

CITY of NAPA

Budget Overview

Fiscal Years
2013-14 & 2014-15

General Fund

Operating Revenue Comparison

General Fund Operating Revenues and Year-to-Year Comparison

\$66.8 million in revenues projected for 2013-14

\$69.8 million in revenues projected for 2014-15

Revenue is returning
to pre-recession
levels

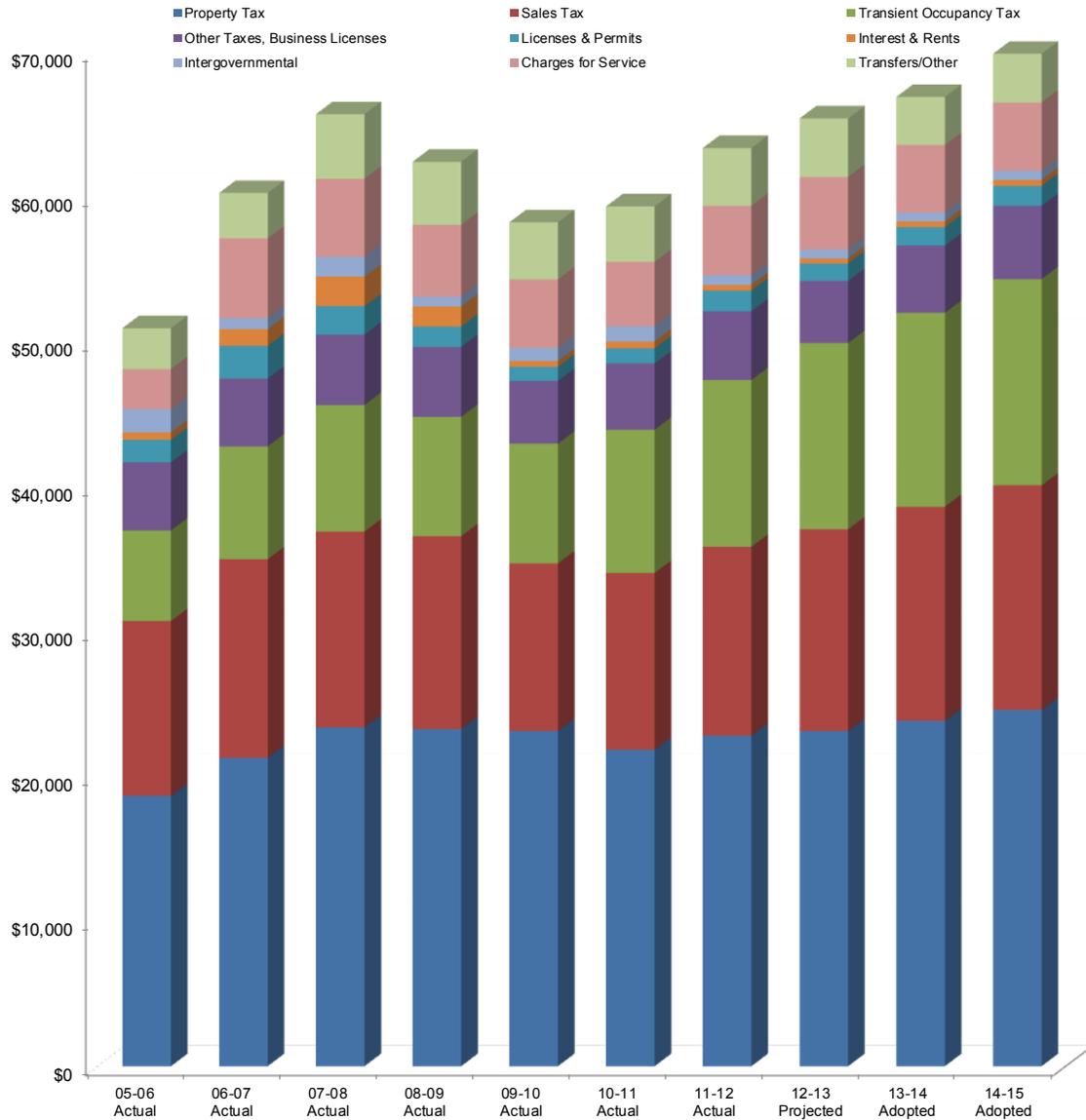
General Fund Operating Revenues for FY 2013-14 are projected to be \$66.8 million (excluding one-time revenues), representing a 2% increase compared to FY 2012-13 projected revenues of \$65.4 million. FY 2014-15 Operating Revenues are projected to increase by an additional 4% to \$69.8 million. The growth in revenues reflects the nationwide economic recovery, seen locally in the impact on the City's main revenue sources – Property Tax, Sales Tax and Transient Occupancy Tax.

Within the City of Napa, property values are on the rise. The median single family home price rose 28.5% between March 2012 and March 2013. Revenue from property tax is projected to increase by 3% in each of the next two fiscal years. Increases in consumer spending have positively impacted the City's sales tax revenue. Continued strength in the tourism industry, reduced unemployment as well as anticipated new business activity will result in further increases in revenue from taxable sales. Increases of 6% in FY 2013-14 and 5% the following year are forecasted. The City of Napa is highly dependent on tourism to generate revenue to the General Fund. The City's Transient Occupancy Tax is the third largest source of General Fund revenue and was significantly impacted by the economic downturn. Revenue from this source has increased steadily in each of the last three years. Projections for FY 2013-14 and FY 2014-15 include increases of 4% and 6%, respectively.

General Fund revenue peaked at \$65.6 million in FY 2007-08. During the following two years, revenue dropped by 12% to \$58.2 million. Based upon current economic indicators, a continued gradual increase in General Fund revenue is projected.

General Fund Operating Revenue Comparison

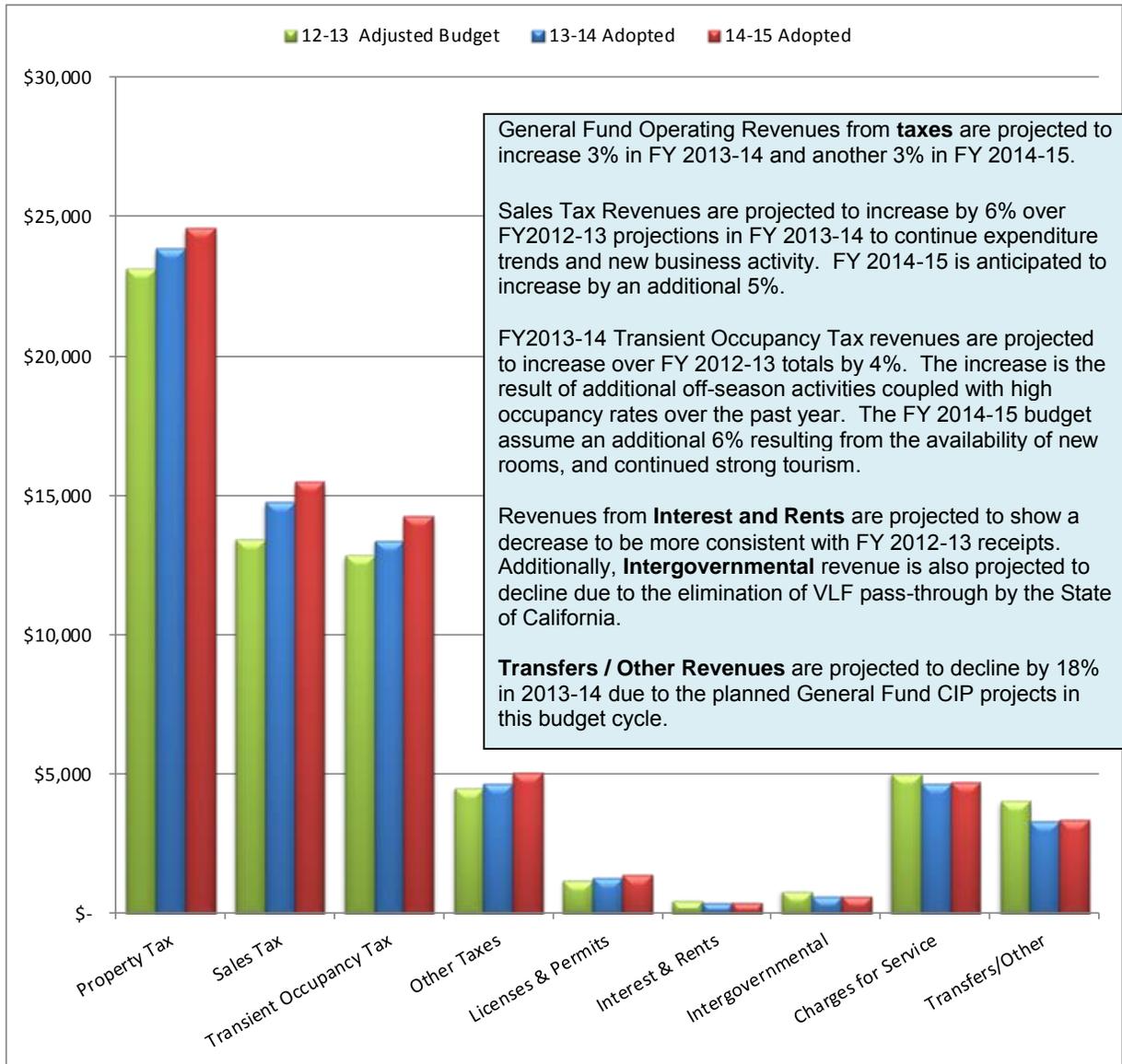
(In Thousands)



Revenue Category	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Actual	09-10 Actual	10-11 Actual	11-12 Actual	12-13 Projected	13-14 Adopted	14-15 Adopted
Property Tax	18,640	21,267	23,365	23,251	23,111	21,822	22,794	23,110	23,828	24,565
Sales Tax	12,057	13,695	13,502	13,288	11,559	12,192	13,019	13,915	14,750	15,485
Transient Occupancy Tax	6,249	7,779	8,725	8,242	8,256	9,872	11,505	12,840	13,368	14,231
Other Taxes, Business Licenses	4,694	4,680	4,848	4,823	4,325	4,571	4,744	4,285	4,636	5,041
Licenses & Permits	1,555	2,254	1,960	1,398	968	1,046	1,423	1,200	1,281	1,381
Interest & Rents	508	1,146	2,040	1,392	397	477	394	354	386	406
Intergovernmental	1,601	762	1,380	679	916	1,047	649	617	626	635
Charges for Service	2,773	5,497	5,378	4,950	4,718	4,436	4,801	4,998	4,650	4,710
Transfers/Other	2,816	3,137	4,445	4,341	3,938	3,825	3,986	4,033	3,308	3,356
Total Revenues	50,892	60,216	65,644	62,363	58,188	59,288	63,315	65,353	66,833	69,810

