

# CITY of NAPA

## Budget Overview

*Fiscal Years*  
*2009-10/2010-11*

## General Fund Operating Revenue Comparison

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### General Fund Operating Revenues and Year-to-Year Comparison

*\$62.5 million in revenues projected for 2009-10*

*\$65.1 million in revenues projected for 2010-11*

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Revenue growth is projected to be flat in the coming year.

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General Fund Operating Revenues for FY 2009-10 are projected to be \$62.5 million, representing an essentially flat position compared to FY 2008-09 projected revenues of \$62.4 million. The lack of growth in revenues reflects the nationwide economic downturn, seen locally in the impact on property tax and sales tax revenues.

There are a number of reasons why Napa's revenues are not experiencing the same rate of decline as some other jurisdictions throughout the State. The cities being impacted most severely are those that have recently experienced rapid growth through residential development. These cities became reliant on revenue generated by new construction and they invested service infrastructure (fire stations, parks etc) to meet increasing demand. Now that growth has essentially stopped, the revenue is gone and the new residential is subject to higher foreclosure rates. At the same time those cities still have the burden of higher service costs. Napa, on the other hand, has maintained a very slow and controlled growth rate with less than 1% average population growth per year.

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Compared with many other California cities, the City of Napa is less impacted by the economic downturn.

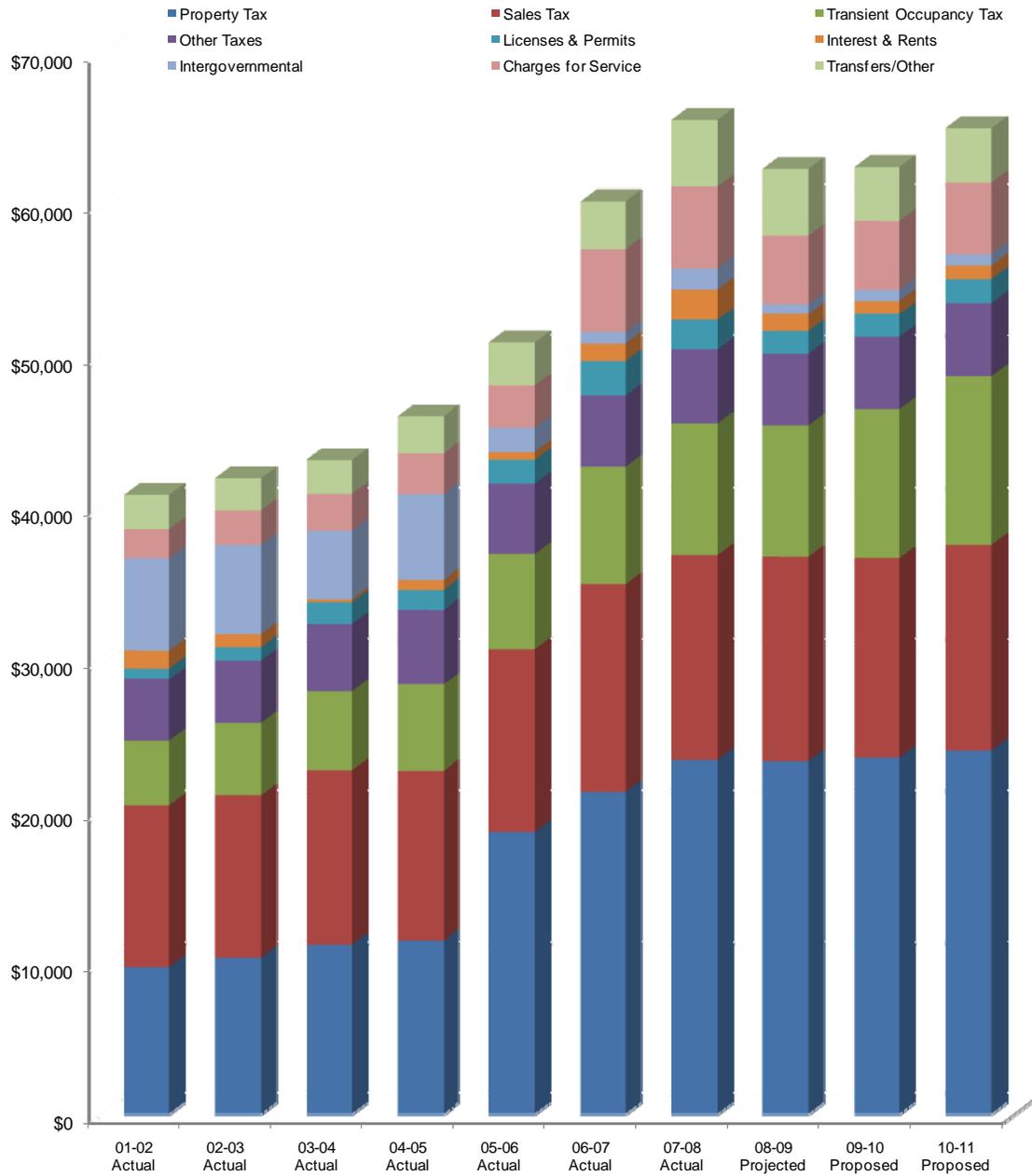
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In addition, as consumer spending plummets in the economic downturn, cities that serve as the regional hub for retail sales, particularly "big ticket" items like autos, appliances and furniture have experienced major losses in retail sales revenue. Napa, fortunately or unfortunately, has never been a regional retail sales destination. Our retail sales revenue is generated primarily from local serving retailers, department stores, gas stations, food sales and tourist serving restaurants and specialty shops.

For FY 2010-11, revenues are projected to rise modestly, based on the assumption that economic conditions will stabilize in the current year and improve in the following year.

# General Fund Operating Revenue Comparison

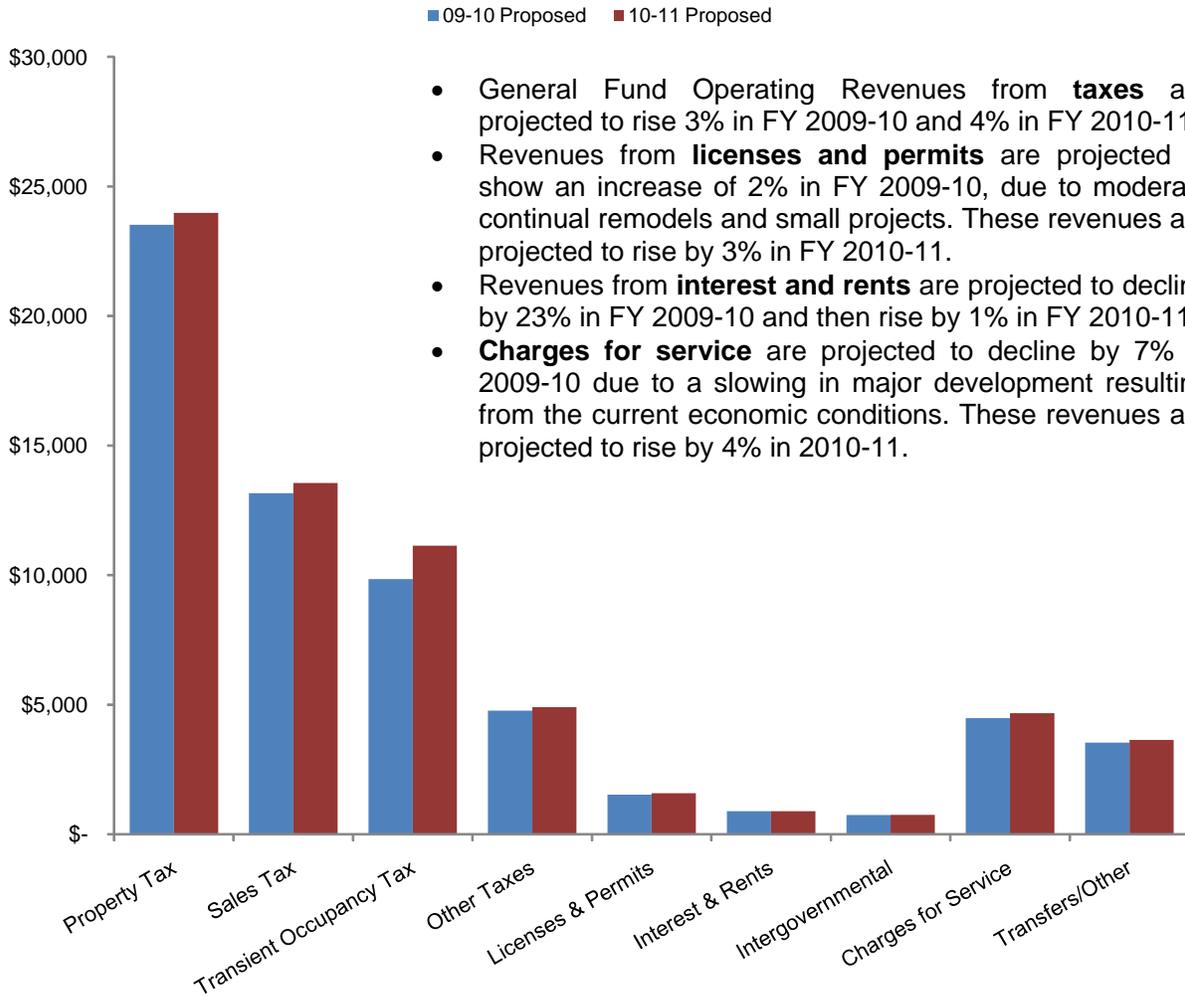
(In Thousands)



