

# LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

## TOWN OF YOUNTVILLE MUNICIPAL SERVICE REVIEW

**Final Report  
August 2007**

### **Prepared by:**

#### **LAFCO of Napa County**

*Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.*

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## INTRODUCTION

### Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering California Government Code §56000 et seq., which is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to encourage the orderly formation and development of local governmental agencies and services, preserve agricultural and open-space lands, and discourage urban sprawl. Duties include regulating governmental boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are also responsible for conducting studies addressing a range of service and governance issues to inform and direct regional planning activities and objectives. LAFCOs are located in all 58 counties in California.

### Municipal Service Reviews

On January 1, 2001, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 became the governing law of LAFCOs. One change brought by this legislation was the creation of a new LAFCO function, the municipal service review. California Government Code §56430 states that prior to any review and update of a sphere of influence (“sphere”), the Commission shall conduct a municipal service review – a comprehensive evaluation of the ability of the agency to provide service within its existing jurisdiction and sphere. This includes making determinations on the adequacy, efficiency, and effectiveness of these services in relationship to local conditions and circumstances. LAFCO is required to review and update each local agency’s sphere by January 1, 2008 and every five years thereafter as necessary.

As part of the municipal service review process, LAFCOs are required to consider and make written determinations with regard to nine specific service factors enumerated under California Government Code §56430(a). These factors are intended to capture the legislative intent of the municipal service review process and offers LAFCO key information to inform policy determinations necessary to complete a sphere review. These factors are:

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options.
8. Evaluation of management efficiencies.
9. Local accountability and governance.

## **Town of Yountville**

This report represents LAFCO of Napa County's municipal service review of the Town of Yountville. The underlying objective of the report is to review the level and range of services provided by Yountville in terms of capacity, funding, and governance. The report includes written determinations addressing the aforementioned factors LAFCO is required to consider as part of its mandate under California Government Code §56430(a).

Note: The geographic region of the municipal service review includes all lands located within the planning area of the Yountville General Plan.

## OVERVIEW

The Town of Yountville was incorporated in 1965 as a general-law city. Yountville provides a full range of municipal services either directly or by contract and has an estimated population of 3,400. Approximately one-third of Yountville's population resides at the State of California's Veterans Home. Yountville is staffed by twenty full-time and six part-time employees. In the 2006-2007 fiscal year, Yountville adopted a final budget in the amount of 7.3 million dollars.

## BACKGROUND

Yountville's development began in the 1830's following the arrival of George C. Yount. In 1836, Yount received a land grant from Mexico and began the process of surveying and attracting other settlers to the area. By the 1850s, the community had developed into a permanent settlement of farmers and ranchers. The mid-century extension of the Napa Valley Railroad Company further established the community and marked a new period of growth and prosperity throughout the region. This period also coincided with the arrival of migrants from Europe, leading to the emergence of viniculture as the region's primary commerce. Originally named Sebastopol, the area was renamed Yountville following the death of Yount in 1867.

In 1884, the United States constructed a long-term care facility for elderly and disabled military veterans at the southwestern edge of Yountville. This facility was turned over to the State of California in 1897 and renamed Veterans Home of California-Yountville.

In the 1950s, in response to growing residential and commercial uses, Yountville residents began the process of addressing local service needs with the formation of the Yountville Sanitation District (YSD) and the Yountville County Water District (YCWD). The focus on local service needs continued into the early 1960s as residents began organizing for incorporation. According to testimony in the incorporation documents, the community held a "strong feeling of separate identity" and desired to become the "spokesman for the area" helping to solve "local needs."

In 1965, upon LAFCO approval, the Town of Yountville became the fourth incorporated community in Napa County. Yountville's population at the time of its incorporation was approximately 2,600, including 2,000 residents at the Veterans Home. A year later, as part of two separate reorganizations, LAFCO merged YSD and YCWD into the Town.

Since its incorporation, Yountville has developed into a tourist attraction accommodating visitors to the Napa Valley with a number of hotels and inns, restaurants, and retail businesses. Between 1998 and 2005 development in Yountville was limited as a result of a moratorium on new water service connections, which was enacted due to supply concerns. Yountville lifted the moratorium in 2005 after entering into a new long-term agreement with the State for annual water entitlements to nearby Rector Reservoir. The lifting of the moratorium has generated a number of new residential and commercial projects in Yountville. Notable projects include expansions to the Yountville Inn and Villagio Spa as well as the current construction of the 62-unit Bardessano Inn.

