



NAPA VALLEY TRANSPORTATION AUTHORITY-TAX AGENCY Board Agenda Memo

TO: Board of Directors
FROM: Danielle Schmitz, Executive Director
REPORT BY: Antonio Onorato, Director of Administration, Finance, and Policy
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SUBJECT: Public Hearing Adopting the Annual Operating Budgets for Fiscal Year 2026-27 (FY27) and Fiscal Year 2027-28 (FY28) and Annual Appropriations Limits

RECOMMENDATION

That the Napa Valley Transportation Authority-TA Agency (NVTA-TA) Board:

- 1) Open the public hearing and comment period for the biennial budget; and
- 2) Review and provide comment on the FY 2026-27 NVTA-TA annual operating budget of \$29,709,000; and
- 3) Review and provide comment on the FY 2027-28 NVTA-TA annual operating of \$30,359,000; and
- 4) Approve Resolution No. 26-01-TA (Attachment 1) adopting the Fiscal Year (FY) 2026-27 and FY 2027-28 annual operating budgets and the associated annual appropriations limits.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

NVTA-TA is presenting the proposed two-year biennial budget for Fiscal Years 2026-27 and 2027-28 for review, public comment, and adoption by the Board. The biennial budget outlines anticipated revenues and expenditures associated with the administration of Measure U transportation sales tax program and establishes the Authority's spending authority for the next two fiscal years.

The proposed budget totals \$29,709,000 in FY27 and \$30,359,000 in FY28. Most of the funding is passed through directly to local jurisdictions and transportation programs in accordance with voter-approved sales tax expenditure plans.

The biennial budget provides the financial framework necessary for NVTA-TA to continue administering transportation investments across Napa County while maintaining flexibility to respond to evolving economic conditions and revenue trends.

FISCAL IMPACT

Yes. Approval of the biennial budget establishes spending authority for the NVTA-Tax Agency in the following amounts:

- FY 2026-27: \$29,709,000
- FY 2027-28: \$30,359,000

These appropriations authorize the distribution of Measure U revenues to jurisdictions and programs in accordance with the voter-approved expenditure plans.

BACKGROUND AND DISCUSSION

The proposed NVTA-TA operating budget totals \$29.7 million in FY27 and \$30.4 million in FY28. The biennial budget outlines how transportation sales tax revenues will be administered and distributed to support local transportation investments and programs across Napa County.

As Measure T completed its seventh year and final year on June 30, 2025, countywide sales tax generations continue to operate in a period of economic uncertainty shaped by high interest rates, shifting global fuel prices, evolving tariff policies, geopolitical issues, and increasingly cautious consumer spending. Throughout the fiscal year, Napa County's taxable sales reflected these pressures, showing generally subdued activity and uneven performance across key sectors. Total Measure T receipts were 1% lower than the previous year.

Measure T sales tax generations experienced a small, but noticeable softening in revenues, driven mainly by ongoing weakness in the business-industry segment. Wineries remained the largest contributor to this decline, extending a prolonged period of reduced activity. Consumers continued to prioritize essential purchases, which weighed on traditional retail stores such as discount outlets and home furnishings vendors, even as online retailers continued to capture more spending.

The dining sector also showed signs of reduced discretionary spending, with both casual and fine-dining restaurants reporting slower activity. In contrast, the hospitality sector proved more resilient, as hotels and leisure-related businesses continued to draw steady demand. Autos and transportation remained under pressure due to high vehicle prices and restrictive financing conditions, while construction activity dipped, influenced partly by the closure of a major building supply retailer. The only clear area of strength came from the food and drugs category, where convenience store activity increased.

Revenues showed slight improvements, supported in part by a temporary surge in automobile purchases as consumers attempted to get ahead of potential tariff-related price increases. General consumer goods also strengthened with the opening of another new retailer, though ongoing softness in other physical stores limited overall gains. Construction activity inched upward, suggesting pockets of local demand despite elevated interest rates. Conversely, fuel and service stations continued to struggle, facing lower prices and increased competition.

On July 1, 2025, Measure U became operative replacing Measure T and revised the formula each jurisdiction will receive in revenues. Looking ahead, NVTA anticipates continued volatility. Autos and construction could see modest improvements if interest rates begin to ease, but any recovery will depend on broader market conditions and consumer confidence. The wine industry is expected to face continued headwinds, and fuel-related revenues will remain vulnerable to global pricing pressure.

Consumers are increasingly focused on affordability, shifting more of their spending toward online and discount retailers, which may restrain the performance of traditional retail categories. As a result, staff expect FY26 revenues to remain generally flat with the potential for slight improvement. Staff will continue closely monitoring economic developments and adjusting expectations as conditions evolve.

Table 1 presents the Tax Agency's financial history and proposed budget for the next two fiscal years. Since the budget is a spending authority that the Board approves, staff inflates Measure U revenues approximately 25% higher than expected forecast. If revenues come in higher, they will pass-through quickly to the jurisdictions as an expenditure on the financial statements without additional approvals or delays from the accounting system. Otherwise, the Board must approve the additional pass-through expenditures causing unnecessary delays. Staff are cautioning jurisdictions to budget lower than NVTA adopted budget projections to avoid over committing revenues that may not be realized until future years. Agency forecasts are also provided as a guide for planning jurisdictional expenditures for the next two years.

Adjustments may be brought back to the Board for any true-ups, new projects, programs, or amendments to carry over unused budgets from the previous year. Attachment 2 shows the biennial budget with Table 2 summarizing the revenues and proceeds to jurisdictions, including NVTA.

Table1: Measure T Financial History and Measure U Draft Budget

	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U
Fiscal Year	2022-23 FY23	2023-24 FY24	2024-25 FY25	2025-26 FY26	2026-27 FY27	2026-27 FY27
	Actuals	Actuals	Actuals	Budget	Draft Budget	Draft Budget
Revenues	\$25,551,011	\$25,237,575	\$25,044,163	\$32,245,100	\$29,709,000	\$30,359,000
ITOC	\$75,826	\$80,041	\$82,372	\$0	\$0	\$0
NVTA Admin + RTEP	\$257,879	\$257,685	\$253,311	\$646,900	\$1,822,000	\$1,835,000
American Canyon	\$1,961,375	\$1,936,684	\$1,921,347	\$2,502,000	\$2,433,000	\$2,484,000
Calistoga	\$687,913	\$679,540	\$674,103	\$918,600	\$900,000	\$928,000
City of Napa	\$10,280,245	\$10,152,878	\$10,079,315	\$12,639,500	\$11,041,000	\$11,294,000
Napa County	\$10,096,987	\$9,967,254	\$9,887,412	\$12,405,100	\$10,504,000	\$10,746,000
St. Helena	\$1,502,872	\$1,483,953	\$1,472,201	\$2,030,000	\$1,961,000	\$2,002,000
Yountville	\$687,913	\$679,540	\$674,103	\$1,103,000	\$1,048,000	\$1,070,000
Inc/(Dec) over previous year	3%	-1%	-1%			

ATTACHMENTS

- (1) Resolution No. 26-01-TA
- (2) NVTA-TA Biennial Budget(s)

RESOLUTION No. 26-01-TA

**A RESOLUTION OF THE
NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY (NVTA-TA)
ADOPTING THE FISCAL YEAR (FY) 2026-27,
FISCAL YEAR (FY) 2027-28 BUDGETS, AND APPROPRIATIONS LIMITS**

WHEREAS, the Napa Valley Transportation Authority – Tax Agency (NVTA-TA) is designated the countywide administrator of Napa Valley Transportation Improvement Act funds, commonly known as Measure U; and

WHEREAS, on a biennial basis the NVTA-TA Board reviews and approves a budget for all Napa Valley Transportation Improvement Act funds; and

WHEREAS, NVTA held a public hearing on April 15, 2026, to consider public input on the proposed budget:

NOW, THEREFORE, BE IT RESOLVED, that the NVTA-TA Board adopts the FY 2026-27 (FY27) Budget and Appropriations Limit in the amount of \$29,709,000; and the FY 2027-28 (FY28) Budget and the Appropriations Limit in the amount of \$30,359,000.

Passed and Adopted the 15th day of April, 2026.

Mark Joseph, NVTA Chair

Ayes:

Nays:

Absent:

ATTEST:

Laura Sanderlin, NVTA Board Secretary

APPROVED:

Osman Mufti, NVTA General Counsel

Budget Inputs
Consolidated NVTA-TA

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 PROPOSED BUDGET	FY28 PROPOSED BUDGET	Total Biennial Budget
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget			
Revenues									
Sales Tax	\$20,427,403	\$24,799,376	\$25,506,552	\$25,146,976	\$24,934,162	\$32,216,100	\$28,477,000	\$29,127,000	\$57,604,000
Sales Tax- Capital (RTEP)						-	1,200,000	1,200,000	\$2,400,000
Interest	26,960	24,729	44,458	90,600	110,000	29,000	32,000	32,000	64,000
Total Revenues	\$20,454,363	\$24,824,105	\$25,551,010	\$25,237,576	\$25,044,163	\$32,245,100	\$29,709,000	\$30,359,000	\$60,068,000
Expenses									
Salaries and Wages	2,750	2,000	3,750	3,300	-	12,000	13,700	13,700	27,400
Medicare	58	29	33	48	-	200	500	500	1,000
FICA and Other Personnel Costs	201	158	178	261	-	800	800	800	1,600
Total for: Salaries and Benefits	3,009	2,187	3,961	3,609	-	13,000	15,000	15,000	30,000
Administration Services	197,703	113,734	163,324	386,378	298,267	489,900	568,700	575,700	1,144,400
Accounting/Auditing Services	35,548	26,948	-	36,847	9,033	144,000	44,000	50,000	94,000
Maintenance-Infrastructure/Lan	20,176,104	24,501,567	25,217,305	24,899,850	24,708,480	31,598,200	29,081,300	29,718,300	58,799,600
Total for: Services and Supplies	20,409,355	24,642,249	25,380,629	25,323,075	25,015,779	32,232,100	29,694,000	30,344,000	60,038,000
Total Expenditures	\$20,412,364	\$24,644,436	\$25,384,590	\$25,326,684	\$25,015,779	\$32,245,100	\$29,709,000	\$30,359,000	\$60,068,000
Net Change in Operations	\$41,999	\$179,669	\$166,420	-\$89,108	\$28,383	\$0	\$0	\$0	\$0

Updated: 3/11/2026

FORECAST \$25,300,000 \$25,600,000 \$26,112,000

Budget Inputs NVTA Admin

Measure T Percentage: 1.00%

Measure U Percentage: 2.00%

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total Biennial
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget	PROPOSED BUDGET	PROPOSED BUDGET	Budget
Revenues									
Sales Tax	\$203,559	\$247,272	\$254,334	\$250,737	\$248,610	\$641,900	\$614,000	\$627,000	\$1,241,000
Sales Tax- Capital (RTEP)	-	-	-	-	-	-	1,200,000	1,200,000	
Interest	1,373	1,359	3,545	6,948	4,701	5,000	8,000	8,000	16,000
Total Revenues	\$204,932	\$248,631	\$257,879	\$257,685	\$253,311	\$646,900	\$1,822,000	\$1,835,000	\$1,257,000
Expenses									
Salaries and Wages	-	-	-	-	-	12,000	13,700	13,700	27,400
Medicare	-	-	-	-	-	200	500	500	1,000
FICA and Other Personnel Costs	-	-	-	-	-	800	800	800	1,600
Total for: Salaries and Benefits	-	-	-	-	-	13,000	15,000	15,000	30,000
Administration Services	191,108	113,734	163,324	386,378	298,267	489,900	568,700	575,700	1,144,400
Accounting/Auditing and Legal Services	-	-	-	8,477	9,033	144,000	44,000	50,000	94,000
Maintenance-Infrastructure/Lan	-	-	-	-	-	-	1,194,300	1,194,300	2,388,600
Total for: Services and Supplies	191,108	113,734	163,324	394,855	307,299	633,900	1,807,000	1,820,000	3,627,000
Total Expenditures	\$191,108	\$113,734	\$163,324	\$394,855	\$307,299	\$646,900	\$1,822,000	\$1,835,000	\$3,657,000
Net Change in Operations	\$13,824	\$134,897	\$94,555	-\$137,170	-\$53,989	\$0	\$0	\$0	-\$2,400,000