General Fund Operating Revenue by Category

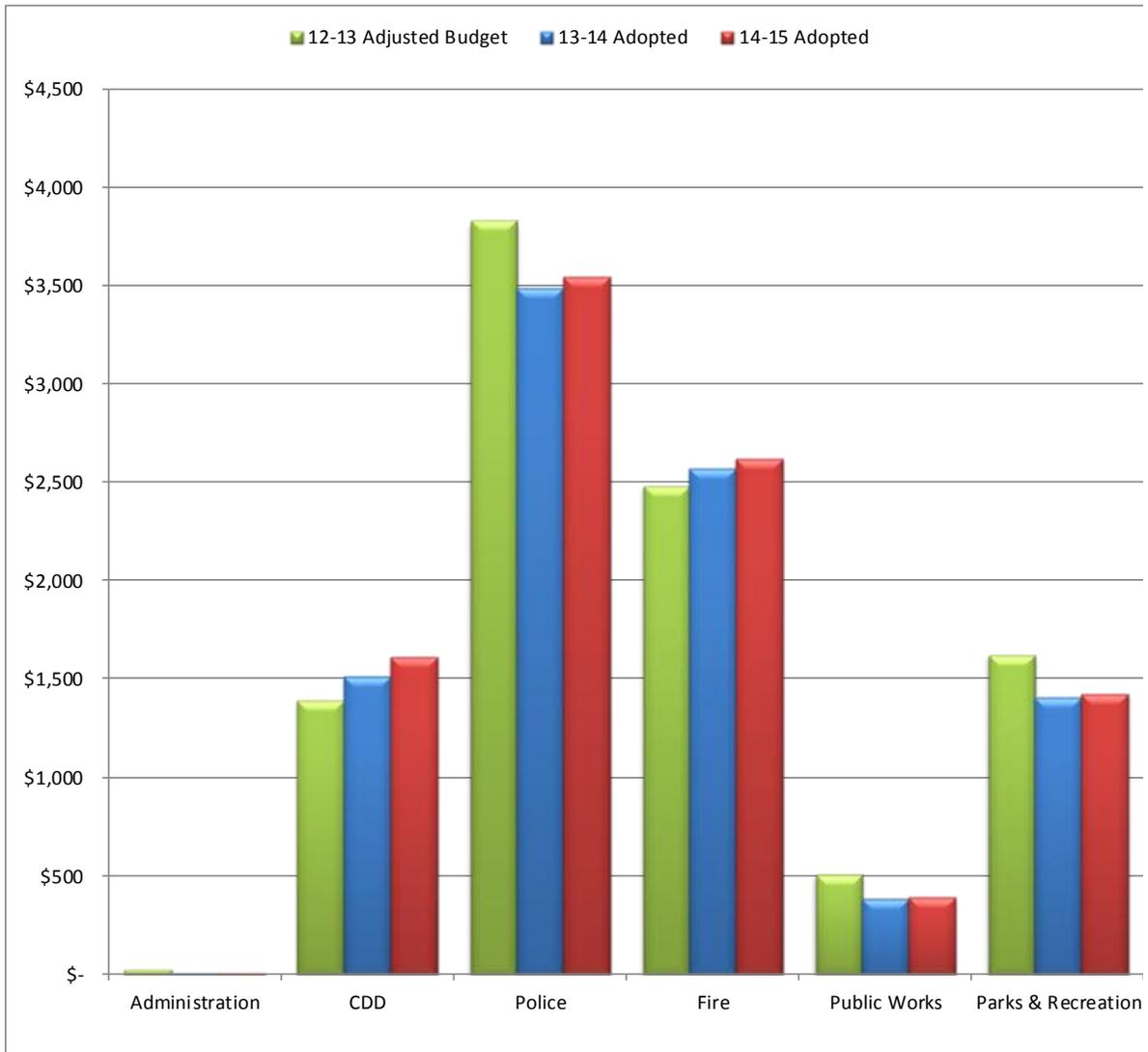
(In Thousands)



Revenue Categories	12-13	12-13	13-14	Dollar		14-15	Dollar	
	Adjusted Budget	Projected	Adopted	Change	%	Adopted	Change	%
Property Tax	\$23,110	23,110	23,828	718	3%	24,565	737	3%
Sales Tax	13,415	13,915	14,750	835	6%	15,485	734	5%
Transient Occupancy Tax	12,840	12,840	13,368	528	4%	14,231	863	6%
Other Taxes	4,510	4,285	4,636	351	8%	5,041	405	9%
Licenses & Permits	1,200	1,200	1,281	81	7%	1,381	100	8%
Interest & Rents	454	354	386	32	9%	406	20	5%
Intergovernmental	792	617	626	8	1%	635	9	2%
Charges for Service	4,998	4,998	4,650	(348)	-7%	4,710	61	1%
Transfers/Other	4,033	4,033	3,308	(725)	-18%	3,356	47	1%
Total Revenues	\$65,353	65,353	66,833	1,480	2.3%	69,810	2,977	4.5%

General Fund Operating Revenue by Department

(In Thousands)



Departments	12-13 Adjusted Budget	12-13 Projected	13-14 Adopted	Dollar Change	%	14-15 Adopted	Dollar Change	%
Administration	26	26	5	(21)	-82%	5		9%
CDD	1,390	1,390	1,511	121	9%	1,612	101	7%
Police	3,823	3,823	3,484	(339)	-9%	3,543	58	2%
Fire	2,477	2,477	2,568	90	4%	2,616	48	2%
Public Works	501	501	384	(118)	-23%	388	4	1%
Parks & Recreation	1,618	1,618	1,402	(217)	-13%	1,425	24	2%
Total Revenues	\$9,836	9,836	9,353	(483)	-5%	9,588	236	3%

* NOTE: General Government revenues are not included in the above chart as they are General Fund revenues not tied to a specific department. They are noted below for completeness

General Government	55,516	55,516	57,480	1,964	4%	60,222	2,741	5%
Total Revenues	\$65,353	65,353	66,833	1,480	2%	69,810	2,977	4%

General Fund

Operating Expenditure Comparison

General Fund Operating Expenditures and Year-to-Year Comparison

\$66.4 million in expenditures projected for 2013-14
\$69.7 million in expenditures projected for 2014-15

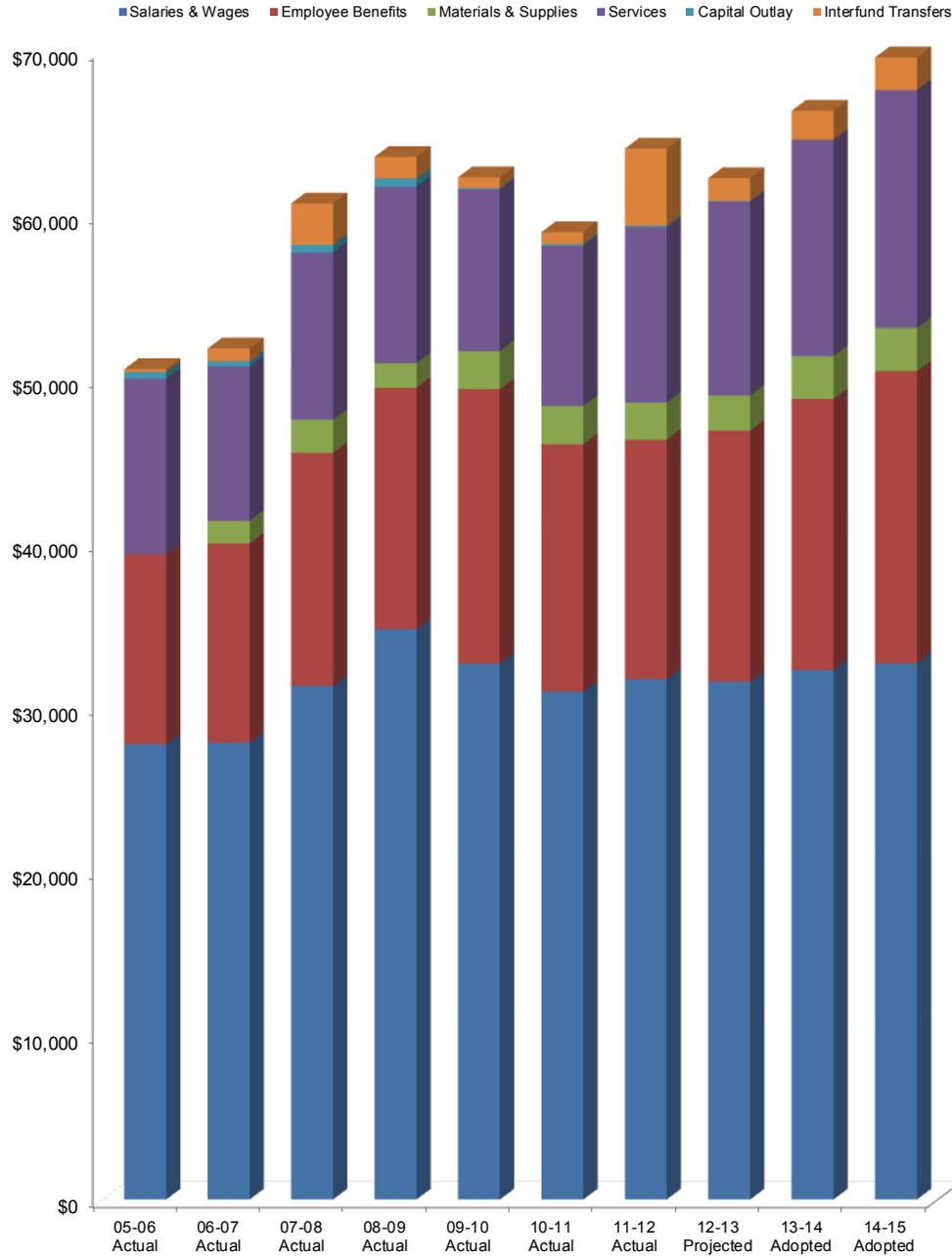
The total General Fund Operating Budget of \$66.4 million for 2013-14 represents a 7% increase in expenditures (\$4.1 million) compared to FY 2012-13 projected costs. The variance between the FY 2012-13 adjusted budget and the FY 2013-14 proposed budget is 5% (\$3.1 million). In FY 2014-15, General Fund expenditures are projected to increase by 5%, or \$3.2 million. These increases are described in more detail below:

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

- **Salaries & Wages**, which make up the largest single component of General Fund expenditures, are projected to increase by 2% in FY 2013-14 and an additional 1% in FY 2014-15 due mainly to step increases for existing staff, as well as new General Fund positions. Salary costs may be adjusted further as a result of labor negotiations that will occur throughout this budget cycle.
- The cost of **Employee Benefits** is projected to increase by 8% in FY 2013-14 and by an additional 8% in FY 2014-15 due to anticipated increases in healthcare, pension and other benefit costs over the two year period.
- Expenditures for **Services** are projected to increase by 12% in FY 2013-14 and by an additional 10% in FY 2014-15, in support of planned activities requiring consultant support
- Expenditures for **Materials and Supplies** are projected to increase by 22% in FY 2013-14 due to under-expenditures in this category in FY 2012-13 combined with inflationary increases, and will remain stable in FY 2014-15.
- **Capital Outlay** expenditures are projected to increase by \$13,000 in FY 2013-14 and remain stable in FY 2014-15.
- **Interfund transfers** are projected to increase by \$369,000 in FY 2013-14 and by \$233,000 in FY 2014-15 to support planned Capital Improvement Projects.

