



**Local Agency Formation Commission**  
**LAFCO of Napa County**

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Napa, California 94559  
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Facsimile: (707) 251-1053  
<http://napa.lafco.ca.gov>

**June 2, 2008**  
**Agenda Item No. 6a**

May 23, 2008

**TO:** Local Agency Formation Commission

**FROM:** 2008-2009 Budget Committee

**SUBJECT: Adoption of Final Budget for Fiscal Year 2008-2009 (Public Hearing)**

The Commission will consider a final budget from the 2008-2009 Budget Committee projecting an overall increase in operating costs of 18.3% (\$85,496). It is recommended that the Commission carry-forward \$55,000 in unexpended revenues into 2008-2009 to help offset the proposed increase.

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California Government Code §56381 directs the Commission to annually prepare and adopt a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. At a minimum, the code section states the proposed and final budgets shall be equal to the adopted budget from the previous fiscal year unless the Commission finds that a reduction in operating costs will nevertheless allow the agency to fulfill its duties and responsibilities. After the final budget has been adopted, the Commission apportions its upcoming operating costs between the County of Napa and Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. The County is responsible for 50% of the operating costs while the remaining portion is shared by the five cities based on a weighted calculation involving population and general tax revenues. As a result of this prescribed funding relationship, it is the practice of the Commission to only budget costs.

In preparing for its own provisions, it is the policy of the Commission to annually establish a budget committee that includes two appointed Commissioners and the Executive Officer. The budget committee is responsible for preparing and presenting draft, proposed, and final budgets to the Commission at its February, April, and June meetings, respectively. The appointed members of the 2008-2009 Budget Committee are Jack Gingles and Brian Kelly.

### **Background**

On January 8, 2008, the Committee held a noticed public meeting to review the Commission's operating costs for the upcoming fiscal year. A spending baseline was constructed to estimate how much it would cost to continue the Commission's current level of services at next fiscal year's price for labor and supplies. This includes continuing to budget two fulltime (Executive Officer and Analyst) and one part-time (Secretary) employee. Based on this initial review, the Committee presented a draft budget projecting an overall increase in operating costs of 6.4% (\$29,872) to the Commission at its February 4, 2008 meeting. The Commission approved the draft budget as submitted and directed staff to seek comments from the funding agencies. No comments were received.

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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

At the April 7, 2008 meeting, the Committee returned to the Commission with a proposed budget for adoption. The proposed budget reflected a revised calculation for information technology services and raised the overall increase in operating costs to 6.5% (\$30,496). The Commission adopted the proposed budget as submitted and directed staff to seek comments from the funding agencies. No comments were received.

## **Discussion**

The Committee has prepared the attached final budget for Commission consideration that includes one change from the proposed budget adopted at the April meeting. This change involves adding \$55,000 to a special departmental expense account to fund two office improvements in 2008-2009. These office improvements involve (a) implementing an electronic document management system and (b) developing a new agency website. The substantive effect in adding these two office improvements into the final budget is an overall increase in operating costs of 18.3% (\$85,496).

An outline of the benefits, costs, and policy considerations associated with funding the implementation of an electronic document management system and developing a new website in 2008-2009 was presented to the Commission at the May 5, 2008 meeting. As discussed at the meeting, the Committee proposes covering the added cost for the two office improvements by carrying-forward a matching amount of unexpended revenues from the current fiscal year. This approach is proposed to clearly connect the funding for these two office improvements with the salary and benefit savings accumulating during the fiscal year due to the extended vacancy of the analyst position. Specifically, staff projects the accumulating savings generated from the analyst vacancy will total \$68,547.<sup>1</sup>

In terms of the remaining increases in operating costs included in the final budget, they total \$30,496 and are primarily attributed to contractual obligations associated with the Commission's support services agreement with the County. This includes establishing a new expense account to begin funding for other post-employment benefits (OPEB), which are calculated by the County and covers retiree health and dental care costs. Other contractual obligations contributing to the increase includes an anticipated 3.2% cost-of-living adjustment for all budgeted employees.

