

LAFCO of Napa County

Fiscal Year 2026-27 Budget Narrative

Introduction

The Fiscal Year 2026-27 Budget for the Local Agency Formation Commission of Napa County reflects the Commission's continued commitment to responsible stewardship of public resources and the effective fulfillment of its statutory mandate under the Cortese-Knox-Hertzberg Local Government Reorganization Act. LAFCO of Napa County serves a unique and essential role in the region by guiding orderly growth, protecting agricultural and open space lands, and promoting efficient and accountable local governance across the County of Napa and its five cities/town: Napa, American Canyon, Calistoga, St. Helena, and Yountville.

This budget was developed with guidance and feedback from the budget subcommittee and careful attention to the Commission's operational needs, ongoing and anticipated work plan obligations, and the fiscal responsibilities owed to the contributing agencies that fund LAFCO'S operations. As required by state law, the County of Napa funds one-half of LAFCO's annual operating costs, with the remaining share apportioned among the cities based on a weighted calculation of population and general tax revenues.

Budget Highlights

The total expenditure budget for FY 2026-27 is \$736,487. This represents a significant decrease from FY 2025-26 Final Budget of \$859,655, with the understanding that LAFCO intends to adjust its budget later in the fiscal year to allocate funding towards Municipal Service Reviews (MSRs) and other major studies by drawing down reserves. This reflects a commitment to minimizing fiscal impact on LAFCO's funding agencies while maintaining core operations.

The budget is categorized into two primary sections: Salaries & Benefits and Services & Supplies. Salaries & Benefits: Totals \$8,100. This covers Commissioner per diems for meetings attended and associated payroll taxes (Medicare/FICA). Services & Supplies: Totals \$728,387. This is the primary operational engine of the Commission.

- Administrative Services: Includes \$585,347 for staff salaries, retirement (PERS), medical and dental benefits, and employee insurance.
- Consulting Services: Funding to be allocated following adoption of a work plan for professional consulting to support the Commission's "watchdog" role through MSRs.
- Training & Conferences: Includes \$15,000 for professional development to ensure staff and commissioners stay current on legislative changes and innovative policy tools.

Total revenues are budgeted at \$ 783,950. The primary funding source is \$737,950 in intergovernmental contributions, which remain flat for the third consecutive fiscal year. This is split evenly between the County of Napa (\$368,975) and the five cities/town (\$368,975 total). The City of Napa contributes the largest municipal share (\$244,917), followed by American Canyon (\$65,941), Calistoga (\$22,111), St. Helena (\$22,013), and Town of Yountville (\$13,993). The Commission expects \$26,000 from application fees and \$20,000 in interest earnings on its reserves.

The budget reflects an operating difference of \$47,463. Reserves are projected to start the year at \$479,327 and finish at \$526,790. However, as noted previously, it is anticipated LAFCO will draw down reserves for consulting services needs later in the fiscal year following adoption of a work plan.

Conclusion

The FY 2026-27 Budget positions LAFCO of Napa County to carry out its core responsibilities with transparency, efficiency, and fiscal discipline. The Commission remains focused on delivering high-quality municipal service reviews, processing boundary change proposals in a timely manner, and engaging meaningfully with local agencies and the public. This budget sustains LAFCO's capacity to serve the region while maintaining the prudent reserves and sound financial practices that contributing agencies and the public expect. The Commission thanks its partner agencies for their continued support and looks forward to another productive year of service to the communities of Napa County.

Napa LAFCO Fiscal Year 2026-27 Final Budget

Adopted on June 1, 2026

Expenses

Salaries and Benefits

Account Description

| | | FY 2023-24 | | FY 2024-25 | | FY 2025-26 | | FY 2026-27 |
|--------------------------------------|--------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | | Final Budget | Actual | Final Budget | Actual | Final Budget | Estimate | Final Budget |
| 51210 | Commissioner Per Diems | 16,000 | 15,750 | 18,000 | 9,450 | 7,200 | 5,100 | 7,200 |
| 51300 | Medicare - Commissioners | 250 | 228 | 300 | 250 | 250 | 200 | 250 |
| 51305 | FICA - Commissioners | 1,100 | 967 | 700 | 650 | 700 | 600 | 650 |
| Total Salaries & Benefits | | 17,350 | 16,946 | 19,000 | 10,350 | 8,150 | 5,900 | 8,100 |