Revenue Category	01-02 Actual	02-03 Actual	03-04 Actual	04-05 Actual	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Projected	09-10 Proposed	10-11 Proposed
Property Tax	\$9,693	10,316	11,163	11,438	18,640	21,267	23,365	23,282	23,515	23,985
Sales Tax	10,692	10,723	11,512	11,208	12,057	13,695	13,502	13,485	13,158	13,553
Transient Occupancy Tax	4,242	4,753	5,198	5,697	6,249	7,779	8,725	8,687	9,848	11,137
Other Taxes	4,059	4,153	4,467	4,924	4,694	4,680	4,848	4,710	4,737	4,865
Licenses & Permits	731	876	1,437	1,320	1,555	2,254	1,960	1,484	1,531	1,576
Interest & Rents	1,186	866	188	654	508	1,146	2,040	1,139	889	895
Intergovernmental	6,058	5,850	4,507	5,704	1,601	762	1,380	679	744	747
Charges for Service	1,907	2,253	2,483	2,668	2,773	5,497	5,378	4,515	4,516	4,703
Transfers/Other	2,328	2,205	2,222	2,442	2,816	3,137	4,445	4,370	3,536	3,640
<b>Total Revenues</b>	<b>\$40,896</b>	<b>41,996</b>	<b>43,178</b>	<b>46,056</b>	<b>50,892</b>	<b>60,216</b>	<b>65,644</b>	<b>62,351</b>	<b>62,474</b>	<b>65,101</b>

## General Fund Operating Revenue by Category

(In Thousands)

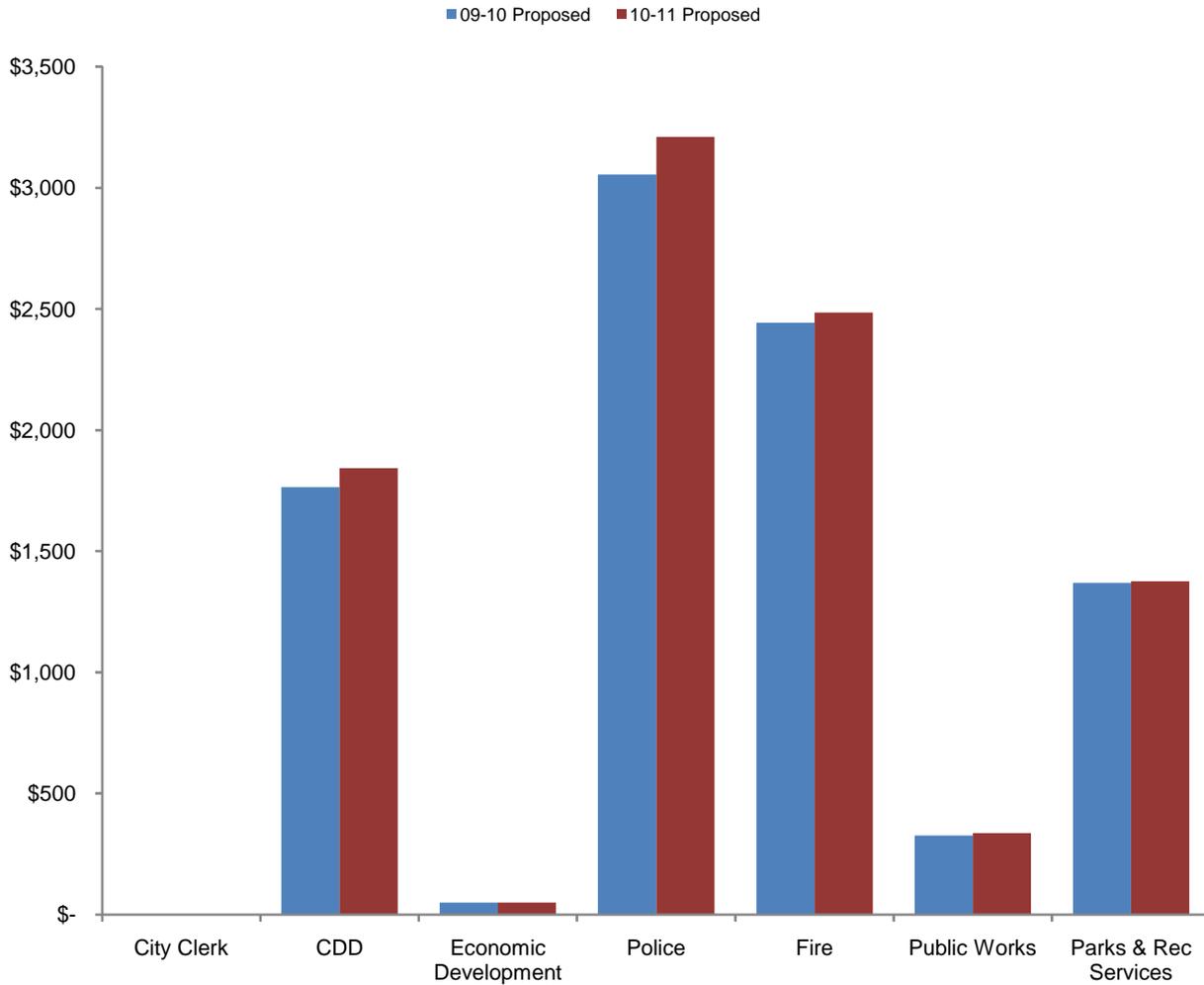


- General Fund Operating Revenues from **taxes** are projected to rise 3% in FY 2009-10 and 4% in FY 2010-11.
- Revenues from **licenses and permits** are projected to show an increase of 2% in FY 2009-10, due to moderate continual remodels and small projects. These revenues are projected to rise by 3% in FY 2010-11.
- Revenues from **interest and rents** are projected to decline by 23% in FY 2009-10 and then rise by 1% in FY 2010-11.
- **Charges for service** are projected to decline by 7% in 2009-10 due to a slowing in major development resulting from the current economic conditions. These revenues are projected to rise by 4% in 2010-11.

Revenue Categories	08-09 Budget	08-09 Projected	09-10 Proposed	Dollar Change	%	10-11 Proposed	Dollar Change	%
Property Tax	\$23,251	23,282	23,515	263	1%	23,985	470	2%
Sales Tax	13,288	13,485	13,158	(130)	-1%	13,553	395	3%
Transient Occupancy Tax	8,242	8,687	9,848	1,606	19%	11,137	1,289	13%
Other Taxes	4,798	4,745	4,772	(26)	-1%	4,900	128	3%
Licenses & Permits	1,501	1,484	1,531	30	2%	1,576	45	3%
Interest & Rents	1,153	1,139	889	(263)	-23%	895	5	1%
Intergovernmental	550	679	744	194	35%	747	3	0%
Charges for Service	4,894	4,480	4,481	(413)	-8%	4,668	187	4%
Transfers/Other	4,299	4,370	3,536	(762)	-18%	3,640	104	3%
<b>Total Revenues</b>	<b>\$61,975</b>	<b>62,351</b>	<b>62,474</b>	<b>499</b>	<b>1%</b>	<b>65,101</b>	<b>2,627</b>	<b>4%</b>

# General Fund Operating Revenue by Department

(In Thousands)



Departments	08-09 Budget	08-09 Projected	09-10 Proposed	Dollar Change	%	10-11 Proposed	Dollar Change	%
City Clerk	\$7	5	2	(6)	-79%	2		0%
CDD	1,830	1,703	1,764	(66)	-4%	1,843	79	4%
Economic Development		33	49	49	100%	50		0%
Police	3,190	2,990	3,055	(134)	-4%	3,210	155	5%
Fire	2,330	2,408	2,443	113	5%	2,485	43	2%
Public Works	1,007	1,004	326	(680)	-68%	336	10	3%
Parks & Rec Services	1,509	1,375	1,369	(140)	-9%	1,376	7	1%
<b>Total Revenues</b>	<b>\$9,872</b>	<b>9,519</b>	<b>9,008</b>	<b>(864)</b>	<b>-9%</b>	<b>9,302</b>	<b>294</b>	<b>3%</b>

\* General Government revenues are not included in this chart as they are General Fund revenues not tied to a specific department.

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## General Fund Operating Expenditure Comparison

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### General Fund Operating Expenditures and Year-to-Year Comparison

*\$65.8 million in expenditures projected for 2009-10*

*\$68.1 million in expenditures projected for 2010-11*

The total General Fund Operating Budget of \$65.8 million for 2009-10 represents a 1% reduction in expenditures (\$930,000) compared to the FY 2008-09 adjusted budget. In FY 2010-11, General Fund expenditures are projected to increase 4%, or \$2.4 million.

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Salary growth is under control in this budget, but the cost of benefits continues to rise.