The Committee has also made two substantive changes in budgeting legal service costs contributing to a \$4,800, or 24%, increase in the affected expense account in 2008-2009. First, the Committee has revised the methodology used in calculating legal service costs by budgeting for an actual number of billable hours, which in 2008-2009 is 160. Second, in making the calculation, the Committee has divided the 160 hours budgeted for legal services between the anticipated hourly rates of County Counsel at \$156 and an outside counsel at \$190, which is the current median amount charged by three private law firms

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<sup>1</sup> Projected savings generated from the analyst vacancy reflects the budgeted salary and benefit amounts for the position minus the \$18,500 used in 2007-2008 to pay Baracco and Associates for consulting services. It is expected that the Commission will finish the fiscal year with a total of \$176,402 in unexpended revenues.

that work for other commissions in California.<sup>2</sup> The Committee has weighted the calculation to anticipate 75% of legal services in 2008-2009 will continued to be provided by County Counsel with the remaining 25% provided by an outside counsel if needed.

### **Analysis**

Adding \$55,000 into the final budget to fund an electronic document management system and develop a new website nearly triples the overall increase in operating costs reflected in the proposed budget adopted by the Commission in April. The financial impact on the funding agencies in budgeting these two office improvements, however, is mitigated given the aforementioned surplus of unexpended revenues the Committee proposes the Commission carry-forward into the next fiscal year to cover the added costs.

The Committee recognizes carrying-forward unexpended revenues to cover the costs of the two office improvements deviates from the Commission's established practice of returning all remaining monies to the funding agencies in the form of credits. Nonetheless, even with the proposed carry-forward, the remaining surplus of projected unexpended revenues will still allow the Commission to provide substantial credits. Notice was provided to the funding agencies after the May meeting regarding the proposed addition of the two office improvements along with the plan to cover the added costs by carrying-forward a matching amount of unexpended revenues. No comments were received.

Finally, at the request of the Commission, staff has reviewed the \$30,000 estimate to hire a professional website design firm to redesign the agency's site. As mentioned in May, staff developed this estimate based on information generated from a recent request for proposal (RFP) issued by Calistoga to redevelop its website. Commissioners raised the question of whether this RFP is an accurate cost estimate for the Commission given its website contains fewer pages and/or information than Calistoga. With this in mind, staff contacted several firms, including firms that had responded to Calistoga's RFP, and asked if they would provide a "ballpark" cost estimate to redesign the Commission's website. Staff specified that the website should include a content management system to allow for easier editing and training as well as internal search site, image/document library, and the ability for the public to receive electronic announcements for certain proposals or activities. Three firms responded with estimates in the amounts \$10,795, \$28,256, and \$30,000.

The median estimate amount drawn from above sample to redesign the Commission's website is close to the \$30,000 included in the final budget. The Committee believes it would be appropriate for the Commission to keep the estimated \$30,000 cost to redevelop the website in the final budget while directing staff to prepare a request for proposal to help ensure cost-savings. If a proposal is received and accepted that is less than the budgeted \$30,000, the remaining monies would be returned to the funding agencies in the form of credits in 2009-2010.

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<sup>2</sup> The median rate identified for outside counsel is based on the current hourly rates of Scott Browne and Associates (\$175), Colantuono and Levin (\$190), and Best Best & Krieger (\$195).

## **Recommendation**

At the close of the public hearing, it is recommended that the Commission take the following actions:

- 1) Adopt the attached resolution approving the final budget for 2008-2009 along with any desired changes;
- 2) Authorize the Executive Officer and the County Auditor to carry-forward, rather than credit to the funding agencies, \$55,000 or other designated amount to fund an electronic document management system and develop a new website in 2008-2009;
- 3) Direct the Executive Officer to prepare request for proposals seeking qualified vendors to implement an electronic document management system and develop a new website in 2008-2009; and
- 4) Direct the Executive Officer to return to the Commission with recommendations to approve contracts with qualified vendors to implement an electronic document management system and develop a new website in 2008-2009.

