NAPA COUNTY FINANCIAL OVERSIGHT COMMITTEE

REGULAR MEETING MINUTES

804 First Street, Napa, California 94559
Wednesday, February 3, 2010
5:30 P.M.

I. Call to Order; Roll Call.
Meeting called to order at 5:30pm.
Members present: Robert Biale, Joseph Fischer, Michael Moffett, Carl Ebbeson, Michael Haley, Peter Murphy, Dorothy Phillips, Amanda Feliz and Genji Schmeder.
Members excused: Bernhard Krevet, Scott Jenson and James Barnes.
Staff: Tracy Schulze, Napa County Auditor-Controller and Alicia Hinojoza

II. **Public Comment – In this time period, anyone may comment to the Committee regarding any subject over which the Committee has jurisdiction but which is *not* on today's agenda or request consideration to place an item on a future agenda. Time limitations will be three minutes per speaker. No action will be taken by the Committee as a result of any item presented at this time. Public comment on agenda items will be heard at the conclusion of staff reports and before the Committee's discussion.**
None.

III. Approve Minutes of the November 4, 2009 Regular Meeting.
Motion, Michael Moffett: Approve as presented.
Second, Robert Biale: Unanimously approved; Members Michael Haley and Dorothy Phillips abstained.

IV. Presentation and update of the City of American Canyon Measure A projects. No action required.
City of American Canyon not available for meeting.

V. Presentation and Possible Action of Financial Reports.
1. 2008/2009 Financial Audit
Copies of the financial audit were provided to members for their viewing. The audit had previously been approved by the Napa County Flood Protection and Watershed Improvement Authority on January 12, 2010. Tracy highlighted the following:

- Decrease in Sales Tax revenue of approximately $1.5 million dollars.
- Strong cash reserve of $48 million dollars.
- Page 23 of the report has a breakdown of the fund balance for each of the entities.
- Bond payments are all on track. When sales tax comes in the bank takes payment for bonds first.
- Tracy meets with each of the entities twice a year to create and confirm audit data.
- Tracy states that traditionally income interest is projected low.

2. New allocation percentages for 2009/2010
Tracy reviewed a copy of the letter sent to all the cities and Napa County advising them of their recommended half-cent sales tax percentage changes for 2009-2010. The letters were distributed December 4, 2009 giving the entities more than the 30 days required to respond. As of January 15, 2010, there were no responses from the entities. Also noted, sales tax data reported by HdL is from last year's numbers; data always a year behind. No action taken

3. 6 month financials
Tracy reviewed the 6 months financials with a quarterly overview spreadsheet and the Sales Tax Receipt spreadsheet; there were no major changes to report. Tracy also re-introduced to the project expenditures spreadsheet; she noted that the 'Total Expenses' column and the 'Sub-total' line was added as requested in the last meeting. Tracy also clarified that there is only one Maintenance Reserve fund that all the entities contribute to for the future maintenance of the Napa River Front. Currently

the Maintenance Reserve fund has a balance of $11 million dollars largely due to the contribution of $10 million dollars by the City of Napa last year.

4. Administrative Cost Analysis (will be handed out at meeting)
Tracy distributed a spreadsheet depicting the administrative expenses from year one. Tracy mentioned that all cities are still under the 3% cap. Tracy also noted that Bond Administrative fees and cost are not part of these general administrative costs. It was concluded that the notable increase in administrative expenses in fiscal year 2004/2005 is likely attributed to the reevaluation and adjustment of the GEOs (geographical boundaries).

VI. Discussion of annual publication of Measure A funds; presented by Tracy A. Schulze, Napa County Auditor-Controller. No action required.
Tracy asked for any questions or comments from those on the subcommittee and expressed interest in publishing this year's report as early as April. Peter Murphy noted that since the audience for this document is the general public that acronyms should be removed and replaced with the actual words spelled out i.e. COE: Core of Engineers. Peter Murphy also expressed that reviewing this document would be much easier if it were in a PDF format and asked that Tracy look into obtaining it in that format. Member Peter Murphy mentioned that the company doing the Napa bridge work had a great website, napafloodcontrol.com, where you could view Measure A progress. No action taken.

VII. Update of vacancies of the Napa County Financial Oversight Committee. No Action Required.
Grand Jury requested a follow-up on the vacant CPA position. The Board of Supervisors responded as it is their duty to recruit for this vacancy. Several board members mentioned that they could possibly know of a few people that could fill the CPA vacancy. Carl Ebbeson reminded all that the CPA position is not a paid position as approved by the FOC and that the candidate has a very specific criterion to meet. No action taken.

VIII. Agenda Items for Future Meetings.
Presentation from the City of Napa and American Canyon
Update on the annual report publication

IX. Members and Staff Reports and Announcements.
Tracy reported that the Grand Jury asked if the lobbying expenses were part of the annual report. Tracy created a response for the Grand Jury: Yes, lobbying expenses are on page 9 of the report. Chair Ebbeson signed the official response.

X. Confirm Next Meeting Date of May 5, 2010.

XI. Adjourn.
Meeting adjourned at 6:30pm until the next regularly scheduled meeting on May 5, 2010 at 5:30pm.

CARL EBBESON
Chairperson

ATTEST:

TRACY A. SCHULZE
Napa County Auditor-Controller

BY:

ALICIA HINOJOZA
Administrative Support Technician
Napa County