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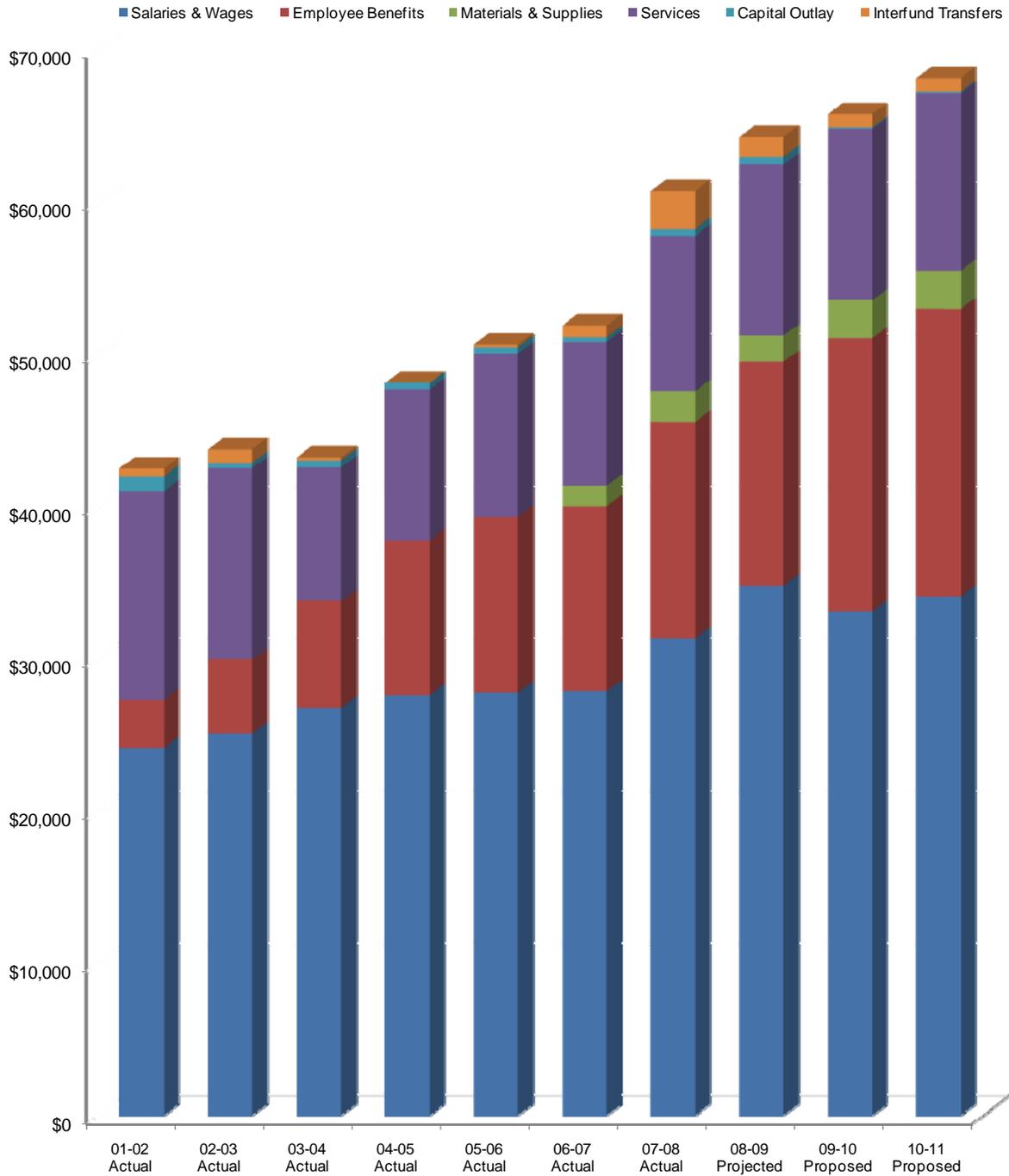
Capital Outlay has been redefined, causing large “on paper” differences from the last budget.

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- **Salaries**, which make up the largest single component of General Fund Expenditures, are projected to decline in FY 2009-10 by 4% due to the elimination of vacant and limited term positions, projection of a 2% salary growth rate, and an increased vacancy factor of 4%. In FY 2010-11, salaries are projected to rise by 3%
- The cost of **employee benefits** is projected to rise in both years – by 8% in FY 2009-10 and by 5% in 2010-11.
- Expenditures for **materials and supplies** are projected to rise by 52% in FY 2009-10, due to reallocation of items previously included in the capital outlay category. (The capitalization threshold has been set to \$5,000, which means items formerly classified as capital outlay no longer meet the definition. The materials and supplies expenditure is projected to rise by 1% in FT 2010-11.
- Expenditures for **services** are projected to decline by 6% in FY 2009-10 and to rise by 3% in FY 2010-11.
- **Capital outlay** expenditures will show an “on paper” decrease of 87% in FY 2009-10, also due to the reallocation of items previously included in the capital outlay category. Following this change, the capital outlay category is projected to show a 3% decline in FY 2010-11.
- **Interfund transfers** are projected to show a 35% decline in FY 2009-10 and a 7% increase in FY 2010-11. The fluctuations are due to reduced General Fund contributions to Capital Improvements Projects (CIP). This allows for other funding to be used for nonrecurring General Fund Projects that were previously classified as CIP.

# General Fund Operating Expenditure Comparison

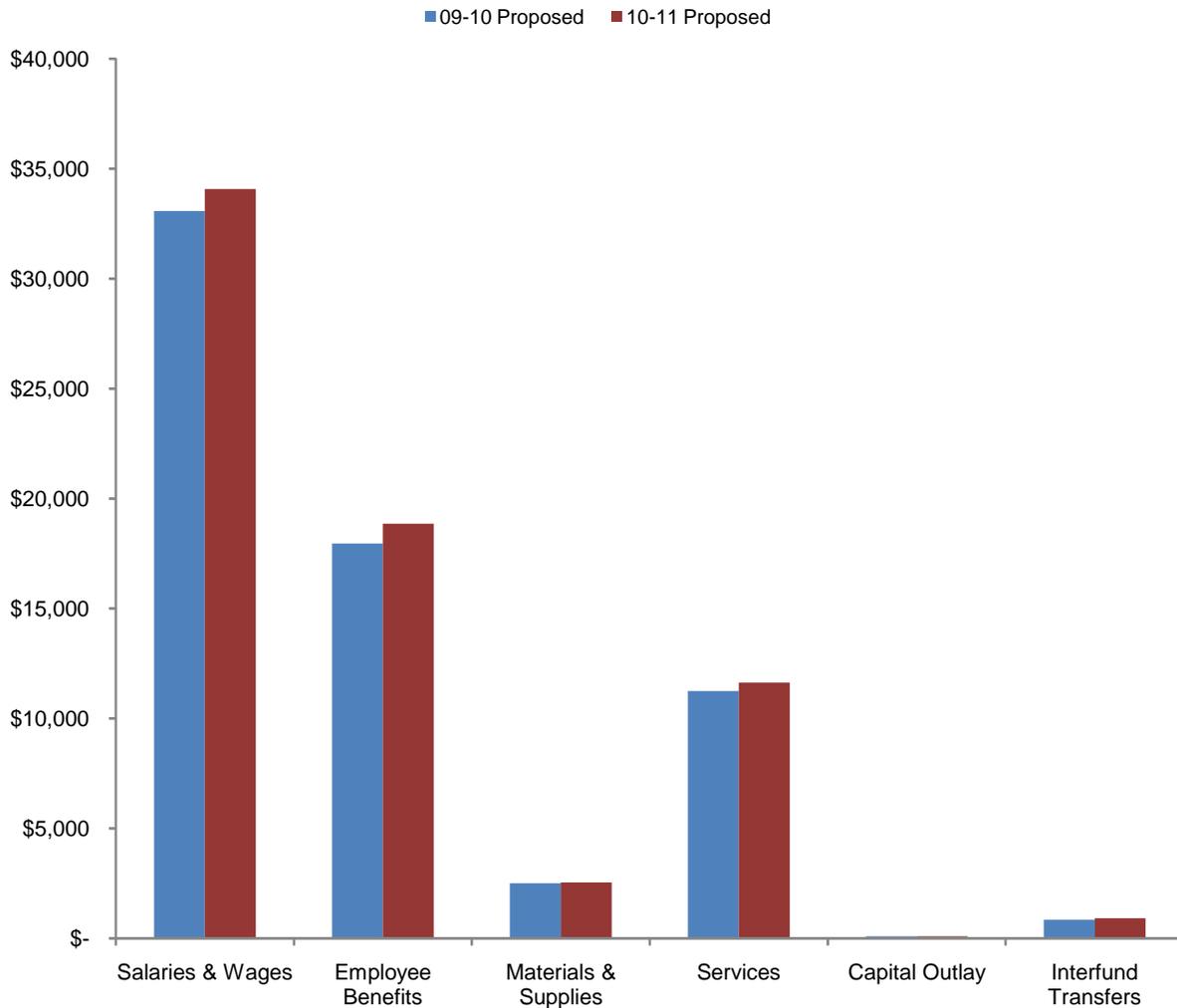
(In Thousands)



Expenditure Categories	01-02 Actual	02-03 Actual	03-04 Actual	04-05 Actual	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Projected	09-10 Proposed	10-11 Proposed
Salaries & Wages	\$24,114	25,095	26,782	27,576	27,751	27,846	31,306	34,763	33,081	34,080
Employee Benefits	3,176	4,837	6,992	10,193	11,578	12,153	14,213	14,719	17,951	18,856
Materials & Supplies						1,370	2,023	1,720	2,513	2,543
Services	13,722	12,564	8,778	9,885	10,712	9,410	10,198	11,250	11,245	11,637
Capital Outlay	937	361	467	454	408	311	461	503	101	98
Interfund Transfers	527	873	189		174	789	2,520	1,319	852	914
<b>Total Expenditures</b>	<b>\$42,476</b>	<b>43,731</b>	<b>43,208</b>	<b>48,108</b>	<b>50,622</b>	<b>51,879</b>	<b>60,720</b>	<b>64,275</b>	<b>65,743</b>	<b>68,128</b>