Respectfully submitted,

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Keene Simonds  
Executive Officer

### Attachments:

- 1) 2008-2009 Final Budget
- 2) Resolution for 2008-2009 Final Budget
- 3) Draft Allocation for 2008-2009 Final Budget
- ~~4) Cost Estimates for Developing New Website~~



**Local Agency Formation Commission**  
LAFCO of Napa County

**2008-2009 Draft Final Budget: Operating Costs**

	Adopted Final FY05-06	Adopted Final FY06-07	Adopted Final FY07-08	Draft Final FY08-09	Difference (Dollars)	Difference (Percentage)
<b>Salaries and Benefits</b>						
<u>Account No.</u>	<u>Account Name</u>					
51100000	\$ 187,206.00	\$ 190,230.92	\$ 185,526.79	\$ 194,915.43 <sup>1,2</sup>	\$ 9,388.64	5.06%
51200100	\$ 2,206.26	\$ -	\$ -	\$ -		
51200200	\$ -	\$ -	\$ -	\$ -		
51200500	\$ 4,050.00	\$ 3,600.00	\$ 9,600.00	\$ 9,600.00		
51300100	\$ 32,235.20	\$ 32,953.28	\$ 31,583.44	\$ 34,550.93	\$ 2,967.49	9.40%
TBD				\$ 11,295.00 <sup>3</sup>	\$ 11,295.00	100%
51300300	\$ 2,674.13	\$ 2,849.46	\$ 2,649.92	\$ 2,826.27	\$ 176.35	6.66%
51300500	\$ 26,875.92	\$ 36,030.00	\$ 43,168.32	\$ 40,148.04	\$ (3,020.28)	-7.00%
51301200	\$ 749.00	\$ 685.00	\$ 185.00	\$ 149.00	\$ (36.00)	-19.46%
51301700	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -		
51301800	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00		
	\$ 258,336.51	\$ 268,688.66	\$ 273,553.47	\$ 294,324.68	\$ 20,771.21	7.59%
<b>Services and Supplies</b>						
<u>Account No.</u>	<u>Account Name</u>					
52243900			\$ 850.00	\$ 850.00		
52070000	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00		
52100300	\$ 335.00	\$ 534.00	\$ 352.00	\$ 546.00	\$ 194.00	55.11%
52150000	\$ 1,400.00	\$ 2,200.00	\$ 2,000.00	\$ 2,200.00 <sup>4</sup>	\$ 200.00	10.00%
52170000	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		
52180200	\$ 13,378.27	\$ 17,799.91	\$ 16,387.00	\$ 17,768.00 <sup>5</sup>	\$ 1,381.00	8.43%
52180500	\$ 18,750.00	\$ 18,750.00	\$ 21,500.00	\$ 26,320.00 <sup>6</sup>	\$ 4,820.00	22.42%
52190000	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00		
52185000	\$ 5,000.00	\$ 6,500.00	\$ 7,150.00	\$ 7,507.50 <sup>7</sup>	\$ 357.50	5.00%
52235000	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 56,000.00 <sup>8</sup>	\$ 55,000.00	5500.00%
52240500	\$ 25,540.80	\$ 26,307.02	\$ 27,000.00	\$ 27,000.00		
52250000	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00		
52250800	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00		
52251200	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00		
	\$ 93,404.07	\$ 101,090.93	\$ 105,239.00	\$ 167,191.50	\$ 61,952.50	58.87%
<b>Sub Total Expenses</b>	\$ 351,740.58	\$ 369,779.59	\$ 378,792.47	\$ 461,516.18	\$ 82,723.71	21.84%
<b>Contingencies and Reserves</b>						
<u>Account No.</u>	<u>Account</u>					
54000900	\$ 35,174.06	\$ 36,977.96	\$ 37,879.25	\$ 40,651.62 <sup>9</sup>	\$ 2,772.37	7.32%
54001000	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
	\$ 85,174.06	\$ 86,977.96	\$ 87,879.25	\$ 90,651.62	\$ 2,772.37	3.15%
<b>TOTAL</b>	\$ 436,914.64	\$ 456,757.55	\$ 466,671.72	\$ 552,167.80	\$ 85,496.08	18.32%

