



Local Agency Formation Commission
LAFCO of Napa County

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August 4, 2008
Agenda Item No. 5c

July 25, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: 2008-2009 Budget Contributions by Funding Agencies (Consent: Action)

The Commission will review a report identifying the budget contributions required of its six funding agencies for 2008-2009. The report is being presented to the Commission to receive and file.

The Commission's annual operating costs are funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. State law provides the County is responsible for 50% of the Commission's operating costs with the remaining amount proportionally shared by the cities. As allowed under law, the cities have agreed to an alternative formula to apportion their respective budget contributions based on a weighted calculation of population and general tax revenues. As part of the annual budget process, it is the practice of the Commission to return unexpended funds (agency contributions, application fees, and income earned on interest) to the six funding agencies in the form of credits towards their subsequent budget contribution.

A. Discussion

At its June 2, 2008 meeting, the Commission adopted a final budget for 2008-2009 in the amount of \$552,167. Staff has calculated each funding agency's proportional share of the final budget based on the formula outlined in the preceding section. Each funding agency's calculated share includes two distinct reductions involving unexpended funds from 2007-2008 totaling \$199,402. The first reduction reflects a carry-forward in the amount of \$55,000 to fund an electronic document management system and develop a new website. The second reduction reflects agency credits in the amount of \$144,402. The budget contributions required of each funding agency in 2008-2009 along with comparisons from previous fiscal years are summarized below.

Current and Recent Budget Contributions by Funding Agency
(Net Agency Invoice)

| Agency | 2008-2009 | 2007-2008 | 2006-2007 | 2005-2006 |
|-------------------------|--------------|--------------|--------------|--------------|
| County of Napa | \$176,382.73 | \$136,016.01 | \$155,720.41 | \$174,114.34 |
| City of Napa | \$119,820.40 | \$87,061.35 | \$106,679.39 | \$118,882.00 |
| City of American Canyon | \$27,179.61 | \$23,792.74 | \$20,542.43 | \$22,462.15 |
| City of Calistoga | \$12,134.39 | \$10,349.12 | \$12,095.26 | \$11,277.36 |
| City of St. Helena | \$9,714.01 | \$8,140.48 | \$9,243.23 | \$13,871.25 |
| Town of Yountville | \$7,534.31 | \$6,672.32 | \$7,160.10 | \$7,621.58 |

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Chair
County of Napa Supervisor, 1st District

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Vice Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Summary

Budget contributions for each funding agency in 2008-2009 are increasing between 38% (City of Napa) and 13% (Town of Yountville) over 2007-2008. This increase is primarily attributed to the significant amount of unexpended funds remaining at the end of 2006-2007, which the Commission returned to the funding agencies in the form of credits against their budget contribution in 2007-2008. Overall, budget contributions in 2008-2009 are slightly above 2006-2007 and relatively similar to 2005-2006.

C. Recommendation

It is recommended the Commission take the following action:

- 1) Receive and file the report titled "2008-2009 Budget Contributions by Funding Agencies."

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) 2008-2009 Agency Allocation

FY2008-2009 Allocation for Annual LAFCO Costs to County and Cities (7/25/08)

(Alternative Allocation Formula Approved by Cities)