FORECAST for Operations \$506,000 \$512,000 \$522,200
 FORECAST for Capital \$1,200,000 \$1,200,000 \$1,200,000

Budget Inputs Napa County

Measure T Percentage: 39.65%
 Measure U Percentage: 38.8%

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total Biennial
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget	PROPOSED BUDGET	PROPOSED BUDGET	Budget
Revenues									
Sales Tax	\$8,071,097	\$9,804,329	\$10,084,353	\$9,941,723	\$9,857,371	\$12,400,100	\$10,499,000	\$10,741,000	\$21,240,000
Interest	9,007	7,573	12,634	25,532	30,041	5,000	5,000	5,000	10,000
Total Revenues	\$8,080,104	\$9,811,902	\$10,096,987	\$9,967,255	\$9,887,412	\$12,405,100	\$10,504,000	\$10,746,000	\$21,250,000
Expenses									
Maintenance-Infrastructure/Lan	8,080,104	9,811,902	10,096,987	9,967,255	9,887,412	12,405,100	10,504,000	10,746,000	21,250,000
Total for: Services and Supplies	8,080,104	9,811,902	10,096,987	9,967,255	9,887,412	12,405,100	10,504,000	10,746,000	21,250,000
Total Expenditures	\$8,080,104	\$9,811,902	\$10,096,987	\$9,967,255	\$9,887,412	\$12,405,100	\$10,504,000	\$10,746,000	\$21,250,000
Net Change in Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						<u>FORECAST</u>	<u>\$9,086,000</u>	<u>\$9,199,300</u>	<u>\$9,392,500</u>

Budget Inputs American Canyon

Measure T Percentage: 7.70%
 Measure U Percentage: 8.00%

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total Biennial
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget	PROPOSED BUDGET	PROPOSED BUDGET	Budget
Revenues									
Sales Tax	\$1,567,401	\$1,903,993	\$1,958,373	\$1,930,675	\$1,914,294	\$2,500,000	\$2,431,000	\$2,482,000	\$4,913,000
Interest	1,920	1,639	3,002	6,009	7,053	2,000	2,000	2,000	4,000
Total Revenues	\$1,569,321	\$1,905,632	\$1,961,375	\$1,936,684	\$1,921,347	\$2,502,000	\$2,433,000	\$2,484,000	\$4,917,000
Expenses									
Maintenance-Infrastructure/Lan	1,569,321	1,905,632	1,961,375	1,936,684	1,921,347	2,502,000	2,433,000	2,484,000	4,917,000
Total for: Services and Supplies	1,569,321	1,905,632	1,961,375	1,936,684	1,921,347	2,502,000	2,433,000	2,484,000	4,917,000
Total Expenditures	\$1,569,321	\$1,905,632	\$1,961,375	\$1,936,684	\$1,921,347	\$2,502,000	\$2,433,000	\$2,484,000	\$4,917,000
Net Change in Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						FORECAST	\$1,920,600	\$1,944,500	\$1,985,300

Budget Inputs

Napa

Measure T Percentage: 40.35%

Measure U Percentage: 40.20%

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total Biennial
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget	PROPOSED BUDGET	PROPOSED BUDGET	Budget
Revenues									
Sales Tax	\$8,213,588	\$9,977,419	\$10,262,387	\$10,117,238	\$10,031,397	\$12,633,500	\$11,035,000	\$11,288,000	\$22,323,000
Interest	10,061	9,658	17,858	35,640	47,918	6,000	6,000	6,000	12,000
Total Revenues	\$8,223,649	\$9,987,077	\$10,280,245	\$10,152,878	\$10,079,315	\$12,639,500	\$11,041,000	\$11,294,000	\$22,335,000
Expenses									
Maintenance-Infrastructure/Lan	8,223,649	9,987,077	10,280,245	10,152,878	10,079,315	12,639,500	11,041,000	11,294,000	22,335,000
Total for: Services and Supplies	8,223,649	9,987,077	10,280,245	10,152,878	10,079,315	12,639,500	11,041,000	11,294,000	22,335,000
Total Expenditures	\$8,223,649	\$9,987,077	\$10,280,245	\$10,152,878	\$10,079,315	\$12,639,500	\$11,041,000	\$11,294,000	\$22,335,000
Net Change in Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						<u>FORECAST</u>	<u>\$9,509,200</u>	<u>\$9,627,600</u>	<u>\$9,830,100</u>

