



Staff Reports

File #: 309-2021, **Version:** 1

To: Honorable Mayor and Members of City Council

From: Elizabeth Cabell, Interim Finance Director

Prepared By: Jessie Gooch, Budget Officer

TITLE:

Budget Adjustments for Labor Agreements

RECOMMENDED ACTION:

Approve budget changes to City funds due to updated labor agreements, as documented in Budget Adjustment Form BE2209504.

DISCUSSION:

The adopted FY 2021/22 budget did not include any estimated increases for bargaining groups without memoranda of understanding ("MOU's") in place for the fiscal year. With Council's approval of the tentative agreement for the Napa City Employees Association (NCEA TA) on July 20, 2021, as well as the City's agreement to pay out the calendar year 2021 Juneteenth holiday to public safety groups, there is the need to increase City budgets. Additionally, these increases to salaries and wages budgets also necessitated the reallocation of the City's unfunded accrued liability payment for the California Public Employees' Retirement System (CalPERS UAL). The attached Budget Adjustment Form includes all needed adjustments to bring City budgets in line with the labor agreements.

The adjustments will increase the General Fund expenditure budget by \$691,890, thereby reducing the current year (FY22) budgeted surplus from \$1,524,400 to \$832,510. Special Revenue fund budgets will increase by a total of \$13,370, the Capital Improvement Fund budget will increase by \$80,000, and Internal Service fund budgets will increase by \$14,400. In Utilities, the Solid Waste & Recycling fund budget will increase by \$11,640, and the Water fund by \$125,300. Housing Authority funds will increase by \$13,420, and a separate item will be brought to the Housing Authority at their October 5, 2021 meeting for review and approval.

FINANCIAL IMPACTS:

In the General Fund, the labor agreement changes result in an increase of \$562,500 to the expenditure budget. Another \$129,390 increase is then required for the additional transfers to reserves due to the operating budget increase. The transfers from the General Fund to the CIP Reserve are shown as the revenue increase in fund 301 in the table below. After reviewing the calculations, the Housing Division asked to include an additional adjustment reducing their CDBG Admin Supplies budget to offset the increase in payroll costs. In total, these adjustments result in the

following budget changes to City funds:

Fund	Fund Name	Revenue Budget Adjustment	Expenditure Budget Adjustment	Additional Budget for Reserves
100	General Fund		562,500	129,390
101	Non-Recurring General Fund		1,990	
216	Tourism Improvement District Fund		(100)	
222	Housing Impact Fee		310	
225	Measure F Fund		(100)	
231	CDBG Program		1,130	
233	HOME Program		640	
236	CalHome Program		430	
291	Parking Security		11,060	
301	Capital Projects	16,880	80,000	
510	Solid Waste & Recycling		11,640	
530	Water		125,300	
610	Fleet Management		14,700	
640	Risk Management		(300)	
841	Laurel Manor		(100)	
842	Seminary Street		310	
843	Section 8		11,040	
844	20% Low/Mod Income		100	
846	Local Housing Fund		2,010	
849	Continuum of Care Program		60	
Total		16,880	822,620	129,390

CEQA:

The City Manager has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

ATCH 1 - Budget Adjustment BE2209504

NOTIFICATION:

None.