



A Tradition of Stewardship
A Commitment to Service

County Executive Office

1195 Third Street
Suite 310
Napa, CA 94559
www.countyofnapa.org

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Ryan J Alsop
County Executive Officer

MEMORANDUM

TO: Board of Supervisors
FROM: Ryan J Alsop, County Executive Officer
DATE: March 11, 2025
RE: **MID-YEAR FISCAL REVIEW - FISCAL YEAR 2024-25**

Introduction

A mid-year review is part of the County's on-going fiscal monitoring process. Referencing actual revenue and expenditure activity from the first six months of the fiscal year, Departments forecast revenues and expenditures through the end of the fiscal year. This review enables the County to identify and address any current-year budget concerns in a timely manner. This process also starts the FY 2025-26 budget by providing an estimate of the FY 2024-25 General Fund ending fund balance available for use in the FY 2025-26 budget process. CEO staff continually monitor revenue trends and evaluate the impact that existing or proposed expenditure increases will have on the fund balance now and into the future.

General Fund Current Year Fiscal Status

Using the most current information, the General Fund will likely end FY 2024-25 with an unassigned ending Available Fund Balance of approximately \$24 million which is \$17 million more than projected. This balance is reasonable and necessary for stability of operations during economic uncertainty.

The below charts are rounded to the nearest one thousand dollars (\$1,000).



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GENERAL FUND BUDGET

Resources	FY2024-25 Revised Budget	FY2024-25 Year End Estimate	Difference
Available Fund Balance	\$ 51,919,000	\$ 52,332,000	\$ 413,000
Tax Revenue	\$190,865,000	\$193,812,000	\$2,947,000
Other Revenue	\$110,675,000	\$109,601,000	(\$1,074,000)
Total Revenue	\$301,540,000	\$303,413,000	\$1,873,000
Total Resources	\$353,459,000	\$355,745,000	\$2,286,000
Total Expenditures	\$346,539,000	\$338,394,000	(\$8,145,000)
Release of Restrictions and Designations	-	\$ 6,441,000	\$6,441,000
Projected Ending Fund Balance	\$ 6,920,000	\$ 23,792,000	\$16,872,000

General Fund tax revenues are projected at approximately \$3 million more than the revised budget. The primary sources of General Fund Revenue are Property Tax, Transient Occupancy Tax, and Sales and Use Tax. The table below summarizes the budget versus estimate for these revenue sources. Property Tax revenues include many components: Secured, Unsecured, Vehicle Licensing Fee, Excess ERAF, and Supplemental. Sales and Use Tax trend information is analyzed at the state and local level by a consultant. Estimates for all tax revenues are preliminary due to the timing of receipts.



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	Adjusted Budget	Year End Estimate	Difference
Property Tax	\$163,125,000	\$167,212,000	\$4,087,000
Transient Occupancy Tax	\$13,300,000	\$13,000,000	(\$300,000)
Sales and Use Tax	<u>\$14,440,000</u>	<u>\$13,600,000</u>	<u>(\$840,000)</u>
	\$190,865,000	\$193,812,000	\$2,947,000

Other general revenues sources estimated at \$109 million primarily include Intergovernmental at \$31 million, Transfers In at \$30 million, and Charges for Services and Fees at \$35 million.

Intergovernmental sources include \$23 million of restricted Prop 172 public safety sales tax. The remaining \$7 million of state revenues include dozens of grant and revenue agreements spread across the organization. The state budget will be closely monitored to determine any impacts next fiscal year. Most transfers in are restricted public safety and justice realignment revenues.

Proceeds from the sale of Calistoga Fairgrounds totaled \$2 million and interest earnings on available monies is projected at \$5 million.

Actual county expenditures will always total less than appropriations due to staffing differences and changes in program execution. The estimated lapse totaling \$8 million is reasonable. Program accomplishments are many across the departments. A few to highlight include roads paving and fire suppression, and opening the new jail.

Budget Adjustments

The CEO recommends the Board approve the recommended budget adjustments to the General Fund and Other Funds as scheduled in the following charts.

The Fund Balance adjustments reflect reclassifications the Auditor-Controller will process to ensure the General Reserves and other reservations and designations of fund balance comply with the 2024-25 Budget Policy and Guidelines. Any revisions to the 2025-26 Budget Policy and Guidelines may result in further reclassification next year.

Fiscal Year 2024-25 Mid-Year Budget Amendments

Legistar Board Item 25-114 (Special Districts separate)

A. General Fund

- 1 CEO requests an increase in salaries and benefit expenses to reflect the split of activity and additional employee compensation costs in excess of estimates through decrease in BOS salaries, benefits, and operating expenses and recognition of excess interest revenue.