General Fund Operating Expenditure Comparison

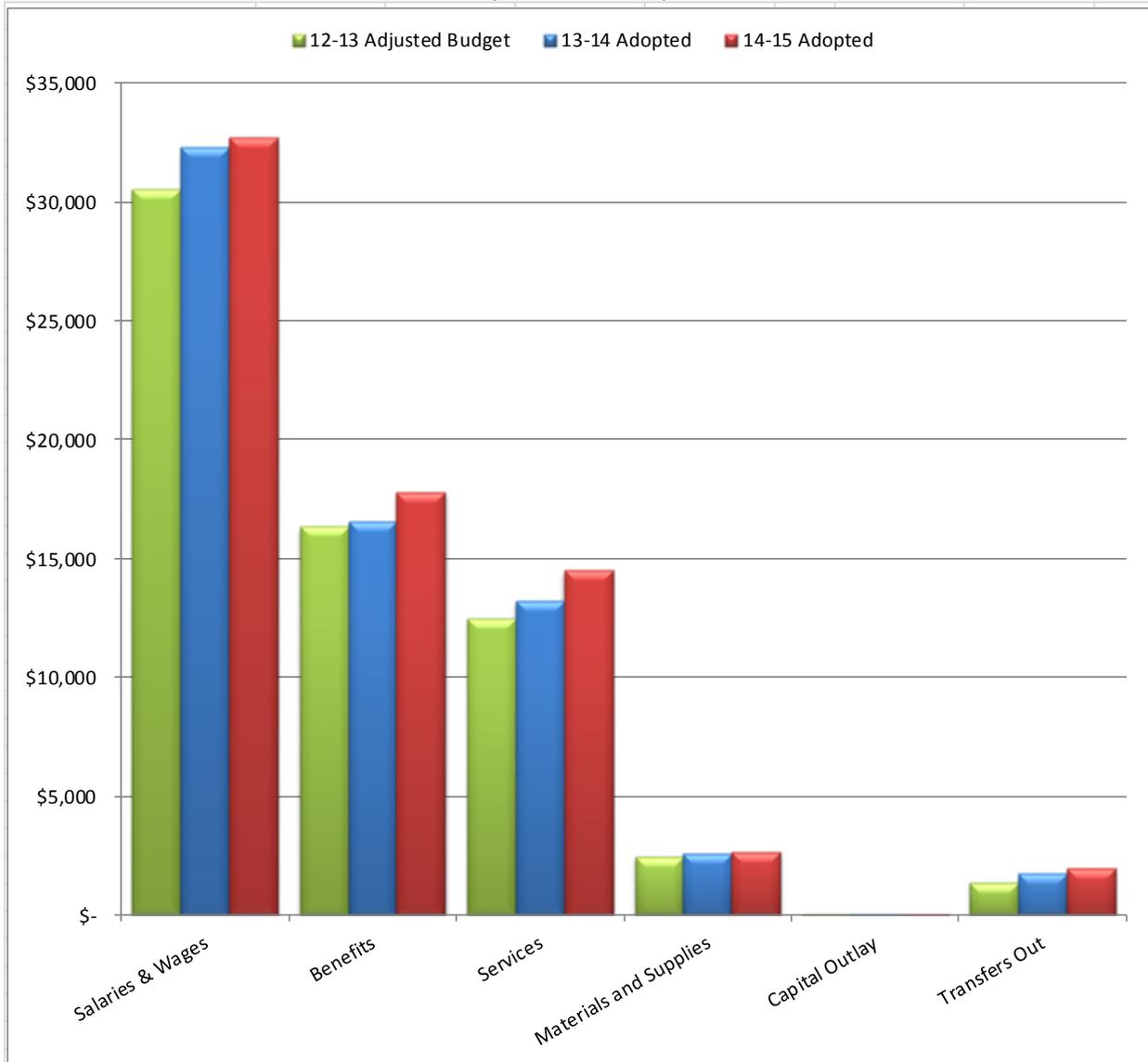
(In Thousands)



Expenditure Categories	05-06 Actual	06-07 Actual	07-08 Actual	08-09 Actual	09-10 Actual	10-11 Actual	11-12 Actual	12-13 Projected	13-14 Adopted	14-15 Adopted
Salaries & Wages	27,751	27,846	31,306	34,763	32,671	30,966	31,723	31,573	32,275	32,688
Employee Benefits	11,578	12,153	14,213	14,719	16,733	15,070	14,593	15,302	16,530	17,802
Materials & Supplies		1,370	2,023	1,502	2,320	2,343	2,271	2,140	2,614	2,640
Services	10,712	9,410	10,198	10,758	9,870	9,751	10,678	11,824	13,199	14,503
Capital Outlay	408	311	461	503	63	109	96	35	48	48
Interfund Transfers	174	789	2,520	1,319	657	733	4,702	1,385	1,754	1,987
Total Expenditures	50,622	51,879	60,720	63,565	62,314	58,973	64,062	62,258	66,421	69,669

General Fund Operating Expenditure by Category

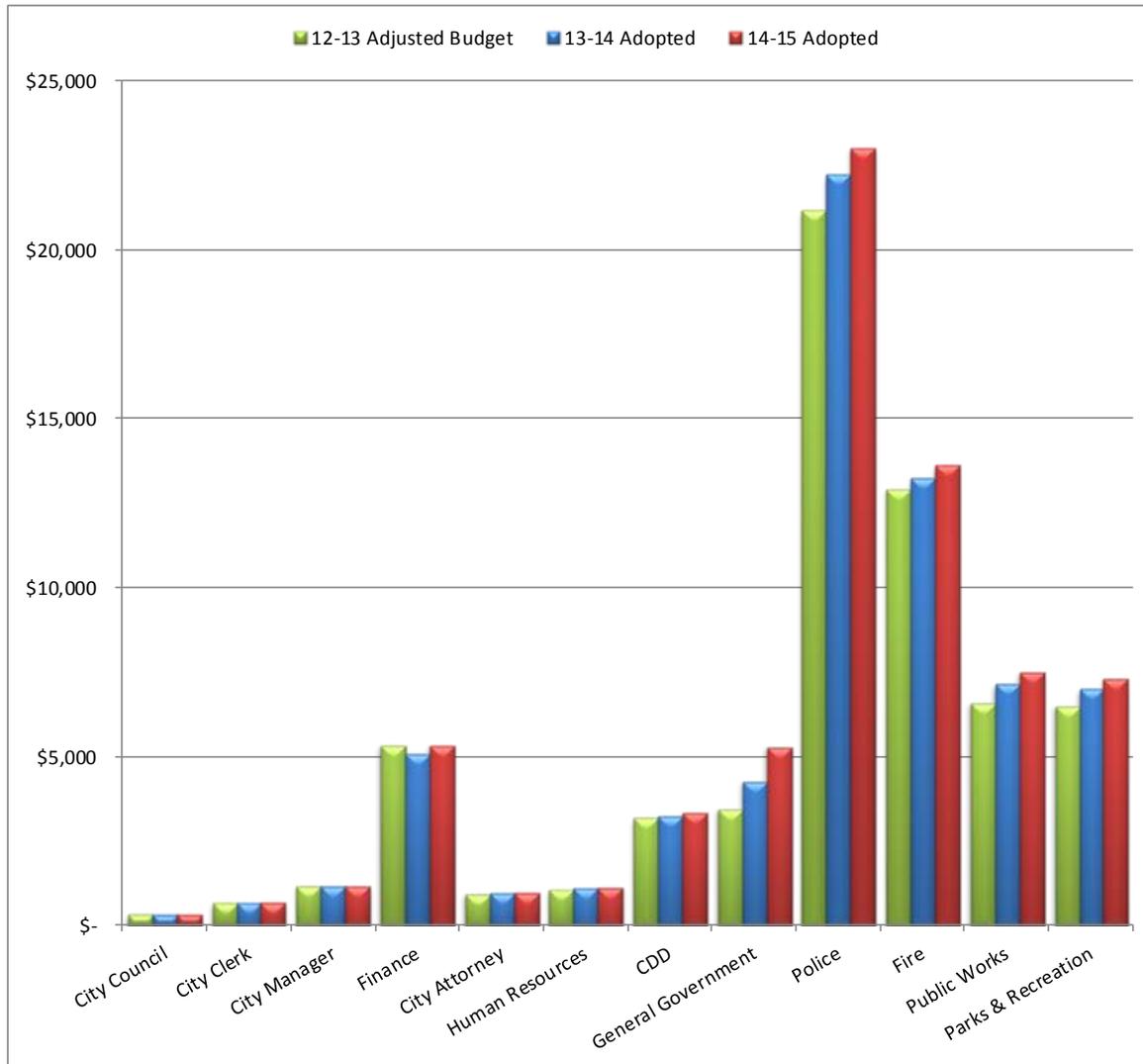
(In Thousands)



Category	12-13 Adjusted Budget	12-13 Projected	13-14 Adopted	Dollar Change	%	14-15 Adopted	Dollar Change	%
Salaries & Wages	\$30,531	31,573	32,275	703	2%	32,688	413	1%
Benefits	16,344	15,302	16,530	1,228	8%	17,802	1,272	8%
Services	12,479	11,824	13,199	1,375	12%	14,503	1,303	10%
Materials and Supplies	2,466	2,140	2,614	475	22%	2,640	26	1%
Capital Outlay	58	35	48	13	37%	48		0%
Transfers Out	1,385	1,385	1,754	369	27%	1,987	233	13%
Total Expenditures	\$63,263	62,258	66,421	4,163	5%	69,669	3,248	5%

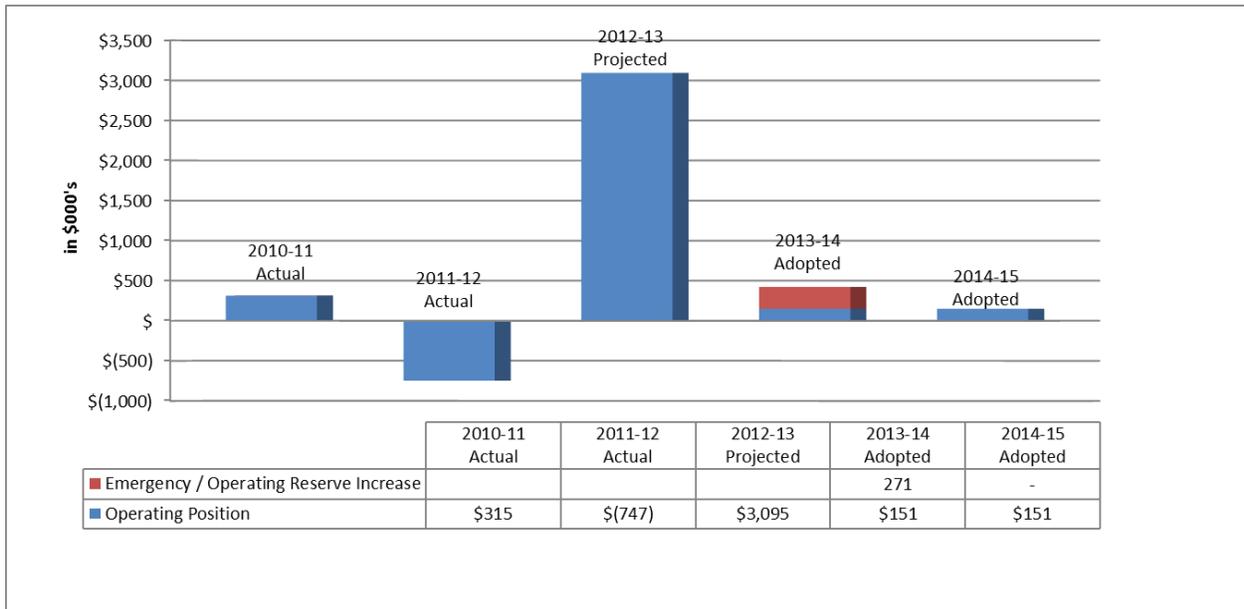
General Fund Operating Expenditures by Department

(In Thousands)



Departments	12-13 Adjusted Budget	12-13 Projected	13-14 Adopted	Dollar Change	%	14-15 Adopted	Dollar Change	%
City Council	\$340	306	323	16	5%	327	5	1%
City Clerk	660	632	678	46	7%	701	23	3%
City Manager	1,174	1,170	1,168	(2)	0%	1,184	17	1%
Finance	5,326	5,168	5,100	(68)	-1%	5,328	228	4%
City Attorney	930	914	951	37	4%	978	27	3%
Human Resources	1,066	941	1,102	161	17%	1,130	29	3%
CDD	3,170	3,061	3,236	176	6%	3,326	90	3%
General Government	3,456	3,238	4,270	1,032	32%	5,278	1,008	24%
Police	21,173	20,932	22,208	1,276	6%	23,002	794	4%
Fire	12,907	12,872	13,242	370	3%	13,607	366	3%
Public Works	6,585	6,584	7,137	553	8%	7,504	367	5%
Parks & Recreation	6,477	6,440	7,007	567	9%	7,303	296	4%
Total Expenditures	\$63,263	62,258	66,421	4,163	5%	69,669	3,248	5%

