter totaled \$416,585. This amount represents 73.6% 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 \$549,616 in total expenses, representing \$16,778 or 2.9% less than the amount in the adjusted budget.

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 \$300,105 as of July 1, 2020, representing 53.0% of expenditures in the adjusted budget.

The Commission is projected to finish the fiscal year with a budget shortfall of \$28,803, which would reduce reserves to \$271,302, or 47.9%, of expenses in the budget. This projected year-end amount is consistent with the minimum established under local policy.

ATTACHMENT

- 1) 2020-2021 Third Quarter Budget Sheet with Year-End Projections

LAFCO FY 2020-2021 Third Quarter Budget Report

Revenues and Expenses through 3/31/21 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	21,060	-	21,060	16,380	77.8%	25,740	122.2%
43910	County of Napa	242,700	-	242,700	242,700	100.0%	242,700	100.0%
43950	Other-Governmental Agencies	242,700	-	242,700	242,700	100.0%	242,700	100.0%
45100	Interest	12,000	-	12,000	6,693	55.8%	8,924	74.4%
46800	Charges for Services	624	-	624	437	70.0%	749	120.0%
Total Revenues		519,084	-	519,084	508,910	98.0%	520,813	100.3%
Expenses								
51210	Director/Commissioner Pay	12,500	-	12,500	9,720	77.8%	12,270	98.2%
51300	Medicare	250	-	250	142	56.8%	250	100.0%
51305	FICA	500	-	500	391	78.2%	500	100.0%
52100	Administration Services	415,869	-	415,869	294,209	70.7%	407,278	97.9%
52125	Accounting/Auditing Services	7,500	-	7,500	6,177	82.4%	7,500	100.0%
52130	Information Technology Service	24,323	-	24,323	24,323	100.0%	24,323	100.0%
52140	Legal Services	17,500	10,000	27,500	19,851	72.2%	25,000	90.9%
52310	Consulting Services	-	25,551	25,551	25,550	100.0%	25,550	100.0%
52345	Janitorial Services	300	-	300	150	50.0%	300	100.0%
52515	Maintenance-Software	1,930	-	1,930	510	26.4%	1,930	100.0%
52600	Rents and Leases - Equipment	5,500	-	5,500	2,798	50.9%	4,000	72.7%
52605	Rents and Leases - Bldg/Land	29,523	886	30,409	25,340	83.3%	30,409	100.0%
52700	Insurance - Liability	813	-	813	610	75.0%	813	100.0%
52800	Communications/Telephone	3,500	-	3,500	652	18.6%	1,800	51.4%
52830	Publications & Legal Notices	1,500	-	1,500	437	29.1%	900	60.0%
52835	Filing Fees	50	-	50	100	200.0%	150	300.0%
52900	Training/Conference Expenses	6,000	(5,011)	989	200	20.2%	200	20.2%
52905	Business Travel/Mileage	1,000	-	1,000	-	0.0%	-	0.0%
53100	Office Supplies	1,250	-	1,250	1,323	105.8%	1,800	144.0%
53110	Freight/Postage	350	-	350	50	14.3%	150	42.9%
53120	Memberships/Certifications	2,985	75	3,060	3,060	100.0%	3,060	100.0%
53205	Utilities - Electric	1,500	-	1,500	959	63.9%	1,400	93.3%
53410	Computer Equipment/Accessories	6,000	(6,000)	-	-	0.0%	-	0.0%
53650	Business Related Meal/Supplies	250	-	250	33	13.1%	33	13.2%
Total Expenditures		540,893	25,501	566,394	416,585	73.6%	549,616	97.0%
Net Surplus (Deficit)		(21,809)	(25,501)	(47,310)	92,325	16.3%	(28,803)	(8.9%)