



Town of Yountville

6550 Yount Street
Yountville, CA 94599

Staff Report

Agenda Item #: {{section.number}}A

Yountville Town Council Staff Report

DATE: June 6, 2023

TO: Mayor and Town Council

FROM: Celia King, Finance Director

PREPARED BY: Kyle Batista, Financial Analyst

SUBJECT:

Adopt Resolution Number 23-4207 Approving use of General Fund Assigned for Legal Contingency for Town Attorney services, and additional budget adjustments in specific Public Works, Parks and Recreation, and Wastewater Operating departments to accommodate unanticipated costs in Fiscal Year 2022/2023.

DISCUSSION/BACKGROUND

The Finance Team works closely with departments throughout the fiscal year to monitor and manage expenditures. This is an effort to ensure that expenditures remain within the appropriation that has been approved by the Town Council.

As we near the end of Fiscal Year 2022/2023, staff has identified a few departments that have incurred expenditures that will end up being more than anticipated, due to conditions that are beyond our control. Staff is recommending that the Town Council consider increasing the budget for the affected departments to cover these necessary costs.

Staff recommends the following budget adjustments in the General Fund for the reasons stated:

- Higher than anticipated utility costs.
 - 01-4325-4510 Government Buildings Utilities Gas & Electric – \$2,500 increase.
 - 01-4325-4515 Government Buildings Utilities Water & Sewer – \$2,500 increase.
 - 01-5408-4510 Community Center Utilities Gas & Electric – \$6,500 increase.
 - 01-5408-4515 Community Center Utilities Water & Sewer – \$5,000 increase.
- Emergency generator repair that occurred at the Community Center.
 - 01-4325-4320 Government Buildings Equipment Maintenance - \$4,000 increase.
- Additional special event cleanings at the Community Center due to increased events throughout the fiscal year.
 - 01-5408-4210 Community Center Contract Services - \$3,500 increase.

The total amount of these recommended budget adjustments in the General Fund is \$24,000. As this was not part of the approved Fiscal Year 2022/2023 Budget, staff is requesting the use of the Annual Budget Contingency.

Fiscal Year 2022/2023 General Fund Annual Budget Contingency started with a balance of \$521,120. To date, the only use of Budget Contingency has been Resolution Number 23-4172 for \$35,000 to cover the Town Manager Recruitment Services with Bob Murray & Associates. The Annual Budget Contingency currently has an available balance of \$486,120.

Approving the requested budget adjustments of \$24,000 would leave a balance of \$462,120 which will remain in the General Fund Assigned for Annual Budget contingency at the end of Fiscal Year 2022/2023.

Additionally, staff is recommending a \$55,000 adjustment to increase the Town Attorney Contract Services budget 01-1105-4210 as we have experienced an increase in attorney service hours. This is due to involvement in the Town Manager recruitment process, providing additional support to new Town Councilmembers, and attending the Town Council orientations and planning sessions.

Staff is requesting the use of General Fund Assigned for Legal Contingency to cover these costs. General Fund Assigned for Legal Contingency started Fiscal Year 2022/2023 with a \$200,000 balance and has not yet been used. Approving this budget adjustment request would leave a balance of \$145,000 which will remain in General Fund Assigned for Legal Contingency at the end of Fiscal Year 2022/2023.

Lastly, staff is recommending the following two budget adjustments in the Wastewater Utility Operating Fund 62 for the reasons stated:

- Additional hours provided by the Napa Sanitation District's Chief Plant Operator due to a heavier rain season and support with the emergency recycled water transmission main repair project.
 - 62-4515-4210 Wastewater Treatment Operations Contract Services - \$10,000.
- Higher than anticipated utility costs.
 - 62-4515-4510 Wastewater Treatment Operations Utilities Gas & Electric - \$10,000

These requested budget adjustments in the amount of \$20,000 would affect the Wastewater Utility Operating Fund 62 which is estimated to have an Unreserved Fund Balance of \$245,626 at the end of Fiscal Year 2022/2023.

In conclusion, staff recommends that the Town Council approves the use of \$24,000 of Fiscal Year 2022/2023 General Fund Annual Budget Contingency to accommodate unanticipated cost increases, \$55,000 of Fiscal Year 2022/2023 General Fund Assigned for Legal Contingency to accommodate additional attorney service hours, and a \$20,000 budget adjustment to the Wastewater Utility Operating Fund 62 expenditure budget due to unexpected increases in utility costs and contracted services with the Napa Sanitation District.

ENVIRONMENTAL REVIEW

Exempt per California Environmental Act (CEQA) Guideline, Section 15061(b)(3)

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? No

Where is it Budgeted? N/A

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Nominal

STRATEGIC PLAN GOAL

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Responsible Fiscal Policy:** The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.

Briefly Explain Relationship to Strategic Plan Goal and Objective. Informing Town Council of unexpected expenditures allows them to approve budget adjustments needed to manage expenses that are beyond the Town's control.

RECOMMENDATION

Adopt Resolution Number 23-4207 Approving use of General Fund Assigned for Legal Contingency for Town Attorney services, and additional budget adjustments in specific Public Works, Parks and Recreation, and Wastewater Operating departments to accommodate unanticipated costs in Fiscal Year 2022/2023.