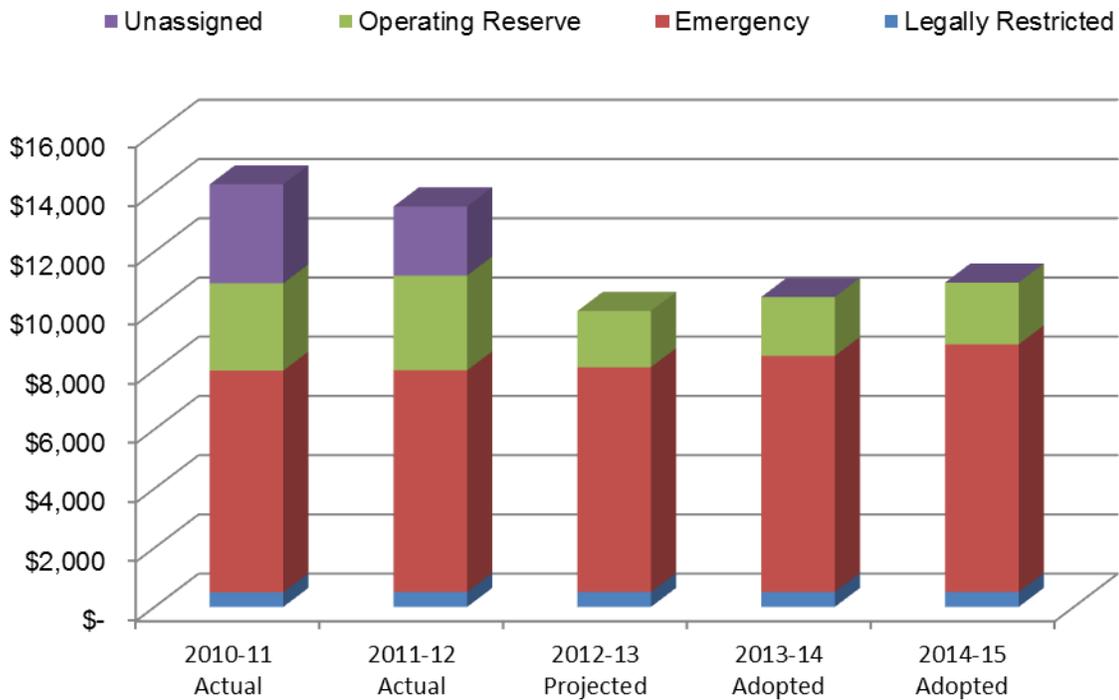
General Fund Operating Position



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 is proposing a balanced budget over the next two years.

General Fund

Fund Balance/Use of Reserves



	2010-11 Actual	2011-12 Actual	2012-13 Projected	2013-14 Adopted	2014-15 Adopted
Fund Balance					
Legally Restricted	\$ 492,493	\$ 502,540	\$ 502,540	\$ 502,540	\$ 502,540
Emergency	7,486,672	7,486,672	7,591,546	7,970,531	8,360,278
Operating Reserve	2,948,643	3,203,098	1,897,887	1,992,633	2,090,069
Unassigned	3,342,513	2,331,103	-	-	-
Total Fund Balance	\$ 14,270,321	\$ 13,523,414	9,991,973	10,465,704	10,952,887
<i>Transfer to Building Reserve</i>	-	-	(1,265,258)	-	-
<i>Transfer to CIP</i>	-	-	(5,360,838)	-	-
Remaining Fund Balance	\$ 14,270,321	\$ 13,523,414	9,991,973	10,465,704	10,952,887

Providing for Future Facilities and CIP Projects is consistent with the Fiscal Policy

The judicious set aside and use of reserve funds is vitally important for consistency in providing local government services. Over the next two years, the City will fully fund the Emergency Reserve at 12% of budgeted expenditures the Operating Reserve at 3% of budgeted expenditures, and will designate the Unallocated balance to the Facilities Reserve Fund (2% of Operating Expenditures) and the CIP Reserve.

General Fund

Operating Budget Overview

	2010-11 Actual	2011-12 Actual	2012-13 Adjusted Budget	2012-13 Projected	2013-14 Adopted	2014-15 Adopted
General Fund: Operations						
Revenues						
Property Tax	\$ 21,822,061	\$ 22,793,820	23,109,826	23,109,826	23,828,112	24,565,274
Sales Tax	12,191,995	13,019,214	13,415,172	13,915,172	14,750,387	15,484,828
Transient Occupancy Tax	9,871,985	11,504,810	12,840,293	12,840,293	13,368,000	14,230,750
Other Taxes	4,571,481	4,743,932	4,509,922	4,284,922	4,635,980	5,040,980
License and Permits	1,045,799	1,422,851	1,200,000	1,200,000	1,281,000	1,381,000
Charges for Services	4,436,064	4,801,201	4,997,855	4,997,855	4,649,577	4,710,378
Intergovernmental	1,047,319	649,235	792,158	617,158	625,630	635,075
Investment Earnings	270,974	187,724	150,000	150,000	170,000	190,000
Miscellaneous Revenues	205,630	205,875	304,239	204,239	216,347	216,347
Transfers In	3,824,589	3,986,397	4,033,452	4,033,452	3,308,112	3,355,572
Operating Revenues	\$ 59,287,896	\$ 63,315,061	65,352,917	65,352,917	66,833,145	69,810,204
Expenditures						
Salaries & Wages	30,965,783	31,723,101	30,531,312	31,572,789	32,275,369	32,688,309
Benefits	15,070,335	14,592,551	16,343,711	15,302,245	16,530,373	17,802,478
Services	9,751,166	10,677,620	12,478,794	11,823,922	13,199,232	14,502,709
Materials and Supplies	2,342,877	2,271,006	2,466,313	2,139,650	2,614,436	2,640,412
Capital Outlay	109,464	95,793	58,100	35,000	48,100	48,100
Transfers Out	733,237	4,701,897	1,384,657	1,384,657	1,753,584	1,986,973
Operating Expenditures	58,972,862	64,061,969	63,262,887	62,258,263	66,421,094	69,668,980
Operating Position	\$ 315,033	\$ (746,908)	2,090,031	3,094,654	412,051	141,224
	315,033	(746,908)	2,090,031	3,094,654	412,051	141,224
Fund Balance						
Legally Restricted	492,493	502,540	502,540	502,540	502,540	502,540
Operating Reserve	2,948,643	3,203,098	3,163,144	1,867,748	1,992,633	2,090,069
Emergency	7,486,672	7,486,672	7,486,672	7,591,546	7,970,531	8,360,278
Designated Reserves per Fiscal Policy	10,927,808	11,192,311	11,152,356	9,961,834	10,465,704	10,952,887
Unassigned Fund Balance	3,342,513	2,331,103	4,461,088	6,626,095	-	-
Contribution to Facilities Reserve				(1,265,258)	-	-
Contribution to CIP Reserve				(5,360,838)		



General Fund Operating Budget Overview provides summary of the Operating revenues and expenditures of the City, and exclude significant one-time items.

In accordance with the City's approved fiscal policy (as revised in June, 2013), any remaining Unassigned Fund Balance is transferred to offset Capital Improvements.

General Fund

Non Recurring “One-Time” Overview

	2010-11	2011-12	2012-13	2012-13	2013-14	2014-15
General Fund: Nonrecurring	Actual	Actual	Adjusted Budget	Projected	Adopted	Adopted
Revenues	5,974,797	7,536,081	4,465,409	4,802,460	2,020,400	1,720,400
Uses	1,960,030	4,566,607	4,620,769	4,582,122	1,263,715	679,848
Nonrecurring Contribution/(Use)	\$ 4,014,767	\$ 2,969,474	(155,360)	220,338	756,685	1,040,552
<i>Contribution to Emergency & Operating Reserves to meet policy</i>					(91,819)	(345,959)
Non Recurring Fund Balance	3,930,998	6,900,472	6,745,112	7,120,810	664,866	694,592
<i>Contribution to Facilities Reserve</i>				-	(664,866)	(694,592)
<i>Contribution to CIP Reserve</i>				(7,120,810)	-	-

Non-Recurring or “One-Time”
Revenues and expenditures are those not ongoing from year to year.

An example of one-time revenues are Grants or other one-time reimbursements.

An example of one-time expenditures are Capital Improvement Projects, Studies or Grant related expenditures



Economic Assumptions

Fiscal Years 2013-14 & 2014-15

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.

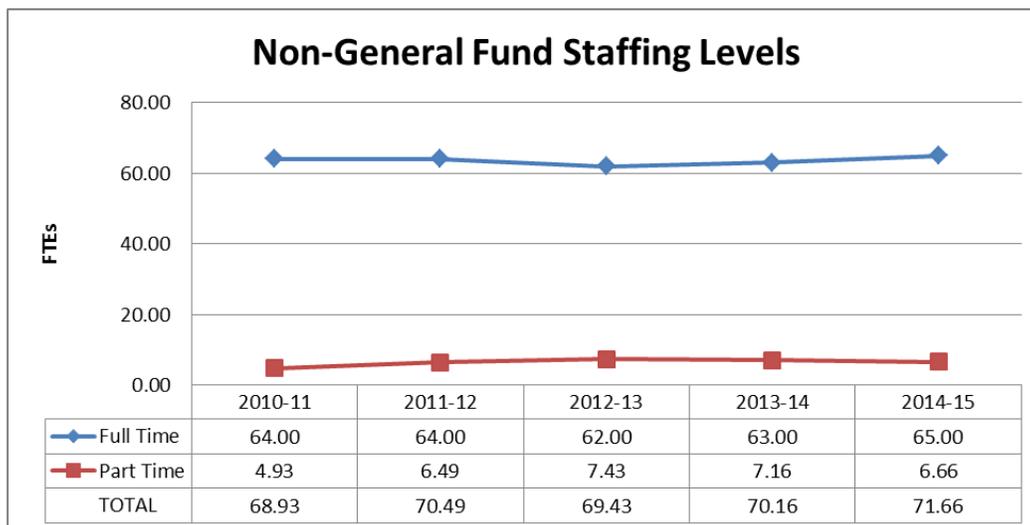
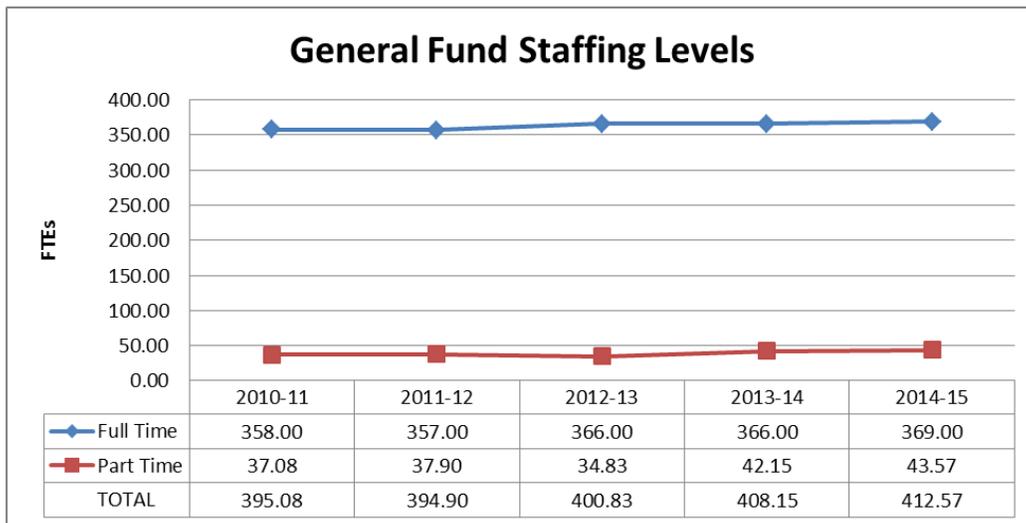
Budget Item	FY2013-14	FY2014-15	Comments
Property Tax growth rate	3.1%	3.1%	Increase of 3.1% in FY 2013-14 and FY 2014-15 based on current estimates by the County Assessors office.
Sales Tax	6.0%	5.0%	Increase of 6.0% in Sales tax in FY 2013-14 based on consultant recommendations. Increase largely related to stabilizing spending patterns and new business activity. Revenues in FY 2014-15 are projected to continue to grow at a rate of 5.0% more than FY 2013-14.
Transient Occupancy Tax	4.1%	6.5%	Transient Occupancy Tax receipts in the proposed budget are projected to increase slightly in FY 2013-14, experiencing growth in FY 2014-15 related to new rooms becoming available
Salaries	2.2%	1.3%	Negotiations with all bargaining units will be occurring during this budget cycle, and contingency funding has been set aside pending the outcome of negotiations. The 2.2% increase in FY 2013-14 are related to staffing changes approved in FY 2012-13, as well as reclassifications (see Staffing Summary for listing) and step increases. The increase in FY 2014-15 is related to assumed step increases, and proposed new positions.
Healthcare Benefits	0% - City Health 10% - CalPERS Health	8.1%	Impacts in FY 2013-14 are known. (0% for City Health; 10% for CalPERS Health). Average impact in FY 2014-15 to be 8.1%
Pension Benefits	2.0%	2.0%	Average increases (Sworn, Miscellaneous) as provided by CalPERS. Pension contribution rates are anticipated to increase significantly beginning in FY 2015-16
Other benefits	2.0%	2.0%	Increases in other benefits
Inflation	2.0%	2.4%	FY 2011-12 and FY 2012-13 were "hold the line" budgets. Departments were required to offset any assumed inflationary increases with other reductions.
Population	79,041	79,436	Source: U.S. Census Bureau
Vacancy Factor	2.0%	2.0%	

Staffing Summary

Staffing Plan

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. This Budget reflects an overall increase of 8.05 FTE in the first year (with the most significant increase being 7.32 FTE in part time support in the General Fund), and 5.92 FTE in the second year (with the most significant increase being 3.0 FTE in full time support in the General Fund).

