



Local Agency Formation Commission
LAFCO of Napa County

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August 3, 2009
Agenda Item No. 5b (Consent)

July 23, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: 2009-2010 Budget Contributions

The Commission will review a report calculating the budget contributions for the six funding agencies in 2009-2010. The report is being presented to the Commission for purposes of providing direction to the Executive Officer in requesting the Auditor-Controller issue agency invoices.

The Local Agency Formation Commission of Napa County's ("Commission") annual operating costs are entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law specifies the County is responsible for one-half of the Commission's adopted operating costs with the remaining amount proportionally shared by the cities. As allowed under the law, the cities have agreed to an alternative formula in apportioning their respective budget contributions based on a weighted calculation of population (60%) and general revenues (40%).

At the direction of the Commission, the County of Napa Auditor-Controller is responsible for issuing invoices to all six funding agencies. In calculating apportionment amounts, it is the practice of the Commission to return all unexpended funds to the six funding agencies in the form of credits towards their subsequent year budget contribution. Unexpended funds include agency contributions, application fees, and interest earned on the fund balance.

A. Discussion

At its June 1, 2009 meeting, the Commission adopted a final budget for 2009-2010 in the amount of \$496,961. Staff has calculated each funding agency's proportional share of the final budget based on the formula outlined in the preceding section. This includes returning \$189,029 in unexpended funds from the previous fiscal year in the form of credits. Total budget contributions required of the funding agencies in 2009-2010 along with comparisons from previous fiscal years are summarized below.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Agency	2005-06	2006-07	2007-08	2008-09	2009-10
County	174,114.34	155,720.41	136,016.01	176,382.73	153,965.70
Napa	118,882.00	106,679.39	87,061.35	119,820.40	105,428.75
American Canyon	22,462.15	20,542.43	23,792.74	27,179.61	22,010.54
St. Helena	13,871.25	9,243.23	8,140.48	9,714.01	11,135.35
Calistoga	11,277.36	12,095.26	10,349.12	12,134.39	8,742.73
Yountville	7,621.58	7,160.10	6,672.32	7,534.31	6,648.33
	\$348,228.68	\$311,440.82	\$272,032.02	\$352,765.45	\$307,931.39

B. Analysis

Budget contributions for the funding agencies in 2009-2010 are decreasing a total of 12.7% over the previous fiscal year. This decrease is primarily attributed to the reduction in adopted operating costs coupled with the aforementioned \$189,029 in unexpended funds that are being returned as credits. Notably, contributing to the unexpended fund total, the Commission collected \$16,275 in application fees. This represents one of the highest application fee totals in recent years and is four times the amount collected in 2007-2008.

C. Alternatives for Commission Action

Staff has identified two alternative actions for Commission consideration with respect to this report on budget contributions in 2009-2010. These alternatives are:

- Option One:** Receive and file the report on budget contributions and direct the Executive Officer to request the Auditor-Controller to invoice the six fund agencies as provided in the Attachment One.
- Option Two:** If more information is needed, continue consideration of the report on budget contributions to a future meeting and provide direction to staff as appropriate.

D. Recommendation

Staff recommends the Commission receive and file the report on budget contributions and provide direction to the Executive Officer as outlined in the preceding section as Option One.

Respectfully submitted,

Keene Simonds
 Executive Officer

Attachment

- 1) 2009-2010 Allocation for Annual LAFCO Costs to County and Cities

FY2009-2010 Allocation for Annual LAFCO Costs to County and Cities (7-23-2009)
(Alternative Allocation Formula Approved by Cities)

