



Napa County

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Legislation Text

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TO: Board of Supervisors
FROM: David Morrison, Interim County Executive Officer
REPORT BY: Daniel Sanchez, Senior Management Analyst
SUBJECT: Approval of FY 2023-24 Budget Policy, Strategic Financial Plan, and Budget Calendar

RECOMMENDATION

Interim County Executive Officer requests approval of the Fiscal Year 2023-24 Budget Policies, Strategic Financial Plan and Budget Calendar.

EXECUTIVE SUMMARY

To begin the annual budget development process, staff has reviewed the 2022-23 Budget Policies and Strategic Financial Plan adopted by the Board. Staff has updated and evaluated the impact of both documents.

Budget hearings have been scheduled for June 12 and 13, 2023, with adoption scheduled for June 27, 2023. Staff has developed a calendar to ensure completion of the recommended budget in this timeframe.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Board Discussion
3. Public Comment
4. Motion, second, and vote

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No
County Strategic Plan pillar addressed: Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: N/A

BACKGROUND AND DISCUSSION

As the FY2023-24 budget process begins, the Board is asked to review, revise, and approve the proposed Budget Policies, Strategic Financial Plan, and Budget Calendar that will guide staff in developing the FY2023-24 Recommended Budget.

The proposed FY2023-24 budget policies build on prior budget policies, while being updated to reflect the current conditions of the organization. After the 2022-23 budget process, staff reviewed the budget policy framework, and these policies are being recommended within the framework described below. Staff will return in late February with the 5-Year Forecast.

The annual Budget Policies work with the Strategic Financial Plan and the annual 5-Year Forecast to guide development of the annual Recommended Budget, as well as any mid-year budget adjustments.

The Strategic Financial Plan provides long-term strategies to allow the County to provide services through periods of economic uncertainty and provide consistent application of sound financial principles. The Strategic Financial Plan focuses on the General Fund and certain related funds. As a long-term plan, the Strategic Financial Plan does not attempt to lay out a detailed blueprint for everything to be done. It guides the organization to maintain financial stability while continuing essential services and meeting the Board's priorities. The Strategic Financial Plan has been updated to reflect current market conditions. Of note, staff recommends modification of the Appropriation for Contingency calculation to read as 3% of General Fund operational appropriations, removing the \$5 million limit.

The annual 5-Year Forecast will provide the Board with an overview of the General Fund discretionary revenue outlook. The Forecast is based on continuing the existing level of service and known variables. The figures provided in the 5-Year Forecast are high-level assumptions and are intended to show general trends.

The Budget Policies are adopted by the Board annually at the beginning of the budget cycle and provide specific direction to staff in developing the Recommended Budget for the coming fiscal year. The Budget Policies provide enough detail to allow staff to adjust the expenditures in the Recommended Budget to the

resources projected to be available.

Key Budget Dates:

January 12: Annual budget orientation kick off

February 28: Mid-year budget adjustments and 5-Year Forecast presented to Board

May 26: Budget Book published

June 12/13: Budget Hearings

June: 27: Budget Adoption