The graphs below provide a summary of full-time and part-time positions from FY 2010-11 through the two year budget cycle.



Staffing Summary

Reallocation of Positions

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. The following table provides a listing of position reallocations included in the proposed budget. The net result from position reallocation results in an increase of 1.0 FTE.

FY2013-14 & FY 2014-15 Reallocations				
Dept.	Position	Eliminate FTE's	Add FTE's	Comments
CM	Assistant to the City Manager		1	Reallocate Management Analyst II position to more closely align with duties
CM	Management Analyst II	1		
Attorney	Assistant City Attorney		1	Reallocate Deputy City Attorney position to Assistant City Attorney (New Classification - Exact title to be determined after Council adoption of Job Class)
Attorney	Deputy City Attorney	1		
Human Resources	Human Resources Technician		1	Reallocate Secretary position to Human Resources Technician to more closely align position title with duties. (New Classification - Exact title to be determined after position review)
Human Resources	Secretary	1		
Public Works	Purchasing & Inventory Specialist		1	Transfer oversight responsibilities for Central Stores from Finance (Purchasing) to Public Works to more closely align management responsibilities with the departmental inventory needs.
Finance	Purchasing & Inventory Specialist	1		
Finance	Systems Analyst		2	Upgrading 2.0 FTE MIS Technician does not impact total FTE, and also does not impact the Salary/Benefit request, as the level of overtime and Shift differential paid to these two positions is in excess of the salary / benefit increase from the promotion. This upgrade will allow greater support to Public Works and Public Safety.
Finance	MIS Technician	2		
Planning	Secretary		1	Reallocate Secretary assignment from Economic Development to Planning Division to more closely align with Departmental support duties.
Econ Dev	Secretary	1		
PW - Engineering	Engineering Assistant		1	Reallocate 1.0 FTE Associate Civil Engineer position to 1.0 FTE Engineering Aide and 1.0 FTE Engineering Assistant support to allow the reinstatement of in-house surveying capabilities. Due to the ongoing and increased surveying needs, it is proposed to reinstate that capability as a subsection of the Engineering Division and reduce the dependence on consultants for surveying services.
PW - Engineering	Engineering Aide		1	
PW - Engineering	Associate Civil Engineer	1		
PW - Construction	Engineering Assistant		1	Reallocate existing Engineering Assistant position from PW - Engineering to PW - Construction to more closely align with Departmental support duties.
PW - Engineering	Engineering Assistant	1		
PW - Construction	Senior Engineering Aide		1	Reallocate existing Senior Engineering Aide position from PW - Development Engineering to PW - Construction to more closely align with Departmental support duties.
PW - Dev Engineering	Senior Engineering Aide	1		
PW - Water	Senior Water Treatment Facility Operator		2	Upgrade 2.0 Water Treatment Facility Operators to Senior level to provide the ability to focus on special projects to optimize the treatment operation for highest water quality at the lowest cost. This is required for 2 positions to ensure a Senior operator on each half of the shift rotation
PW - Water	Water Treatment Facility Operator	2		
PW - Water	Water Facility Worker II		1	Reallocate position from Distribution Supervisor to Water Facility Worker II to more closely align with the duties needed by the Department.
PW - Water	Distribution Supervisor	1		
Parks & Rec	Parks, Trees and Facilities Maintenance Manager		1	Reallocate position from Parks Superintendent to Parks, Trees and Facilities Maintenance Manager to more closely align with the duties needed by the Department.
Parks & Rec	Parks Superintendent	1		
Reallocations Total		14	15	

Staffing Summary

Staffing Adjustments

There are a number of staffing adjustments included in the FY 2013-14 & FY 2014-15 budget. These adjustments reduce the City's full-time FTE by 1.0 in the General Fund in FY 2013-14, then increase the full time FTE in FY 2013-14 by 3.0 FTE. In Non-General funds (e.g. Water, MDF), both FY 2013-14 and FY 2014-15 include an increase of full time FTE by 2.0 in each fiscal year.

Part-time FTEs are requested to increase by 7.32 FTE in the General Fund in FY 2013-14 and 1.42 FTE in FY2014-15. Conversely, part time FTE in the Non-General funds will be reduced in both fiscal years (0.27 FTE reduction in FY 2013-14 and 0.5 FTE reduction in FY 2014-15).

Staff Changes General Fund				
Dept.	Position	FY 2013-14 FTEs	FY 2014-15 FTEs	Comments
FIN	Revenue Supervisor		1.00	Reinstate Revenue Supervisor Position. The Revenue Division has been functioning without a Supervisor since April 2010. The Revenue Division is responsible for processing more than \$50 million in deposits annually, using four different systems that interface with nearly every department. Currently an Accounting Technician provides day to day direction and oversight, but the Revenue Division as a whole reports directly to the Director of Finance.
City Clerk	Office Assistant I/II	(1.00)		Reduction of position in this budget cycle to allow for funding of the Records Specialist (LT position)
City Clerk	Records Specialist (LT)	-	-	Addition of a Limited Term Records Specialist to integrate efforts in updating records retention schedules, revise records policies and procedures, update scanning policies, train departments in scanning technology, assess cost of storage of hard copy material, and review and assess current technology and future options for integration of various electronic records. The funding for this position will be made available by the temporary elimination of an Office Assistant I/II in the City Clerk's office.
CDD	Code Enforcement Officer	(1.00)		Reduction of position allocation for Code Enforcement Officer. Position was effectively eliminated in FY 2011-12 in the action that created the Construction Inspector Assistant position. This position was not funded in FY 2012-13.
CDD	Permit Technician	(1.00)		Reduction of position allocation in this budget cycle to enable funding of the Senior Building Inspector. Reinstatement of this position will be requested in a future budget cycle.
P&R	Maintenance Laborer	1.00	1.00	Requested increase of 1.0 FTE in each of the two year budget cycle for support to the maintenance of the downtown parks, landscaping and parking garages. Over the past few years a number of new facilities/parks have opened, (e.g. Veterans Memorial Park, Opera House Plaza, Riverfront Green) without increasing maintenance staffing levels. Without the addition of new staffing, maintenance levels have not been able to keep pace with increased usage demands. Addition of two new positions during the budget cycle will allow the department to increase the level of maintenance effort provided to the downtown areas as a priority defined at the City Council workshop in January.
PW - Electrical	Electrician (Limited Term)	-	-	Addition of a Limited Term Electrician I will allow Public Works to complete work on the 9/11 Memorial, Downtown two-way traffic change and Fire Station 1 remodel. In addition, the limited term position will assist in the installation, repair and maintenance of Streetlights, Traffic Signals, Signal Interconnect, PD Web Camera, ALERT Sites (weather & stream gauges), Emergency Generators and related UPS equipment, Building Maintenance, City Facility Alarms and School Crosswalk Flashers to help alleviate a backlog of work.
PW - NPDES	Engineering Aide - PW Development Engineering	1.00		This request is to upgrade the Part time Engineering Aide to a Full time position in support of the NPDES (Storm water monitoring) requirements. Napa's Municipal Storm water Permit requires inventorying and inspecting all facilities to ensure compliance with best management practices. The new Engineering Aide position along with new specialized tracking software will be utilized to develop and maintain these inventories and to compile inspection records.
POLICE	Police Officer / Police Sergeant		1.00	Napa Police Department has identified the need for 4.0 FTE (1 Sergeant, 3 Officers) to provide support to the Downtown Area, and also implement the Neighborhood based Policing strategy. Through FY 2013-14 the Police Department will be working to both attain and retain full staffing levels, as well as begin to utilize the Reserve Officer Program. Beginning in FY 2014-15, the Police department will be requesting at least one position per year to ensure the ability to meet the increasing needs of the downtown area.
Net Change in Full Time		(1.00)	3.00	
Net Change in Part Time		7.32	1.42	
Total Change [1]		6.32	4.42	

[1] FTE Count excludes Limited Term positions due to the temporary nature of the position

Staffing Summary

Staff Changes Non General Fund				
FIN	MIS Technician - SCADA	1.00		This new position will be funded through the Water Enterprise Fund, and will provide necessary support and backup for the technology supporting the Water production and distribution.
PW - MDF	Waste Prevention Representative	1.00		The Waste Prevention Representative will provide a myriad of programmatic and public education functions for City businesses, residents, schools, multi-family complexes and City/government facilities. Duties include solid waste / recycling assessments, support for public events/ programs (e.g. home composting classes) and school outreach. Additionally this position will help the city achieve the 75+% recycling and composting goal by the year 2020 (Napa's Disposal Reduction Policy R2012 100)
PW - WAM - Water	Engineering Aide - LT - Water	-	-	The proposal for a Water Funded Limited Term Engineering Aide position will support Work order Asset Management implementation and population of Water Division assets in the City's GIS library. This position will also backfill existing duties of current Engineering Aides that would not be performed due to WAM Implementation. This position is limited term during Program implementation only and will not be ongoing.
PW - Water	Water Laboratory Technician		1.00	This allocation will increase the current part-time Laboratory Technician to a full time position funded through the Water Enterprise Fund, and will provide necessary analytical laboratory functions to ensure compliance with existing and new drinking water quality regulations. New drinking water quality regulations including the new Stage II disinfection Byproduct Rule became effective in late 2012 and the Unregulated Contaminant Monitoring Rule (effective in 2013) have increased the number and frequency of samples and analyses necessary to prove compliance.
PW - Water	Water Instrument Technician		1.00	This allocation will provide a new Water Enterprise funded Water Instrument Technician beginning in FY 2014-15. This new position will ensure the automated equipment to ensure compliance with current and ever changing water quality regulations is maintained to ensure the integrity of the electronic data. The implications of not maintaining the automated equipment can be severe as it relates to water quality and expensive as it relates to mandatory fines.
Net Change in Full Time		2.00	2.00	
Net Change in Part Time		(0.27)	(0.50)	
Total Change [1]		1.73	1.50	

[1] FTE Count excludes Limited Term positions due to the temporary nature of the position

