

**TOWN OF YOUNTVILLE**  
**Appropriations Limitation Summary**  
**Fiscal Year 2010/11**

Proceeds of Taxes	\$4,905,005
Exclusions	(601,953)
Appropriations Subject to Limitation	\$4,303,052
Current Year Limit Calculation Before Override	\$4,676,227
Over (Under) Limit	(\$373,175)
Available Capacity as a % of Limit	-7.98%
Current Year Limit With \$900,000 Voter Approved Override	\$5,576,227
Over (Under) Limit With \$900,000 Voter Approved Override	(\$1,273,175)
Available Capacity as a % of Limit	-22.83%

*In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The Proposition created Article 13B of the State Constitution, a state law that requires the state and local governments to adopt an annual appropriation limit. The appropriation limit, also referred to as the "Gann Limit", establishes a limit on the proceeds of taxes that may be appropriated for spending in a given fiscal year. The limit is adjusted each year based on an economic factor calculated using the change in the cost of living and the change in population.*

*In order to deal with an increasing number of concerns regarding the restrictions of Proposition 4, and to increase the accountability of local government in adopting their limits, the voters approved Proposition 111 in June 1990. Two of the provisions included in Proposition 111 were to provide for an option for local government to select from adjustment factors that would allow them to be more responsive to local growth and to require an annual review of the appropriation limit calculations. The adjustment factors for the change in cost of living can be based on either a change to California per capita income or a change to non-residential assessed valuation in the Town limits. The adjustment factor for population can be based on either a change to the population in Yountville or a change in Napa County.*

*The Appropriations Limit imposed by Propositions 4 and 111 creates a restriction on the amount of revenue which can be appropriated in any fiscal year. The base year for the calculation was 1978/79, and the economic factors are used to calculate the adjustment for each year. The calculation includes only revenues that are classified as "proceeds of taxes" and allows for certain exclusions, including interfund transfers, capital outlay, payments for debt service, and appropriations required to comply with mandates of the courts or federal government, such as FLSA overtime or payment of FICA/Medicare tax.*

*The state law also includes a provision for the voters to approve an override of the calculated appropriations limit for a period not to exceed four years. The Town currently has an approved override of \$900,000 which will expire on June 30, 2011. The Town has not exceeded the appropriations limit, and thereby not found it necessary to use the override, however the structure of the Town's revenues and the potential for future revenue growth provide a basis for maintaining a voter approved override, which the Town has done since 1985. The current override will be placed on the ballot for renewal in November 2010.*

**TOWN OF YOUNTVILLE**  
**Spending Limit Calculation**  
**Fiscal Year 2010/11**

<b><u>APPROPRIATIONS SUBJECT TO LIMIT</u></b>		
Fiscal Year 2010/11 Estimated General Fund Revenue:		\$5,865,955
Less:		
Non-tax proceeds		(960,950)
Plus:		
User fees in excess of costs		-
Less:		
Exclusions		<u>(601,953)</u>
Total appropriations subject to limit:		<u><u>\$4,303,052</u></u>

<b><u>APPROPRIATION LIMIT</u></b>		
Fiscal Year 2009/10 appropriation limit:		\$4,755,301
A. Cost of living adjustment *	0.9746	
B. Population adjustment **	<u>1.0090</u>	
Change Factor (A x B)	0.9834	
Increase (decrease) in appropriation limit		<u>(\$79,074)</u>
Fiscal Year 2010/11 Appropriation Limit		\$4,676,227
Voter Approved Override Amount		<u>\$900,000</u>
Total 2010/11 Appropriation Limit		<u><u>\$5,576,227</u></u>
Remaining Appropriation Capacity Without Override		\$373,175
Available capacity as a percent of limit		7.98%
Remaining Appropriation Capacity With Override		\$1,273,175
Available capacity as a percent of limit		22.83%
* Based on Department of Finance per capita personal income growth		
** Based on annual population change for Napa County		

