



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: Five-year budget forecast and other fiscal reports

RECOMMENDATION

Interim County Executive Officer requests that the Board:

1. Receive a presentation of the five-year budget forecast, Section 115 Trust Fund, and American Rescue Plan Act;
2. Approve mid-year Budget Adjustments per the attached reports; and
3. Authorize the creation of a new non-operating special revenue fund for CARE Court in Fund 2460, Division 24622, Subdivision 20000252 (4/5 vote required).

(CONTINUED FROM FEBRUARY 28, 2023)

EXECUTIVE SUMMARY

As part of the County's annual budget process, the Board reviews the five-year forecast. This presentation is intended to highlight any financial trends in revenues and expenses that help inform the upcoming budget process.

The County opened a Section 115 Trust to fund its Other Post-Employment Benefits - Health Insurance unfunded liability. Staff will present the annual report per the Pension Trust Fund policy.

The County received \$26.8 million in ARPA federal grant monies to respond to the pandemic and to provide economic recovery. The Board allocated the monies in 2021 and 2022 and program expenditures are in progress. Funds must be obligated by December 2024 and spent by December 2026. Staff will provide periodic

Expenses/Distributions	\$ 286,339
Earnings/(Losses)	\$ (14,890,549)
Account Balance 6/30/2022	\$ 98,156,265

Account Balance at 12/31/2022 \$100,722,058

American Rescue Plan Act allocated funds by category:

Public Health	\$ 5.2 million
Negative Economic Impacts	\$ 6.1 million
Public Sector Capacity	\$11.2 million
Infrastructure	\$ 4.2 million
Administration	\$ 0.1 million
Total	\$26.8 million

Public Health category includes EOC operations, vaccinations, isolation and quarantine shelter, and other eligible expenses. Negative Economic Impacts category includes affordable housing investment, community grants, and childcare infrastructure loan program. Public Sector Capacity category accounts for the cost of COVID supplemental sick leave incurred by the organization and the standard allowance. County then provided like investment into MSA grant program, fire prevention services, and road improvements. Infrastructure category includes water, sewer, and broadband projects. Administration is staff time charged to the grant.

The attached mid-year budget adjustment report provides a description for each department's request and the source of funds. The requested uses of General Fund Appropriation for Contingency total \$4.7 million and of General Fund Available Fund Balance total \$4.2 million. Many of the requests are for Salaries and Benefits for the wages increases approved earlier this fiscal year, additional positions, and overtime, and outside counsel expenses for contract public defender and county counsel.

Information Technology Services internal service fund is requesting \$1.8 million of contingency funds and almost \$3.4 million in additional general fund available fund balance to address a structural gap that has accumulated and been compounded with significant inflationary increases in labor, equipment, and service costs. The requested monies are projected for the fund to conclude the fiscal year with the state controller's

recommended sixty days of working capital. Balances will be reviewed once the fiscal year closes and additional requests will be presented if needed.

The State is piloting a CARE Court program in six counties and has provided initial grants to the remaining counties to begin planning for CARE Court operations. HHSA requests the creation of a non-operating special revenue fund to account for the grant monies received.