## General Plan Policies

Yountville adopted its first General Plan in 1966. The 1966 General Plan included land use policies designed to guide Yountville's transition from an agricultural-oriented community to a small-town consisting of neighborhoods and assorted commercial developments. Markedly, as part of an expansive planning area, the 1966 General Plan anticipated a Town population of 30,000 by 1985.

Over the next several decades, drawing from public sentiment, Yountville adopted three new general plans to limit and refine development within the Town. Underlying these adoptions was a concerted effort by Yountville to retain its small-town character. The first of these efforts was triggered by a series of public workshops and resulted in the 1975 General Plan. The 1975 General Plan transitioned Yountville's land use policies to emphasize infill by increasing building densities and limiting development within its existing incorporated boundary.

By the early 1980's Yountville residents became concerned the 1975 General Plan was producing a community which could be "overwhelmed by visitor-oriented commercial development."<sup>1</sup> In response, Yountville conducted a number of workshops and hearings to receive and consider public input on growth and development preferences. These efforts resulted in Yountville adopting its 1985 General Plan, which included measurable reductions in the amount of land dedicated to commercial and residential uses.

In 1990, Yountville initiated a review of the 1985 General Plan out of concern the land use, circulation, and housing elements were not effectively achieving their purposes. A citizen task force convened on more than 30 occasions to review Yountville's policies and survey residents. These efforts revealed residents preferred the planning schemes which occurred during Yountville's initial development in the late 1800's over modern planning patterns. As a result, Yountville adopted its 1992 General Plan, which continues to emphasize infill while establishing a Town Map designed to coordinate development using a gridiron street system. The 1992 General Plan also includes policies discouraging the expansion of the sphere or annexation of surrounding agricultural lands.

## ADOPTED BOUNDARIES

Yountville's incorporated boundary comprises approximately 966 acres, or 1.5 square miles, and is conterminous with its adopted sphere. There have been four annexations to Yountville since its incorporation in 1965. All four annexations were approved by LAFCO between 1966 and 1967. A map depicting Yountville's incorporated boundary and sphere is provided in Attachment A.

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<sup>1</sup> 1992 Yountville General Plan, p.5.

## GROWTH AND POPULATION PROJECTIONS

The Association of Bay Area Governments (ABAG) publishes population, household, job, labor force, and income projections for the nine-county San Francisco Bay Region. ABAG incorporates these projections in allocating housing need assignments to cities and counties in the Bay Area as determined by the California Department of Housing and Community Development.<sup>2</sup> ABAG recently issued *Projections 2007*, which includes a range of growth-related estimates for Yountville through 2035. ABAG projections for Yountville relating to population, households, and jobs are listed below.

### ABAG Growth and Population Projections: Town of Yountville

(Source: *Projections 2007*)

|            | 2005  | 2010  | 2015  | 2020  | 2025  | 2030  | 2035  |
|------------|-------|-------|-------|-------|-------|-------|-------|
| Population | 3,400 | 3,500 | 3,500 | 3,700 | 3,600 | 3,600 | 3,600 |
| Households | 1,080 | 1,140 | 1,180 | 1,220 | 1,250 | 1,270 | 1,280 |
| Total Jobs | 2,120 | 2,230 | 2,320 | 2,460 | 2,530 | 2,650 | 2,820 |

## GOVERNANCE

Yountville operates under the council-manager system of government. Yountville is governed by a five-member Town Council that includes a directly elected mayor. Elections are conducted by general vote; the mayor serves a two-year term while the four council members serve staggered four-year terms. Council duties include adopting an annual budget, passing ordinances, appointing committees, and hiring the Town Manager. Council meetings are conducted on the first and third Tuesdays of each month at the Town Hall Council Chambers. Meetings are open to the public.

### Advisory Boards, Commissions, and Committees

The Town Council establishes local advisory bodies to assist the Town in its decision-making processes. These advisory bodies are generally responsible for making recommendations on a variety of service topics to the Town Council or Town Manager. Specific responsibilities for each advisory body are established by their respective ordinance or resolution. The three active advisory bodies are summarized below.

<sup>2</sup> On June 29, 2007, ABAG released its draft regional housing need allocation (RHNA) for the 2007-2014 planning period. Based on this draft, Yountville will be responsible for accommodating a total of 87 new housing units as part of its housing element, which must be updated by June 2009. Final RHNA allocations are scheduled to be adopted in December 2007.

