



Town of Yountville

6550 Yount Street
Yountville, CA 94599

Staff Report

Agenda Item #: {{section.number}}A

Yountville Town Council Staff Report

DATE: October 18, 2022

TO: Mayor and Town Council

FROM: Kyle Batista, Financial Analyst; Celia King, Finance Director

PREPARED BY: Kyle Batista, Financial Analyst; Celia King, Finance Director

SUBJECT:

Fiscal Year 2022/2023 First Quarter (Q1) Financial Review (July 2022 - September 2022)

DISCUSSION/BACKGROUND

The purpose of this quarterly financial review is to provide a summary of revenues and expenditures of the Town's major funds: General Fund, Capital Projects Fund, and Water and Wastewater Enterprise Funds. The goal is to briefly highlight Town operations that are specific to the July – September period, or Q1, of the fiscal year.

General Fund Revenues

Property Tax – The Town receives property tax allocation payments from Napa County in December, after property owners make their first installment of tax payments in November. There is no property tax revenue to report in Q1 of this fiscal year.

Sales Tax – Sales tax payments collected from the State typically lag 2½ - 3 months behind the actual reporting period. Sales Tax collections in Q1 of this fiscal year are for the July 2022 reporting period. Since July represents 8.3% of the fiscal year, collecting 9.0% of our budgeted amount is within our budgeted projections.

Transient Occupancy Tax (TOT) –TOT revenue is due from hotels within one month after the collection period. This Q1 report represents July 2022 and a portion of August 2022 TOT revenue. Since July and August represent 16.7% of the fiscal year, collecting 17.3% of our budgeted amount is within our budgeted projections.

Licenses & Permits Revenue – During Q1, the majority of License and Permit Fee revenue came from Building Permit Fees and Plan Check Fees. This quarter's License & Permit revenue reflects a healthy amount of current construction activity, including two extensive residential remodels.

Parks & Recreation Fee Revenue – The elevated level of Parks and Recreation Fee revenue reported in Q1 is to be expected as most Summer Camp revenues are collected during July and August.

General Fund Expenditures

The first quarter of the fiscal year includes a few larger one-time payments that always occur at the beginning of each fiscal year. These are highlighted below.

Departmental Contributions to PRSP and OPEB Trusts – At the beginning of the fiscal year, the finance

department processed the approved transfer from the General Fund into the Town's Other Post-Employment Benefit (OPEB) Trust of \$182,500 and Pension Rate Stabilization Plan (PRSP) Trust, also in the amount of \$182,500. These expenses are allocated across all General Fund and Utility Enterprise Operating Fund departments in July.

Liability, Property, and Worker's Compensation Insurance Premium Payments – Similarly, the Town makes its one-time payment for these three insurance premiums each July. The total of these annual premiums in Fiscal Year 2022/2023 was \$446,419, which is 7% less than the budgeted amount. This expense is also allocated across all General Fund and applicable Utility Enterprise Operating Fund departments.

Community Promotion Department – The majority of the Community Promotion budget is for payment of the contract with the Yountville Chamber of Commerce. The Town paid 50% (\$156,821) of the annual contract amount in July and will pay the remaining 50% in January.

Parks & Recreation Camp Program – The largest Parks & Recreation Camp Program activity is Summer Camp. Like Parks and Recreation Camp Program revenue collections, most Camp Program expenditures occur in July and August.

Capital Projects

During Q1, multiple projects addressing maintenance and infrastructure needs were underway at the Community Center including resurfacing the gym flooring, replacing Community Center tiles and drain in the courtyard, painting, and completing the automatic generator switchover project. To date, all these projects are at or under the budgeted amount.

Additionally, the Annual Street Maintenance and Paving Project was in progress in Q1. This project includes paving Harvest Court, Humboldt Street, Mesa Court, Yount Mill Road, and Finnell Road. Most street related projects occur either in the summer or the spring, to avoid the possibility of inclement weather interfering with project activities.

In Q1 the Public Works team worked towards securing grant funding to continue to add EV charging stations throughout Town.

Water & Wastewater Enterprise Funds

First quarter revenues for both the Water and Wastewater Enterprise Funds are on track with projected budget amounts. Routine expenditures such as personnel, maintenance, chemicals, and supply costs are also in line with expected Q1 budgeted amounts.

Regarding Water and Wastewater Capital Projects, in Q1 the Town focused on relocating the fire hydrant at Harvest Court ahead of the annual paving project. The Public Works team is also seeking grants for additional funding for projects such as upgrading SCADA Controls and the Wastewater Treatment Plant Basis Assessment, Maintenance, and Repair.

