



# MID-YEAR FISCAL REVIEW FISCAL YEAR 2025-26

March 24, 2026

# MID-YEAR FISCAL REVIEW

## Discussion Points



- Overview - Fiscal Strategy and Budget Policies
- Mid-Year Fiscal Review for the General Fund
- Mid-year Budget Amendments
- Future General Fund Stress Factors
- Conclusion/Questions

# NAPA COUNTY Fiscal Strategy and Budget Policies



- ▶ Fiscal Strategy Purpose: To identify county goals, priorities and long-term strategy to provide services through various economic conditions.
- ▶ Budget Policy Purpose: To provide guidelines and a road map for the annual budget development with a consistent message and expectations.



# EXHIBIT A

## Fiscal Strategy and Budget Policies

### Annual Review Recommendations:

- Fiscal Strategy - No recommended changes
- Budget Policy - Change to: *General Fund Contributions to the Non-General Fund Departments or Programs*, to allow for an annual fiscal analysis to calculate a recommended contribution in the areas of Roads, Housing and Community Services and Fire



# EXHIBIT A

## Fiscal Strategy and Budget Policies

### Roads Fund - Operating Division General Fund Contribution

- Minimum - Annual Measure-U MOE contribution
- Additional contribution, if needed, to offset gap between other funding and roads operational costs, including staffing for maintenance projects.
- Road Capital Projects are reviewed separately



# EXHIBIT A

## Fiscal Strategy and Budget Policies

### Housing & Community Services General Fund Contribution

- Contribution, if needed, to offset gap between other funding sources and operational costs



