



A Tradition of Stewardship
A Commitment to Service

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Minh Tran
Interim County Executive Officer

MEMO

TO: NVTA *Kate*

Date: September 12, 2017

From: Minh Tran, Interim County Executive Officer *MT*

RE: Measure T Maintenance of Effort Calculation

The County of Napa has calculated its Maintenance of Effort (MOE) for Measure T based on County General Fund transfers to the County's Road Fund. Different than most city/town agencies, the County has a special revenue fund created to capture revenues and expenditures directly related to constructing and maintaining the unincorporated road network. The County subsidizes the Road Fund with transfers of discretionary resources to try and mitigate the declining support provided by the State and federal agencies. The County has calculated its MOE using the following information:

<u>Fiscal Year</u>	<u>Transfer per Financial Statements</u>	<u>Transfer for MOE Purposes</u>
2007-08	\$ 722,691	\$ -
2008-09	2,839,321	2,839,321
2009-10	932,000	<u>932,000</u>
Total Three Year Contribution		3,771,321
Divided by Number of Years		<u>3</u>
Three Year Average		<u>\$ 1,257,107</u>

The 2007-08 transfer reported in the County's financial statements, \$722,691, was the forgiveness of a loan issued by the County's General Fund in fiscal year 2005-06. Since the loan was issued to cover a negative cash position, our position is the funds were actually spent in the year of the loan and are properly excluded from MOE calculations.

While a case could be made that the Road Fund did not expend 100% of the General Fund transfers during the MOE period based on increased cash and fund balance achieved (2007 Ending – Cash \$1.3M, Fund Balance \$2.2M; 2010 Ending – Cash \$5.4M, Fund Balance \$2.8M), the County is not interested in allocating the General Fund contributions over funds actually expended in order to reduce the County's MOE amount.