## General Fund Operating Expenditure by Category

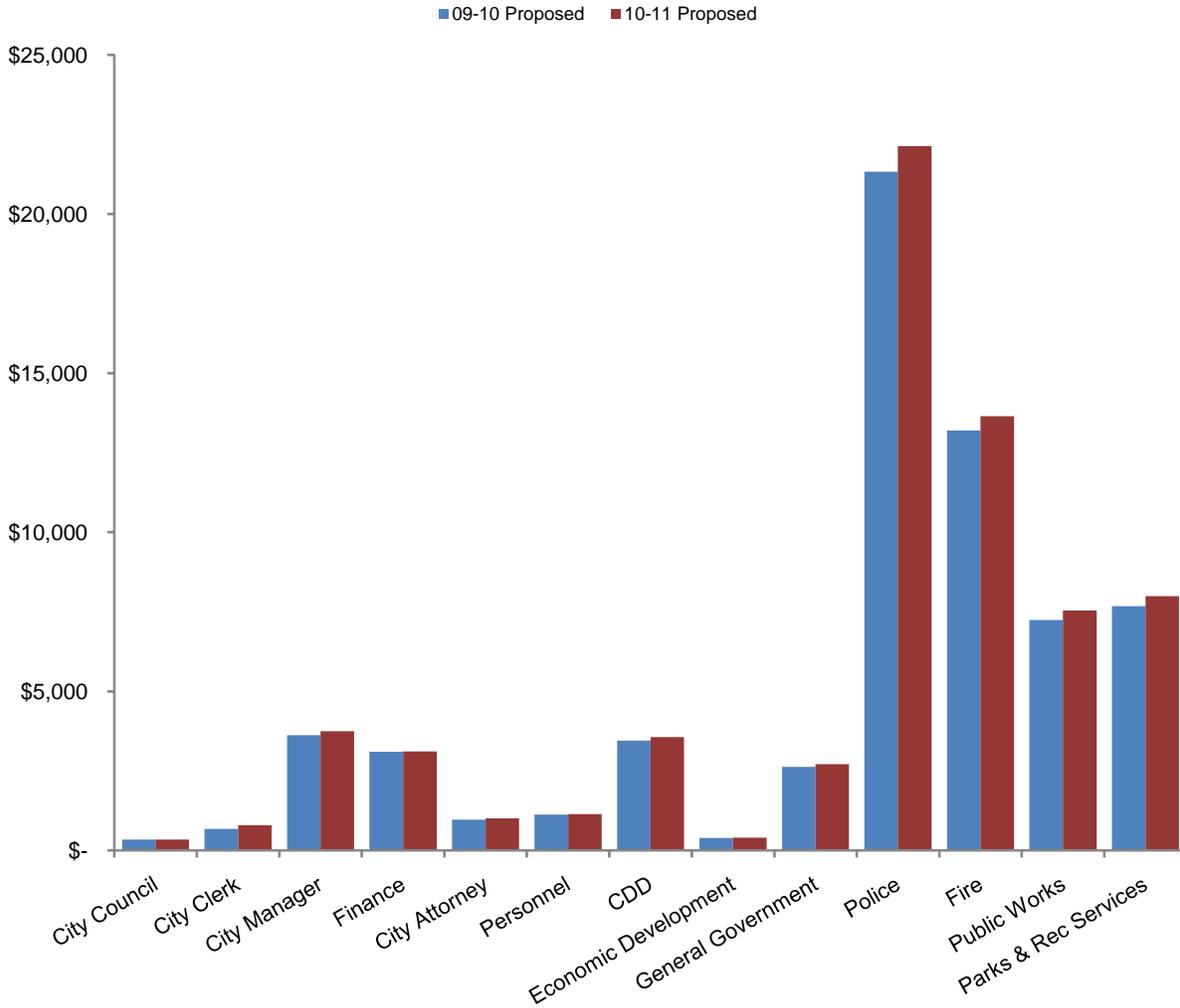
(In Thousands)



Expenditure Categories	08-09 Budget	08-09 Projected	09-10 Proposed	Dollar Change	%	10-11 Proposed	Dollar Change	%
Salaries & Wages	\$34,285	34,763	33,081	(1,204)	-4%	34,080	999	3%
Employee Benefits	16,682	14,719	17,951	1,270	8%	18,856	905	5%
Materials & Supplies	1,649	1,720	2,513	864	52%	2,543	31	1%
Services	11,945	11,250	11,245	(700)	-6%	11,637	391	3%
Capital Outlay	794	503	101	(693)	-87%	98	(3)	-3%
Interfund Transfers	1,319	1,319	852	(466)	-35%	914	62	7%
<b>Total Expenditures</b>	<b>\$66,673</b>	<b>64,275</b>	<b>65,743</b>	<b>(930)</b>	<b>-1%</b>	<b>68,128</b>	<b>2,385</b>	<b>4%</b>

# General Fund Operating Expenditures by Department

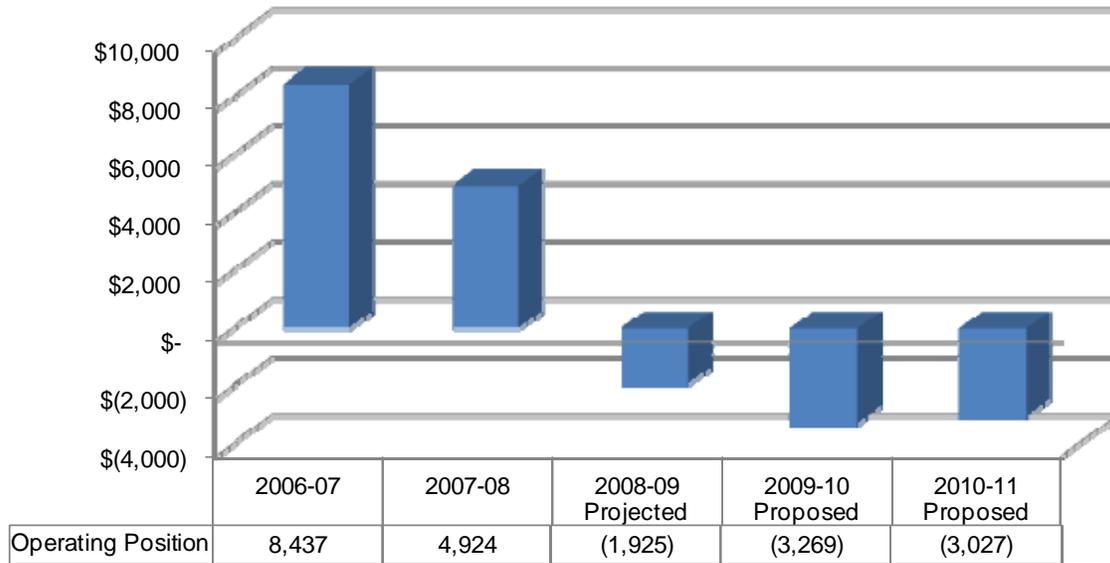
(In Thousands)



Departments	08-09 Budget	08-09 Projected	09-10 Proposed	Dollar Change	%	10-11 Proposed	Dollar Change	%
City Council	\$305	299	338	33	11%	344	6	2%
City Clerk	754	730	675	(79)	-11%	790	115	17%
City Manager	3,124	3,176	3,618	494	16%	3,742	123	3%
Finance	3,052	2,998	3,105	54	2%	3,113	8	0%
City Attorney	1,004	962	967	(36)	-4%	1,006	39	4%
Personnel	1,173	1,070	1,122	(51)	-4%	1,144	21	2%
CDD	4,319	3,640	3,452	(867)	-20%	3,565	113	3%
Economic Development	406	308	392	(14)	-3%	400	8	2%
General Government	2,290	2,394	2,626	336	15%	2,710	83	3%
Police	21,122	20,578	21,333	211	1%	22,135	802	4%
Fire	12,898	13,042	13,198	300	2%	13,646	448	3%
Public Works	8,708	7,954	7,240	(1,468)	-17%	7,541	301	4%
Parks & Rec Services	7,518	7,123	7,675	157	2%	7,992	317	4%
<b>Total Expenditures</b>	<b>\$66,673</b>	<b>64,275</b>	<b>65,743</b>	<b>(930)</b>	<b>-1%</b>	<b>68,128</b>	<b>2,385</b>	<b>4%</b>

## General Fund Operating Position

(In Thousands)

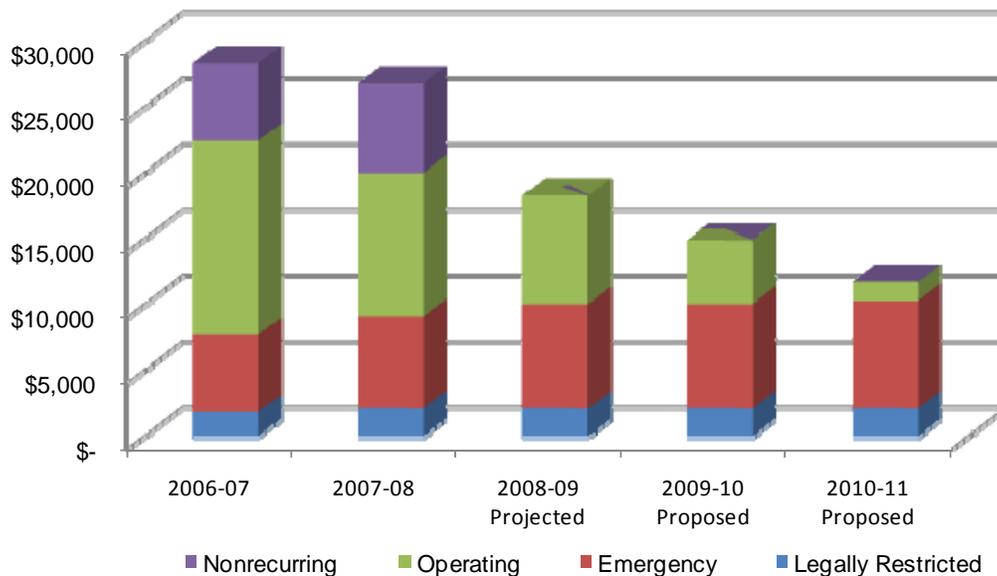


**Operating position** refers to the City's ability to match General Fund annual revenues to annual expenditures. If revenues exceed expenditures the City will have an operating surplus. The opposite is true if revenues fall below expenditures, then the result is an operating deficit. As indicated in the graph above, the City will experience an operating deficit in the current fiscal year and that operating deficit will continue through the next two years of the proposed fiscal cycle. During that period it will be necessary to draw from operating surplus funds set aside in previous years to accommodate these circumstances.

During the course of this budget cycle the negative operating position must be addressed. This will be accomplished through a comprehensive effort aimed at slowing expenditure growth, particularly the labor growth rate, and developing new and stronger revenue sources. Hopefully this effort will be made less difficult by an economy that begins to rebound freeing up consumer spending and new capital for local investment.