ENVIRONMENTAL REVIEW

Exempt per California Environmental Act (CEQA) Guideline, Section 15061(b)(3)

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? Yes

Where is it Budgeted? Various Departments

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Nominal

STRATEGIC PLAN GOAL

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Responsible Fiscal Policy:** The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.

Briefly Explain Relationship to Strategic Plan Goal and Objective. Budget and actual revenue and expense reports provide timely information and financial transparency. Timely financial information can help control costs by guiding policy and spending decisions.

RECOMMENDATION

Receive and File

TOWN OF YOUNTVILLE
QUARTERLY FINANCIAL REPORT
As of September 30, 2022

General Fund Revenues

The following is a summary of General Fund revenue by major category for Q1 of Fiscal Year 2022/23.

Revenues:	Budget	Actual	Variance	% of Budget	Note
Property Taxes	2,142,000	-	(2,142,000)	0.0%	Note 1
Sales Taxes	1,640,000	147,240	(1,492,760)	9.0%	Note 2
Other Taxes	158,000	-	(158,000)	0.0%	
Transient Occupancy Tax	7,500,000	1,300,635	(6,199,365)	17.3%	Note 3
Investment Earnings	20,000	253	(19,747)	1.3%	
Licenses & Permits	185,250	67,775	(117,475)	36.6%	
Fines & Forfeitures	8,000	1,734	(6,266)	21.7%	
Rents & Concessions	337,000	82,158	(254,842)	24.4%	
Intergovernmental	150,000	-	(150,000)	0.0%	
Parks & Recreation Fees	202,500	80,361	(122,139)	39.7%	
Charges for Services	181,000	49,127	(131,873)	27.1%	
Miscellaneous	112,100	6,230	(105,870)	5.6%	
Total	12,635,850	1,735,512	(10,900,338)	13.7%	

Transfers:	Budget	Actual	Variance	% of Budget	Note
Tourist Imp. Dist. (Fund 22)	12,500	2,687	(9,813)	0.2149512	
Total	12,500	2,687	(9,813)	21.5%	

Note 1 - Property taxes are generally not received until December, after the first installment has been collected by Napa County.

Note 2 - Sales tax receipts lag 2 ½ - 3 months behind the actual collection period.

Note 3 - TOT is due one month after the collection period and received within 30 days after the collection period.

TOWN OF YOUNTVILLE
QUARTERLY FINANCIAL REPORT
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General Fund Expenditures

The following is a summary of General Fund Expenditures by major category for Q1 of Fiscal Year 2022/23.

Expenditures		Budget*	Actual	Variance	% of Budget
Town Council/Mayor	1001	146,055	33,962	(112,093)	23.3%
Non-Departmental	1010	232,200	45,542	(186,658)	19.6%
Town Manager	1101	580,534	195,256	(385,278)	33.6%
Information Technology	1011	-	-	-	0.0% Note 1
Community Promotion	1015	411,143	157,704	(253,439)	38.4%
Finance	1102	772,198	182,294	(589,904)	23.6%
Risk Management	1103	78,350	5,457	(72,893)	7.0%
Town Attorney	1105	204,710	28,687	(176,023)	14.0%
Town Clerk	1110	609,543	107,200	(502,344)	17.6%
Planning & Building	2115	1,174,352	335,067	(839,285)	28.5%
Law Enforcement Services	3200	1,232,873	308,093	(924,780)	25.0%
Fire & Emergency Services	3201	759,022	-	(759,022)	0.0% Note 2
PW Admin. & Engineering	4301	845,614	227,728	(617,886)	26.9%
PW Street Maintenance	4305	432,595	106,364	(326,231)	24.6%
PW Park Maintenance	4320	678,472	178,734	(499,738)	26.3%
PW Government Bldgs.	4325	559,251	204,704	(354,547)	36.6%
Parks & Rec Admin & Services	5405	542,831	154,556	(388,275)	28.5%
Parks & Rec Camp Programs	5406	177,052	90,443	(86,608)	51.1%
Community Center	5408	328,900	74,584	(254,316)	22.7%
Parks & Rec Leisure Prog.	5410	337,636	82,342	(255,294)	24.4%
Parks & Rec Sports Prog.	5412	68,871	21,598	(47,273)	31.4%
Parks & Rec Community Events	5413	199,231	71,464	(127,767)	35.9%
Yountville Arts	5415	103,882	12,856	(91,026)	12.4%
Total Expenditures		10,475,314	2,624,636	(7,850,678)	25.1%
Transfers Out:					
Capital Projects Fund	7950	750,000	750,000	-	100.0%
2017 Lease Rev. Debt Service	7954	550,000	550,000	-	100.0%
2020 Lease Fin. Debt Service	7955	273,000	273,000	-	100.0%
Water Subsidy	7961	1,500	-	1,500	0.0%
Wastewater Subsidy	7962	1,500	-	1,500	0.0%
Housing Opportunity Fund	7970	71,600	-	71,600	0.0%
Facility Replacement Fund	7981	350,000	350,000	-	100.0%
Fleet/Equip Replacement Fund	7982	200,000	200,000	-	100.0%
T.O.Y. Community Foundation	7985	-	-	-	0.0% Note 3
Total Transfers Out:		2,197,600	2,123,000	74,600	96.6%