### *Zoning/Design Review Board*

The Zoning/Design Review Board was established in 1986 and is comprised of five members of the public appointed by the Town Council to staggered three-year terms. The Board is responsible for conducting design and sign review, issuing use permits, and approving variances.<sup>3</sup> Board decisions are considered final unless appealed to the Town Council. Board meetings are conducted on the second Tuesday of each month at 6:00 p.m. in the Town Hall Council Chambers.

### *Transportation Advisory Committee*

The Transportation Advisory Committee was established in 1986 and is comprised of five members of the public appointed by the Town Council to staggered three-year terms. The Committee coordinates with the Napa County Transportation and Planning Agency (NCTPA) in identifying and addressing local transportation needs. Committee meetings are conducted on the third Thursday of each month at 10:30 a.m. in the Town Hall Council Chambers.

### *Community Hall Commission*

The Yountville Community Hall Commission was established in 1978 and is comprised of seven members of the public appointed by the Town Council to staggered three-year terms. The Commission reviews policies and procedures regarding use and operation of the Community Hall, which is made available for public and private uses. The Commission also inspects the Community Hall and advises the Town Manager of any needed improvements. The Commission reports directly to the Town Manager and also provides copies of its meeting minutes to the Town Council. Commission meetings are conducted on the first Monday of each month at 4:30 p.m. in the Town Hall Council Chambers.

## **ADMINISTRATION**

The administration of Yountville is the principal responsibility of the Town Manager. The Town Manager serves at-will to the Town Council and oversees Yountville's five municipal departments: administration, community services, finance, planning and building, and public works and town engineer. The Town Council also appoints a Town Attorney and Town Clerk to assist the Town Manager in the administration of the Town.<sup>4</sup>

Administrative services provided by the Town Manager, Town Attorney, and Town Clerk are coordinated with other departments through weekly staff meetings. Department funding is primarily drawn from Yountville's General Fund, which is supported by property, sales, and transient-occupancy taxes. An overview of each department is provided below.

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<sup>3</sup> The Town of Yountville does not have a Planning Commission.

<sup>4</sup> The Town of Yountville currently contracts for Town Attorney.

*Administration Department*

The Administration Department includes the Town Manager, Town Attorney, and Town Clerk. Key duties include implementing policy direction from the Town Council, directing staff, and maintaining all official Town documents and records. The Administration Department has five employees.

*Community Services Department*

The Community Services Department is responsible for planning, managing, and staffing Yountville's recreation services. The Department is managed by the Community Services Director and is divided between three divisions: Recreation Programs, Aquatics Programs, and Community Hall Facilities. These divisions collectively plan and manage recreational services for residents of all ages with specific activities for seniors, enrichment classes and sports programs for youth and adults, and aftercare and day-camp programs for students at the Yountville Elementary School. The Community Services Department has ten employees.

*Finance Department*

The Finance Department is responsible for providing financial management and administrative services. The Finance Department is managed by the Finance Director who also serves as the Town Treasurer. Principal duties include preparing an annual budget, maintaining an investment program, providing the necessary financing for capital needs, and preparing management and financial analysis reports. Additional duties include monitoring legislation that may affect Town finances, assessing the Town's risk management needs, and preparing bimonthly water and sewer utility billing. The Finance Department has two employees.

*Planning and Building Department*

The Planning and Building Department is responsible for providing planning, building, and code enforcement services. The Department is managed by the Planning Director. Key duties include coordinating and administering Yountville's planning operations, issuing building permits, conducting inspections, reviewing project applications, and administering the water conservation program. Specific planning duties include managing planning services, environmental documentation, and housing programs. Specific building services include inspections, permit processing, and plan checking. The Planning and Building Department has two employees.

### *Public Works and Town Engineering Department*

The Public Works and Town Engineering Department is responsible for maintenance and repairs for all of Yountville's public facilities and infrastructure. This includes overseeing and maintaining streets, parks, and the water and sewer systems. The Department is managed by the Public Works Director and is divided between ten divisions: Administration, Streets, Water Supply, Wastewater/Sewer, Storm Drains, Parks, Buildings, Garbage, Water Conservation, and Storm Water Management. The Public Works and Town Engineering Department includes the Town Engineer, Public Works Superintendent, Chief Wastewater Plant Operator, and six technicians.