## General Fund Fund Balance/Use of Reserves

(In Thousands)



	2006-07 Audited	2007-08 Audited	2008-09 Projected	2009-10 Proposed	2010-11 Proposed
<b>Fund Balance</b>					
Legally Restricted	\$ 1,837,806	2,127,077	2,127,077	2,127,077	2,127,077
Emergency	5,900,000	7,000,000	7,934,000	7,934,000	8,175,000
Nonrecurring Commitments	14,718,029	6,770,000	-	-	-
Operating	5,888,222	10,881,866	8,262,224	4,844,313	1,411,008
<b>Total Fund Balance</b>	<b>\$ 28,344,057</b>	<b>26,778,943</b>	<b>18,323,301</b>	<b>14,905,390</b>	<b>11,713,085</b>

The judicious set aside and **use of reserve funds** is vitally important for consistency in providing local government services. In the last three budget cycles, the City has drawn down reserves (2003-04/2004-05 and 2005-06/2006-07) and set aside additional funds (2007-08/2008-09) as economic conditions and operational necessities have dictated. The current nationwide economic slowdown and its resultant impacts on local revenues have brought the need to draw down reserves into the current budget picture.

### Using reserves over the next two years will maintain stability in service delivery.

For FY 2009-10, it is proposed to draw \$3.4 million of General Fund operating reserves, and in FY 2010-11 the use of \$3.2 million in operating reserves is proposed. The use of reserves will allow the City to continue providing existing services to the local citizenry and meet financial obligations. There is confidence that when the current national restrictions on credit and other financial pressures are lessened, economic development in the City of Napa will rebound sharply, and in order to be responsive to those needs it is important that staffing levels not be overly reduced during a short-term downturn. Throughout the coming two fiscal years, emergency reserves will be maintained at a level of 12% of the General Fund Operating budget (\$8.2 million) with an additional 2% Undesignated Fund Balance (\$1.4 million) available.

## Staffing Summary

### Staffing Plan

Based on economic imperatives identified in the Long Term Financial Plan, this Budget reflects a “hold the line” plan with total staffing levels remaining relatively constant. Staffing is measured in full-time equivalent (FTE’s) positions. An FTE is the combined total of all full-time and part-time employees. For instance, two half-time positions represent one FTE. Changes to staffing levels this year were largely driven by direction from the City Manager to reduce baseline spending due to diminished resources. Some department directors addressed their budget funding targets through staff reductions. The City Manager’s directive further required that any increase in staffing proposed for the budget meet criteria that would be used as the basis for decision-making. Specifically, any increase in staff would require a demonstration that one or more of the following conditions must be met: additional staff must generate offsetting revenue or would save comparable costs (e.g. staff cost vs. consultant costs); the new resources could be provided without an impact to the General Fund; or, costs for proposed new staff would be covered by operating cuts elsewhere in the department, based on department driven priorities.

Dept.	Position	Eliminate FTE’s	Add 09-10 FTE’s	Add 10-11 FTE’s	Comments
PW	Sr. Eng. Aide		1		Funded by projects; also allows reduced consultant costs
PW	Jr. Engineer			1	Funded by projects; also allows reduced consultant costs
PW	Water Assoc. Engineer		1		Limited term position funded from bond proceeds
IT	System Admin.		1		Will serve in Water Div. and Water will fund majority of costs
PD	Comm. Serv Off.		1		Cost offset by elimination of part-time
PD	Part-time help	4			To fund CSO and meet cost reduction goals
PD	Police Officer	2			Eliminated with expiration of grant funding
RM	Risk Mngr.		1		Funded through Risk Mgmt Reserve
RM	Work Comp & Safety Analyst		1		Eliminate PT contract, PT Safety Coordinator. One half of the
FD	Firefighter	1			Eliminated to meet cost reduction requirement
CDD	Plan Check Engineer	1			Eliminated to meet cost reduction requirement
Fin	Acctg. Tech Entry	1			Limited term position expires 8/09
Fin	Acctg Tech Entry	1			Limited term position expires 7/10
Fin	Acctg Tech Entry	1			Limited term position expires 8/09

## Staffing Summary

### Staffing Plan (cont.)

The staffing plan table on the facing page outlines proposed staffing changes recommended in this budget and describes how staffing levels have changed within the departments over the past couple of years. As shown, this budget will reduce full time staffing in FY 2009-10 by (-.52 FTE's) and another (-2.02 FTE's) in FY 2010-11.

### Reallocation of Positions

In addition to the positions that are being added and deleted as listed above, there are a series of existing positions within the city that are being reallocated to new positions which better reflect the job skills and responsibilities needed to address ongoing departmental needs. As the table below shows, there is no net impact on the number of full-time equivalent positions that results from these changes.

<b>FY 2009 – 2011 Reallocations</b>		
<b>Position</b>	<b>Eliminate</b>	<b>Add</b>
CDD: Account Tech Entry		1
CDD: Office Assistant II	1	
PW: Acct. Tech Entry (MDF)		1
PW: Office Assist. (MDF)	1	
PW: Finance Analyst		1
PW: Mgmt. Analyst II	1	
PD: Sergeant		1
PD: Police Officer	1	
PD: Lieutenant		1
PD: Communication Mngr.	1	
PD: Lieutenant		1
PD: Commander	1	
CM: Community Outreach:		1
CM: Limited Term Comm. Outreach	1	
CM: Mgmt. Analyst – Labor		1
ED: Management Analyst	1	
<b>Reallocations Total</b>	<b>8</b>	<b>8</b>

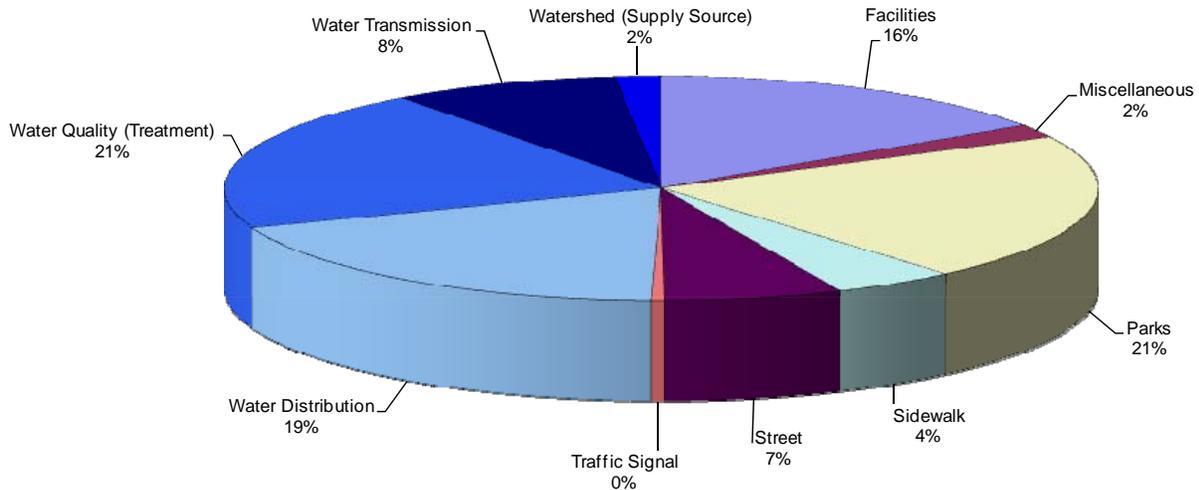
# Capital Improvement Program (CIP)

## Capital Improvement Program

The budgeted amount for CIP projects in the coming two fiscal years, 2009-10/2010-11 is \$22.1 million. The City's five-year Capital Improvement Program (CIP) includes 78 new projects with total expenditures of \$51.5 million. These projects include improvements to streets, sidewalks, water facilities, flood protection, storm drains, parks, traffic signals, bike and pedestrian facilities, and other projects. The five-year plan proposes to spend 50% of budgeted funds on water related projects, including treatment, distribution, transmission and supply source projects. Parks will receive 20% of the CIP funds.

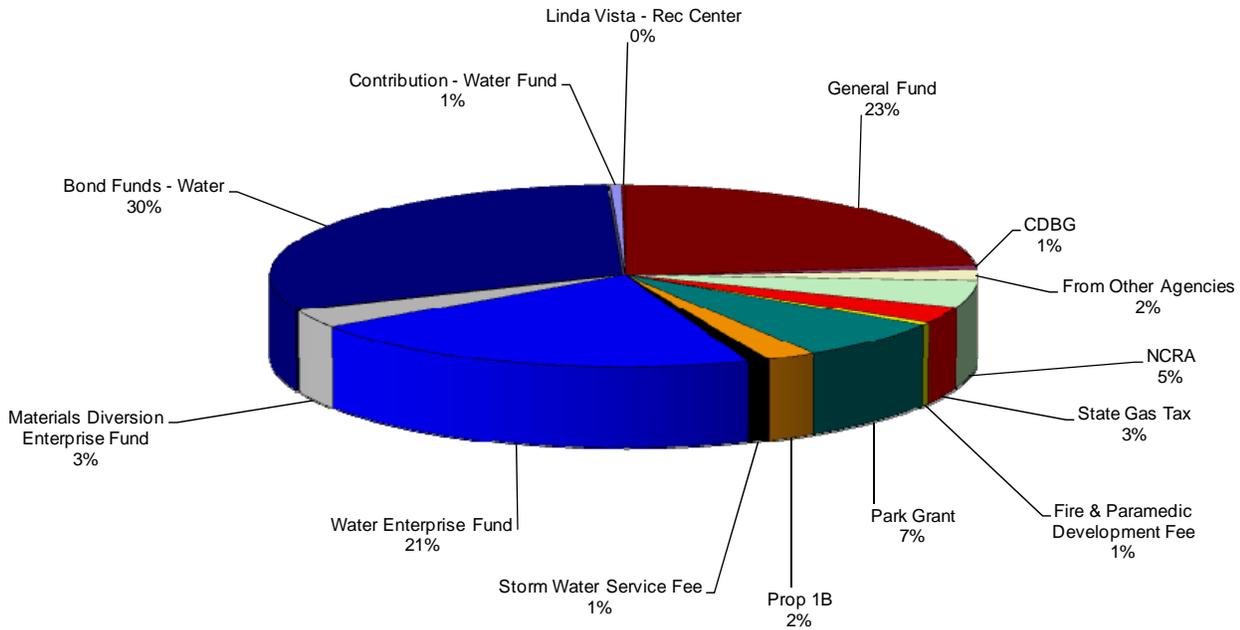
Project Type	Budget
Facilities	\$ 8,038,100
Miscellaneous	981,500
Parks	10,942,200
Sidewalk	2,335,110
Street	3,390,300
Traffic Signal	265,800
Water Distribution	9,716,220
Water Quality (Treatment)	10,618,538
Water Transmission	4,353,152
Watershed (Supply Source)	874,600
<b>Total Projects</b>	<b>\$ 51,515,520</b>