Note 1: Allocations of information technology are made to each department so no expenses are shown for program.

Note 2: Payments for Fire & Emergency Services are typically made bi-annually, in January and June.

Note 3: Transfer to TOYCF represents excess revenue collected from art sales.

* Budget includes amounts for prior year purchase order rollover and reflects all Fiscal Year 2022/2023 budget adjustments

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CAPITAL PROJECTS

Expenditures		Budget *	Actual	Variance	% of Budget
Resurface Community Center Gym Flooring	CF-0013	50,000	37,790	(12,210)	75.6%
Replace Roofs on Bus Shelter	CF-0026	100,000	-	(100,000)	0.0%
Community Hall Auto Switch	CF-0028	148,330	74,165	(74,165)	50.0%
Paint Town Hall Interior	CF-0029	25,000	-	(25,000)	0.0%
GIS Mapping Improvements	CP-0007	58,000	3,341	(54,659)	5.8%
ADA Accessibility Improvements: Forrester Park/Three Weirs Park	CP-0018	137,120	-	(137,120)	0.0%
Installation of EV Charging Stations	CP-0021	34,000	-	(34,000)	0.0%
Community Center Tile and Drain Replacement	CP-0022	50,000	50,000	-	100.0%
Community Center Restrooms	CP-0023	15,000	-	(15,000)	0.0%
Community Hall / Center Painting	CP-0025	55,000	27,735	(27,265)	50.4%
ADA Accessibility Improvements Program	CP-2023	116,000	55,800	(60,200)	48.1%
Hydroflush Weirs from Finnell to Beard Ditch	DF-0018	25,000	-	(25,000)	0.0%
Town Wide Drainage and Erosion Program	DF-2023	19,500	4,951	(14,549)	25.4%
Paving Projects - Plan, Specs, and Engineering	GT-3023	98,828	-	(98,828)	0.0%
Annual Street Maintenance & Paving Program	MT-3023	534,460	41	(534,419)	0.0%
New Vineyard Park Path Construction	PK-0025	50,000	-	(50,000)	0.0%
Replace 2003 Chevrolet 2500HD	PK-0028	60,000	-	(60,000)	0.0%
Replace 2013 Chevrolet 2500HD	PK-0029	60,000	-	(60,000)	0.0%
Curb, Gutter, and Sidewalk Replacement	SB-6023	66,000	-	(66,000)	0.0%
Surveys and Monuments	ST-0004	24,698	1,240	(23,458)	5.0%
Traffic Calming Program	ST-4023	17,500	-	(17,500)	0.0%
Total		1,744,436	255,063	(1,489,373)	14.6%
Expenditures - Water & Wastewater		Budget *	Actual	Variance	% of Budget
Upgrade SCADA System Emergency Well to Operational Well	WA-0018	140,000	-	(140,000)	0.0%
Hydrant Repair and Replacement	WA-0021	15,000	1,261	(13,739)	8.4%
Clay Valve Rebuild at Finnell Rd & Yount / Finnell Rd & Yville XRd	WA-0022	8,000	-	(8,000)	0.0%
Water Meter Replacement Program	WA-2023	30,500	820	(29,680)	2.7%
Joint Treatment Plant Office Modernization Project	WW-0011	859,445	13,400	(846,045)	1.6%
SCADA Controls	WW-0012	52,387	-	(52,387)	0.0%
Clean and Inspect Primary and Secondary Digester	WW-0020	35,000	-	(35,000)	0.0%
Safety Net and Safety Hinged Doors at Hand Well Access	WW-0032	20,000	-	(20,000)	0.0%
Pump Station Assessment and Capacity Evaluation	WW-0033	40,000	-	(40,000)	0.0%
WWTP Basin Assessment, Maintenance, and Repair	WW-0034	300,000	-	(300,000)	0.0%
Inflow and Infiltration Reduction Program (A-Line)	WW-2023	427,172	-	(427,172)	0.0%
Sewer Main Replacement and Repair Program	WW-3023	88,500	-	(88,500)	0.0%
Plant Equipment Replacement Program	WW-4023	81,500	-	(81,500)	0.0%
Town Pump Station Equipment Replacement Program	WW-5023	13,500	-	(13,500)	0.0%
Total		2,111,004	15,480	(2,095,524)	0.7%