## **SERVICES**

Yountville provides a full range of municipal services either directly or through contract with other governmental agencies or private contractors. Direct services include water, sewer, planning and community development, and recreation. Contracted services include public safety (law enforcement and fire protection), garbage collection, and street cleaning. An expanded review of these services follows.

### *Directly Provided Services*

#### Water Service

Yountville contracts for annual water supplies with the State and the Napa County Flood Control and Water Conservation District (NCFCWCD). Yountville's arrangement with the State dates back to 1967 and provides for an annual entitlement of water from nearby Rector Reservoir. This arrangement was recently codified into a new long-term contract and provides Yountville with an annual entitlement of 500 acre-feet of treated water. Yountville's contract with NCFCWCD was originally established in 1982 and provides the Town with an annual entitlement of 1,100 acre-feet of water from the State Water Project (SWP) through 2035. Yountville contracts with the City of Napa to treat and deliver its contracted SWP entitlement through interconnections between the two agencies water distribution systems.

Yountville does not currently have its own water storage facilities. As a result, Yountville is continually drawing water from its interconnections with the State and City of Napa.

In terms of service demands, Yountville delivered approximately 518 acre-feet of water during the 2001-2002 fiscal year to 714 service connections.<sup>5</sup> Yountville's *Water Supply Plan* (1998) projects an annual water demand under buildout of the General Plan in 2020 of 774 acre-feet.

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<sup>5</sup> The Town of Yountville serves 32 rural residences outside its incorporated boundary along Yountville Crossroad and portions of Silverado Trail. These services were established in the late 1950s by YCWD.

- \* A detailed review of Yountville's water system, including capacities and demands, was prepared as part of LAFCO's *Comprehensive Water Service Study* (2004). The study is available at the LAFCO office or website: <http://napa.lafco.ca.gov>.

### Sewer Service

Yountville's sewer system collects and provides secondary treatment of wastewater before it is discharged to the Napa River or used for restricted landscape irrigation. Yountville and the Veterans Home share equal ownership in the wastewater treatment plant, but maintain separate collection systems. Yountville contributes 60% of flows and the Veterans Home contributes 40%. The wastewater treatment plant has a daily design capacity of 550,000 gallons.

In 2005, Yountville collected and treated a daily average of 410,000 gallons of wastewater from 664 service connections.<sup>6</sup>

- \* A detailed review of Yountville's sewer system, including capacities and demands, was prepared as part of LAFCO's *Comprehensive Study of Sanitation and Wastewater Treatment Providers* (2006). The study is available at the LAFCO office or website: <http://napa.lafco.ca.gov>.

### Planning and Community Development

The General Plan serves as Yountville's governing document with respect to planning and community development. As mentioned, the General Plan was updated in 1992 and codifies land use and development policies for Yountville through 2020. As required by California Government Code §65302, the General Plan addresses seven mandatory elements that are of equal status and are evaluated in terms of local relevance. These mandatory elements include land use, housing, circulation, conservation, open-space, noise, and safety. Also of importance, the General Plan establishes standards with respect to the delivery and adequacy of public services in Yountville. These standards help to define the level of service in the community and provide the public with a tool to measure the success of the Town in meeting its service objectives. Other prominent policy documents that help to guide Yountville's planning and community development include its Zoning Ordinance and Design Ordinance. These ordinances provide detailed standards and criteria with regard to implementing the General Plan.

The implementation of Yountville's land use policies is principally the responsibility of the Planning and Building Department. The Department reviews all proposed development projects submitted by the public, such as general plan amendments, rezoning requests, use permits, and parcel and subdivision maps. As part of its evaluation process, the Department coordinates an interdepartmental review to determine if the project will impact existing services in Yountville, including confirming the availability of water and sewer service.

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<sup>6</sup> The Town of Yountville provides outside sewer service to Domaine Chandon's Visitor Center through a 1990 outside service agreement. No other unincorporated parcels receive sewer from Yountville.

### Recreation

Yountville provides a variety of recreation services that range from organizing community activities to operating parks as well as a community swimming pool. Annual community activities organized by Yountville include an Easter egg hunt, July 4<sup>th</sup> event, Halloween haunted house, Veterans Day pancake breakfast, and a tree-lighting ceremony. Additionally, Yountville sponsors a Town Carnival, an annual town-wide yard sale, and “Town Clean-up Day.” Yountville also organizes “excursions” for seniors and families such as Casino trips or group outings to Scandia Family Center and Disneyland. For school-age children, the Town provides social and leadership activities, ten weeks of all-day summer camp as well as a before and after school care program.