	Amount	Fund	Subdivision	Account	
a. Decrease	\$110,000	1000	1010000	51100	Salaries and Wages
b. Decrease	\$40,000	1000	1010000	52605	Rents/Leases-Bldgs/Land
c. Increase	\$300,000	1000	1020000	51100	Salaries and Wages
d. Increase	\$150,000	1000	1050000	45100	Interest

- 2 Sheriff requests an increase in Coroner Division of \$100,000 for Overtime and an increase in Animal Control Division of \$55,000 for Retirement from a reduction in Operations Division's Salary and Wages due to higher than expected overtime and retirement costs.

	Amount	Fund	Subdivision	Account	
a. Decrease	\$155,000	1000	1360000	51100	Salary and Wages
b. Increase	\$100,000	1000	1361000	51115	Overtime
c. Increase	\$55,000	1000	1362000	51600	Retirement

- 3 County Counsel requests increase for Conflict Public Defender for Legal Services from General Fund Available Fund Balance due to an

	Amount	Fund	Subdivision	Account	
a. Increase	\$400,000	1000	1340000	52140	Legal Services

- 4 Public Defender requests an increase in Vacation Payout and Consulting Services from available fund balance due to higher Vacation Payout costs and high Consulting Services costs due to confidential expert witness contracts.

	Amount	Fund	Subdivision	Account	
a. Increase	\$75,000	1000	1320000	51130	Vacation Payout
b. Increase	\$75,000	1000	1320000	52310	Consulting Services

- 5 Department of Housing & Homeless Services requests an increase in Salaries & Benefits due to higher Salary and Benefits cost. Offset by the use of available fund balance

	Amount	Fund	Subdivision	Account	
a. Increase	\$157,000	1000	1021500	51100	Salaries and Wages

- 6 Provide County match for senior housing stabilization grant program from Master Settlement Agreement fund balance.

a. Increase	\$155,000	1000	1055000	56100	Transfers Out
b. Increase	\$155,000	2080	2080040	48200	Transfer In

- 7 Auditor-Controller requests an increase in Intra-Fund Transfer in in the Non-Departmental subdivision, offset by available fund balance, and an Intra-Fund Transfer out in 2017 Napa Fire Complex subdivision for the release of FEMA and CalOES funds. The audit period for

	Amount	Fund	Subdivision	Account	
a. Increase	\$3,759,653	1000	1050000	49900	Intra-fund Transfers In
b. Increase	\$3,759,653	1000	1058003	57900	Intra-fund Transfers Out

B. Other Funds

- 1 Fleet Management Operations requests an increase in appropriations in services and supplies for higher than expected parts and repair costs in Maint - Equipment and Maint - Vehicles offset by decrease of appropriations in Appropriation for Contingency. The

	Amount	Fund	Subdivision	Account	
a. Increase	\$60,000	4100	4100000	52500	Maint - Equipment
b. Increase	\$28,000	4100	4100000	52520	Maint - Vehicles
c. Decrease	\$88,000	4100	4100000	58100	Appropriation for Contingency

- 2 Road Operations requests an increase in appropriations in Rent/Leases - Equipment in the amount of \$100,000 due to not being able to repair the county paver and needing to rent one and other equipment for projects this is offset by use of available fund balance.

	Amount	Fund	Subdivision	Account
a. Increase	\$100,000	2040	2040000	52600 Rents/Leases - Equipment

- 3 Child Support Services requests an increase in appropriations due to additional funding provided by the State Department of Child Support Services to cover higher than expected salary and benefit costs, overtime projects, and travel expenses to attend the CSDA

	Amount	Fund	Subdivision	Account
a. Increase	\$27,449	2160	2160000	43200 State Public Assistance Admin
b. Increase	\$53,282	2160	2160000	43800 Federal Public Assistance Admin
c. Increase	\$49,246	2160	2160000	51100 Salaries and Wages
d. Increase	\$20,000	2160	2160000	51115 Overtime
e. Increase	\$11,485	2160	2160000	52900 Training/Conference Expenses

- 4 Increase Construction Services in the Community Facility District _ MST for the restoration of ~300 feet of pavement due to the installations of new meters tying into the MST Recycled Water Pipeline offset by the use of available fund balance.