| Step 1 | LAFCO Budget | Final FY07-08 | Final FY08-09 | Difference Dollar | Difference Percentage | | | |
|---------|--|------------------------|------------------|----------------------|--------------------------|-------------------|-------------------|---------------|
| | Total | \$ 466,671.72 | \$ 552,167.80 | \$ 85,496.08 | 18.3% | | | |
| Step 2 | Annual Allocation | | | | | | | |
| | 50% to County | \$ 233,335.86 | \$ 276,083.90 | \$ 42,748.04 | 18.3% | | | |
| | 50% to Cities | \$ 233,335.86 | \$ 276,083.90 | \$ 42,748.04 | 18.3% | | | |
| Step 3a | Cities' Share Based on Total General Tax Revenues* | | | | | | | |
| | <u>General Tax Revenues</u> | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Cities</u> | |
| | Secured & Unsecured Property Tax | \$ 5,633,170 | \$ 786,241 | \$ 11,940,329 | \$ 2,015,821 | \$ 348,717 | \$ 20,724,278 | |
| | Voter Approved Indebtedness Property Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Other Property Tax | \$ 122,753 | \$ 387,202 | \$ 5,280,906 | \$ 453,195 | \$ 261,178 | \$ 6,505,234 | |
| | Sales and Use Taxes | \$ 1,826,414 | \$ 510,171 | \$ 8,837,030 | \$ 1,694,055 | \$ 427,467 | \$ 13,295,137 | |
| | Transportation Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Transient Lodging Tax | \$ 216,717 | \$ 2,335,139 | \$ 6,248,554 | \$ 1,306,308 | \$ 3,053,759 | \$ 13,160,477 | |
| | Franchises | \$ 372,172 | \$ 145,257 | \$ 1,439,415 | \$ 141,561 | \$ 53,984 | \$ 2,152,389 | |
| | Business License Taxes | \$ 145,110 | \$ 140,939 | \$ 2,650,159 | \$ 145,308 | \$ 6,138 | \$ 3,087,654 | |
| | Real Property Transfer Taxes | \$ 197,019 | \$ 31,765 | \$ 604,203 | \$ 73,657 | \$ 27,515 | \$ 934,159 | |
| | Utility Users Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Other Non-Property Taxes | \$ 1,922,727 | \$ 142,947 | \$ 2,528,199 | \$ 486,173 | \$ 94,471 | \$ 5,174,517 | |
| | Total | \$ 10,436,082 | \$ 4,479,661 | \$ 39,528,795 | \$ 6,316,078 | \$ 4,273,229 | \$ 65,033,845 | |
| | Percentage of Total Taxes to all Cities | 16.0% | 6.9% | 60.8% | 9.7% | 6.6% | 100% | |
| Step 3b | Cities' Share Based on Total Population** | | | | | | | |
| | Population | 16,293 | 5,302 | 77,106 | 5,924 | 3,263 | 107,888 | |
| | Population Percentage | 15.10% | 4.91% | 71.47% | 5.49% | 3.02% | 100% | |
| Step 4 | Cities Allocation Formula | | | | | | | |
| | Cities' Share Based on Total General Taxes | 16.0% | 6.9% | 60.8% | 9.7% | 6.6% | 100% | |
| | Portion of LAFCO Budget | \$ 17,721.44 | \$ 7,606.88 | \$ 67,123.60 | \$ 10,725.29 | \$ 7,256.34 | 40% | |
| | Cities' Share Based on Total Population | 15.10% | 4.91% | 71.47% | 5.49% | 3.02% | 100% | |
| | Portion of LAFCO Budget | \$ 25,016.14 | \$ 8,140.65 | \$ 118,387.91 | \$ 9,095.66 | \$ 5,009.98 | 60% | |
| | Total Agency Allocation | \$ 42,737.58 | \$ 15,747.53 | \$ 185,511.51 | \$ 19,820.95 | \$ 12,266.33 | \$ 276,083.90 | |
| | Allocation Share | 15.4799% | 5.7039% | 67.1939% | 7.1793% | 4.4430% | 100% | |
| Step 5 | FY08-09 Invoices | | | | | | | |
| | FY08-09 Agency Share | \$ 276,083.90 | \$ 42,737.58 | \$ 15,747.53 | \$ 185,511.51 | \$ 19,820.95 | \$ 12,266.33 | \$ 552,167.80 |
| | Less Carry Forward Revenues*** | \$ 27,500.00 | \$ 4,291.27 | \$ 1,664.19 | \$ 18,119.20 | \$ 2,120.14 | \$ 1,305.21 | \$ 55,000.00 |
| | Less Agency Credits*** | \$ 72,201.17 | \$ 11,266.70 | \$ 4,369.33 | \$ 47,571.91 | \$ 5,566.42 | \$ 3,426.81 | \$ 144,402.34 |
| | Net Invoice | \$ 176,382.73 | \$ 27,179.61 | \$ 9,714.01 | \$ 119,820.40 | \$ 12,134.39 | \$ 7,534.31 | \$ 352,765.46 |

Notes:

* Revenue amounts are drawn from the 2005-2006 State Controller's Cities Annual Report.

** Population estimates calculated by the California Department of Finance, January 2008.

*** The Commission finished 2007-2008 with \$199,402 in unexpended funds, which includes unspent agency contributions (\$182,096), application fees (\$4,563), and income earned on interest (\$12,743). At its June 2, 2008 meeting, the Commission authorized staff to hold and carry-forward \$55,000 in unexpended funds from 2007-2008 into 2008-2009 to purchase an (a) electronic document management system and (b) develop a new website. The remaining unexpended funds total \$144,402 and are being returned to the agencies in the form of credits against their contribution in 2008-2009.