### *Services Provided by Contract*

#### Public Safety: Law Enforcement

Yountville contracts for law enforcement services with the County of Napa. The contract provides Yountville with year-round law enforcement services through the County Sheriff’s Department (“County Sheriff”). County Sheriff is responsible for enforcing all State statutes, local codes and ordinances, and traffic laws within Yountville. The current contract obligates County Sheriff to provide a minimum of 80 hours of patrol services in Yountville along with an additional 40 hours as part of a supplemental State funding program.<sup>7</sup> In return, Yountville is responsible for providing one fully-equipped patrol vehicle for use by County Sheriff as well as funding a full-time sergeant’s position. The sergeant acts as a department head in Yountville, attends Town Council meetings, and supervises any deputies working in the Town. The sergeant also prepares quarterly reports for the Town Council and acts as the liaison between Yountville and County Sheriff. County Sheriff evaluates and makes recommendations regarding Yountville’s service levels at least once per quarter, and the Town compensates the County according to actual hours of services provided. In 2006-2007, Yountville budgeted \$481,300 as part of its contract with the County for law enforcement services.

#### Public Safety: Fire Protection

Yountville contracts for fire protection services with the County of Napa. The contract provides Yountville with year-round fire protection services through the County’s Fire Department (“County Fire”). County Fire is responsible for staffing the Yountville Fire Station and providing fire suppression, prevention, rescue, and emergency medical services within Yountville.<sup>8</sup> Service levels are evaluated on a regular basis by County Fire. Yountville is assured a minimum level of staffing of four-persons 24 hours per day, seven days per week. In 2006-2007, Yountville budgeted \$393,000 as part of contract with the County for fire protection services.

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<sup>7</sup> In 1996, the California Legislature enacted AB 3229, creating the Citizen’s Option for Public Safety (“COPS”) Program to provide funds to cities and counties to augment local public safety expenditures.

<sup>8</sup> The Town of Yountville and the Veterans Home paid for the building of the Yountville Fire Station and share the costs of operating and maintaining the station.

Street Sweeping

Yountville contracts with a private firm (Commercial Power Sweep, Inc.) for street sweeping services. The contract is reviewed annually, and level of services needed is determined by the Town Manager. Currently, Yountville’s commercial areas are swept two times per month, and residential areas are swept once per month. The Town also contracts for the availability of “call-out” (on demand) services which are paid for on an hourly basis and are in addition to the contracted monthly amount. The current charge to Yountville for street sweeping is \$1,133 per month.

Garbage Collection

Garbage collection in Yountville is provided on a weekly basis by the Upper Valley Disposal Service, Inc. (UVDS) through a contract with the Upper Valley Waste Management Agency, a joint-powers agency representing the County, Yountville, St. Helena, and Calistoga. The contract runs through 2025 and specifies that UVDS is the exclusive contractor for the collection of garbage and rubbish in Yountville. Residential services within Yountville include roadside collection, private property collection, and custom “walk-in” service. Roadside waste collection is required on a regular basis and in such a way that the customers receiving service can predict which day it will occur, and both collection at private properties and “walk-in” service is arranged through special contract.<sup>9</sup> UVDS is also responsible for providing recycling services.<sup>10</sup> Current rates for Yountville residential customers are listed below.<sup>11</sup>

**Town of Yountville: Residential Garbage Rates**

(Effective July 1, 2006)

| <b>Service Type</b>           | <b>35 Gallon</b> | <b>65 Gallon</b> | <b>95 Gallon</b> |
|-------------------------------|------------------|------------------|------------------|
| Monthly Roadside Rate         | \$20.84          | \$41.68          | \$62.52          |
| Monthly Private Property Rate | \$29.32          | \$58.64          | \$87.96          |
| Monthly Custom Walk-In Rate   | \$83.24          | \$104.08         | \$124.92         |

Building Inspection and Plan Checking

Yountville contracts with a private engineering company for a part-time inspector for building inspections and plan checking needed by the Planning and Building Department.

<sup>9</sup> Garbage collected by UVDS is sent to the Clover Flat Landfill in Calistoga.

<sup>10</sup> Recycling services are required by the Integrated Waste Management Act of 1989. This law established the Integrated Waste Management Board (IWMB), which is charged with developing and implementing regulations concerning solid waste management in California. The law includes diversion mandates requiring all municipalities to recycle or reduce at least 50 percent of their total solid waste amount beginning in 2000.