**Notes**

- 1) This account budgets two fulltime (Executive Officer and Analyst II) and one parttime (Secretary) employee and anticipates scheduled salary step increases.
- 2) Assumes approval of a 3.2% cost-of-living adjustment for all employees. The County MOU with represented employees requires a cost-of-living adjustment to be determined by an agreed formula. The adjustment could be as low as 2.5% and as high as 5.0%. County CAO advises using a 3.2% factor at this time.
- 3) At its April 10, 2007 meeting, the County Board of Supervisors approved a payment plan to begin prefunding its current unfunded liability involving Other Post Employment Benefits (OPEB) over the next 14 years. OPEB involves non-pension benefits, such as retiree health care coverage. It has been the practice of the County to fund these benefits at the time they are due (pay-as-you-go). In 2008-2009, the County's OPEB payment is \$6.0 million. LAFCO's portion of the 2008-2009 payment is based on its total number of budgeted fulltime employees. The County's 2009-2010 payment is tentatively scheduled at \$6.2 million.
- 4) Current membership dues are limited to CALAFCO. CALAFCO has scheduled an approximate 10% increase in all member dues for 2008-2009.
- 5) This account is for administration costs associated with the County's Information Technology Information Department (ITS) and includes network maintenance for payroll, purchasing, accounting, and geographic information services. ITS costs, which are calculated by the County, are apportioned to all of its "customers" by a series of formulae that consider the number of computers and employees in each department and agency.
- 6) This account budgets a total of 160 hours for legal services. It is expected that 120 hours will be provided by County Counsel at the hourly rate of \$156, with the remaining 40 hours provided by an outside counsel at the hourly rate of \$190.
- 7) Anticipates a 5.0% across-the-board increase in hourly rates for the County Auditor's Office in 2008-2009.
- 8) Budgets for two one-time expenditures to (a) implement an electronic document management system and (b) develop a new website. It is anticipated that the Commission will carry forward \$55,000 in unexpended revenues from 2007-2008 to 2008-2009 to cover the cost of the two planned expenditures.
- 9) Calculation excludes the \$55,000 budgeted in the "SDE: Other" expense account to fund the (a) implementation of an electronic document management system and (b) development of a new website.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
ADOPTING A FISCAL YEAR 2008-2009 FINAL BUDGET**

**WHEREAS**, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) to adopt a final budget for the next fiscal year; and

**WHEREAS**, Government Code Section 56381 requires that the Commission adopt a final budget no later than June 15; and

**WHEREAS**, at the direction of the Commission, the Executive Officer circulated for review and comment the adopted proposed budget as well as revisions to the adopted proposed budget to the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Town of Yountville; and

**WHEREAS**, the Commission reviewed all substantive comments concerning the adopted proposed budget; and

**WHEREAS**, the Executive Officer prepared a report concerning the final budget, including his recommendations thereon; and

**WHEREAS**, the Executive Officer’s report was presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its hearing on the final budget held on June 2<sup>nd</sup>, 2008 and

**WHEREAS**, the Commission determined the final budget projects the staffing and program costs of the agency as accurately and appropriately as is possible;

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. The final budget for 2008-2009 represented in Exhibit A is approved.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 4<sup>th</sup> day of June 2007, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