Services and Supplies

Account Description

| | | FY 2023-24 | | FY 2024-25 | | FY 2025-26 | | FY 2026-27 |
|--------------------------------------|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Final Budget | Actual | Final Budget | Actual | Final Budget | Estimate | Final Budget |
| 52100 | Administration Services | 559,015 | 572,978 | 508,787 | 508,787 | 630,571 | 554,596 | 585,347 |
| | <i>Salaries and Wages</i> | <i>391,561</i> | <i>391,561</i> | <i>342,500</i> | <i>342,500</i> | <i>440,306</i> | <i>385,000</i> | <i>400,432</i> |
| | <i>401A Employer Contribution</i> | <i>1,590</i> | <i>1,590</i> | <i>2,850</i> | <i>2,850</i> | <i>3,600</i> | - | <i>1,800</i> |
| | <i>Cell Phone Allowance</i> | <i>420</i> | <i>420</i> | <i>1,680</i> | <i>1,680</i> | <i>1,680</i> | <i>1,500</i> | <i>1,560</i> |
| | <i>Medicare - Staff</i> | <i>5,483</i> | <i>5,483</i> | <i>4,870</i> | <i>4,870</i> | <i>6,145</i> | <i>5,500</i> | <i>5,806</i> |
| | <i>Employee Insurance-Premiums</i> | <i>64,567</i> | <i>64,567</i> | <i>60,500</i> | <i>60,500</i> | <i>55,538</i> | <i>50,000</i> | <i>57,267</i> |
| | <i>Worker's Compensation</i> | <i>692</i> | <i>692</i> | <i>876</i> | <i>876</i> | <i>889</i> | <i>889</i> | <i>1,000</i> |
| | <i>PERS Retirement</i> | <i>101,254</i> | <i>101,254</i> | <i>83,660</i> | <i>83,660</i> | <i>110,706</i> | <i>100,000</i> | <i>102,911</i> |
| | <i>OPEB</i> | <i>7,411</i> | <i>7,411</i> | <i>11,851</i> | <i>11,851</i> | <i>11,707</i> | <i>11,707</i> | <i>14,571</i> |
| 52125 | Accounting/Auditing Services | 7,500 | 8,039 | 7,500 | 7,387 | 7,500 | 7,400 | 7,500 |
| 52130 | Information Technology Services | 34,309 | 30,875 | 27,746 | 27,746 | 31,635 | 31,635 | 22,560 |
| 52131 | ITS Communication Charges | 2,000 | 2,000 | 2,757 | 2,757 | 2,908 | 2,908 | 2,482 |
| 52140 | Legal Services | 35,000 | 36,195 | 35,000 | 50,000 | 35,000 | 31,000 | 35,000 |
| 52310 | Consulting Services | 105,000 | 20,662 | 127,754 | 127,754 | 75,000 | 55,000 | - |
| 52345 | Janitorial Services | 300 | - | 300 | 225 | 300 | 300 | 400 |
| 52515 | Maintenance-Software | 3,062 | 1,762 | 1,512 | 1,512 | 2,892 | 2,892 | 3,500 |
| 52600 | Rents and Leases: Equipment | 3,500 | 2,994 | 3,000 | 2,700 | 3,000 | 2,500 | 3,000 |
| 52605 | Rents and Leases: Building/Land | 26,775 | 26,775 | 27,570 | 27,570 | 28,200 | 28,200 | 29,025 |
| 52700 | Insurance: Liability | 716 | - | 922 | 922 | 12,157 | 12,157 | 9,693 |
| 52800 | Communications/Telephone | 5,000 | 4,397 | 3,000 | 2,750 | 3,000 | 2,900 | 3,000 |
| 52830 | Publications and Notices | 750 | 1,133 | 1,000 | 950 | 1,000 | 1,700 | 1,000 |
| 52835 | Filing Fees | 150 | 100 | 200 | 200 | 200 | 50 | 200 |
| 52900 | Training/Conference | 12,500 | 11,183 | 20,000 | 10,500 | 10,000 | 15,000 | 15,000 |
| 52905 | Business Travel/Mileage | 2,000 | 201 | 1,000 | 250 | 500 | - | - |
| 53100 | Office Supplies | 2,000 | 1,192 | 2,500 | 600 | 1,000 | 750 | 1,000 |
| 53110 | Freight/Postage | 100 | - | 100 | - | 100 | - | - |
| 53115 | Books/Media/Subscriptions | 119 | - | 119 | 119 | 119 | 240 | 3,600 |
| 53120 | Memberships/Certifications | 3,332 | 3,332 | 3,411 | 3,411 | 3,523 | 2,383 | 3,280 |
| 53205 | Utilities: Electric | 2,400 | 1,837 | 2,500 | 1,800 | 2,500 | 1,600 | 2,500 |
| 53410 | Computer Equipment/Accessories | 571 | 1,140 | - | - | - | - | - |
| 53415 | Computer Software/License | 225 | - | 225 | - | - | - | - |
| 53650 | Business Related Meal/Supplies | 760 | 594 | 1,000 | 260 | 400 | 130 | 300 |
| Total Services & Supplies | | 821,047 | 727,389 | 777,903 | 778,200 | 851,505 | 753,341 | 728,387 |
| EXPENSE TOTALS | | 838,397 | 744,335 | 796,903 | 788,550 | 859,655 | 759,241 | 736,487 |

