



Town of Yountville

6550 Yount Street
Yountville, CA 94599

Staff Report

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

Yountville Town Council Staff Report

DATE: May 5, 2022

TO: Mayor and Town Council

FROM: Celia King, Finance Director

PREPARED BY: Celia King, Finance Director

SUBJECT:
Custodial Fund Review

DISCUSSION/BACKGROUND

The Town Council will review and discuss the Fiscal Year 2022/2023 proposed budget for Custodial Fund (previously called *Agency Fund* prior to the 2019 implementation of GASB 84), as follows:

1. [Tourism Improvement District Assessment Fund 22](#)

Tourism Improvement District Assessment Fund

Special Revenue Fund 22 Department 1015



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Department Overview

On June 15, 2010, the County of Napa approved Resolution No. 2010-72 which created the Napa Valley Tourism Improvement District (NVTID), a benefit assessment district which includes all incorporated jurisdictions including the Town of Yountville and the unincorporated county. The NVTID levies a self-assessment of 2% of gross revenues on short-term (less than 30 days) room rental revenue on all lodging businesses. The NVTID was initially approved in 2010 for five (5) years and was then extended for an additional ten (10) years in 2015. The assessment revenue must be used for marketing, sales promotions and other tourist serving activities designed to increase tourism and to market the Napa Valley as a tourist, meeting and event destination.

The 2% self-assessment is allocated with 1.5% provided to the Napa Valley Tourism Corporation (NVTC) to administer the valley wide sales and marketing effort and .5% which is allocated to each local jurisdiction for tourism-related expenditures in accordance with the Management Plan in the individual jurisdiction.

The Town collects the 2% NVTID assessment at the same time as it collects the Town's TOT taxes levied on lodging properties located in the Town. The Town forwards 1.5% to the County of Napa for the regional NVTID distribution and place .5% in the local NVTID-Yountville agency fund administered by the Town of Yountville serving as its fiduciary agent. In accordance with the NVTID Management Plan, the Town in its capacity as tax collector is paid a 1% administrative fee for its cost in collecting and forwarding assessment money and support of the local governing body.

The NVTID-Yountville local governing body is responsible for the development of an annual work plan, budget, approval of expenditures, and appropriate reports to the NVTID, Town of Yountville and County of Napa as may be required. The local governing body consists of four (4) lodging property representatives, one (1) Chamber of Commerce Board of Directors member, one (1) Town of Yountville elected official and the Town Manager or designee.

Fiscal Year 2021/2022 Accomplishments

- Local governing body launched continuing promotional and marketing efforts.
- Funded social media campaign and expanded marketing efforts to target markets through a contract with the Yountville Chamber of Commerce. This is consistent with the NVTID branding strategy, to use social media to market Yountville as a destination. Targeted marketing efforts related to COVID-19 recovery.
- Funded several targeted familiarization (FAM) trips for media travel writers.

- Provided funding for Art Sip and Stroll, Yountville International Short Film Festival, Napa Valley Museum, Napa Valley Vine Trail.

Fiscal Year 2021/2022 Goals and Objectives

- Continue to collect and account for the 2% Tourism Improvement Assessment.
- Maintain funding for the successful partnerships and marketing programs designed to bring visitors to Yountville in the shoulder season.
- Evaluate new programs and initiatives and implement based on results of the adopted May 2018 Strategic Planning Retreat.
- Continue COVID-19 recovery and marketing strategy.

Budget Highlights

- This budget is shown for informational and planning purposes; actual approval of program expenditures are done by the NVTID-Yountville local governing body.
- The Town of Yountville serves as the NVTID-Yountville's fiduciary entity.

Did You Know?

- [Visit Napa Valley](#) is one of the Napa Valley Tourism Improvement District's tools for marketing Yountville to travelers around the world.
- The Yountville Chamber of Commerce serves as the local destination marketing organization (DMO) for Yountville.

Revenues

Data

	2019/2020 Actual	2020/2021 Actual	2021/2022 Adopted Budget	2021/2022 Estimated	2022/2023 Budget
(3040) Tourism Assessment - County	\$ 699,155	\$ 594,646	\$ 647,500	\$ 863,333	\$ 925,000
(3041) Tourism Assessment-Local	236,201	200,894	218,750	291,667	312,500
(3042) Tourism Assessment-Admin	9,448	8,036	8,750	11,667	12,500
(3301) Interest Income	8,024	1,525	2,000	1,000	1,000
Total	\$ 952,828	\$ 805,100	\$ 877,000	\$ 1,167,667	\$ 1,251,000

Expenditures and Transfers

TOTAL BUDGET

	2019/2020 Actual	2020/2021 Actual	2021/2022 Adopted Budget	2021/2022 Estimated	2022/2023 Budget
Other Agencies	\$705,188	\$588,613	\$647,500	\$647,500	\$863,333
Other Community Support	\$343,663	\$304,836	\$260,000	\$260,000	\$260,000
Interfund Transfer	\$9,445	\$8,036	\$8,750	\$11,667	\$12,500
TOTAL	\$1,058,296	\$901,484	\$916,250	\$919,167	\$1,135,833

Summary of Fund Balance Activity

Town of Yountville
TOURISM IMPROVEMENT DISTRICT ASSESSMENT FUND
Fund 22 - Department 1015

	2019/2020 ACTUAL	2020/2021 ACTUAL	2021/2022 BUDGET	2021/2022 ESTIMATED	2022/2023 PROPOSED
■ BEGINNING FUND BALANCE	\$ 529,779	\$ 424,308	\$ 294,511	\$ 327,925	\$ 360,592
Total Revenues	\$ 952,828	\$ 805,100	\$ 877,000	\$ 1,167,667	\$ 1,251,000
Total Expenditures	\$ 1,048,851	\$ 893,449	\$ 907,500	\$ 1,123,333	\$ 1,185,000
Total Transfers	\$ (9,448)	\$ (8,035)	\$ (8,750)	\$ (11,667)	\$ (12,500)
■ ENDING FUND BALANCE	\$ 424,308	\$ 327,925	\$ 255,261	\$ 360,592	\$ 414,092
Net Change in Fund Balance	(105,471)	(96,383)	(39,250)	32,667	53,500
FUND BALANCE ALLOCATIONS					
Assigned for Local Agency TID Reserve Fund	-	170,000	170,000	170,000	170,000
Unassigned Fund Balance	424,308	157,925	85,261	190,592	244,092
■ Total Fund Balance	\$ 424,308	\$ 327,925	\$ 255,261	\$ 360,592	\$ 414,092
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