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JAN 18 2011

Clerk of the Napa Superior Court
By: J. Brennan
Deputy



Napa County Regional Park
and Open Space District

Harold Kelly
Director Ward One

Tony Norris
Director Ward Two

Guy Kay
Director Ward Three

Dave Finigan
Director Ward Four

Myrna Abramowicz
Director Ward Five

January 10, 2011

The Honorable Stephen T. Kroyer
Presiding Judge, Superior Court of California—Napa County
825 Brown Street
Napa, CA 94559

RE: Supplemental Response to Grand Jury Report of May 24, 2010

Dear Judge Kroyer:

This letter is in response to the letter from the 2010-2011 Napa County Grand Jury, dated November 10, 2010. His letter notes that while it was not specifically requested by the Grand Jury, the District is required to respond to the Findings in the Final Report as well as the recommendations.

Therefore, provided below are the Findings in the Final Report, together with District Board responses. These responses were approved by the Board of Directors at their regular meeting of January 10, 2011.

Finding #1: The County's intent was to provide funds for the initial operational support of the District.

Response: Agree

Finding #2: The BOS anticipated a base level of funding to the District of \$350,000 per year (with adjustments for inflation, and adopted labor agreements) and an additional amount for election costs.

Response: Agree

Finding #3: In formation of the District, the BOS did not acknowledge any additional need for acquisition and capital improvement funding above the base level of funding.

Response: Disagree.

The Board Agenda Letter for June 13, 2006, regarding formation of the District, clearly notes that the District would need considerably more acquisition and capital improvement funding than the base level of funding that was to be provided by the County.

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Finding #4: The BOS anticipated costs to the County in future years would be reduced, as the District is successful in obtaining its own outside funds.

Response: Disagree.

While it is clear that the Board of Supervisors expected the District to seek dedicated revenues for the District, it is not clear that they intended to *reduce* County support once dedicated revenues were obtained. The Board Agenda Letter for June 13, 2006, regarding formation of the District, which represents the County staff's position, *did* note that "The cost to the County in future years can be reduced as the District is successful in obtaining its own dedicated revenues." However, the actual resolution adopted by the Board of Supervisors initiating the formation of the District (Resolution 06-110), included the following statement: "Whereas, the County of Napa intends to provide the initial operational support for the recommended District at a level comparable to that which the County is currently budgeting for park, recreation and related open space purposes, with the expectation that the District will develop *additional* sources of revenue in future years..." (emphasis added)

Finding #5: All increased TOT taxes go to a SPF within the County's General Fund and are allocated as directed by the BOS.

Response: Agree

Finding #6: In the most recent distribution of the SPF in FY 2008-2009, 60 percent was allocated to the District, 30 percent to the NVDC, and 10 percent to the Arts Council of Napa Valley.

Response: Disagree.

The percentages for the three purposes were adopted by the Board of Supervisors on July 31, 2007. These percentages were for a three year period. The amount actually granted to each purpose for any given fiscal year could be (and in fact have been) above or below the set percentages. In addition, the 60 percent figure was for the purpose of parks and open space generally, and not guaranteed to only be granted to the District. Apart from the funds granted to the District for its general operations, the County utilized a competitive grant process to determine to whom the remainder of the funding for parks and open space would be awarded.

Finding #7: The BOS Resolution No. 07-97 of July 18, 2009, providing principles for allocation of the SPF, will expire June 30, 2010.

Response: Disagree.

This Finding has a typographical error. The Resolution was adopted in 2007, not 2009.

Finding #8: District budgets do not differentiate between County and outside sources of funds for acquisitions and capital improvements.

Response: Disagree.

As noted in the District Board's July 12, 2010 response to the Recommendations contained in the Final Report, the District's budget does in fact clearly differentiate between County and outside sources of funds for acquisitions and capital improvements.

Finding #9: The annual allocation of the SPF for the District's operation and capital improvements, plus an additional \$200,000 per year is designated in the SPF for use by the District for the anticipated future purchase of Skyline Park.

Response: Disagree.

At the present time, the County has not made a determination regarding the future ownership of Skyline Park, assuming the State and County can come to an agreement on terms of sale. The funding which the County has set aside for potential purchase of the property is entirely under the control of the County, and is neither available nor promised to the District.

Finding #10: The District has been operating within the limits of the SPF as currently allocated by the BOS.

Response: Agree.

Finding #11: The District has the authority to raise revenues through some types of property assessments and taxes if approved by the voters.

Response: Agree.

Finding #12: The FY 2009-2010 District Budget, dated May 11, 2009, indicates an increase in funding from the County.

Response: Agree.

Finding #13: The County anticipates a reduction in the SPF available in the FY 2010-2011 due to the decline in the TOT collections.

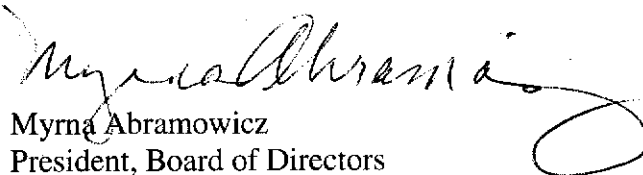
Response: Agree.

Finding #14: The District is currently considering whether to form its own non-profit foundation or join an existing community foundation.

Response: Agree.

Please do not hesitate to contact me if you have any questions regarding our responses as noted above.

Sincerely,


Myrna Abramowicz
President, Board of Directors

Cc: David Mendelsohn, Foreperson, 2010-2011 Napa County Grand Jury