



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/20/2018

Agenda Placement: 10G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Minh Tran - County Executive Officer
County Executive Office
REPORT BY: Bret Prebula, Principal Management Analyst - 707-253-4826
SUBJECT: FY 2017-18 Fiscal Review

RECOMMENDATION

County Executive Officer requests that the Board:

1. Review and accept the Fiscal Year 2017-18 Fiscal Review; and
2. Approve Budget Transfer No. CEO013 making budget adjustments in a number of departments and creating a new Capital Improvement Project (CIP) within the Airport Fund, as outlined in Attachment A of this Board item, to provide sufficient appropriation authority for expenditures through the end of the fiscal year. (4/5 vote required)

EXECUTIVE SUMMARY

The FY 2017-18 Fiscal Review projects that the General Fund will end the fiscal year with an unassigned ending fund balance of approximately \$5.1 million. Estimates are based on actual revenue/expenditure data through the first 6-months of the fiscal year. A number of budget adjustments are necessary at this time to ensure there is sufficient appropriation authority to cover projected expenditures through the end of the fiscal year as well as creating a new Capital Improvement Project (CIP) within the Airport Fund. The County Executive Office staff, in collaboration with department staff, will continue to monitor the departments, and additional budget adjustments may be requested later in the fiscal year.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	See attached fiscal review memo, including requested budget adjustments listed in Attachment A.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	See attached fiscal review memo.
Consequences if not approved:	See attached fiscal review memo.
Additional Information:	

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

An important part of the County's continuous fiscal monitoring process is a review of the County's budget status throughout the fiscal year, focusing particularly on the General Fund. The County Executive Office (CEO) staff worked with departments and the Auditor-Controller's Office to forecast year end revenues, expenses, Net County Cost, and use of Fund Balance for both General Fund and non-General Fund departments. This fiscal review will enable staff to address any current-year budget concerns in a timely manner. This process also assists in preparing the FY 2018-19 budget, in part by providing a projection of the General Fund ending fund balance for FY 2017-18. The current year ending fund balance becomes the beginning fund balance, and thus a budget resource, for the next fiscal year. Therefore, maintaining a healthy available fund balance in the General Fund is important. Using the most current information available, we believe that the General Fund will likely end FY 2017-18 with an unassigned ending fund balance of approximately \$5.1 million.

The 2017 Napa Fire Complex created downward pressure on the County's overall discretionary revenue (property tax, transient occupancy tax, and sales tax). The available fund balance in the General Fund is sufficient to sustain the projected level of expenditures for the current fiscal year. As always, we continually monitor revenue trends and carefully contemplate the impact that existing or proposed expenditure increases will have on the fund balance now and into the future.

Attached is a memorandum ("FY 2017-18 Fiscal Review") that projects the County's fiscal condition through the end of the fiscal year. Attachment A of the FY 2017-18 Fiscal Review contains a number of requested budget adjustments to provide sufficient appropriation authority for expenditures through the end of the fiscal year and the creation of a new Capital Improvement Project (CIP) within the Airport Fund. The attached memorandum also provides a summary of the Governor's FY 2018-19 Proposed Budget.

SUPPORTING DOCUMENTS

A . FY 2017-18 Mid-Year Memo

B . FY 2017-18 Mid-Year Attachment A

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri