

Town of Yountville

6550 Yount Street, Yountville, CA 94599

*** IMPORTANT NOTICE ***

**THIS MEETING IS BEING CONDUCTED UTILIZING TELECONFERENCING AND ELECTRONIC MEANS
CONSISTENT WITH STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 AND NAPA COUNTY HEALTH
OFFICIALS REGARDING THE COVID-19 PANDEMIC**



Town of Yountville

"The Heart of the Napa Valley"

Meeting Agenda - Final

Thursday, May 21, 2020

9:30 AM

Special Meeting - Budget Workshop #3

Remote Teleconference

Town Council

Mayor John Dunbar

Vice Mayor Kerri Dorman

Council Member Margie Mohler

Council Member Marita Dorenbecher

Council Member Jeffrey Durham

The Town of Yountville is committed to complying with the Americans with Disabilities Act (ADA) and other similar federal and state laws in all respects. If, as an attendee or participant in this meeting, or in meetings on a regular basis, you will need special assistance beyond what is provided, the Town will provide reasonable accommodations for you. Individuals who need auxiliary aids or services for effective communication or participation in programs and services of the Town of Yountville are invited to make their needs and preferences known by contacting the Town Clerk at (707) 944-8851 at least 72 hours prior to the meeting. This notice is available in accessible alternate formats from the ADA Coordinator.

1. CALL TO ORDER; CONVENE SPECIAL MEETING - 9:30 A.M.
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ADOPTION OF AGENDA
5. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Individuals will be limited to a three-minute presentation. No action will be taken by the Council as a result of any item presented at this time.

[20-2581](#) How to Participate during Public Comment at Town Council Meetings During the COVID-19 Emergency Declaration.

Attachments: [Public Comment Participation Instructions](#)

6. BUDGET WORKSHOP #3 - FISCAL YEAR 2020-2021

- A. [20-2420](#) BUDGET OVERVIEW
Fiscal Year 2020-2021 Budget Workshop #3 - Capital Improvement Program, Repair and Replacement Funds, Remaining Special Revenue Funds, Utility Enterprise Funds, and Fiscal Policy Review and Discussion.
- B. [20-2567](#) WATER UTILITY ENTERPRISE FUND REVIEW
(Water Funds Summary, Water Utility Operations & Distributions, Water Utility Purchases & Conservation, Water Utility Capital Improvements Fund, Water Drought Reserve Fund, Water Connection Impact Fee Fund)

Attachments: [Water Utility Enterprise Funds](#)

- C. [20-2568](#) WASTEWATER UTILITY ENTERPRISE REVIEW
(Wastewater Funds Summary, Wastewater Utility Collection Systems Operations, Wastewater Treatment Operations, Wastewater Treatment Capital Recovery Fund, Wastewater Collection Capital Improvement Fund, Sewer Connection Impact Fee Fund)

Attachments: [Wastewater Utility Enterprise Funds](#)

- D. [20-2569](#) CAPITAL PROJECTS SPECIAL REVENUE FUNDS REVIEW
(State Gas Tax Fund, Measure T Transportation Improvement Fund, Road Maintenance and Rehabilitation Act (SB1) Fund, Measure T Equivalent Fund, Measure A Maintenance Fund, Flood Barrier Capital Maintenance Fund)

Attachments: [Special Revenue Funds](#)

- E. [20-2570](#) CAPITAL PROJECTS FUNDS REVIEW
(Capital Projects Fund, Facilities Repair and Replacement Fund, Fleet, Tools and Equipment Repair and Replacement Fund)

Attachments: [Capital Projects Funds](#)

- F. [20-2576](#) FISCAL POLICY REVIEW
Discussion and possible direction regarding the 2020-2021 Proposed Budget Fiscal Policies.
(Financial Policies, Investment Policy, Use of Long-Term Debt Policy & Legal Debt Margin, OPEB Funding Policy, OPEB Trust Investment Policy, Fund Balance Policy, Utility Enterprise Fund Rate Philosophy, and Use of Drought Water Reserve Bank Policy)

Attachments: [Financial Policies](#)
 [Investment Policy](#)
 [Use of Long-Term Debt](#)
 [OPEB Funding Policy](#)
 [OPEB Trust Investment Policy](#)
 [Fund Balance Policy](#)
 [Utility Enterprise Rate Policy Philosophy](#)
 [Drought Water Reserve Bank Policy](#)

7. CLOSING COMMENTS

8. ADJOURNMENT

Adjourn to the Town Council Regular Meeting Tuesday, June 2, 2020 at 3:00 p.m. being held in Town Council Chambers located at 6550 Yount Street, Yountville.