Revenues

| | | FY 2023-24 | | FY 2024-25 | | FY 2025-26 | | FY 2026-27 |
|-----------------------------|--------------------------------|--------------|---------|--------------|---------|--------------|----------|--------------|
| | | Final Budget | Actual | Final Budget | Actual | Final Budget | Estimate | Final Budget |
| Intergovernmental | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | |
| 43910 | County of Napa | 339,738 | 339,738 | 368,975 | 368,975 | 368,975 | 368,975 | 368,975 |
| 43950 | Other Governmental Agencies | 339,738 | 339,738 | 368,975 | 368,975 | 368,975 | 368,975 | 368,975 |
| ---- | <i>City of Napa</i> | 222,680 | 222,680 | 241,028 | 241,028 | 243,896 | 243,896 | 244,917 |
| ---- | <i>City of American Canyon</i> | 61,235 | 61,235 | 64,258 | 64,258 | 65,730 | 65,730 | 65,941 |
| ---- | <i>City of St. Helena</i> | 22,609 | 22,609 | 25,171 | 25,171 | 22,090 | 22,090 | 22,013 |
| ---- | <i>City of Calistoga</i> | 20,342 | 20,342 | 22,963 | 22,963 | 22,971 | 22,971 | 22,111 |
| ---- | <i>Town of Yountville</i> | 12,872 | 12,872 | 15,554 | 15,554 | 14,289 | 14,289 | 13,993 |
| | Total Intergovernmental | 679,476 | 679,476 | 737,950 | 737,950 | 737,950 | 737,950 | 737,950 |
| Service Charges | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | |
| 42690 | Application/Permit Fees | 22,950 | 40,170 | 25,000 | 32,615 | 25,000 | 18,000 | 25,000 |
| 46800 | Charges for Services | 510 | 4,150 | 1,000 | 4,000 | 1,000 | 400 | 1,000 |
| 47900 | Miscellaneous | - | - | 4,000 | - | - | - | - |
| | Total Service Charges | 23,460 | 44,320 | 30,000 | 36,615 | 26,000 | 18,400 | 26,000 |
| Investments | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | |
| 45100 | Interest | 6,500 | 18,168 | 6,500 | 22,277 | 10,000 | 30,000 | 20,000 |
| | Total Investments | 6,500 | 18,168 | 6,500 | 22,277 | 10,000 | 30,000 | 20,000 |
| | REVENUE TOTALS | 709,436 | 741,964 | 774,450 | 796,842 | 773,950 | 786,350 | 783,950 |
| OPERATING DIFFERENCE | | (128,961) | (2,371) | (22,453) | 8,292 | (85,705) | 27,109 | 47,463 |

Reserves

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|--|---------|---------|---------|---------|
| Undesignated/Unreserved Fund Balance ("Reserves") | | | | |
| Beginning: | 407,163 | 424,359 | 452,218 | 479,327 |
| Ending: | 404,792 | 432,651 | 479,327 | 526,790 |