<sup>11</sup> Rates are determined according to a methodology agreed to by the Agency and UVDS. The methodology specifically recognizes the importance of rate reviewing for collection services based on the overall costs of waste management services within the Agency’s member jurisdictions. Individual jurisdiction’s rates are based on a “Cost of Service Factor” which varies by jurisdiction according to the costs and difficulties associated with collection in different communities. Yountville’s current Cost of Service factor is 0.968. Rates are reviewed annually by all parties with changes taking effect on July 1st of each year.

## **BUDGET PROCESS**

Yountville adopts an annual line-item budget that projects revenues and expenditures for the upcoming fiscal year. Adoption of the budget is preceded by a process in which each department director submits a request for appropriations to the Town Manager. The Town Manager uses these requests as the foundation for the annual budget. The budget is adopted at a public hearing in which members of the public are allowed to comment with regard to expenditures and service programs. Throughout the fiscal year the Council periodically reviews the Town's actual financial activity in relation to its original budget and will amend the budget as necessary.

Yountville's adopted budget for the 2006-2007 fiscal year projects revenues of \$6.97 million and expenditures of \$7.32 million. The projected shortfall is due to implementation of scheduled capital improvement projects. Utilization of existing capital improvement fund reserves is expected to cover the projected shortfall. For administrative purposes Yountville segregates its budget into four primary revenue and expense units: General Fund; Enterprise Funds; Special Revenue Funds; and Capital Projects Funds. A summary of these budget units follows.

### General Fund

This unit serves as a repository of discretionary monies for general governmental purposes. Eighty-five percent of the General Fund is funded through sales (10%), property (9%) and transient occupancy (66%) taxes. Other General Fund revenue sources include service charges, licenses and permits, and subventions from other government agencies. Expenditures are primarily associated with administrative services, public safety, planning, public works, and community services. Yountville transfers over ninety percent of its General Fund surplus to various reserves and capital projects as well as enterprise funds if necessary. In 2006-2007, Yountville projects General Fund revenues and expenditures at \$4,685,000 and \$3,437,400 respectively. These amounts represent 67% of overall projected revenues and 50% of overall projected expenses in the Town.

### Enterprise Funds

This unit accounts for Yountville's operations that are intended to be self-funding through user fees and charges. Enterprises services in Yountville include water, sewer, and the Community Hall. In 2006-2007, Yountville projects Enterprise Fund revenues and expenditures at \$1,521,200 and \$1,686,800, respectively. These amounts represent 22% of overall projected revenues and 23% of overall projected expenses in the Town.

Special Revenue Funds

This unit accounts for non-discretionary monies that may be used only for specific purposes. Yountville designates 19 accounts as Special Revenue Funds ranging from affordable housing assistance to local flood control projects. The majority of monies within this unit are drawn from General Fund transfers. In 2006-2007, Yountville projects Special Revenue Fund revenues and expenditures at \$612,000 and \$1,702,600, respectively.<sup>12</sup> These amounts represent 9% of overall projected revenues and 23% of overall projected expenses in the Town.

Capital Project Fund

This unit accounts for monies earmarked for capital improvement projects. The Capital Project Fund is primarily funded by General Fund transfers as well as interest earnings, grants, impact fees, and intergovernmental reimbursements. Key expenses include parks and recreation, street maintenance, civic facilities, and flood control. In 2006-2007, Yountville projects Capital Project Fund revenues and expenditures at \$155,200 and \$493,000, respectively. These amounts represent 2% of overall projected revenues and 7% of overall projected expenses in the Town.

**Town of Yountville: Adopted 2006-2007 Budget**

| <b>Budget Unit</b>    | <b>Revenue</b>     | <b>% of Town<br/>Revenue</b> | <b>Expenses</b>    | <b>% of Town<br/>Expense</b> |
|-----------------------|--------------------|------------------------------|--------------------|------------------------------|
| General Fund          | \$4,685,000        | 67%                          | \$3,437,400        | 48%                          |
| Enterprise Funds      | \$1,521,200        | 22%                          | \$1,686,800        | 23%                          |
| Special Revenue Funds | \$612,000          | 9%                           | \$1,702,600        | 22%                          |
| Capital Projects Fund | \$155,200          | 2%                           | \$493,000          | 7%                           |
| <i>Totals</i>         | <i>\$6,973,400</i> | <i>100%</i>                  | <i>\$7,319,800</i> | <i>100%</i>                  |

**WRITTEN DETERMINATIONS**

In anticipation of reviewing and updating the Town of Yountville's sphere, and based on the above-mentioned information, the following written determinations are intended to fulfill the requirements of California Government Code §56430(a). When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor.