	Amount	Fund	Subdivision	Account
a. Increase	\$95,000	2870	2870000	52360 Construction Services

- 5 Animal Shelter – Moving bequest funds that were donated to the Animal Shelter in FY24 from capital projects subdivision to operations subdivision so the funds can be made available for their intended purpose; increasing appropriation for vacation payout, veterinary

	Amount	Fund	Subdivision	Project	Account
a. Increase	\$410,000	5040	5040500	ANS00	57900 Intrafund Transfers Out
b. Increase	\$410,000	5040	5040000		49900 Intrafund Transfers In
c. Increase	\$30,000	5040	5040000		51130 Vacation Payout
d. Decrease	\$10,000	5040	5040000		51400 Employee Insurance - Premiums
e. Increase	\$46,012	5040	5040000		52230 Veterinary Services
f. Increase	\$28,500	5040	5040000		52490 Other Professional Services
g. Decrease	\$66,012	5040	5040000		58100 Appropriation for Contingency
h. Increase	\$15,000	5040	5040001		52230 Veterinary Services

- 6 Property Management – Increasing appropriations for electric utility payments, maintenance of buildings and improvements, engineering services, and temporary staffing to address increasing utility rates, a significant number of repairs required for HVAC

	Amount	Fund	Subdivision	Account
a. Decrease	\$100,000	4300	4300000	51100 Salaries & Wages
b. Increase	\$120,000	4300	4300000	52505 Maint - Bldg & Improvements
c. Increase	\$300,000	4300	4300000	53205 Utilities - Electric
d. Increase	\$70,000	4300	4300005	52145 Engineer Services
e. Increase	\$87,495	4300	4300005	52150 Temporary / Contract Help

- 7 Information Technology Services requests an increase in appropriations in the Applications and Development subdivision, to pay for

	Amount	Fund	Subdivision	Account
a. Increase	\$540,000	4200	4200001	52515 Maintenance - Software
b. Increase	\$75,000	4200	4200002	51115 Overtime

- 8 Transfer cash balance of Calistoga Fairgrounds enterprise fund to General Fund with intent to close the inactive fund at fiscal year's

	Amount	Fund	Subdivision	Account
a. Increase	\$565,627	5070	5070000	56105 Transfer Out
b. Increase	\$565,627	1000	1050000	48200 Transfer In

- 9 Increase employee and retiree benefit claims from charges for services and available fund balance.

	Amount	Fund	Subdivision	Account	
a. Increase	\$300,000	4400	4400002	46800	Dental Charges for Services
b. Increase	\$300,000	4400	4400002	52710	Dental Claims
c. Increase	\$300,000	4400	4401001	46800	Retiree Health Charges for Services
d. Increase	\$300,000	4400	4401001	52705	Retiree Health Premiums
e. Increase	\$100,000	4400	4401002	46800	Retiree Dental Charges for Services
f. Increase	\$100,000	4400	4401002	52710	Retiree Dental Claims
g. Increase	\$50,000	4400	4403000	52710	Unemployment Insurance Claims

10 CSA4 increase in allocation in Accounting / Auditing Services off set by the increase in Interest Revenue.

	Amount	Fund	Subdivision	Account	
a. Increase	\$2,000	2810	2810000	45100	Interest
b. Increase	\$2,000	2810	2810000	52125	Accounting/Auditing Services

11 Health and Human Services Agency requests an increase to (51100) salaries and wages because the agency was able to improve the

	Amount	Fund	Subdivision	Account	
Increase	\$316,500	2000	20002-03	51100	Salaries and Wages
Increase	\$100,900	2000	20002-05	51100	Salaries and Wages
Increase	\$456,300	2000	20004-00	51100	Salaries and Wages
Increase	\$93,800	2000	20005-00	51100	Salaries and Wages
Increase	\$70,600	2000	20006-00	51100	Salaries and Wages

12 Health and Human Services Agency requests an increase to computer software/licensing for increased costs related to the electronic

	Amount	Fund	Subdivision	Account	
Increase	\$1,135,000	2000	20002-03	48200	Transfer In
Increase	\$1,135,000	2000	20002-03	53415	Computer Software/Licensing
Increase	\$1,135,000	2460	20002-51	56100	Transfer Out

13 Health and Human Services Agency (HHSA) requests an increase to Client Provider Services, IHSS Provider Services, Office Supplies,

	Amount	Fund	Subdivision	Account	
Increase	\$60,900	2000	20001-00	52430	Client Provider Services
Increase	\$59,100	2000	20004-00	52430	Client Provider Services
Increase	\$97,800	2000	20005-00	52431	IHSS Provider Services
Increase	\$26,900	2000	20006-00	53100	Office Supplies
Increase	\$5,000	2000	20006-00	53535	Client Interim/General Assistance
Decrease	\$249,700	2000	20002-00	52430	Client Provider Services

Reclassification of Fund Balance

1 Adjust fund balance reservation and designation to align with 2024-25 budget policy and guidelines for 15% general reserve with reclassification of funds designated for fiscal uncertainty and increase available fund balance.

	Amount	Fund	Subdivision	Account	
a. Increase	\$21,008,479	1000	1050000	31120	General Reserve
b. Decrease	\$26,164,869	1000	1050000	32115	Fiscal Uncertainty
c. Increase	\$5,156,390	1000	1050000	33100	Available Fund Balance