# EXHIBIT A

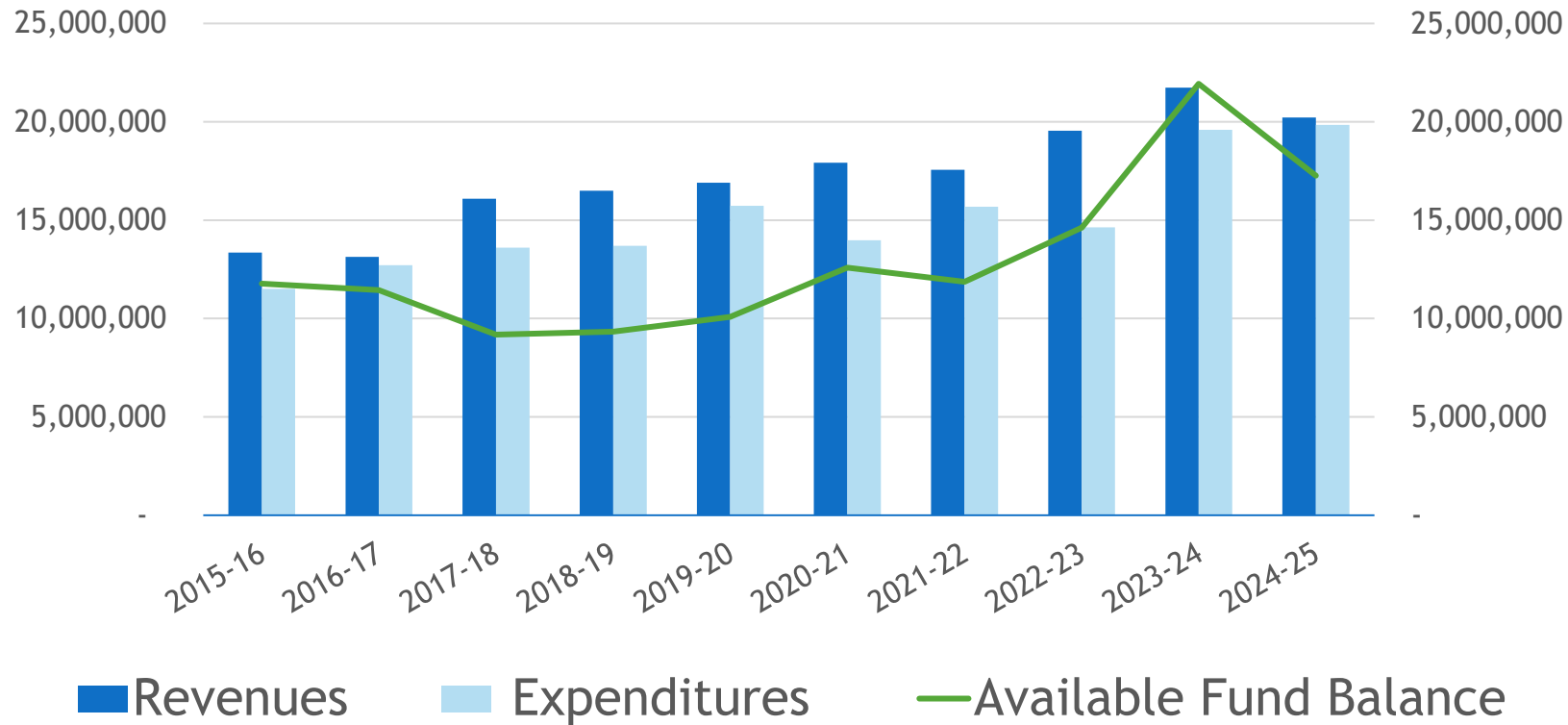
## Fiscal Strategy and Budget Policies

### Fire Fund General Fund Contribution

- Contribution, if needed, for one-time health and safety capital expenditures
- Fire Prevention Activities are fully funded by the General Fund in Division 15000



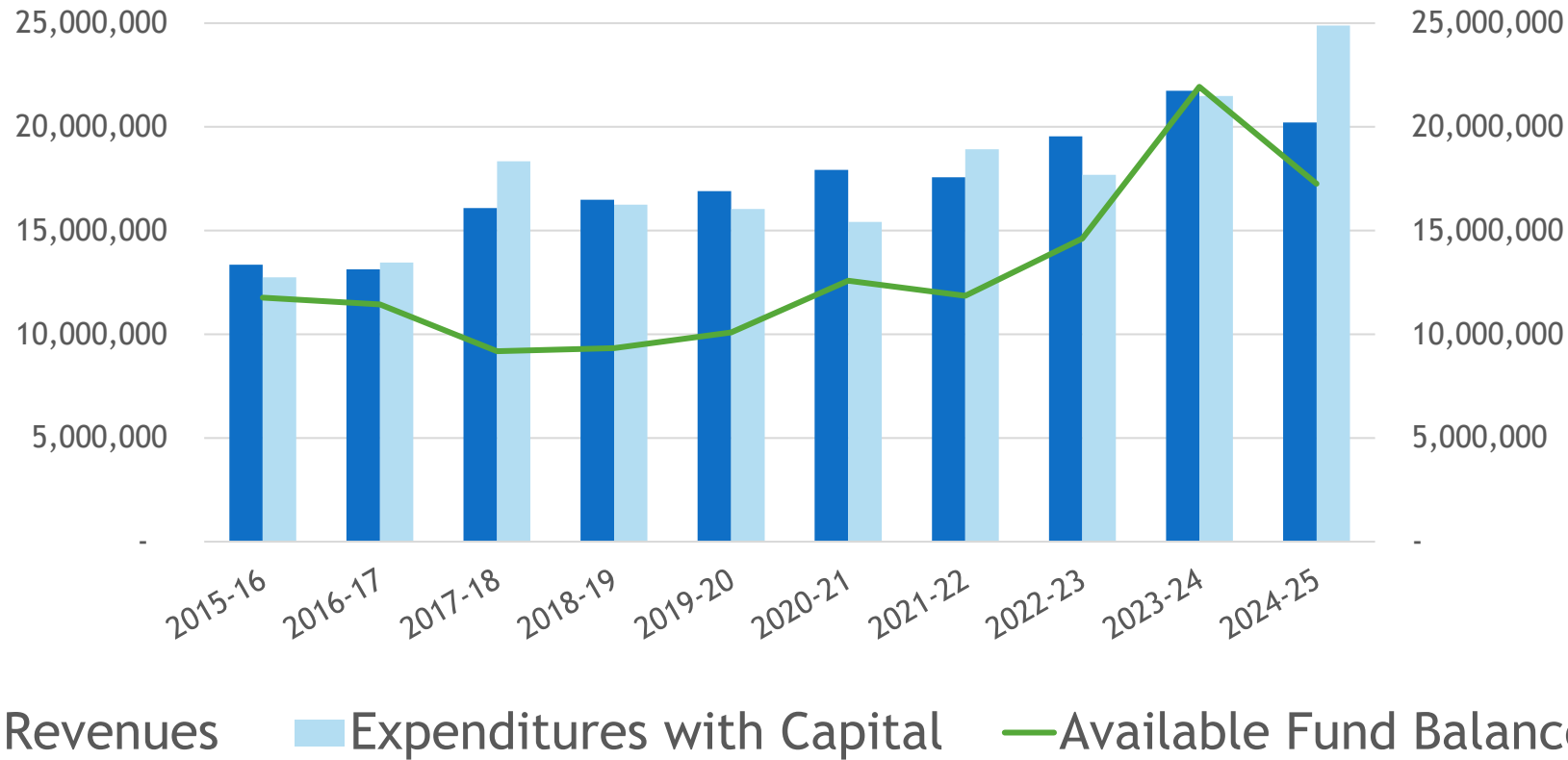
## Fire Fund - General Operations (Does not include Capital Investments)