Step 1	LAFCO Budget	Adopted Final FY08-09	Final FY09-10	Difference Dollar	Difference Percentage			
	Total	\$ 552,167.80	\$ 496,961.00	\$ (55,206.80)	-10.0%			
Step 2	Annual Allocation							
	50% to County	\$ 276,083.90	\$ 248,480.50	\$ (27,603.40)	-10.0%			
	50% to Cities	\$ 276,083.90	\$ 248,480.50	\$ (27,603.40)	-10.0%			
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	\$ 6,265,858	\$ 953,770	\$ 13,751,776	\$ 2,267,306	\$ 425,896	\$ 23,664,606	
	Voter Approved Indebtedness Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Property Tax	\$ 1,203,862	\$ 375,059	\$ 5,623,677	\$ 394,550	\$ 273,316	\$ 7,870,464	
	Sales and Use Taxes	\$ 1,230,269	\$ 556,366	\$ 9,452,398	\$ 1,895,072	\$ 474,868	\$ 13,608,973	
	Transportation Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Transient Lodging Tax	\$ 230,321	\$ 2,521,951	\$ 7,779,417	\$ 1,492,781	\$ 3,231,799	\$ 15,256,269	
	Franchises	\$ 368,922	\$ 163,947	\$ 1,376,621	\$ 152,442	\$ 68,212	\$ 2,130,144	
	Business License Taxes	\$ 176,800	\$ 139,846	\$ 3,037,618	\$ 155,162	\$ 6,320	\$ 3,515,746	
	Real Property Transfer Taxes	\$ 132,635	\$ 34,265	\$ 455,298	\$ 85,761	\$ 24,770	\$ 732,729	
	Utility Users Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Non-Property Taxes	\$ 517,555	\$ 182,231	\$ 3,490,163	\$ 593,776	\$ 94,471	\$ 4,878,196	
	Total	\$ 10,126,222	\$ 4,927,435	\$ 44,966,968	\$ 7,036,850	\$ 4,599,652	\$ 71,657,127	
	Percentage of Total Taxes to all Cities	14.1%	6.9%	62.8%	9.8%	6.4%	100%	
Step 3b	Cities' Share Based on Total Population**	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Population	16,503	5,331	77,831	5,960	3,263	108,888	
	Population Percentage	15.16%	4.90%	71.48%	5.47%	3.00%	100%	
Step 4	Cities Allocation Formula	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Cities' Share Based on Total General Taxes	14.1%	6.9%	62.8%	9.8%	6.4%	100%	
	Portion of LAFCO Budget	\$ 14,045.60	\$ 6,834.61	\$ 62,371.55	\$ 9,760.48	\$ 6,379.96	40%	
	Cities' Share Based on Total Population	15.16%	4.90%	71.48%	5.47%	3.00%	100%	
	Portion of LAFCO Budget	\$ 22,595.73	\$ 7,299.15	\$ 106,565.38	\$ 8,160.37	\$ 4,467.67	60%	
	Total Agency Allocation	\$ 36,641.34	\$ 14,133.76	\$ 168,936.93	\$ 17,920.85	\$ 10,847.62	\$ 248,480.50	
	Allocation Share	14.7462%	5.6881%	67.9880%	7.2122%	4.3656%	100%	
Step 5	FY09-10 Invoices	<u>County</u>	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Agencies</u>
	FY09-10 Agency Share	\$ 248,480.50	\$ 36,641.34	\$ 14,133.76	\$ 168,936.93	\$ 17,920.85	\$ 10,847.62	\$ 496,961.00
	Less Agency Credits***	\$ 94,514.81	\$ 14,630.80	\$ 5,391.03	\$ 63,508.18	\$ 6,785.50	\$ 4,199.29	\$ 189,029.61
	Net Invoice	\$ 153,965.70	\$ 22,010.54	\$ 8,742.73	\$ 105,428.75	\$ 11,135.35	\$ 6,648.33	\$ 307,931.39

Notes:

* Revenue amounts are drawn from the 2006-2007 State Controller's Cities Annual Report.

** Population estimates calculated by the California Department of Finance, January 2009.

*** The Commission finished 2008-2009 with a total of \$189,029 in unexpended funds. This amount includes unspent agency contributions (\$162,295), application fees (\$16,275), and earned interest (\$10,458). It is the practice of the Commission to return all unexpended funds to the agencies in the forms of credits against their subsequent fiscal year contributions.