**General Statements**

- a) The Town of Yountville has made substantial progress toward addressing the recommendations made by the Commission as part of the *Comprehensive Water Service Study*. This progress demonstrates Yountville's responsiveness to addressing service needs and deficiencies in a timely manner.

<sup>12</sup> More than 70 percent of Special Revenue Funds in 2006-2007 are expected to be transfers from the General Fund.

- b) Determinations adopted by the Commission as part of the *Comprehensive Study of Sanitation and Wastewater Treatment Providers* regarding the Town of Yountville remain valid and appropriate.

### **Infrastructure Needs and Deficiencies**

- a) The Town of Yountville has developed policies and service plans that adequately assess the service needs of current and future residents within the timeframe of this review. Service plans for the Town of Yountville are updated on a regular basis and address the condition of infrastructure and the availability of financial resources to fund needed improvements.
- b) As evaluated as part of the *Comprehensive Water Service Study*, the Town of Yountville has contracted adequate water supplies to meet the needs of current and future residents under normal conditions. Yountville has also recently begun construction of its own water storage facility to help ensure the availability of water supplies during an emergency or interruption of deliveries from the City of Napa or the State of California.
- c) The ability of the Town of Yountville to address infrastructure needs or deficiencies is enhanced by a Town policy directing excess revenues from the General Fund into a special projects account for capital improvements.
- d) The Town of Yountville is in the process of funding a number of planned capital improvements. These improvements, which include renovating the Community Hall and swimming pool, constructing a new Community Center, and replacing water and sewer mains, will enhance Yountville's ability to accommodate existing and future development and growth.

### **Growth and Population Projections**

- a) The projections prepared by the Association of Bay Area Governments are satisfactory estimates of the current and future service population of the Town of Yountville.
- b) The Association of Bay Area Governments projects an annual population growth rate for the Town of Yountville at 0.4 percent over the next 25 years. This figure is consistent with the projected annual growth rate of the Yountville General Plan.
- c) The population projections for the Town of Yountville prepared by the Association of Bay Area Governments reflect the long-standing desire of the community to retain its small-town character.

## Financing Constraints and Opportunities

- a) The Town Council has an established goal of maintaining an unreserved fund balance at the beginning and end of each fiscal year of \$775,000. This amount represents approximately 20 percent of Yountville's General Fund and helps to protect against unanticipated expenditures or shortfalls in revenues.
- b) Approximately two-thirds of the Town of Yountville's revenue is generated from activities associated with tourism. The General Fund generates on average 1.0 million dollars in revenues in excess of expenses. This excess is directly related to the transient-occupancy tax collected at local lodging establishments, underscoring Yountville's dependency on tourism.
- c) The revenue stream generated from the transient-occupancy tax has proven reliable as tourism throughout Napa County has increased in the past decade. However, the dependency on one stream of revenue over which the Town has no direct control represents a constraint for budgeting purposes.
- d) The Town of Yountville's tax revenues generally exceed the "Base Appropriations Limit" established by Proposition 13 (the "Gann Limit"). The Citizens of Yountville have voted to override the Town's Gann Limit five times, indicating confidence in government expenditures.

*The Gann Limit is a maximum appropriation limit imposed by the state constitution on all tax-funded public agencies. The amount is adjusted annually, and any tax revenue received above the Limit is to be refunded to tax payers in the form of rebates or future tax cuts.*

- e) The most recent vote to override the Town's Gann Limit occurred in 2002 and approved a \$900,000 annual override for five years. FY 2006/07 is the final year of the override pending further voter approval. Yountville residents will need to vote again for an override in order for the Town to continue utilizing excess funds generated by the tourism industry beyond the current fiscal year.

## Cost Avoidance Opportunities

- a) The Town of Yountville benefits from cost-savings associated with its contracts for outside services involving garbage collection and public safety. These contracts reduce costs by eliminating outlays needed to develop and maintain additional infrastructure, including equipment and personnel, and also provide flexibility to the Town in adjusting service standards to meet the needs of the community.