## Fire Fund - 10 Year Analysis Operating Revenues and Expenses



## Fire Fund - General Operations (With Capital Investments)



# Fire Fund - 10 Year Analysis Operating Revenues and Expenses



# GENERAL FUND FISCAL REVIEW

## Adopted Budget vs Mid-Year Estimates

	Mid-Year		
	<u>Adopted Budget</u>	<u>Budget Estimates</u>	<u>Difference</u>
<b>Beginning Available Fund Balance</b>	\$ 57,268,624	\$ 55,801,672	\$ (1,466,952)
<b>Projected Revenues</b>	306,679,752	302,565,610	(4,114,142)
<b>Total Financial Resources</b>	<u>\$ 363,948,376</u>	<u>\$ 358,367,282</u>	<u>\$ (5,581,094)</u>
<b>Projected Expenditures</b>	\$ 341,321,348	\$ 333,237,362	\$ (8,083,986)
<b>Increase to Designation for Fiscal Uncertainty</b>	10,000,000	10,000,000	-
<b>Increase to General Reserves (Policy Level)</b>	2,225,000	3,928,667	1,703,667
<b>Total Financial Requirements</b>	<u>\$ 353,546,348</u>	<u>\$ 347,166,029</u>	<u>\$ (6,380,319)</u>
<b>Ending Projected Available Fund Balance</b>	<u>\$ 10,402,028</u>	<u>\$ 11,201,253</u>	<u>\$ 799,225</u>



## **EXHIBIT B**

# **Mid-Year Budget Amendments**

**18 Amendments resulting in either “shifts” between Divisions within a Fund, or an Increase of Appropriations offset by additional revenues or Use of Available Fund Balance**

**Total Use of General Fund Available Fund Balance \$376,000**



# GENERAL FUND

## Projected Fund Balance as of June 30, 2026

Estimated Ending Available Fund Balance	\$ 11,201,253
General Reserves	\$ 66,824,574
Designation for Fiscal Uncertainty	\$ 10,000,000
<b>Total</b>	<b>\$ 88,025,827</b>



# GENERAL FUND

## Future Stress Factors

- Discretionary revenue growth outpacing expenditure growth
- Rising General Liability and Property Insurance costs
- Rising Employee Health Insurance costs
- Estimated Cost to Complete the General Plan update
  - ✓ Total Estimated cost over next five years - \$6.5 million
  - ✓ Total Estimated General Fund portion - \$3.2 million



# GENERAL FUND

## Future Stress Factors (Continued)

- Storm damages on County roads
- Lack of Federal funding for Lake Berryessa Concessions
- Upcoming Labor negotiations (6/27)
- Aging County facilities
- Uncertain future of VLF and Excess ERAF
- Continued pressures/costs from increased Federal and State mandates (HR-1; State Budget Deficit)
- Possible Sales Tax Measure for Wildfire and Open Space



# Mid-Year Fiscal Review Board Action Items

- ▶ Staff is requesting the following:
- ▶ Approve the Revised 2026-27 Fiscal Strategy and Budget Policies (Exhibit A)
- ▶ Approve the recommended Mid-Year Budget Amendments for Fiscal Year 2025-26 (Exhibit B)



I'm waiting for your question