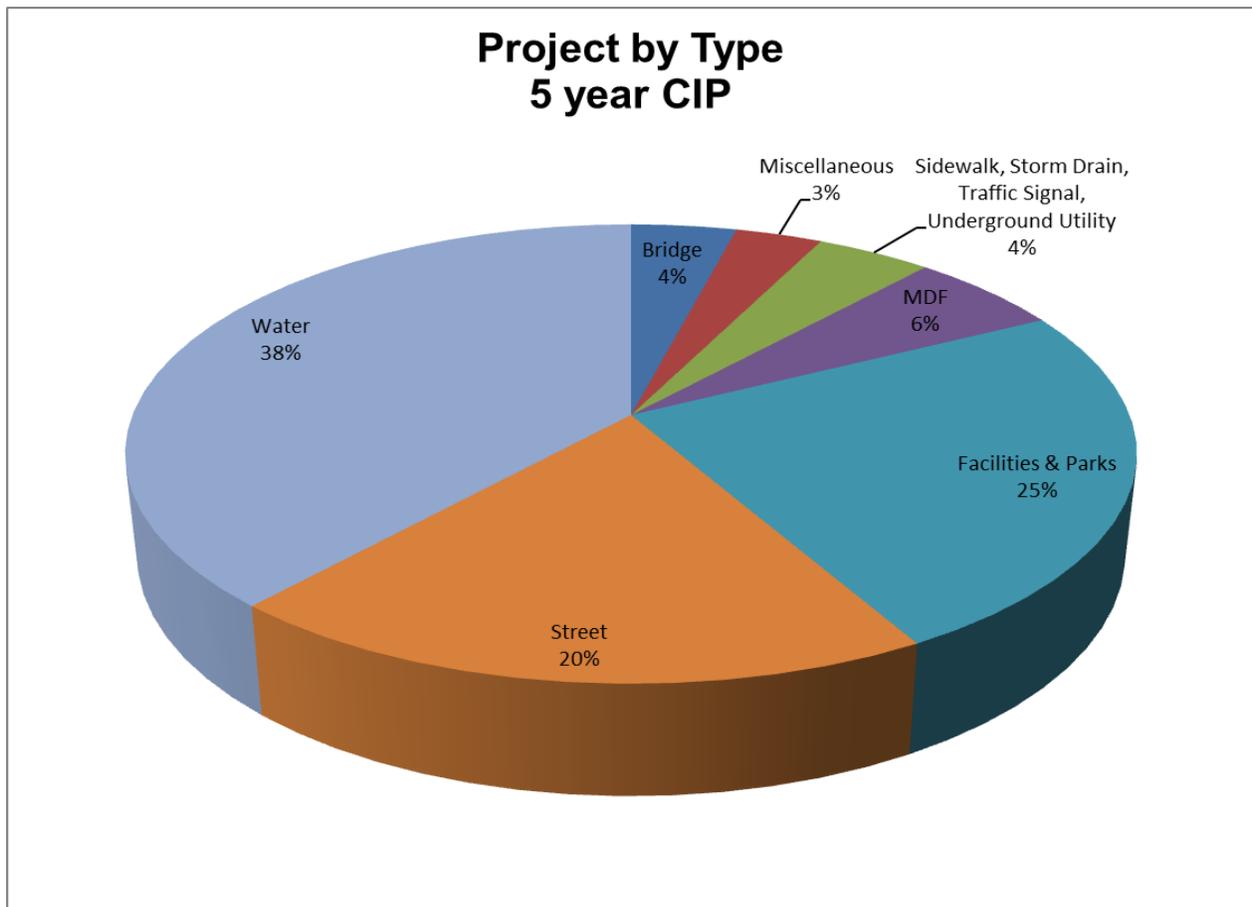


Capital Improvement Program (CIP)

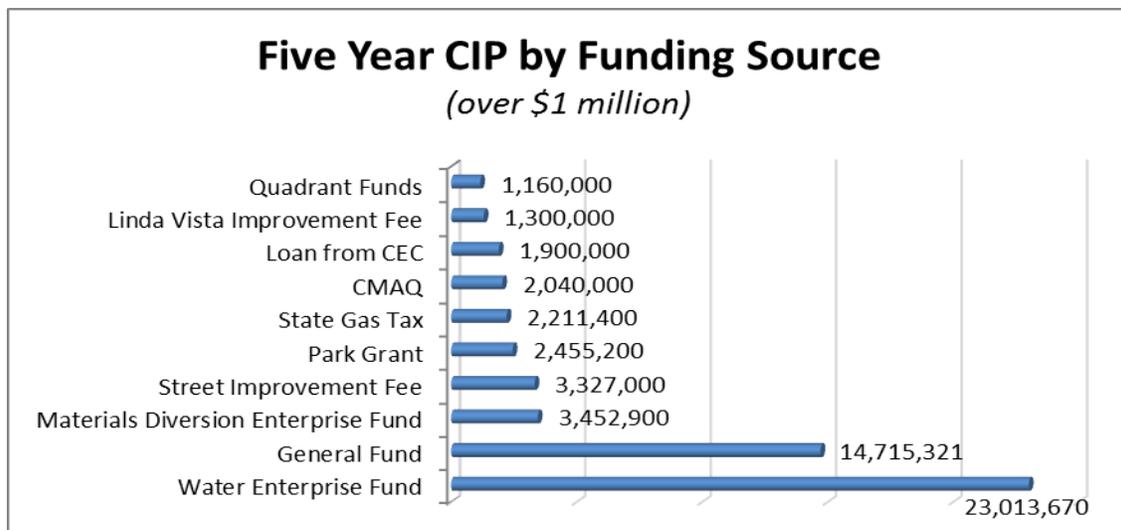
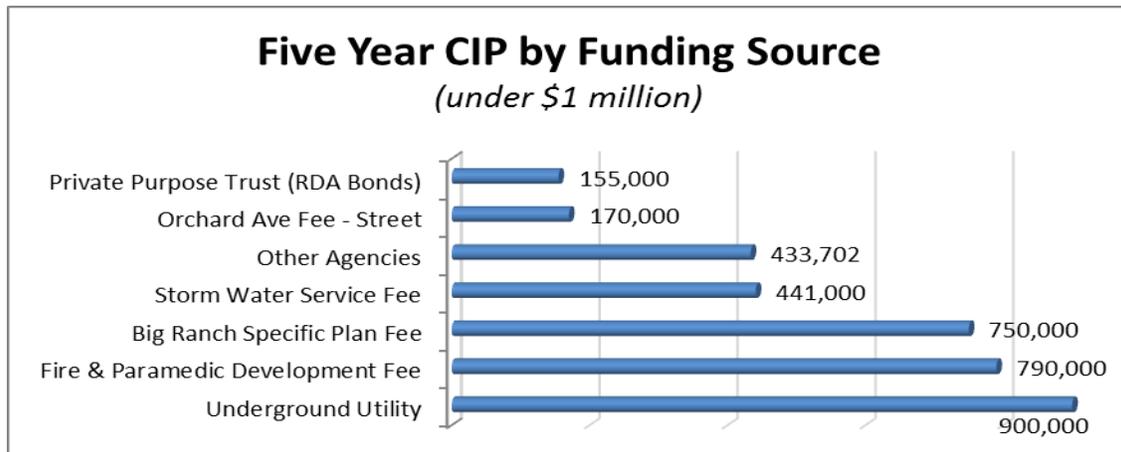
Capital Improvement Program

The budgeted amount for CIP projects in the coming two fiscal years, FY2013-14 & FY 2014-15 is \$24.0 million. The City's five-year Capital Improvement Program (CIP) includes 121 projects and proposed spending of \$59.2 million. These projects include improvements to streets, sidewalks, water facilities, storm drains, parks, traffic signals, bike and pedestrian facilities, and other projects. The five-year plan proposes to spend 38% of budgeted funds on water related projects, including treatment, distribution, transmission and supply source projects. Streets will receive 20% of the CIP funds, and Facilities & Parks projects account for 25% of the total.

Project Type	Budget
Bridge	2,350,000
Miscellaneous	1,935,023
Sidewalk, Storm Drain, Traffic Signal, Underground Utility	2,576,800
MDF	3,452,900
Facilities & Parks	14,482,400
Street	11,650,400
Water	22,767,670
Total Projects	59,215,193

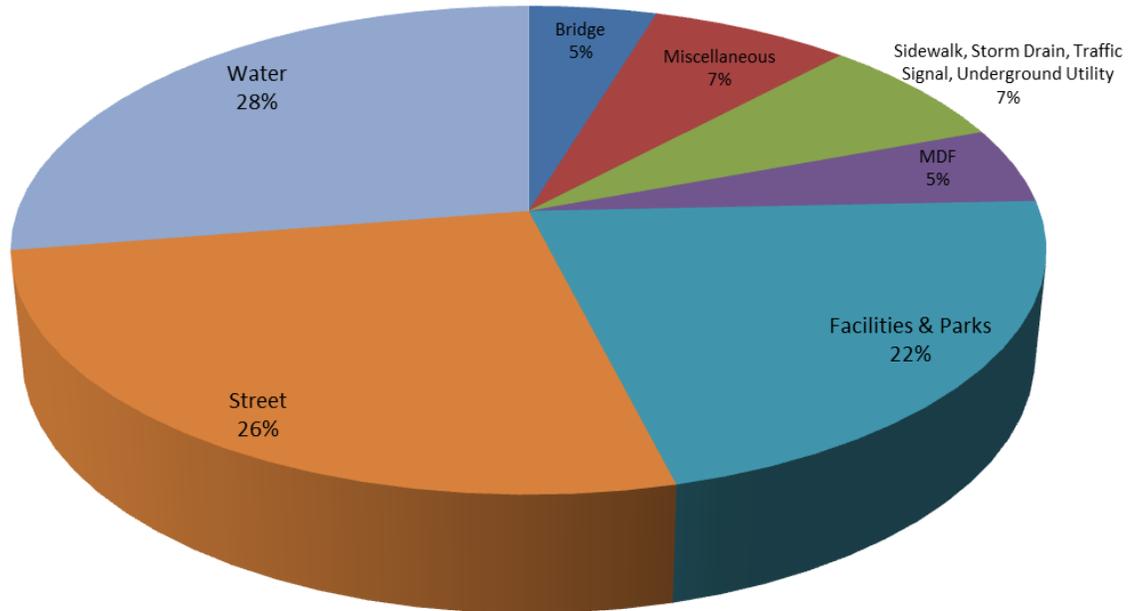


Capital Improvement Program (CIP)



Capital Improvement Program (CIP)

Projects by Type - 2 year CIP

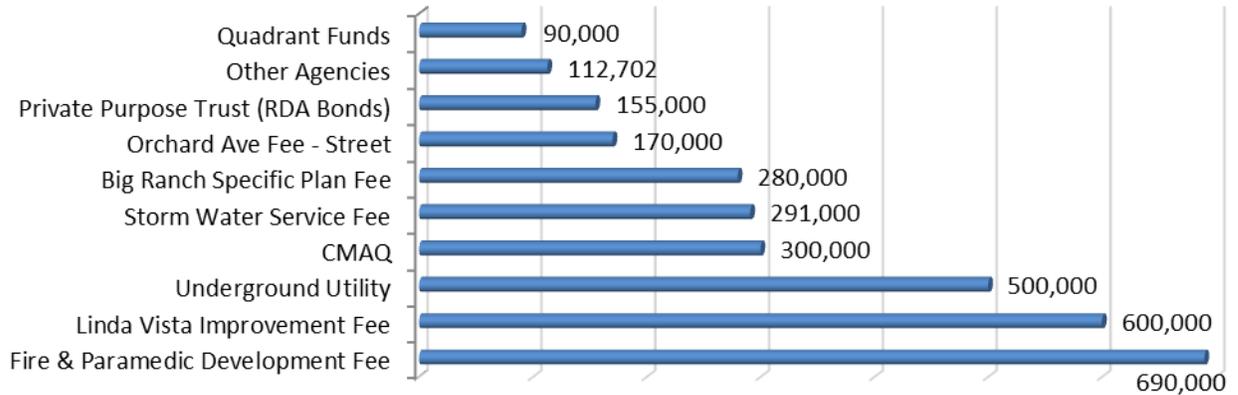


Project Type	Budget
Bridge	1,120,000
Miscellaneous	1,744,854
Sidewalk, Storm Drain, Traffic Signal, Underground Utility	1,766,000
MDF	1,202,400
Facilities & Parks	5,217,900
Street	6,321,400
Water	6,612,470
Total Projects	23,985,024