- b) The Town of Yountville participates in a number of cost-sharing programs with the State of California and other local agencies through joint-power and regional authority agreements. These programs promote the benefits of regional partnerships and provide significant cost-savings that support key governmental services such as affordable housing and public transit.
- c) The Town of Yountville maintains an annually-revised Capital Improvement Plan (CIP) to coordinate the financing and construction of capital improvement needs. The CIP is revised with each fiscal year with priorities reviewed and changed as necessary. This process maximizes efficiency and the returns to the public while avoiding unnecessary expenditures.
- d) The budget process for the Town of Yountville includes a number of checks and procedures throughout the fiscal year designed to allocate available funding with appropriate levels of service.
- e) The Town of Yountville limits its exposure to risk and losses by participating with other governments in the Public Agency Risk Sharing Authority of California's insurance pool.

### **Opportunities for Rate Restructuring**

- a) Rates and fees for services provided by the Town of Yountville are established by ordinances reviewed on a regular basis. The ordinances are based on staff recommendations and reviewed and adopted by the Town Council. This process provides an opportunity for public input and strengthens the ability of the Town to allocate costs with the desired levels of service.
- b) The Town of Yountville's Development Impact Fee Ordinance is automatically amended annually to adjust fees according to the average construction cost index published in the Engineering New Record. This process helps ensure Yountville is practicing an appropriate level of cost-recovery as it relates to serving new development.

### **Opportunities for Shared Resources**

- a) The Town of Yountville benefits from a unique relationship with the State of California Veterans Home that facilitates a number of shared arrangements between the two agencies. These shared arrangements avoid the duplication of costly infrastructure and helps to maximize local resources.

*Examples include sharing a community swimming pool, a park, water supply and wastewater treatment facilities, and a fire/police station.*

- b) The Town of Yountville participates in joint-power arrangements with the Upper Valley Waste Management Agency, the Napa County Transportation and Planning Agency, and the Napa County Flood Control Authority. These arrangements establish cost-efficiencies for Yountville with respect to offering garbage collection, public transportation, and flood control services to its constituents.

### **Government Structure Options**

- a) The Town of Yountville provides effective services through its council-manager form of government and appropriate utilization of other governmental advising bodies to help inform its decision-making process.

### **Management Efficiencies**

- a) The Town of Yountville adopts an annual budget at a publicly noticed meeting in which members of the public are allowed to comment with regard to expenditures and service programs. The budget process enhances the accountability of elected officials and provides a clear directive towards staff with regard to prioritizing local resources.
- b) The Town of Yountville has been diligent in the development of policies and service plans that address the existing and future needs of the community. These efforts provide effective performance measures and demonstrate a commitment by the Town to hold itself accountable to the public.

### **Local Accountability and Governance**

- a) The Town of Yountville Town Council meetings are held twice a month and are open to the public. Regularly scheduled meetings provide an opportunity for residents to ask questions of elected representatives and help ensure service information is effectively communicated to the public.
- b) The Town of Yountville has made a significant investment with regard to funding a number of community-oriented programs ranging from dance classes for seniors to family outings to childcare services. As these programs are funded by Yountville's General Fund and represent approximately 15 percent of the total General Fund expenditures in the current budget, the Town would benefit by developing performance measures to assess the value of these services.

## RESOURCES

### Agency Contacts:

Robert Tiernan, Acting Town Manager  
Richard Stranzl, Finance Director  
Michele Price, Town Clerk

### Documents/Materials:

Association of Bay Area Governments, "Projections 2007."

Town of Yountville Comprehensive Annual Financial Report for the Year Ending June 30, 2006.

LAFCO of Napa County, file. "Comprehensive Water Service Study," October, 2004.

LAFCO of Napa County, file. "Sanitation and Wastewater Treatment Municipal Service Review."

LAFCO of Napa County, file. Yountville incorporation documents.

Town of Yountville Adopted Operations Budget Fiscal Year 2006/07

Town of Yountville Agreement Number 2001-112 for Street Sweeping.

Town of Yountville Agreement Number 2002-70 for Law Enforcement Services.

Town of Yountville Agreement Number 2005-124, Fire Services Agreement.

Yountville General Plan, May 1 1975.

Yountville General Plan, March 2000.

Town of Yountville Sphere of Influence Report, January 1992.

Town of Yountville website, [www.townofyountville.com](http://www.townofyountville.com)

Upper Valley Waste Management Agency Agreement # 95-09 (as amended).

\* These documents are available at the LAFCO office.