Five-Year CIP BY Project Type



# Capital Improvement Program (CIP)

## Five-Year CIP By Funding Source



<b>Funding Source</b>	<b>Budget</b>
General Fund	\$ 11,424,550
CDBG	385,110
From Other Agencies	1,020,000
NCRA	2,275,000
State Gas Tax	1,450,786
Fire & Paramedic Development Fee	240,000
Park Grant	3,455,200
Prop 1B	1,144,664
Storm Water Service Fee	478,200
Water Enterprise Fund	10,520,064
Materials Diversion Enterprise Fund	1,608,500
Bond Funds - Water	15,042,446
Contribution - Water Fund	245,000
Linda Vista - Rec Center	80,000
Quadrant Funds	2,146,000
<b>Total Projects</b>	<b>\$ 51,515,520</b>

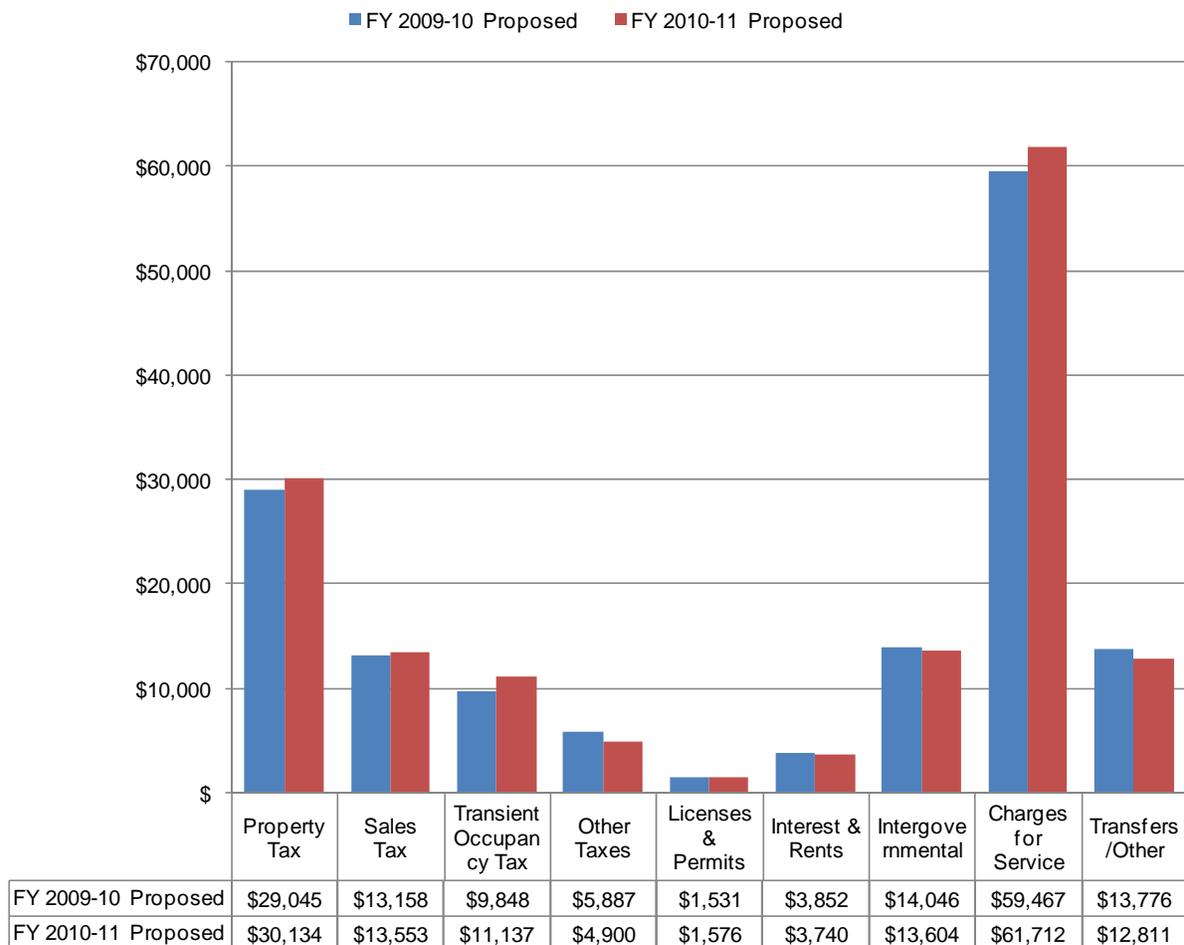
## All Funds Revenues by Category

### All Funds Revenues

The information provided in the All Funds Summary represents the total revenue and costs to conduct the business of the City. The adopted budget shows anticipated revenues for all funds at \$150.6 million for FY 2009-10 and \$153.2 million for FY 2010-11. These summary figures are rarely used to judge the fiscal health or condition of an organization since transfers, grants or other factors will skew year to year revenue trends without providing an indication of the relative economic condition of the City.

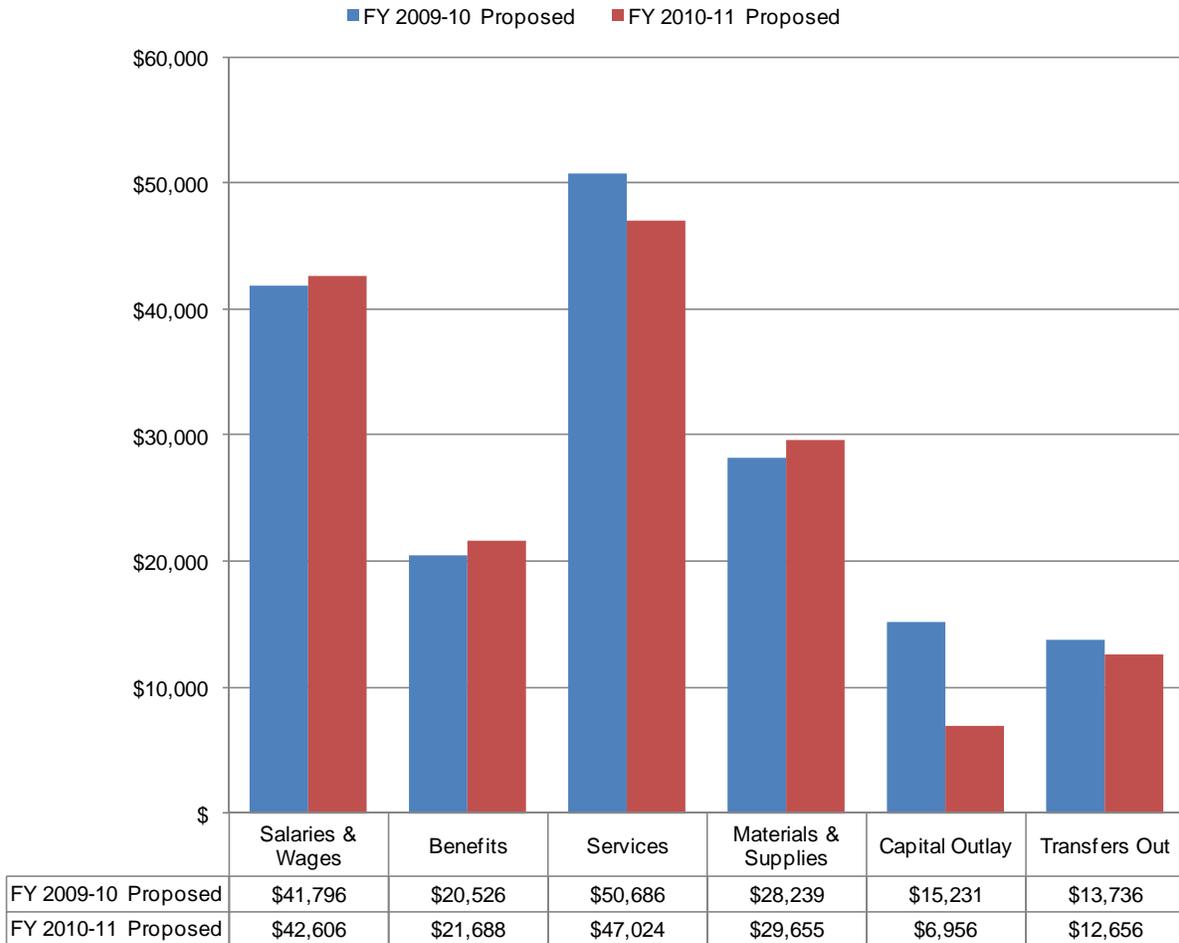
When cities describe their budget they typically are referring to the General Fund. The General Fund is the primary operating fund where the City Council exercises discretion and applies judgment in the distribution of tax revenues and resources in establishing funding and service levels for most non-enterprise (fee based) programs.