Capital Improvement Program (CIP)

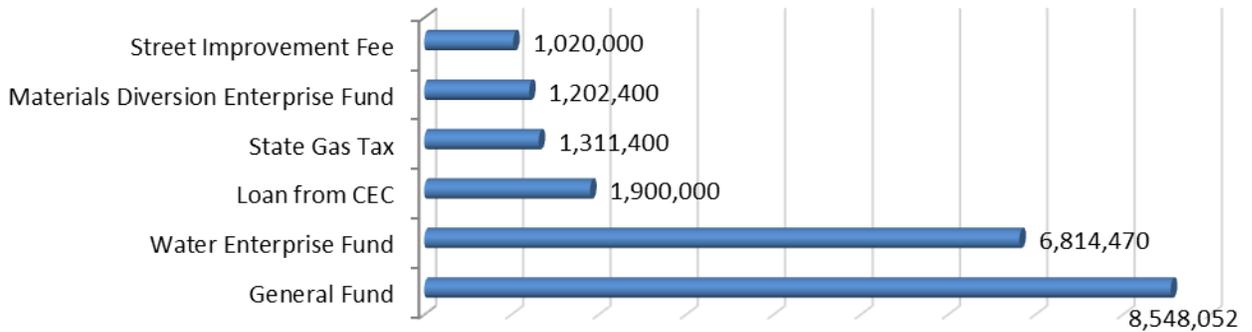
Two Year CIP by Funding Source

(under \$1 million)



Two Year CIP by Funding Source

(over \$1 million)



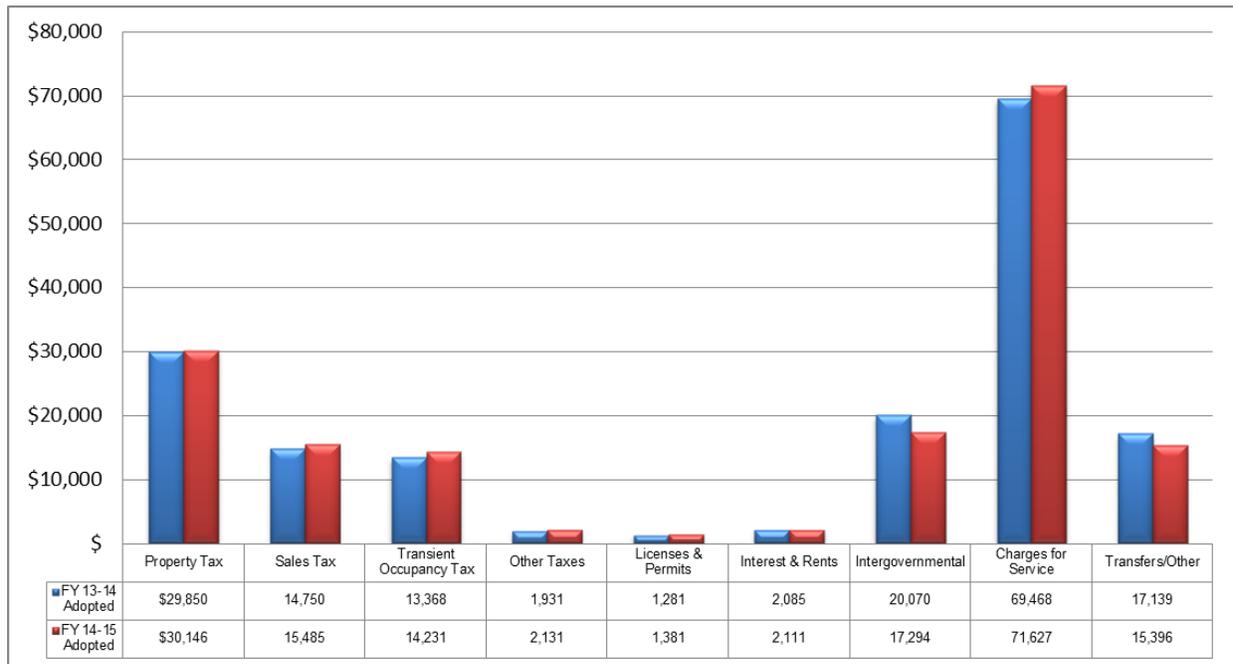
All Funds Revenues by Category

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 \$169.9 million for FY 2013-14 and \$169.8 million for FY 2014-15. 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.

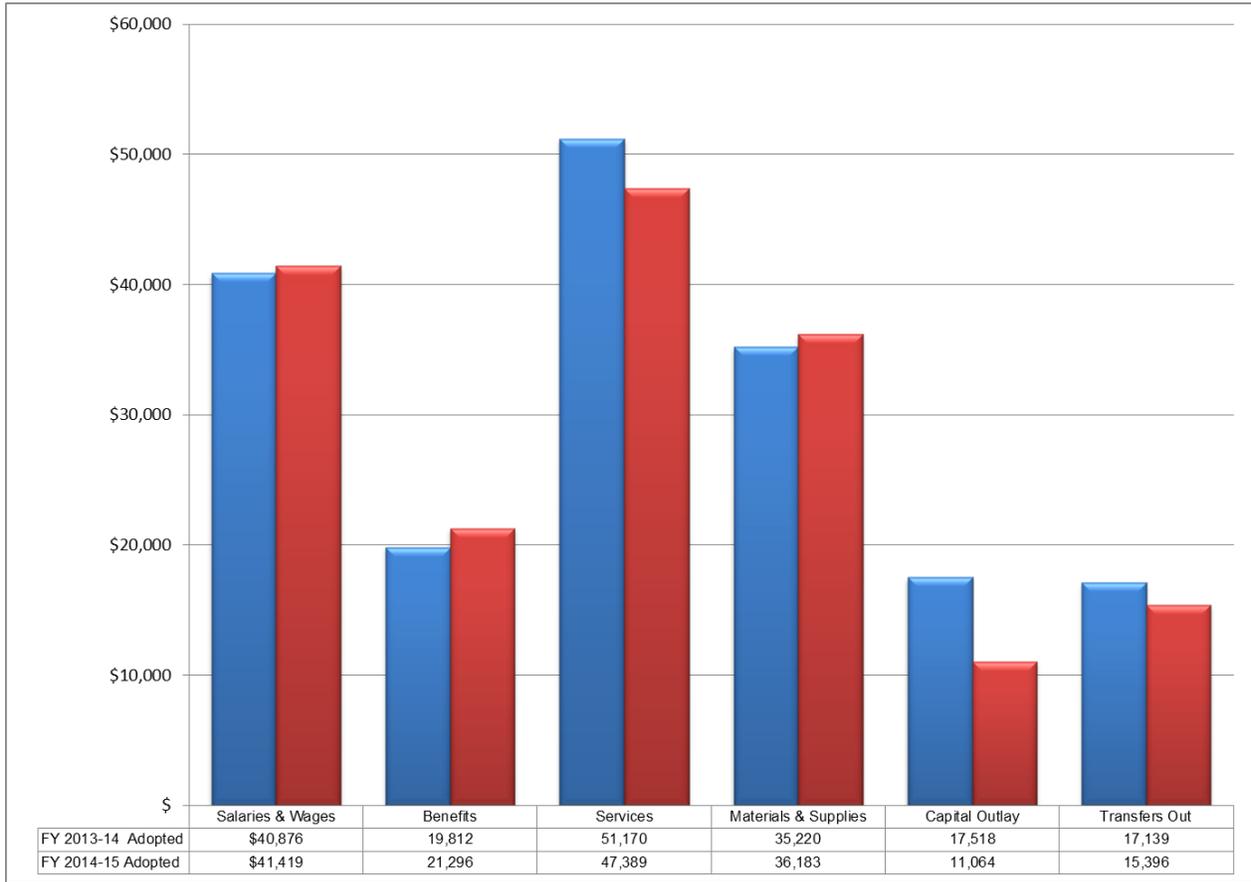
When cities describe their budget they typically are referring to the General Fund. The General Fund is the primary operating fund where the City Council exercises discretion and applies judgment in the distribution of tax revenues and resources in establishing funding and service levels for most non-enterprise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

(In Thousands)



All Funds Expenditures by Category

(In Thousands)

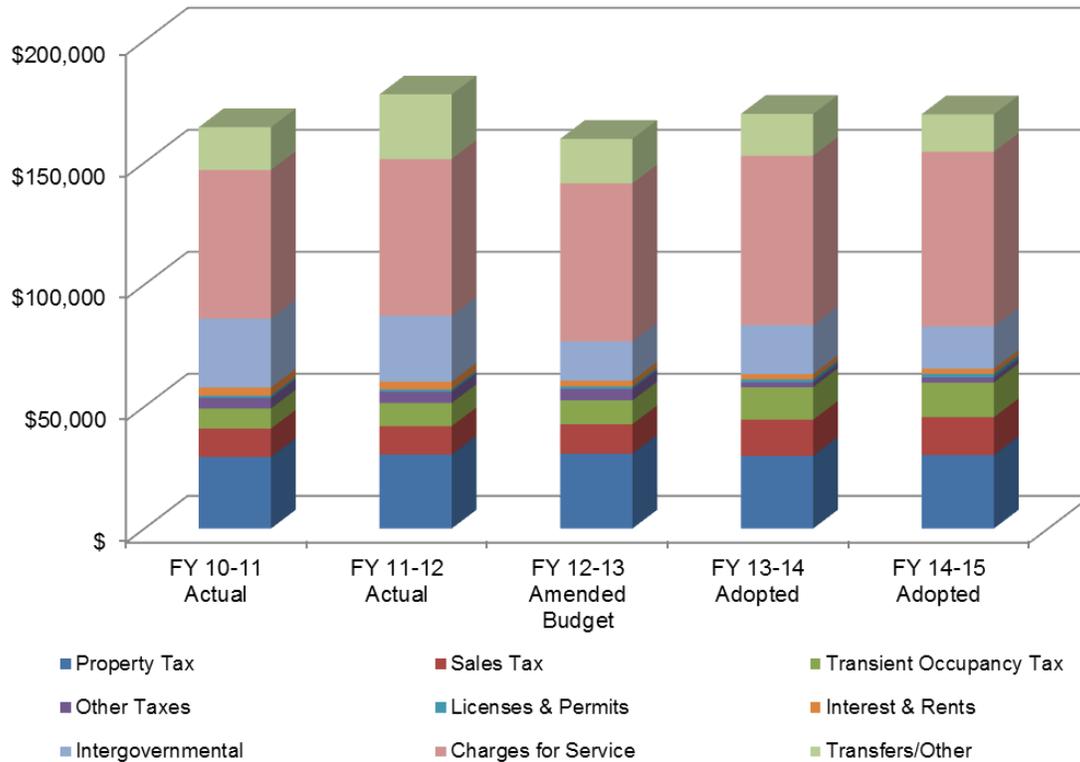


All Funds Expenditures

The proposed budget shows proposed spending for all funds at \$181.7 million in FY 2013-14 and \$172.7 million for FY 2014-15. 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. \$6.6 million in Water Capital Projects), 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

