



Napa County

1195 THIRD STREET
SUITE 310
NAPA, CA 94559
www.countyofnapa.org

Main: (707) 253-4580

Legislation Text

File #: 22-1386, Version: 1

TO: Board of Supervisors
FROM: Minh C. Tran - County Executive Officer
REPORT BY: Jasmine Elo - Management Analyst
SUBJECT: Budget Transfer to Increase Appropriations

RECOMMENDATION

County Executive Officer requests approval of a Budget Transfer increasing appropriations in Non-Departmental (100-1050000) by a total of \$959,998, offset by the use of Appropriation for Contingencies for the following Napa Successor Agency Backfill Payments (4/5 vote required):

1. Napa Valley Unified School District (NVUSD): \$759,589; and
2. Napa County Office of Education (NCOE): \$200,409.

EXECUTIVE SUMMARY

The requested action amends the existing budget appropriation authority by \$959,998 in Non-Departmental (Fund 1000, Subdivision 1050000) to provide Backfill Payments to NVUSD and NCOE.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Consequences if not approved:	If the requested action is not approved, the County will not be in compliance with the Agreement regarding Backfill Payments.
County Strategic Plan pillar addressed:	Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California

Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

At the January 28, 2021, Oversight Board meeting, the Oversight Board supported a process by which the final debt of the Napa Successor Agency would be paid early, subject to City and County agreeing to make certain “backfill” payments (“Backfill”) to NVUSD and NCOE to compensate NVUSD and NCOE for financial impact they would suffer from early dissolution of the Napa Successor Agency. City and County agreed to make NVUSD and NCOE whole by backfilling their losses, all local taxing jurisdictions, including NVUSD and NCOE, would gain a net benefit from the early dissolution of the Napa Successor Agency.

The City Water Fund debt required payment prior to June 30, 2021, to secure the ERAF increase. On May 26, 2021, the City Manager authorized the use of City General Fund Revenue to pay the fund a “shortfall” of \$61,116.53 (“Shortfall Payment”), the amount required for the Napa Successor Agency to retire the City Water Fund debt, thereby paving the way to early dissolution of the Napa Successor Agency and receipt of the increased excess ERAF.

City has requested that the County repay the County’s 86% share of the Shortfall Payment by increasing the County’s Backfill estimated amount from \$898,500 to \$959,998 thereby decreasing City’s Backfill amount from \$142,200 to \$94,945, with the total Backfill amount to be paid to the two school agencies remaining \$1,054,943. The resulting proportional split on the Backfill amount is 91% from the County and 9% from the City.

On September 14, 2021, the Board approved Agreement No. 220146B to issue the Backfill Payments to NVUSD and NCOE. The requested action approves a Budget Adjustment appropriation increase of \$959,998 in the Non-Departmental Division of the County Executive Office to make the necessary payments as covered by Agreement No. 220146B.