* Budget includes amounts for prior year purchase order rollover and reflects all Fiscal Year 2022/2023 budget adjustments

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WATER CAPITAL IMPROVEMENT FUND (60)	Budget	Actual	Variance	% of Budget
Revenues - System Replacement Fees	130,800	32,898	(97,902)	25.2%
Impact Fees	-	-	-	0.0%
Interest Income	2,000	-	(2,000)	0.0%
Transfers from Wtr Op Fund (61)	-	-	-	0.0%
Total Revenues	132,800	32,898	(99,902)	24.8%
Capital Improvement (60-4500)	275,449	12,029	(263,420)	4.4%
Total Expenses	275,449	12,029	(263,420)	4.4%
Net Operating Income/(Loss)	(142,649)	20,869	163,518	
WATER OPERATING ENTERPRISE FUND (61)	Budget	Actual	Variance	% of Budget
Revenues - Utilities	1,650,450	429,916	(1,220,534)	26.0%
Interest Income	200	-	(200)	0.0%
Transfer-Water Subsidy (01)	1,500	-	(1,500)	0.0%
Total Revenues	1,652,150	429,916	(1,222,234)	26.0%
O & M Expenses (61-4505)	749,535	185,850	(563,685)	24.8%
Water Purchases (61-4507)	1,163,495	239,718	(923,777)	20.6%
Total Expenses	1,913,030	425,568	(1,487,462)	22.2%
Net Operating Income/(Loss)	(260,880)	4,348	265,228	

WASTEWATER OPERATING ENTERPRISE FUND (62)	Budget	Actual	Variance	% of Budget
Revenues - Utilities	2,758,000	660,683	(2,097,317)	24.0%
Interest Income	3,500	-	(3,500)	0.0%
Transfer-Wastewater Subsidy (01)	1,500	-	(1,500)	0.0%
Total Revenues	2,763,000	660,683	(2,102,317)	23.9%
			-	
WW Collection (62-4510)	474,015	106,993	(367,023)	22.6%
WW Treatment (62-4515)	1,433,305	335,364	(1,097,940)	23.4%
Transfer to Capital (63/64)	800,000	-	(800,000)	0.0%
Total Expenses	2,707,320	442,357	(2,264,963)	16.3%
Net Operating Income/(Loss)	55,680	218,327	162,647	
JOINT TREATMENT CAPITAL FUND (63)	Budget	Actual	Variance	% of Budget
Revenues System Replacement Fees	216,000	55,965	(160,035)	25.9%
Revenues Capital Recovery Vets	767,250	-	(767,250)	0.0%
Interest Income	7,500	-	(7,500)	0.0%
Transfer from Wastewater Operating (62)	200,000	-	(200,000)	0.0%
Total Revenues	1,190,750	55,965	(1,134,785)	4.7%
WW Joint Treatment Plant (63-4518)	1,757,993	13,400	(1,744,593)	0.8%
Total Expenses	1,757,993	13,400	(1,744,593)	0.8%
Net Operating Income/(Loss)	(567,243)	42,565	609,808	
WASTEWATER UTILITY CAPITAL FUND (64)	Budget	Actual	Variance	% of Budget
Transfer fr WWtr Operating (62)/JT Cap Fund (63)	600,000	-	(600,000)	0.0%
Impact Fees	-	-	-	0.0%
Interest Income	2,000	-	(2,000)	0.0%
Total Revenues	602,000	-	(602,000)	0.0%
			-	
WW Capital Improvement (64-4519)	661,172	-	(661,172)	0.0%
Transfer to Debt Service (55)	29,991	29,990	(1)	100.0%
Total Expenses	691,163	29,990	(661,173)	4.3%
Net Operating Income/(Loss)	(89,163)	(29,990)	59,173	