ATTEST: Keene Simonds  
Executive Officer

RECORDED: \_\_\_\_\_  
Kathy Mabry  
Commission Secretary



**Local Agency Formation Commission**  
**LAFCO of Napa County**

**2008-2009 Draft Final Budget: Operating Costs**

		Adopted Final FY05-06	Adopted Final FY06-07	Adopted Final FY07-08	Draft Final FY08-09	Difference (Dollars)	Difference (Percentage)
<b>Salaries and Benefits</b>							
<u>Account No.</u>	<u>Account Name</u>						
51100000	Regular Salaries	\$ 187,206.00	\$ 190,230.92	\$ 185,526.79	\$ 194,915.43 <sup>1,2</sup>	\$ 9,388.64	5.06%
51200100	Extra Help	\$ 2,206.26	\$ -	\$ -	\$ -		
51200200	Overtime	\$ -	\$ -	\$ -	\$ -		
51200500	Commissioner Per Diems	\$ 4,050.00	\$ 3,600.00	\$ 9,600.00	\$ 9,600.00		
51300100	Retirement: Pension Benefits	\$ 32,235.20	\$ 32,953.28	\$ 31,583.44	\$ 34,550.93	\$ 2,967.49	9.40%
TBD	Retirement: Non-Pension Benefits	\$ -	\$ -	\$ -	\$ 11,295.00 <sup>3</sup>	\$ 11,295.00	100%
51300300	Medicare	\$ 2,674.13	\$ 2,849.46	\$ 2,649.92	\$ 2,826.27	\$ 176.35	6.66%
51300500	Group Insurance: Health Care	\$ 26,875.92	\$ 36,030.00	\$ 43,168.32	\$ 40,148.04	\$ (3,020.28)	-7.00%
51301200	Workers Compensation	\$ 749.00	\$ 685.00	\$ 185.00	\$ 149.00	\$ (36.00)	-19.46%
51301700	401A Employer Contributions	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -		
51301800	Cell Phone Allowance	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00		
		\$ 258,336.51	\$ 268,688.66	\$ 273,553.47	\$ 294,324.68	\$ 20,771.21	7.59%
<b>Services and Supplies</b>							
<u>Account No.</u>	<u>Account Name</u>						
52243900	SDE: County Recorder Filing Fees	\$ -	\$ -	\$ 850.00	\$ 850.00		
52070000	Communications	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00		
52100300	Insurance: Liability	\$ 335.00	\$ 534.00	\$ 352.00	\$ 546.00	\$ 194.00	55.11%
52150000	Memberships	\$ 1,400.00	\$ 2,200.00	\$ 2,000.00	\$ 2,200.00 <sup>4</sup>	\$ 200.00	10.00%
52170000	Office Expenses	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		
52180200	Management Information Services	\$ 13,378.27	\$ 17,799.91	\$ 16,387.00	\$ 17,768.00 <sup>5</sup>	\$ 1,381.00	8.43%
52180500	Legal Services	\$ 18,750.00	\$ 18,750.00	\$ 21,500.00	\$ 26,320.00 <sup>6</sup>	\$ 4,820.00	22.42%
52190000	Publications and Notices	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00		
52185000	PSS: Other (Accounting/Auditing)	\$ 5,000.00	\$ 6,500.00	\$ 7,150.00	\$ 7,507.50 <sup>7</sup>	\$ 357.50	5.00%
52235000	SDE: Other (Office Improvements)	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 56,000.00 <sup>8</sup>	\$ 55,000.00	5500.00%
52240500	Property Lease	\$ 25,540.80	\$ 26,307.02	\$ 27,000.00	\$ 27,000.00		
52250000	Transportation and Travel	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00		
52250800	Training	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00		
52251200	Private Mileage	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00		
		\$ 93,404.07	\$ 101,090.93	\$ 105,239.00	\$ 167,191.50	\$ 61,952.50	58.87%
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<b>Contingencies and Reserves</b>							
<u>Account No.</u>	<u>Account</u>						
54000900	Operating Reserve (10% of Expenses)	\$ 35,174.06	\$ 36,977.96	\$ 37,879.25	\$ 40,651.62 <sup>9</sup>	\$ 2,772.37	7.32%
54001000	Professional Services Dedication	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
		\$ 85,174.06	\$ 86,977.96	\$ 87,879.25	\$ 90,651.62	\$ 2,772.37	3.15%
	<b>TOTAL</b>	\$ 436,914.64	\$ 456,757.55	\$ 466,671.72	\$ 552,167.80	\$ 85,496.08	18.32%

**Notes**

- 1) This account budgets two fulltime (Executive Officer and Analyst II) and one parttime (Secretary) employee and anticipates scheduled salary step increases.
- 2) Assumes approval of a 3.2% cost-of-living adjustment for all employees. The County MOU with represented employees requires a cost-of-living adjustment to be determined by an agreed formula. The adjustment could be as low as 2.5% and as high as 5.0%. County CAO advises using a 3.2% factor at this time.
- 3) At its April 10, 2007 meeting, the County Board of Supervisors approved a payment plan to begin prefunding its current unfunded liability involving Other Post Employment Benefits (OPEB) over the next 14 years. OPEB involves non-pension benefits, such as retiree health care coverage. It has been the practice of the County to fund these benefits at the time they are due (pay-as-you-go). In 2008-2009, the County's OPEB payment is \$6.0 million. LAFCO's portion of the 2008-2009 payment is based on its total number of budgeted fulltime employees. The County's 2009-2010 payment is tentatively scheduled at \$6.2 million.
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- 7) Anticipates a 5.0% across-the-board increase in hourly rates for the County Auditor's Office in 2008-2009.
- 8) Budgets for two one-time expenditures to (a) implement an electronic document management system and (b) develop a new website. It is anticipated that the Commission will carry forward \$55,000 in unexpended revenues from 2007-2008 to 2008-2009 to cover the cost of the two planned expenditures.
- 9) Calculation excludes the \$55,000 budgeted in the "SDE: Other" expense account to fund the (a) implementation of an electronic document management system and (b) development of a new website.