(In Thousands)



# All Funds Expenditures by Category

(In Thousands)

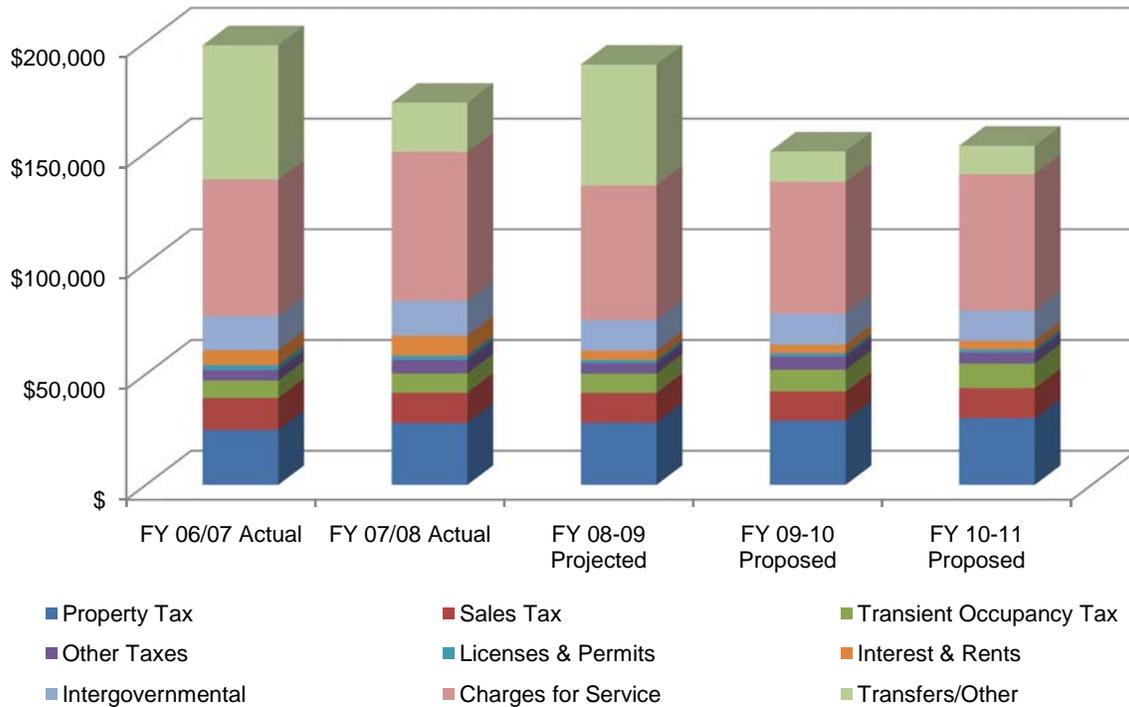


## All Funds Expenditures

The adopted budget shows proposed spending for all funds at \$170.2 million in FY 2009-10 and \$160.585 million for FY2010-11. These summary figures are rarely used to judge the fiscal health or condition of an organization since spending patterns will fluctuate due to major one time capital projects (i.e. \$43 million Ed Barwick Jamieson Water Treatment Plant), transfers, grants or other factors that will skew year to year revenue and spending trends without providing an indication of the relative economic condition of the City.

# All Funds Revenue Comparison

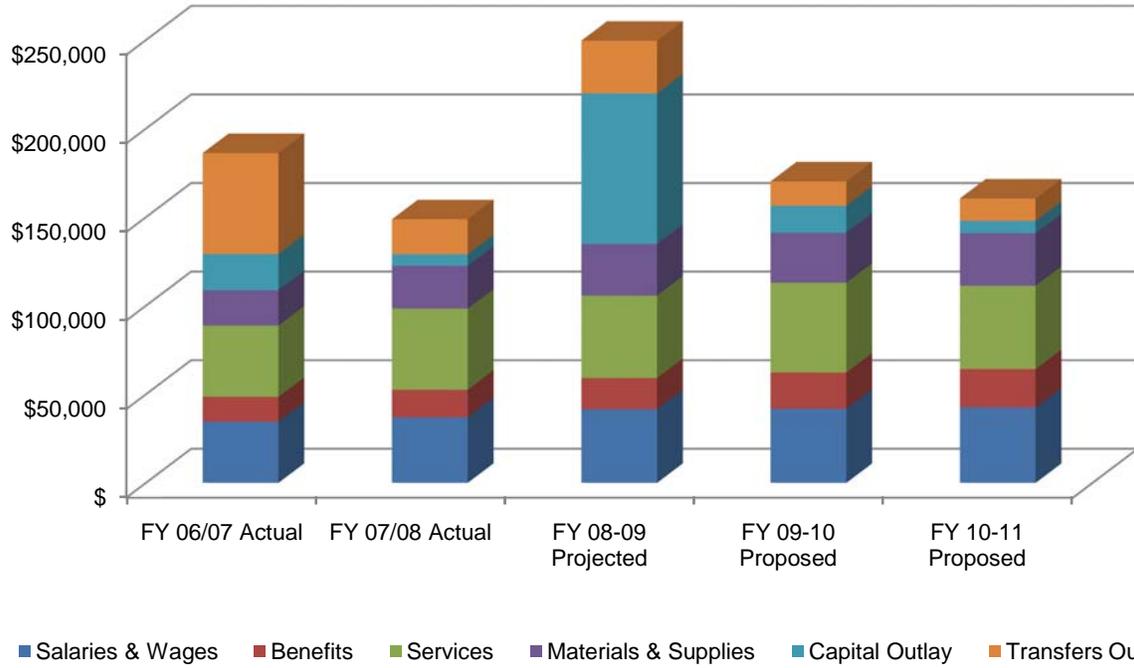
(In Thousands)



Revenue Categories	FY 06/07 Actual	FY 07/08 Actual	FY 08-09 Projected	FY 09-10 Proposed	FY 10-11 Proposed
Property Tax	\$24,753	\$27,935	\$28,098	\$29,045	\$30,134
Sales Tax	\$14,569	\$13,670	\$13,485	\$13,158	\$13,553
Transient Occupancy Tax	\$7,779	\$8,725	\$8,687	\$9,848	\$11,137
Other Taxes	\$4,766	\$6,106	\$4,745	\$5,887	\$4,900
Licenses & Permits	\$2,254	\$1,960	\$1,484	\$1,531	\$1,576
Interest & Rents	\$6,726	\$8,962	\$4,117	\$3,852	\$3,740
Intergovernmental	\$15,415	\$15,820	\$13,868	\$14,046	\$13,604
Charges for Service	\$61,682	\$67,189	\$60,813	\$59,467	\$61,712
Transfers/Other	\$60,622	\$22,262	\$54,569	\$13,776	\$12,811
<b>Total Revenues</b>	<b>\$198,567</b>	<b>\$172,630</b>	<b>\$189,867</b>	<b>\$150,610</b>	<b>\$153,167</b>

# All Funds Expenditure Comparison

(In Thousands)



Expenditure Categories	FY 06/07 Actual	FY 07/08 Actual	FY 08-09 Projected	FY 09-10 Proposed	FY 10-11 Proposed
Salaries & Wages	\$34,505	\$37,008	\$41,588	\$41,796	\$42,606
Benefits	\$14,077	\$15,578	\$17,625	\$20,526	\$21,688
Services	\$40,218	\$45,838	\$46,490	\$50,696	\$47,024
Materials & Supplies	\$19,919	\$24,080	\$29,194	\$28,239	\$29,655
Capital Outlay	\$20,445	\$6,606	\$84,948	\$15,221	\$6,956
Transfers Out	\$57,040	\$19,751	\$29,816	\$13,736	\$12,656
<b>Total Expenditures</b>	<b>\$186,205</b>	<b>\$148,860</b>	<b>\$249,661</b>	<b>\$170,215</b>	<b>\$160,585</b>

## Economic Assumptions

### Fiscal Years 2009-10/2010-11

### Economic Assumptions

An essential element to any budget exercise is the development of economic assumptions. These assumptions are used to forecast changes to baseline revenue and expenditure levels in order to develop the parameters for decision-making. The following assumptions were developed by evaluating input from many sources including internal input from the City's economic development and planning staff; researching forecasts developed by academic institutions in the area; soliciting input from consulting experts that monitor labor benefit cost trends and private sector investment activities. In all cases the goal is to develop conservative, yet realistic assumptions. Obviously this task is made more difficult in the midst of a volatile economy. For this reason we revisit our economic assumptions quarterly and make adjustments as appropriate.

Budget Item	FY 2009-10	FY 2010-11	Comments
Property Tax growth rate	1.00%	2.00%	
Sales Tax	-2.00%	3.00%	
Transient Occupancy Tax	19.00%	13.00%	Includes base assumption of 0% for FY 2009-10 and 2% for FY 2010-11 plus incremental revenues from opening of additional hotels/timeshares during the 2-year budget cycle.
Salaries	2.00%	2.00%	Assumptions used, but increased vacancy factor and elimination of limited-term positions resulted in -5% and 3%, respectively.
Healthcare Benefits			
Health Net	10.00%	10.00%	
Kaiser	3.90%	6.00%	
Calpers Blue Shield (NPOA)	5.19%	5.19%	
Calpers Kaiser (NPOA)	7.99%	7.99%	
Calpers PersChoice (NPOA)	3.00%	3.00%	
Calpers PORAC (NPOA)	6.98%	6.98%	
Pension Benefits	3.00%	4.00%	PERS
Other benefits	13.00%	1.00%	Includes 43% increase in GASB 45 contribution and 1% increase in other benefits.
Inflation	3.00%	3.00%	
Population	77,879	78,268	
Vacancy Factor	4.0%	4.0%	Increased from 2% in previous budget cycle.