**TOWN OF YOUNTVILLE**  
**Spending Limit Calculation**  
**Fiscal Year 2010/11**

Revenue Source	Tax Proceeds	Non-Tax Proceeds	TOTAL
Property Tax Secured	\$ 468,120		\$ 468,120
Property Tax Unsecured	20,000		20,000
Property Tax In Lieu (VLF Swap)	338,800		338,800
Property Tax Collection Fee	(12,000)		(12,000)
Sales Tax	695,000		695,000
Sales Tax Public Safety		\$ 16,000	16,000
Franchise Fees		75,000	75,000
Real Property Transfer Tax	6,000		6,000
Transient Occupancy Tax	3,350,000		3,350,000
Business License	3,500		3,500
Building Permits		75,000	75,000
Plan Checks		30,000	30,000
Tree Removal Permits		500	500
Encroachment Permits		3,500	3,500
Fines & Forfeitures		7,500	7,500
Rents & Concessions		332,800	332,800
State Motor Vehicle License Fee	7,500		7,500
State COPS Grant		100,000	100,000
State HOPTR	3,000		3,000
Parks & Recreation Fees		260,735	260,735
Charges for Services		20,000	20,000
Miscellaneous Revenue		35,000	35,000
<b>Subtotal</b>	<b>\$4,879,920</b>	<b>\$956,035</b>	<b>\$5,835,955</b>
Percent of Total	83.62%	16.38%	100.00%
Interest Income	\$25,085	\$4,915	\$30,000
<b>Total General Fund</b>	<b><u>\$4,905,005</u></b>	<b><u>\$960,950</u></b>	<b><u>\$5,865,955</u></b>
<i>(excludes interfund transfers &amp; reserve fund interest)</i>			

EXCLUSIONS FROM LIMITATION:

-Debt Service - Lease Revenue Bonds	\$ 558,333
-FLSA OVERTIME	\$ 10,300
-FICA/MEDICARE	<u>\$ 33,320</u>
TOTAL EXCLUSIONS	<u>\$ 601,953</u>

**TOWN OF YOUNTVILLE**  
**Appropriation Limitation Adjustments**  
**Fiscal Year 2010/11**

Budget Year	(A) Price Factor	(B) Population Factor	(A) x (B) Change Factor	Current Year Adjustment	Current Appropriation Limit	Voter Approved Override	Total Limit
1978/79					322,414		
1979/80	1.1017	1.0158	1.1191	38,402	360,816		360,816
1980/81	1.1211	0.9808	1.0996	35,928	396,744		396,744
1981/82	1.0912	0.9866	1.0766	30,382	427,126		427,126
1982/83	1.0679	1.0561	1.1278	54,591	481,716		481,716
1983/84	1.0235	1.0210	1.0450	21,674	503,390		503,390
1984/85	1.0474	0.9977	1.0450	22,648	526,038		526,038
1985/86	1.0374	1.0210	1.0592	31,134	557,172	300,000	857,172
1986/87	1.0230	1.0026	1.0257	14,297	571,469	300,000	871,469
1987/88#	1.0348	1.0196	1.0551	31,478	602,947	500,000	1,102,947
1988/89*	1.0466	1.0104	1.0575	34,660	637,607	500,000	1,137,607
1989/90*	1.0519	1.0171	1.0699	44,561	682,168	500,000	1,182,168
1990/91@	1.0421	1.0560	1.1005	68,529	750,697	500,000	1,250,697
1991/92@	1.0414	1.0294	1.0720	54,063	804,760	700,000	1,504,760
1992/93+	1.0096	1.0209	1.0307	24,707	829,466	700,000	1,529,466
1993/94@	1.0272	1.0283	1.0563	46,674	876,140	700,000	1,576,140
1994/95+	1.0129	1.0143	1.0274	23,993	900,133	700,000	1,600,133
1995/96+	1.3503	1.0176	1.3741	336,708	1,236,841	300,000	1,536,841
1996/97+	1.0936	1.0149	1.1099	135,922	1,372,764	300,000	1,672,764
1997/98*	1.0467	1.0224	1.0701	96,294	1,469,058	300,000	1,769,058
1998/99#	1.0725	1.0461	1.1219	179,140	1,648,198	300,000	1,948,198
1999/00#	1.3604	1.0390	1.4135	681,457	2,329,655	900,000	3,229,655
2000/01+	1.0696	1.0277	1.0992	231,167	2,560,821	900,000	3,460,821
2001/02*	1.0782	1.0076	1.0864	221,240	2,782,062	900,000	3,682,062
2002/03+	1.0109	1.0648	1.0764	212,441	2,994,502	900,000	3,894,502
2003/04*	1.0231	1.0134	1.0368	110,226	3,104,729	900,000	4,004,729
2004/05+	1.0500	1.0115	1.0621	192,695	3,297,423	900,000	4,197,423
2005/06+	1.1027	1.0117	1.1156	381,187	3,678,611	900,000	4,578,611
2006/07*	1.0396	1.0110	1.0510	187,741	3,866,351	900,000	4,766,351
2007/08*	1.0442	1.0123	1.0570	220,551	4,086,902	900,000	4,986,902
2008/09*	1.0429	1.0935	1.1404	573,847	4,660,749	900,000	5,560,749
2009/10*	1.0062	1.0140	1.0203	94,552	4,755,301	900,000	5,655,301
2010/11*	0.9746	1.0090	0.9834	(79,074)	4,676,227	900,000	5,576,227

ADJUSTMENT FACTORS USED :

- \* = California per capita income and County population
- + = Non-residential assessed valuation and County population
- # = Non-residential assessed valuation and Town population
- @ = California per capita income and Town population