



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
www.napa.lafco.ca.gov

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

Agenda Item 7c (Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: December 7, 2020

SUBJECT: First Quarter Budget Report for 2020-2021

BACKGROUND AND 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 2020-2021 that compares budgeted versus actual transactions through September 30, 2020.

On June 1, 2020, the Commission adopted a final budget for fiscal year 2020-2021.

Two budget adjustments have been approved consistent with the Commission's adopted *Budget Policy*. The adjustments involved re-encumbering (i.e., carrying over) the remaining \$25,501 balance of a consultant contract, allocating \$50 to a website project, allocating \$75 to the Executive Officer's membership with the Municipal Management Association of Northern California, and reducing the training/conference expense account by \$125. These budget adjustments had a net zero effect on the Commission's bottom line given that the re-encumbered (i.e., carried over) contract amount was budgeted in the 2019-2020 fiscal year but was unspent by June 30, 2020, and the other new budget expense allocations were offset by the reduction in a separate expense account.

The Commission's adjusted budget for 2020-2021 totals \$566,394. This amount represents the total approved 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 funding requirements of the local agencies. The intentional shortfall will be covered by drawing down on the Commission's undesignated/unreserved fund balance ("reserves").

A first quarter budget sheet with year-end projections is included as Attachment One. The Commission is projected to finish the fiscal year with a budget shortfall of \$50,499 as summarized on the following page.

Margie Mohler, Chair
Councilmember, Town of Yountville

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

Vacant
Representative of the General Public

Vacant
Councilmember, City of American Canyon

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st District

Eve Kahn, Alternate Commissioner
Representative of the General Public

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brendon Freeman
Executive Officer

Operating Revenues

The Commission's operating revenues for 2020-2021 are budgeted at \$519,084. Actual revenues collected through the first quarter totaled \$475,587. This amount represents 91.6% 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 \$519,826 in total revenues, resulting in a surplus of \$742 or 0.1% relative to the amount in the adjusted budget. 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 2020-2021 are budgeted at \$566,394.¹ Actual expenses through the first quarter totaled \$110,144. This amount represents 19.4% 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 \$570,325 in total expenses and produce a deficit of \$3,931 or 0.7% relative to the amount in the adjusted budget. See Attachment One for additional information on actual 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 \$311,844 as of July 1, 2020 and represent 55.1% of expenditures in the current budget. The Commission is projected to finish the fiscal year with a budget shortfall of \$50,499, which would reduce reserves to \$261,345, or 46.1%, of expenses in the current budget.

ATTACHMENT

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

¹ Two mid-year budget adjustments were administratively approved as described on page one of this report.

LAFCO FY 2020-2021 First Quarter Budget Report

Revenues and Expenses through 9/30/20 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	2,340	11.1%	23,400	111.1%
43910	County of Napa	242,700	-	242,700	242,700	100.0%	242,700	100.0%
43950	Other-Governmental Agencies	242,700	-	242,700	227,541	93.8%	242,700	100.0%
45100	Interest	12,000	-	12,000	2,569	21.4%	10,277	85.6%
46800	Charges for Services	624	-	624	437	70.0%	749	120.0%
Total Revenues		519,084	-	519,084	475,587	91.6%	519,826	100.1%
Expenses								
51210	Director/Commissioner Pay	12,500	-	12,500	2,970	23.8%	12,270	98.2%
51300	Medicare	250	-	250	43	17.0%	250	100.0%
51305	FICA	500	-	500	120	23.9%	500	100.0%
52100	Administration Services	415,869	-	415,869	84,673	20.4%	415,869	100.0%
52125	Accounting/Auditing Services	7,500	-	7,500	466	6.2%	7,500	100.0%
52130	Information Technology Service	24,323	-	24,323	6,081	25.0%	24,323	100.0%
52140	Legal Services	17,500	-	17,500	3,053	17.4%	27,000	154.3%
52310	Consulting Services	-	25,551	25,551	-	0.0%	25,551	100.0%
52345	Janitorial Services	300	-	300	-	0.0%	300	100.0%
52515	Maintenance-Software	1,930	-	1,930	120	6.2%	1,930	100.0%
52600	Rents and Leases - Equipment	5,500	-	5,500	810	14.7%	5,500	100.0%
52605	Rents and Leases - Bldg/Land	29,523	-	29,523	7,602	25.7%	30,409	103.0%
52700	Insurance - Liability	813	-	813	203	25.0%	813	100.0%
52800	Communications/Telephone	3,500	-	3,500	392	11.2%	3,500	100.0%
52830	Publications & Legal Notices	1,500	-	1,500	-	0.0%	1,000	66.7%
52835	Filing Fees	50	-	50	-	0.0%	150	300.0%
52900	Training/Conference Expenses	6,000	(125)	5,875	125	2.1%	1,000	17.0%
52905	Business Travel/Mileage	1,000	-	1,000	-	0.0%	500	50.0%
53100	Office Supplies	1,250	-	1,250	241	19.3%	1,000	80.0%
53110	Freight/Postage	350	-	350	-	0.0%	250	71.4%
53120	Memberships/Certifications	2,985	75	3,060	2,985	97.5%	3,060	100.0%
53205	Utilities - Electric	1,500	-	1,500	229	15.3%	1,500	100.0%
53410	Computer Equipment/Accessories	6,000	-	6,000	-	0.0%	6,000	100.0%
53650	Business Related Meal/Supplies	250	-	250	33	13.1%	150	60.0%
Total Expenditures		540,893	25,501	566,394	110,144	19.4%	570,325	100.7%
Net Surplus (Deficit)		(21,809)	(25,501)	(47,310)	365,443	64.5%	(50,499)	(8.9%)