I certify that a copy of this Town Council Agenda was posted at a location freely-accessible to the public at Yountville Town Hall, 6550 Yount Street within the Town of Yountville, the Friday before the meeting.

/s/ Michelle Dahme

Michelle Dahme, Town Clerk



Staff Report

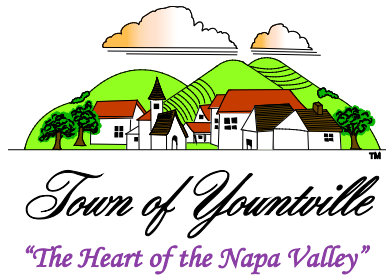
File #: 20-2581, Version: 1

How to Participate during Public Comment in Town Council Meetings during the COVID-19 Emergency Declaration

The Town of Yountville is committed to public comment participation in Town government in a manner that is consistent with guidance provided by the Napa County Public Health official. These guidelines relate to social distancing, and are intended to protect everyone, especially those over 65 and those with other medical conditions.

The Town of Yountville has taken steps to utilize technology to encourage full public comment participation during Town Council Meetings in order to comply with public health guidance.

Please see attachment on how to provide public comment remotely.



THE TOWN OF YOUNTVILLE ENCOURAGES ONLINE PUBLIC COMMENT PARTICIPATION IN TOWN COUNCIL MEETINGS AND OTHER TOWN MEETINGS BEING HELD IN CONFORMANCE WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-25-20 AND SUBSEQUENT N-29-20

Yountville, CA – The Town of Yountville is committed to public participation in Town government in a manner that is consistent with guidance provided by the Governor and Napa County Public Health officials. These guidelines relate to social distancing, and are intended to protect everyone, especially those over 65 and those with other medical conditions.

The Town of Yountville has taken the following steps to utilize technology and to encourage full public comment participation during Town Council Meetings and Other Town Meeting Bodies in order to comply with public health guidance.

1. The Town Council meetings and other Town Meeting bodies can be observed live on the Town's website at www.townofyountville.com or on our local cable TV Channel 28. *Parks & Recreation Advisory are viewable on Channel 28 Only.
2. Meetings are live-streamed via the Town's website by selecting this link directly <https://townofyountville.legistar.com/Calendar.aspx> and clicking on the "In Progress" button. Anyone with a computer, laptop, or mobile device and internet access can view our Town Council meetings live online.
3. If you would like to comment on an item, public comments may be emailed to publiccomment@yville.com. Please include in the subject line "COMMENT TO COUNCIL" or "COMMENT TO ZDRB". Any written testimony submitted will be provided to the Council members electronically, may be read into the record, and will become part of the meeting archive as long as it is received during public comment and prior to the Council's vote on the item.

Town staff will continue to evaluate these steps after meetings in order to improve our remote public participation process. These steps are designed to make our meeting accessible to everyone, but if you need additional accommodations for remote participation, please contact the Town Clerk at 707-944-8851 or by email at mdahme@yville.com.

If you are a member of the public, and have questions regarding COVID-19 testing, hygiene or other recommended guidance, please visit the Town's website at <http://www.townofyountville.com/about-yountville/covid-19-information-and-updates>

Thank you in advance for your cooperation and understanding!



Staff Report

File #: 20-2420, **Version:** 1

Yountville Town Council Staff Report

DATE: May 21, 2020

TO: Mayor and Town Council

FROM: Celia King, Finance Director; Steven Rogers, Town Manager

TITLE

Fiscal Year 2020-2021 Budget Workshop #3 - Capital Improvement Program, Repair and Replacement Funds, Remaining Special Revenue Funds, Utility Enterprise Funds, and Fiscal Policy Review and Discussion.

DISCUSSION/BACKGROUND

During the February 4, 2020 (budget workshop #1) Town Council meeting staff presented budget parameters to begin crafting the 2020-2021 budget. The Town Council also approved a process to adopt the budget including two workshops scheduled for Wednesday, May 13 from 9:30 a.m. to 1:30 p.m. and Wednesday, May 21 from 9:30 a.m. to 1:30 p.m. Staff has prepared the proposed budget for Fiscal Year 2020-2021 and will present the full budget via the aforementioned workshops. The purpose of the workshops is to review the proposed budgets, provide feedback or recommended changes and understand the Town's fiscal health and financial plan.

Budget Workshop # 3 will include review and discussion of the following:

- Capital Improvement Program Fund 50
- Facilities, Repair and Replacement Fund 81
- Fleet, Tools, and Equipment Repair and Replacement Fund 82
- State Gas Tax Fund 20
- Measure T Transportation Improvement Fund 25
- Road Maintenance and Rehabilitation Act (SB1) Fund 26
- Measure A Maintenance Fund 75
- Flood Barrier Capital Maintenance Fund 76
- Water Utility Enterprise Funds 57-61
- Wastewater Utility Enterprise Funds 62-65
- Fiscal Policy Review and Discussion

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? N/A

Where is it Budgeted? N/A

Is it Mandatory or Discretionary? Mandatory

Is there a Staff Resource Impact? Yes

STRATEGIC PLAN GOAL

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. 5.0 Fiscal Health; 5.1 Budget to Support the Town's Mission.

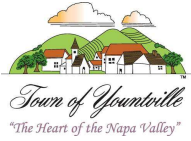
Briefly Explain Relationship to Strategic Plan Goal and Objective. The budget is the Town Council's financial plan for the fiscal year and is developed with goals and objectives to support outcomes related to the Strategic Plan. The budget provides the financial resources that enable staff to complete the work necessary to support those outcomes.

ALTERNATIVES

N/A

RECOMMENDATION

That the Town Council review the proposed sections of the budget covered in workshop #3 and direct staff to proceed with the budget as proposed or recommend changes.



Staff Report

File #: 20-2567, Version: 1

WATER UTILITY ENTERPRISE FUNDS

The Town Council will review and discuss the 2020-2021 Proposed Budget for Water Utility Enterprise Funds, as follows:

1. Water Funds Summary
2. Water Utility Operations & Distribution (61-4505)
3. Water Utility Purchases & Conservation (61-4507)
4. Water Utility Capital Improvements Fund (60-4500)
5. Water Drought Reserve Fund (57)
6. Water Connection Impact Fee Fund (58)

Town of Yountville
WATER UTILITY OPERATING FUND SUMMARY

| Fund 61 | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | \$ 1,023,437 | \$ 868,735 | \$ 626,115 | \$ 238,501 | \$ (29,581) |
| OPERATING REVENUE | | | | | |
| Residential Sales | 808,771 | 782,452 | 907,743 | 828,000 | 861,120 |
| Non Profit Sales | 98,925 | 81,863 | 95,258 | 95,258 | 99,068 |
| Commercial Sales | 325,211 | 308,844 | 382,866 | 296,500 | 308,360 |
| Other Services | 56,600 | 109,367 | 100,200 | 114,400 | 125,930 |
| Other Revenue | 511 | 114 | - | 450 | - |
| Total Operating Revenue | \$ 1,290,018 | \$ 1,282,640 | \$ 1,486,067 | \$ 1,334,608 | \$ 1,394,478 |
| OPERATING EXPENSES | | | | | |
| Personnel | 417,762 | 430,041 | 507,160 | 489,135 | 481,196 |
| Supplies & Services | 113,583 | 136,081 | 153,360 | 141,398 | 140,140 |
| Capital Outlay | 1,320 | 5,000 | 6,500 | 6,500 | 6,500 |
| Water Purchases | 715,944 | 1,159,657 | 890,940 | 967,357 | 925,000 |
| Total Operating Expenses | \$ 1,248,609 | \$ 1,730,779 | \$ 1,557,960 | \$ 1,604,390 | \$ 1,552,836 |
| NET OPERATING INCOME (LOSS) | \$ 41,409 | \$ (448,139) | \$ (71,893) | \$ (269,782) | \$ (158,358) |
| NON-OPERATING REVENUE, EXPENSES & TRANSFERS | | | | | |
| 3301 Investment Earnings | 3,889 | 16,705 | 4,800 | 200 | 200 |
| 3901 Interfund Transfer - Low Income Subsidy (01) | - | 1,200 | 5,000 | 1,500 | 1,500 |
| 7900 Transfer to Water Capital (60) | (200,000) | (200,000) | (200,000) | - | - |
| Total Non-Operating Revenue, Expenses & Transfers | \$ (196,111) | \$ (182,095) | \$ (190,200) | \$ 1,700 | \$ 1,700 |
| ■ ENDING FUND BALANCE | \$ 868,735 | \$ 238,501 | \$ 364,022 | \$ (29,581) | \$ (186,239) |
| Fund Balance as Percent of Operating Expenses | 70% | 14% | 23% | -2% | -12% |
| Net Change in Fund Balance | (154,702) | (630,234) | (262,093) | (268,082) | (156,658) |
| FUND BALANCE ALLOCATIONS | | | | | |
| Reserved for Emergency Operations per 2018 Utility Rate Study (30% of operating expenses) | - | - | - | - | - |
| Unreserved | 868,735 | 238,501 | 364,022 | (29,581) | (186,239) |
| ■ Total Fund Balance | \$ 868,735 | \$ 238,501 | \$ 364,022 | \$ (29,581) | \$ (186,239) |

Town of Yountville
WATER UTILITY OPERATING REVENUE
Fund 61

| | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|--------------------------|-------------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| RESIDENTIAL SALES | | | | | | |
| 3610 | Single Residential | 515,144 | 505,524 | 559,642 | 538,500 | 560,040 |
| 3611 | Multi Residential | 84,914 | 80,764 | 96,501 | 86,500 | 89,960 |
| 3612 | Mobile Homes | 70,757 | 81,009 | 72,472 | 85,000 | 88,400 |
| 3613 | Condominium | 69,548 | 70,032 | 74,668 | 72,000 | 74,880 |
| 3614 | Residential - Outside Town | 68,407 | 45,124 | 104,460 | 46,000 | 47,840 |
| | Total Residential Sales | \$ 808,771 | \$ 782,452 | \$ 907,743 | \$ 828,000 | \$ 861,120 |
| NONPROFIT SALES | | | | | | |
| 3620 | Church or School | 38,333 | 26,592 | 37,263 | 37,263 | 38,754 |
| 3621 | Town Use | 60,592 | 55,271 | 57,995 | 57,995 | 60,315 |
| | Total Nonprofit Sales | \$ 98,925 | \$ 81,863 | \$ 95,258 | \$ 95,258 | \$ 99,068 |
| COMMERCIAL SALES | | | | | | |
| 3630 | Restaurant/Bar | 66,094 | 59,367 | 73,857 | 55,000 | 57,200 |
| 3631 | Hotel/Inn | 154,956 | 154,140 | 188,612 | 135,500 | 140,920 |
| 3632 | Other Commercial | 60,462 | 53,858 | 72,432 | 64,000 | 66,560 |
| 3633 | Multi Commercial | 43,699 | 41,479 | 47,965 | 42,000 | 43,680 |
| | Total Commercial Sales | \$ 325,211 | \$ 308,844 | \$ 382,866 | \$ 296,500 | \$ 308,360 |
| OTHER SERVICES | | | | | | |
| 3660 | Other Service Charges | 27,130 | 19,023 | 20,000 | 15,000 | 20,000 |
| 3661 | Firelines | 28,870 | 88,944 | 80,000 | 99,000 | 105,930 |
| 3662 | Meter Sets | 600 | 1,400 | 200 | 400 | - |
| | Total Other Services | \$ 56,600 | \$ 109,367 | \$ 100,200 | \$ 114,400 | \$ 125,930 |
| OTHER REVENUES | | | | | | |
| 3409 | Other State Revenue - Prop 84 Grant | - | - | - | 450 | - |
| 3800 | Miscellaneous | 511 | 114 | - | - | - |
| 3801 | Refunds & Reimbursements | - | - | - | - | - |
| | Total Other Revenue | \$ 511 | \$ 114 | \$ - | \$ 450 | \$ - |
| | TOTAL WATER REVENUE * | \$ 1,290,018 | \$ 1,282,640 | \$ 1,486,067 | \$ 1,334,608 | \$ 1,394,478 |

* Council approved a five year utility rate increase effective March 1, 2018, through December 2022.

Department Overview

The Water Utility Operations Division of the Public Works Department supports the operation and maintenance of the water distribution system. This system provides potable water service to the Town's residential, commercial, public facilities and other properties in the Town and 30 customers who are outside of Town limits. When the Town incorporated in 1965, it was required to assume responsibility for the existing water customers served by the water transmission line along Silverado Trail and Yountville Cross Road. The California Veterans Home – Yountville is responsible for the maintenance and operations of its own internal water distribution system operations serving their campus.

The Water Operations Division is responsible for the maintenance and operation of the Town's water distribution system which includes:

- Yountville Municipal Emergency Water Well
- 10.7 miles of water distribution mains (pipeline system)
- 832 service connections and meters
- 28 Town-owned backflow prevention devices
- Two pressure regulator stations between the State's transmission line and Town distribution system
- Two pressure regulator stations tied to the City of Napa's water system that provides back up in an emergency (Currently only one of these connections is active).

The Utility Operations Manager manages one Water Systems Maintenance Worker and other Public Works Utilities staff as necessary to operate and maintain the physical water distribution system. The Town utilizes outside contractors for most of the major construction and repair projects.

Department staff maintains and operates the water treatment system at the Emergency Municipal Water Well so that it will be ready in case of an emergency. Utility Operations staff take monthly, quarterly, annual and semi-annual water samples from the distribution system (and well) for testing and reporting to the California State Water Resources Control Board, Division of Drinking Water (SWRCB, DDW). The Town shares this information with all water customers through the Annual Consumer Confidence Report.

The Division continues to utilize a successful cellular network meter reading system to electronically read water meters for each monthly billing cycle. The use of cellular meter reading technology has allowed the meter readings to be taken daily and relayed via the remote system. In addition to Staff time being freed up by not having to manually read water meters, the system has many added benefits including; managing water loss through the ability to track leaks within the system, utilizing, annual, monthly, daily and hourly information the help customers with issues related to leaks and billing. The system also can sense backflow within the system which helps operations staff keep the distribution system safe for all customers. The software also allows account holders to review water usage as well as set up an alert if a leak occurs on their property. This information is made available from any device with an internet connection using the "Eye on Water System".

The water rate structure includes three components: a fixed system service charge based on meter size, a system replacement fee, and a water consumption charge based on actual water usage by the customer. Funding for this department is provided through user charges and interest income.

Historical Water Operations Background Information:

In both 2015 and 2018, Town staff teamed with ValveTek Utility Services, Inc. to perform system-wide flushing using a technology called Neutral Output Discharge Elimination System (NO-DES). This process uses an onboard pumping/filtering system that removes unwanted debris (including the previously deposited sand) from the water distribution system while pumping clean water back into the system thereby eliminating the water waste usually associated with distribution system flushing. Currently, it is anticipated that the Town will use this process every 3-5 years (the most recent NO-DES flushing took

place in April 2018) to keep the system flushed at high velocities while performing low volume flushing in the years that NO-DES is not used. The difference between the two years in terms of debris removed from the system; 2015 approximately thirty (30) filters were used/replaced during that cycle compared to 2018 with only six (6) filters used/replaced.

The Town of Yountville normally receives over 90% of domestic drinking water from a surface water treatment plant that is owned and operated by the CA Department of Veterans Affairs/CA Veterans Home. Over the past year there have been several instances where due to challenges at the Rector Treatment Plant, the Town was required to transition to City of Napa water. In April 2019 the Town received several calls from residents that there was an unusual odor coming from the water. Staff inspection revealed it originated from the Treatment Plant at Rector. Later that same month, Rector Water Treatment Staff contacted the Utility Operations Staff to notify that the Rector Water Treatment Plant roughing filters had failed to the point of not being able to be used. Staff took immediate action to transition to City of Napa Water for a duration of almost (3) months while emergency repairs and rehabilitation of the system were completed. The Town remained on the City of Napa water distribution system from April 19th through July 5th 2019.

Most recent Rector Transmission line – 2/19/20 – Staff received a phone call from Chief Plant Operator notifying Town of another rupture of the transmission main at the Rector Water Plant in fairly close proximity to the last rupture (2016). Utility Operations Staff switched to Napa water system shortly after 4:00am. Customers east of Napa River were issued a "Boil Water Notice" due to low pressure in that portion of the Town's water distribution system. The Town remained on Napa water system until 3/4/20. The Town lifted the boil water notice and returned to full Rector Water on 3-11-2020.

Each of these events resulted in transitioning from the Rector system to the City of Napa. It should be noted that when the Town is required to make this transition, the cost of water from the City of Napa is approximately double the cost of water purchased from the Veterans Home/Rector Water Plant.

2019/2020 Accomplishments

- Completed State of California State Water Resources Control Board, Division of Drinking Water (CA SWRCB, DDW) mandated Annual Water Quality (Consumer Confidence) Report which was made available electronically to all residents and businesses and posted in public locations.
- Continued to improve and enhance employee training and safety program, cross-training and "job shadowing" within the Utility Operations Division.
- Continued to implement and use GIS and Orion cellular water meter reading technology to help improve efficiency and effectiveness.
- The Finance Department implemented the third year of the five year water and wastewater utility rates that were adopted by Town Council on February 20, 2018. This includes an annual 7% water rate increase for the five year period.

2020/2021 Goals and Objectives

- Complete and electronically distribute the 2020 Consumer Confidence Report that gives detailed information regarding the water supplied to all water customers.
- Continue to improve and enhance employee training and safety program, cross-training and "job shadowing" within the Utility Operations Division.
- Continue to utilize and increase use of GIS and Orion cellular water meter reading technologies to help improve efficiency and effectiveness.

Budget Highlights

- The total proposed budget is \$8,150 or 1.44% lower than estimated actuals for Fiscal Year 2019/2020.

WATER UTILITY OPERATIONS & DISTRIBUTION

Fund 61 - Department 4505



- The personnel budget is slightly reduced by \$6,502 or 1.5% due to the temporary suspension of the Town contribution to the OPEB trust, that is allocated to departments.
- \$1,500 from the General Fund is being transferred in to subsidize the Low-Income Subsidy Program.

Did You Know?

- Yountville has six (6) certified water distribution operators to make sure the drinking water system is managed to a high level in accordance with State and Federal standards.
- Yountville serves 30 out of town water customers dating back to incorporation in 1965.
- 48 bacteriological tests are performed each year from our sampling stations.
- Yountville purchases water from Rector Reservoir which is operated by the State of California – Veterans Home located northeast of Town on the Silverado Trail.

