



NAPA VALLEY TRANSPORTATION AUTHORITY - TAX AGENCY Board Agenda Letter

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Justin Paniagua, Senior Finance/Policy Analyst
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SUBJECT: Public Hearing and Resolution 18-04-TA Adopting the Biennial Budget for Fiscal Years (FY) 2018-19 and 2019-20

RECOMMENDATION

That the Napa Valley Transportation Authority-TA Agency (NVTA-TA) Board hold a Public Hearing and adopt Resolution 18-04-TA (Attachment 1) approving the FY 2018-19 annual operating budget of \$19,637,434 and the FY 2019-20 annual operating of \$20,128,370.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

NVTA-TA is presenting the two-year biennial budget financial program for the fiscal years ending June 30, 2019 and 2020 for review, comment and adoption.

PROCEDURAL REQUIREMENTS

1. Open Public Hearing
2. Staff Report
3. Public Comments
4. Close Public Hearing
5. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a fiscal impact? The FY 2018-19 annual operating budget is \$19,637,434 and the FY 2019-20 annual operating is \$20,128,370

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The annual operating budget for the Napa Valley Transportation Authority - Tax Agency is \$19.6 million in FY 2018-19 and \$20.1 million in FY 2019-20. The biennial budget outlines NVTa-TA's plan for how resources will be used to achieve Measure T's goals and objectives over the next two years. This is the first budget of the new ordinance which becomes effective July 1, 2018.

Adjustments will be brought back to the Board in the second fiscal year for any true-ups, new projects, programs, or amendments to carry over unused budgets from the previous year. Staff will coordinate with jurisdictions on the performance and reporting aspects. Attachment 2 illustrates the biennial budget with Table 1 summarizing the revenues and proceeds to jurisdictions, NVTa and the Measure T Independent Taxpayer Oversight Committee (ITOC) during the next two fiscal years.

Table 1: Biennial Budget FY 2018-19 and FY 2019-20

Fiscal Year	FY 2018-19	FY 2019-20
Measure T Revenues	\$19,637,434	\$20,128,370
(Less) CDTFA Fee*	(\$294,562)	(\$301,926)
Total Available	\$19,342,873	\$19,826,445
ITOC Budget	\$70,000	\$70,150
NVTa 1% Admin Fee	\$192,729	\$197,547
Available to Jurisdictions for Distribution	\$19,080,144	\$19,557,147

*California Department of Tax and Fee Administration

Fiscal Year	Percent of Proceeds	FY 2018-19	FY 2019-20
American Canyon	7.7%	\$1,484,011	\$1,521,111
Calistoga	2.7%	\$520,368	\$533,377
City of Napa	40.35%	\$7,776,604	\$7,971,019
Napa County	39.65%	\$7,641,694	\$7,832,736
St. Helena	5.9%	\$1,137,099	\$1,165,527
Yountville	2.7%	\$520,368	\$533,377

California Department of Tax and Fee Administration (CDTFA) Fee The CDTFA charges an initial one and a half percent (1.5%) service charge for set-up and management of the tax. The service charge will decrease over the next few years to approximately one percent (1%) and then remain at that level until the measure sunsets.

Independent Taxpayer Oversight Committee (ITOC) Budget The ITOC is responsible for committee activities including paying for the annual financial and performance audits, jurisdictional program audits, and compensating committee members with stipends for attending quarterly meetings. Up to \$70,000 per year, adjusted for inflation can be used for such activities and other items deemed necessary by the committee. Any residual revenues will be rolled over for distribution to the jurisdictions in future years if there are funds remaining after all expenses have been paid.

1% NVT Administration Fee Per the ordinance, up to one percent (1%) of revenues may be charged for various administrative functions and expenses including professional management and contracted services. The anticipated cost to administer Measure T is likely to be considerably more than the 1% allocation, however, should there be any residual revenues they will be rolled over for distribution to the jurisdictions in future years after all expenses have been paid.

Economic Forecasting and Strategies

NVTA staff continuously monitor long term financial forecasts from several sources to maintain sufficient funding levels for service delivery, agency operations, maintenance, capital needs, and to ensure that the agency has the adequate cash flow to attain its short and long term objectives and goals. The proposed budget employs sound strategies and fiscal discipline in order to sustain operational objectives.

Revenue Projections

Financial indicators show that the local economy will continue on its firm growth trajectory through FY 2018-19. After several quarters of healthy economic expansion, we anticipate expansion to grow at a more modest rate in FY 2019-20. California's growth will level off, but economic factors show that progress is not stalling because:

- US economy driving logistics and transportation
- Tourists driving leisure and hospitality
- High rents driving residential construction and the demand for house significantly outweighs supply
- Consumers are driving retail
- Government is expanding modestly on higher than expected tax revenues

This robust growth pattern is reflected in the increase in quarterly Transportation Development Act (TDA) collections of nearly 10% over county original estimates for FY 2018-19. TDA is a one-quarter percent (1/4%) sales tax which is used as the primary benchmark for forecasting Measure T revenues.

SUPPORTING DOCUMENTS

Attachment: (1) Resolution 18-04-TA
(2) NVTA-TA Biennial Budget

RESOLUTION No. 18-04-TA

**A RESOLUTION OF THE
NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY (NVTA-TA)
ADOPTING THE FISCAL YEAR (FY) 2018-19 &
FISCAL YEAR (FY) 2019-20 BUDGETS**

WHEREAS, the Napa Valley Transportation Authority – Tax Authority (NVTA-TA) is designated the countywide administrator of Napa Countywide Road Maintenance Act funds, commonly known as Measure T; and

WHEREAS, on an biennial basis the NVTA-TA Board reviews and approves a budget for all Napa Countywide Road Maintenance Act funds; and

WHEREAS, NVTA held a public hearing on May 16, 2018, to consider public input on the proposed budget:

NOW, THEREFORE, BE IT RESOLVED, that the NVTA-TA Board adopts the FY 2018-19 Budget in the amount of \$19,637,434 and FY 2019-20 Budget in the amount of \$20,128,370.

Passed and Adopted the 16th day of May, 2018.

Peter G. White, NVTA Chair

Ayes:

Nays:

Absent:

ATTEST:

Karalyn E. Sanderlin, NVTA Board Secretary

APPROVED:

Vicki A. Clayton, NVTA General Counsel

NAPA VALLEY TRANSPORTATION AUTHORITY- TAX AGENCY
MEASURE T BIENNIAL BUDGET



	Year 1 Totals PROJECTION FISCAL YEAR 2018-19	Year 2 Totals PROJECTION FISCAL YEAR 2019-20
Measure T Revenues	\$ 19,637,434	\$ 20,128,370
CDTFA Fee	\$ 294,562	\$ 301,926
Projected Proceeds	\$ 19,342,873	\$ 19,826,445
REVENUES		
1% Administration	\$ 192,729	\$ 197,547
ITOC Budget	\$ 70,000	\$ 71,750
Proceeds to Jurisdictions	\$ 19,080,144	\$ 19,557,148
Distribution to Jurisdictions		
American Canyon 7.70%	\$ 1,484,011	\$ 1,521,111
Calistoga 2.70%	\$ 520,368	\$ 533,377
City of Napa 40.35%	\$ 7,776,604	\$ 7,971,019
Napa County 39.65%	\$ 7,641,694	\$ 7,832,736
St. Helena 5.90%	\$ 1,137,099	\$ 1,165,527
Yountville 2.70%	\$ 520,368	\$ 533,377
99.00%	\$ 19,080,144	\$ 19,557,148