Budget Inputs Yountville

Measure T Percentage: 2.70%
 Measure U Percentage: 3.40%

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total Biennial
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget	PROPOSED BUDGET	PROPOSED BUDGET	Budget
Revenues									
Sales Tax	\$549,608	\$667,634	\$686,702	\$676,990	\$671,246	\$1,100,000	\$1,045,000	\$1,067,000	\$2,112,000
Interest	674	639	1,211	2,550	2,857	3,000	3,000	3,000	6,000
Total Revenues	\$550,282	\$668,273	\$687,913	\$679,540	\$674,103	\$1,103,000	\$1,048,000	\$1,070,000	\$2,118,000
Expenses									
Maintenance-Infrastructure/Lan	550,282	668,273	687,913	679,540	674,103	1,103,000	1,048,000	1,070,000	2,118,000
Total for: Services and Supplies	550,282	668,273	687,913	679,540	674,103	1,103,000	1,048,000	1,070,000	2,118,000
Total Expenditures	\$550,282	\$668,273	\$687,913	\$679,540	\$674,103	\$1,103,000	\$1,048,000	\$1,070,000	\$2,118,000
Net Change in Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						<u>FORECAST</u>	<u>\$825,800</u>	<u>\$836,100</u>	<u>\$853,600</u>

Budget Inputs St. Helena

Measure T Percentage: 5.90%
 Measure U Percentage: 6.60%

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total Biennial
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget	PROPOSED BUDGET	PROPOSED BUDGET	Budget
Revenues									
Sales Tax	\$1,200,995	\$1,458,904	\$1,500,572	\$1,479,348	\$1,466,797	\$2,025,000	\$1,956,000	\$1,997,000	\$3,953,000
Interest	1,471	1,506	2,300	4,605	5,404	5,000	5,000	5,000	10,000
Total Revenues	\$1,202,466	\$1,460,410	\$1,502,872	\$1,483,953	\$1,472,201	\$2,030,000	\$1,961,000	\$2,002,000	\$3,963,000
Expenses									
Maintenance-Infrastructure/Lan	1,202,466	1,460,410	1,502,872	1,483,953	1,472,201	2,030,000	1,961,000	2,002,000	3,963,000
Total for: Services and Supplies	1,202,466	1,460,410	1,502,872	1,483,953	1,472,201	2,030,000	1,961,000	2,002,000	3,963,000
Total Expenditures	\$1,202,466	\$1,460,410	\$1,502,872	\$1,483,953	\$1,472,201	\$2,030,000	\$1,961,000	\$2,002,000	\$3,963,000
Net Change in Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						<u>FORECAST</u>	<u>\$1,545,400</u>	<u>\$1,564,700</u>	<u>\$1,597,500</u>

Budget Inputs Calistoga

Measure T Percentage: 2.70%
 Measure U Percentage: 3.00%

	A	B	C	D	E	F	G	H	I
	Measure T	Measure T	Measure T	Measure T	Measure T	Measure U	Measure U	Measure U	Measure U
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total Biennial
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	Approved Budget	PROPOSED BUDGET	PROPOSED BUDGET	Budget
Revenues									
Sales Tax	\$549,608	\$667,634	\$686,702	\$676,990	\$671,246	\$915,600	\$897,000	\$925,000	\$1,822,000
Interest	674	639	1,211	2,550	2,857	3,000	3,000	3,000	6,000
Total Revenues	\$550,282	\$668,273	\$687,913	\$679,540	\$674,103	\$918,600	\$900,000	\$928,000	\$1,828,000
Expenses									
Maintenance-Infrastructure/Lan	550,282	668,273	687,913	679,540	674,103	918,600	900,000	928,000	1,828,000
Total for: Services and Supplies	550,282	668,273	687,913	679,540	674,103	918,600	900,000	928,000	1,828,000
Total Expenditures	\$550,282	\$668,273	\$687,913	\$679,540	\$674,103	\$918,600	\$900,000	\$928,000	\$1,828,000
Net Change in Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						<u>FORECAST</u>	<u>\$707,000</u>	<u>\$715,800</u>	<u>\$730,800</u>