# FY2008-2009 Draft Allocation for Annual LAFCO Costs to County and Cities (5/7/08)

(Alternative Allocation Formula Approved by Cities)

Attachment Three

Step 1	LAFCO Budget	Final FY07-08	Draft Final FY08-09	Difference Dollar	Difference Percentage				
	Total	\$ 466,671.72	\$ 552,167.80	\$ 85,496.08	18.3%				
<b>Step 2</b>	<b>Annual Allocation</b>								
	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%				
<b>Step 3a</b>	<b>Cities' Share Based on Total General Taxes*</b>								
	<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	\$ 4,545,186	\$ 701,215	\$ 6,145,405	\$ 1,832,604	\$ 356,712	\$ 13,581,122		
	Voter Approved Indentedness Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Other Property Tax	\$ 812,106	\$ 280,020	\$ 4,175,654	\$ 322,645	\$ 217,200	\$ 5,807,625		
	Sales and Use Taxes	\$ 1,141,614	\$ 387,446	\$ 7,296,549	\$ 1,764,833	\$ 333,917	\$ 10,924,359		
	Transportation Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Transient Lodging Tax	\$ 119,303	\$ 2,257,440	\$ 5,697,141	\$ 1,163,367	\$ 2,842,489	\$ 12,079,740		
	Franchises	\$ 305,033	\$ 130,702	\$ 2,243,052	\$ 128,643	\$ 50,602	\$ 2,858,032		
	Business License Taxes	\$ 141,421	\$ 131,693	\$ 2,351,101	\$ 133,008	\$ 3,767	\$ 2,760,990		
	Real Property Transfer Taxes	\$ 248,217	\$ 36,734	\$ 637,586	\$ 57,077	\$ 16,143	\$ 995,757		
	Utility Users Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Other Non-Property Taxes	\$ 1,666,103	\$ 244,010	\$ 2,375,561	\$ 481,299	\$ 101,189	\$ 4,868,162		
	Total	\$ 8,978,983	\$ 4,169,260	\$ 30,922,049	\$ 5,883,476	\$ 3,922,019	\$ 53,875,787		
	Percentage of Total Taxes to all Cities		16.7%	7.7%	57.4%	10.9%	7.3%	100%	
<b>Step 3b</b>	<b>Cities' Share Based on Total Population**</b>		<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	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%	
<b>Step 4</b>	<b>Cities Allocation Formula</b>		<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		16.7%	7.7%	57.4%	10.9%	7.3%	100%	
	Portion of LAFCO Budget	\$ 18,404.95	\$ 8,546.07	\$ 63,383.43	\$ 12,059.84	\$ 8,039.28		<b>40%</b>	
	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		<b>60%</b>	
	Total Agency Allocation	\$ 43,421.09	\$ 16,686.72	\$ 181,771.34	\$ 21,155.50	\$ 13,049.26		\$ 276,083.90	
	Allocation Share		15.7275%	6.0441%	65.8392%	7.6627%	4.7266%	100%	
<b>Step 5</b>	<b>FY08-09 Projected Invoice</b>		<u>County</u>	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Agencies</u>
	FY08-09 Agency Share	\$ 276,083.90	\$ 43,421.09	\$ 16,686.72	\$ 181,771.34	\$ 21,155.50	\$ 13,049.26	\$ 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***	\$ 60,701.00	\$ 9,472.15	\$ 3,673.38	\$ 39,994.67	\$ 4,679.80	\$ 2,880.99	\$ 121,402.00	
	Net Invoice	\$ 187,882.90	\$ 29,657.67	\$ 11,349.14	\$ 123,657.46	\$ 14,355.55	\$ 8,863.07	\$ 375,765.80	

**Notes:**

\* Revenue amounts are drawn from the FY04-05 State Controller's Cities Annual Report. LAFCO will use the most recent Cities Annual Report published as of July 1, 2008 in calculating invoices.

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

\*\*\* It is anticipated that the Commission will hold and carry forward \$55,000 in unexpended revenues from FY07-08 to FY08-09 to fund the (a) implementation of an electronic document management system and (2) development of a new website. Staff anticipates that the remaining amount of unexpended revenues will total \$121,402 and will be returned to the agencies in the form of credits. Credits will be determined based on each agency's percentage budget share in FY07-08.