# General Fund Overview

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	2010-11 Proposed
<b>General Fund: Operations</b>						
<b>Revenues</b>						
Property Tax	\$ 21,266,505	23,365,082	23,251,345	23,281,883	23,514,703	23,984,995
Sales Tax	13,694,949	13,502,216	13,287,997	13,485,220	13,158,112	13,552,855
Transient Occupancy Tax	7,779,417	8,725,357	8,241,823	8,686,823	9,847,796	11,136,763
Other Taxes	4,766,453	4,868,027	4,822,571	4,744,997	4,771,958	4,900,317
License and Permits	2,253,580	1,960,014	1,500,595	1,484,326	1,530,869	1,576,346
Charges for Services	5,410,821	5,358,372	4,869,063	4,479,662	4,480,678	4,667,763
Intergovernmental	761,529	1,379,993	549,893	679,208	743,822	746,932
Investment Earnings	1,195,716	1,800,841	1,000,000	1,000,000	750,000	750,000
Miscellaneous Revenues	50,560	239,386	152,681	139,078	139,400	144,762
Transfers In	3,136,901	4,444,960	4,298,645	4,369,528	3,536,486	3,640,405
Operating Revenues	<b>60,316,428</b>	<b>65,644,248</b>	<b>61,974,614</b>	<b>62,350,725</b>	<b>62,473,824</b>	<b>65,101,138</b>
<b>Expenditures</b>						
Salaries & Wages	27,845,719	31,305,945	34,285,239	34,763,444	33,080,782	34,079,795
Benefits	12,153,347	14,212,515	16,681,536	14,718,910	17,951,030	18,856,356
Services	9,410,343	10,198,730	11,945,401	11,250,146	11,245,211	11,636,577
Materials and Supplies	1,369,782	2,022,675	1,648,617	1,720,143	2,512,698	2,543,402
Capital Outlay	311,140	460,178	793,822	503,397	100,930	98,030
Transfers Out	788,605	2,520,065	1,318,500	1,319,300	852,332	914,282
Operating Expenditures	<b>51,878,936</b>	<b>60,720,107</b>	<b>66,673,114</b>	<b>64,275,340</b>	<b>65,742,983</b>	<b>68,128,443</b>
<b>Operating Position</b>	<b>\$ 8,437,492</b>	<b>4,924,141</b>	<b>(4,698,500)</b>	<b>(1,924,615)</b>	<b>(3,269,159)</b>	<b>(3,027,305)</b>
<b>General Fund: Nonrecurring</b>						
Revenues	1,299,969	1,433,480	2,450,499	2,462,385	-	-
Uses	403,476	6,541,723	8,862,046	8,993,412	148,752	165,000
<b>Nonrecurring Contribution/(Use)</b>	<b>\$ 896,493</b>	<b>(5,108,243)</b>	<b>(6,411,547)</b>	<b>(6,531,027)</b>	<b>(148,752)</b>	<b>(165,000)</b>
<b>Total General Fund Contribution /(Use) of Fund Balance</b>	<b>\$ 9,333,985</b>	<b>(184,102)</b>	<b>(11,110,047)</b>	<b>(8,455,642)</b>	<b>(3,417,911)</b>	<b>(3,192,305)</b>
<b>Fund Balance</b>						
Legally Restricted		2,127,077	2,127,077	2,127,077	2,127,077	2,127,077
Emergency		7,000,000	7,934,000	7,934,000	7,934,000	8,175,000
Nonrecurring Commitments		6,770,000	-	-	-	-
Operating		10,881,866	5,607,819	8,262,224	4,844,313	1,411,008
<b>Total Fund Balance</b>	<b>\$ -</b>	<b>26,778,943</b>	<b>15,668,896</b>	<b>18,323,301</b>	<b>14,905,390</b>	<b>11,713,085</b>
		Audited				

# All Funds Budget Summary

	2008-09 Projected Unreserved Fund Balance	2009-10 Proposed Revenues	2009-10 Proposed Expenditures	2009-10 Projected Unreserved Fund Balance	2010-11 Proposed Revenues	2010-11 Proposed Expenditures	2010-11 Projected Unreserved Fund Balance
(In Thousands)							
<b>General Fund</b>							
General Fund	\$ 8,023	62,474	65,743	4,754	65,101	68,128	1,486
Nonrecurring Items	239		149	90		165	(75)
Emergency Reserve	7,934			7,934			8,175
<b>General Fund Total</b>	<b>16,196</b>	<b>62,474</b>	<b>65,892</b>	<b>12,778</b>	<b>65,101</b>	<b>68,293</b>	<b>9,586</b>
<b>Special Revenue Funds</b>							
Gas Tax	352	3,333	3,665	20	2,299	1,590	728
Underground Utility Impact	952	392		1,344	392		1,736
Fire/Paramedic Impact	63	77		140	88		228
Street Improvement Impact	1,106	51	250	907	51	250	708
Development Impact	6,256	124	40	6,340	124	40	6,424
Park Acquisition and Dev Q1-Q4	2,776	143	96	2,824	144		2,968
Parking Impact	1,058	26		1,084	26		1,110
Housing Inclusionary Comm	744	230	250	725	237	232	729
Housing Inclusionary Res	2,882	158	1,135	1,905	188	1,141	953
CDBG Program	83	823	822	84	681	677	88
CDBG-Rehab Revolving Loan	576	138	350	365	486	461	389
HOME Program	28	300	295	33	156	156	33
State HELP 2002***	(955)			(956)			(956)
State HELP 2004	1	57		57	118		175
Down Pmt Assistance Program		600	600				
Assessment Districts	4,759	1,499	1,300	4,958	1,511	906	5,563
Downtown Business District	(3)	109	105	1	111	107	5
Oxbow Business District		26	26		27	27	
Land Development Tax	499	10		509	10		519
Parking Security/Maintenance	760	624	745	639	635	766	507
<b>Special Revenue Total</b>	<b>21,937</b>	<b>8,722</b>	<b>9,680</b>	<b>20,979</b>	<b>7,285</b>	<b>6,354</b>	<b>21,909</b>
<b>Capital Project Funds</b>							
Capital Projects	1,238	4,224	4,174	1,288	1,972	1,753	1,507
Street Resurfacing Program		2,220	2,220		2,240	2,240	
<b>Capital Project Total</b>	<b>1,238</b>	<b>6,444</b>	<b>6,394</b>	<b>1,288</b>	<b>4,212</b>	<b>3,993</b>	<b>1,507</b>
<b>Proprietary Enterprise Funds*</b>							
Materials Diversion	5,136	21,094	22,458	3,772	22,410	22,441	3,741
Golf Course	264	1,780	1,737	307	1,856	1,772	392
Water **	24,051	20,850	33,796	11,106	21,324	26,029	6,401
<b>Enterprise Total</b>	<b>29,451</b>	<b>43,725</b>	<b>57,991</b>	<b>15,185</b>	<b>45,590</b>	<b>50,241</b>	<b>10,534</b>
<b>Proprietary Internal Service Funds*</b>							
Fleet Management	3,207	2,749	3,016	2,940	2,518	3,122	2,336
Central Stores	105	333	325	112	333	328	117
Information Technology		142	142		142	142	
Risk Management	4,304	3,648	3,651	4,300	3,769	3,912	4,157
Post Employment Benefits	1,614	1,924	2,888	650	1,999	1,964	686
<b>Internal Service Total</b>	<b>9,230</b>	<b>8,796</b>	<b>10,023</b>	<b>8,003</b>	<b>8,761</b>	<b>9,468</b>	<b>7,296</b>
<b>All City of Napa Funds Total</b>	<b>\$ 78,051</b>	<b>130,161</b>	<b>149,979</b>	<b>58,233</b>	<b>130,949</b>	<b>138,350</b>	<b>50,832</b>

\* Proprietary fund types reported balance information is working capital. (Current Assets - Current Liabilities - Reserves = Working Capital)

\*\* Water working capital includes bond proceeds for projects.

\*\*\* Negative fund balance results from debt owed to the State of California.

# All Funds Budget Summary

	2008-09 Projected Unreserved Fund Balance	2009-10 Proposed Revenues	2009-10 Proposed Expenditures	2009-10 Projected Unreserved Fund Balance	2010-11 Proposed Revenues	2010-11 Proposed Expenditures	2010-11 Projected Unreserved Fund Balance
(In Thousands)							
<b>Napa Community</b>							
<b>Redevelopment Agency Funds</b>							
Parkway Plaza Debt Service	\$ 2,999	5,163	4,827	3,335	5,709	5,692	3,352
Parkway Plaza Low/Mod		1,032	1,032		1,134	1,134	
Parkway Plaza Capital Projects	1,742	1,158	1,158	1,742	1,752	1,752	1,742
Soscol Gateway Debt Service**	(539)	470	538	(607)	582	562	(587)
Soscol Gateway Low/Mod	63	95		158	118		276
Soscol Gateway Capital Project	232	334	334	232	311	311	232
<b>All Agency Funds Total</b>	<b>\$ 4,498</b>	<b>8,252</b>	<b>7,890</b>	<b>4,860</b>	<b>9,606</b>	<b>9,451</b>	<b>5,015</b>
<b>Housing Authority of the City of Napa Funds*</b>							
Laurel Manor	\$ 2,074	553	754	1,872	563	743	1,693
Seminary Street	126	168	167	127	172	168	131
Section 8	2,046	10,478	10,394	2,130	10,791	10,705	2,215
20% Low/Mod Income	216	659	748	127	765	853	38
Local Housing Fund	(2)	234	184	49	235	189	95
Operating Reserve	242			242			242
Continuum of Care Program	(7)	106	99		86	86	
<b>All Authority Funds Total</b>	<b>\$ 4,695</b>	<b>12,197</b>	<b>12,345</b>	<b>4,547</b>	<b>12,612</b>	<b>12,744</b>	<b>4,414</b>
<b>All Funds Summary</b>	<b>\$ 87,244</b>	<b>150,610</b>	<b>170,215</b>	<b>67,639</b>	<b>153,167</b>	<b>160,545</b>	<b>60,261</b>

\* Housing Authority of the City of Napa funds are proprietary fund types. Reported balance information is working capital, not fund balance.

\*\* Negative fund balance results from debt owed to the City of Napa Water Fund.

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