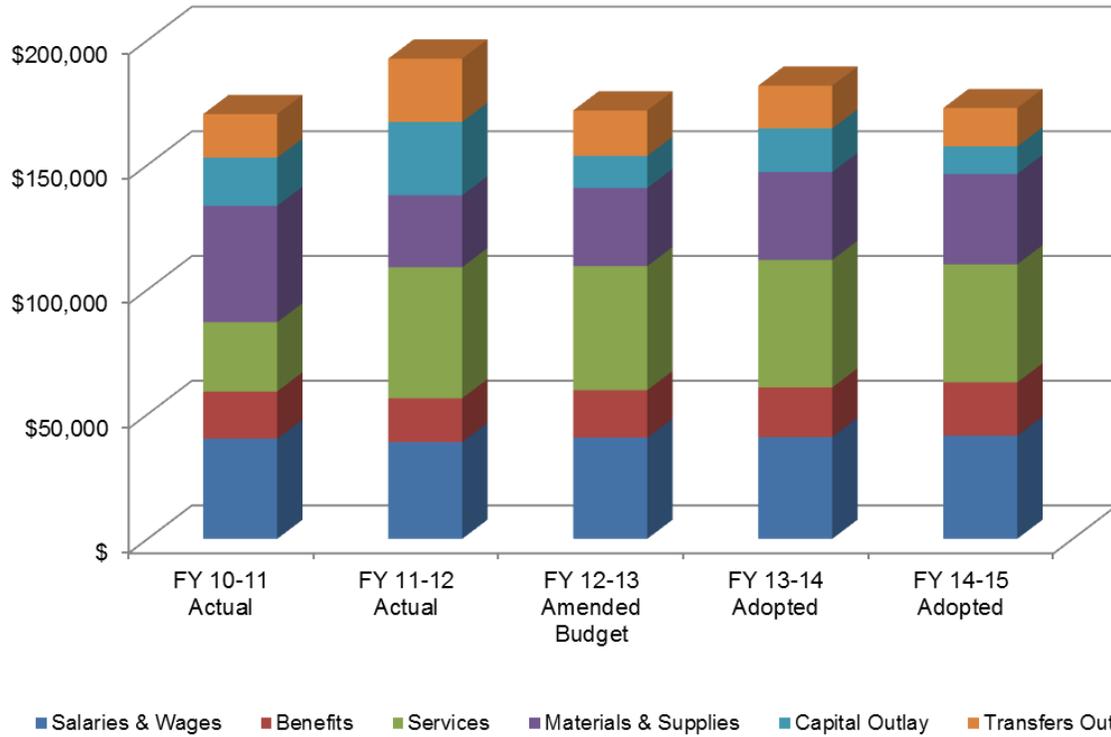
(In Thousands)



Revenue Categories	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Amended Budget	FY 13-14 Adopted	FY 14-15 Adopted
Property Tax	\$29,398	\$30,384	\$30,739	\$29,850	\$30,146
Sales Tax	11,559	11,583	12,043	14,750	15,485
Transient Occupancy Tax	8,256	9,511	9,740	13,368	14,231
Other Taxes	4,325	4,561	4,739	1,931	2,131
Licenses & Permits	968	1,012	1,000	1,281	1,381
Interest & Rents	3,290	3,150	2,385	2,085	2,111
Intergovernmental	28,259	26,972	16,010	20,070	17,294
Charges for Service	60,940	64,310	64,810	69,468	71,627
Transfers/Other	17,494	26,483	18,260	17,139	15,396
Total Revenues	\$164,490	\$177,968	\$159,725	\$169,942	\$169,801

All Funds Expenditure Comparison

(In Thousands)



Expenditure Categories	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Amended Budget	FY 13-14 Adopted	FY 14-15 Adopted
Salaries & Wages	\$40,194	\$38,838	\$40,562	\$40,876	\$41,419
Benefits	18,915	17,537	19,059	19,812	21,296
Services	27,761	52,585	49,758	51,170	47,389
Materials & Supplies	46,696	28,793	31,309	35,220	36,183
Capital Outlay	19,291	29,498	12,840	17,518	11,064
Transfers Out	17,494	25,325	18,260	17,139	15,396
Total Expenditures	\$170,351	\$192,576	\$171,787	\$181,734	\$172,747

All Funds Budget Summary

	2012-13 Projected Unreserved Fund Balance ^[1]	2013-14 Proposed Revenues	2013-14 Proposed Expenditures	2013-14 Projected Unreserved Fund Balance ^[1]	2014-15 Proposed Revenues	2014-15 Proposed Expenditures	2014-15 Projected Unreserved Fund Balance ^[1]
(In Thousands)							
General Fund							
General Fund ^[3]	\$ 5,050	66,833	66,421	5,070	69,810	69,689	5,191
Nonrecurring Items	6,900	2,020	1,264	7,657	1,720	680	8,698
Emergency Reserve	7,971	392		8,363			8,363
General Fund Total	19,921	69,246	67,685	21,090	71,531	70,369	22,252
Special Revenue Funds							
Gas Tax Fund ^[4]	(279)	2,255	2,026	(51)	2,255	1,917	287
Red Light Camera Fund	650	376	376	650	376	376	650
Underground Utility Impact	3,939	160	500	3,599	160		3,759
Fire/Paramedic Impact	630	104	550	184	104	140	148
Street Improvement Impact	1,262	31	310	983	31	710	304
Development Impact ^[3]	4,887	63	515	4,435	63	595	3,902
Park Acquisition and Dev Q1-Q4	3,264	194	124	3,334	194	154	3,374
Tourism Improvement	66	524	515	75	549	515	109
Public Art	376	1	10	366	1	10	357
Parking Impact	1,210	12		1,222	12		1,234
Housing Impact Fees	5,102	29	3,559	1,571	12	176	1,408
CDBG Program		494	494		494	494	
CDBG-Rehab Revolving Loan	152	186	314	25	186	210	1
HOME Program ^[3]	194	418	418	194	277	277	194
CalHOME Grant (Down Pmt Asst Prog)	108	641	618	131	1	22	109
Assessment Districts	2,502	868	810	2,559	868	636	2,791
Downtown Business District		107	107		110	110	
Oxbow Business District		25	25		25	25	
Land Development Tax	162	13		175	13		188
Alston Park Trust	9		9				
Public Safety Programs	16	1	5	12	1	5	8
Golf Course	(1,697)	2	31	(1,726)	2	31	(1,755)
Parking Security/Enforcement	553	419	340	632	419	344	707
Parking Garage/Maintenance	443	295	268	470	295	218	548
Parking License Agreement	88			88			88
Special Revenue Total	23,636	7,216	11,923	18,928	6,447	6,965	18,410
Capital Project Funds							
Capital Projects ^[3]		10,197	10,197		5,771	5,771	
Street Resurfacing Program		2,654	2,654		2,926	2,926	
Sidewalk Program		1,423	1,423		1,468	1,468	
Capital Project Total		14,274	14,274		10,165	10,165	
Proprietary Enterprise Funds^[2]							
Solid Waste & Materials Diversion ^[3]	3,556	25,957	26,712	2,643	26,926	27,971	1,407
Water Operations ^[3]	6,648	27,618	27,811	3,507	28,613	27,891	4,010
Enterprise Total	10,204	53,575	54,523	6,150	55,539	55,862	5,417
Proprietary Internal Service Funds^[2]							
Fleet Management Fund	1,649	3,341	3,350	1,640	3,412	3,342	1,711
Fleet Fire Apparatus Reserve	630	280		910	280		1,189
Central Stores	(32)	819	787		840	840	
Information Technology		171	171		171	171	
Risk Management	2,327	4,170	4,170	2,327	4,274	4,274	2,327
Post Employment Benefits		1,032	1,032		1,041	1,041	
Internal Service Total	4,574	9,812	9,509	4,877	10,018	9,668	5,227
All City of Napa Funds Total	\$ 58,335	154,123	157,914	51,045	153,700	153,029	51,306

NOTE: The All Funds Summary includes all funds subject to appropriation. Information on the City's Fiduciary Funds are included in the City's Basic Financial Statement

^[1] Unreserved Fund Balance = All Assets - All Liabilities - Legally Restricted Reserves - Designated Reserves

^[2] Proprietary fund types reported balance information is working capital. (Current Assets - Current Liabilities - Reserves = Working Capital)

^[3] Major Fund: Generally defined as having significant activities or balances. The major funds identified in this table are consistent with the major funds in the City of Napa's June 30, 2012 Basic Financial Statements.

^[4] NOTE: A Negative Fund Balance does not indicate a lack of funds, but rather a commitment of known, future revenues for multi-year projects. Funds will NOT be overspent, as ongoing projects are scheduled to ensure availability of adequate funding prior to proceeding.

All Funds Budget Summary

	2012-13 Projected Unreserved Fund Balance ^[1]	2013-14 Proposed Revenues	2013-14 Proposed Expenditures	2013-14 Projected Unreserved Fund Balance ^[1]	2014-15 Proposed Revenues	2014-15 Proposed Expenditures	2014-15 Projected Unreserved Fund Balance ^[1]
(In Thousands)							
Successor Agency to the Napa Redevelopment Agency							
Administrative Reimbursement	\$	250	250		250	250	
Private Purpose Trust Fund		412	2,746	3,149	9	2,640	2,649
All Agency Funds Total	\$	412	2,996	3,399	9	2,890	2,899
Housing Authority of the City of Napa Funds^[2,3]							
Laurel Manor	\$	2,681	390	1,891	1,180	408	660
Seminary Street		329	200	184	346	206	180
Section 8		1,779	11,057	11,454	1,382	11,118	11,303
20% Low/Mod Income		1,103	5	95	1,013	96	917
Local Housing Fund		239	189	190	238	244	172
Continuum of Care Program		9	182	182	9	163	163
All Authority Funds Total	\$	6,142	12,024	13,997	4,169	12,140	12,574
All Funds Summary	\$	64,889	169,143	175,311	55,224	168,729	168,503
							55,041

NOTE: The All Funds Summary includes all funds subject to appropriation. Information on the City's Fiduciary Funds are included in the City's Basic Financial Statement

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Debt Summary

Under State law, the City has a legal debt limitation not to exceed 15% of the total assessed valuation of taxable property within the City boundaries. In accordance with California Government Code Section 43605, only the City's general obligation bonds are subject to the legal debt limit. With no outstanding debt subject to the legal debt limit and a legal debt limit of \$1,314,381,779, the City is not at risk of exceeding its legal debt limit.

Computation of Legal Debt Margin as of June 30, 2013

Assessed Valuation (Net) ¹	\$	8,762,545,193
Debt Limit: 15% of assessed value	\$	1,314,381,779
<i>Less: Outstanding Debt</i>		
<i>(Subject to Legal Debt Limitation)</i>	\$	-
Legal Debt Margin	\$	1,314,381,779

¹ Source: Napa County Assessor 2012-2013 Secured and Unsecured Tax Rolls

The following table summarized the City's long-term debt.

Type of Debt / Issue	Original Issue (in \$000's)	Due Date	FY2013-14 (in \$000's)	FY2014-15 (in \$000's)
Governmental Activity Other Debt				
- Fleet Capital Fund Lease	329	2/1/2015	64	43
TOTAL Governmental Activity Other Debt			64	43
Business-type Activity Debt				
- Revenue Bonds				
2004 Solid Waste Revenue Bonds	7,035	8/1/2019		
- Principal			475	495
- Interest			198	172
2007 Water Revenue Bonds	47,350	5/1/2035		
- Principal			1,185	1,245
- Interest			2,115	2,055
TOTAL Business-type Activity Revenue Bonds			3,973	3,968
- Other Notes Payable				
Gas Tax Note Payable - Napa Valley Corporate Park	150	8/31/2016		
- Principal			50	50
- Interest			4	2
Water Fund Note Payable - Alston Park Tank	3,080	4/1/2023		
- Principal			159	163
- Interest			43	39
Housing Fund Note Payable - Seminary Street	1,244	7/31/2027		
- Principal				
- Interest			93	93
Housing Fund Note Payable - Laurel Manor	700	6/30/2034		
- Principal				
- Interest			43	43
Water Fund Note Payable - Umpqua Bank Note (Solar Panel)	1,400	7/1/2025		
- Principal			64	67
- Interest			44	41
Water Fund Note Payable - Dept. of Water Resources - Imola Ave	2,976	9/30/2026		
- Principal			138	142
- Interest			51	48
Water Fund Capital Lease	29,015	6/30/2035		
- Principal			638	668
- Interest			891	861
TOTAL Business-type Activity Other Notes Payable			2,218	2,216