Town of Yountville
WATER UTILITY OPERATIONS & DISTRIBUTION
Water Fund 61 - Department 4505

| | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|--|-------------------|-------------------|-------------------|----------------------|---------------------|
| PERSONNEL | | | | | |
| 4010 Salaries - Full Time | 175,804 | 234,929 | 240,161 | 240,161 | 251,983 |
| 4011 Salaries - Part Time | 25,584 | 13,547 | 9,600 | 9,600 | 10,043 |
| 4012 Overtime | 1,673 | 2,774 | 2,200 | 2,200 | 2,200 |
| 4013 Medicare & FICA | 4,330 | 4,005 | 6,208 | 6,208 | 4,431 |
| 4020 PERS Employer Rate | 36,024 | 43,869 | 53,324 | 53,324 | 54,847 |
| 4023 Pension Expense | 24,368 | 11,002 | - | - | - |
| 4024 OPEB Expense | (8,172) | (42,926) | - | - | - |
| 4030 Deferred Compensation | 12,640 | 14,463 | 17,627 | 17,627 | 18,471 |
| 4031 Payment In-Lieu Health | 365 | 250 | - | - | - |
| 4040 Health Insurance | 29,608 | 36,785 | 45,769 | 32,776 | 39,505 |
| 4042 Dental Insurance | 2,936 | 3,853 | 4,188 | 4,188 | 4,111 |
| 4043 Vision Insurance | - | 230 | 500 | 500 | 500 |
| 4044 Life/Disability Insurance | 1,452 | 1,959 | 2,330 | 2,330 | 2,434 |
| 4049 Allocated OPEB | 29,160 | 31,596 | 34,838 | 26,125 | - |
| 4052 Cell Phone Allowance | - | - | 960 | 960 | 960 |
| 4053 Other Employee Reimbursement | 700 | 175 | 1,550 | 1,550 | 1,550 |
| 4819 Allocated Liability Insurance | 9,921 | 7,961 | 10,702 | 13,109 | 13,293 |
| 4839 Allocated Workers' Comp Insurance | (990) | 5,684 | 7,957 | 10,950 | 10,778 |
| Total Personnel | \$ 345,405 | \$ 370,154 | \$ 437,914 | \$ 421,608 | \$ 415,106 |
| SUPPLIES & SERVICES | | | | | |
| 4110 Office Supplies | - | - | 300 | 300 | 300 |
| 4120 Other Supplies & Materials | 3,749 | 5,262 | 6,000 | 6,000 | 6,000 |
| 4125 Chemicals | 184 | 177 | 1,500 | 1,500 | 1,500 |
| 4130 Postage & Printing | 5,749 | 2,715 | 4,500 | 4,500 | 4,500 |
| 4210 Contract Services | 51,126 | 44,690 | 30,000 | 36,555 | 35,000 |
| 4220 Audit & Accounting Services | 3,439 | 6,188 | 5,000 | 8,273 | 6,500 |
| 4225 Bank & Fiscal Agent Fees | 10,621 | 13,848 | 12,000 | 12,000 | 14,500 |
| 4280 Other Agencies | 4,902 | 5,440 | 6,500 | 6,500 | 7,000 |
| 4310 Facilities Maintenance | 7,571 | 32,358 | 30,000 | 30,000 | 30,000 |
| 4320 Equipment Maintenance | 4,073 | 2,201 | 4,000 | 4,000 | 4,000 |
| 4330 Vehicle Maintenance | 2,133 | 1,955 | 2,500 | 2,500 | 2,500 |
| 4699 Allocated IT Costs | 10,160 | 5,479 | 7,810 | 7,810 | 7,150 |
| 4710 Conference & Travel | 269 | 3,466 | 5,000 | 5,000 | 5,000 |
| 4715 Meetings & Training | 3,669 | 5,577 | 6,250 | 6,250 | 5,000 |
| 4720 Dues & Subscriptions | 1,400 | 1,408 | 2,500 | 2,500 | 2,500 |
| 4829 Allocated Property Insurance | 1,710 | 2,146 | 2,200 | 2,411 | 3,000 |
| 4991 Low Income Subsidy - Water | - | 1,200 | 5,000 | 1,500 | 1,500 |
| Total Supplies & Services | \$ 110,756 | \$ 134,110 | \$ 131,060 | \$ 137,598 | \$ 135,950 |
| CAPITAL OUTLAY | | | | | |
| 5700 Machinery & Equipment | 1,320 | 5,000 | 6,500 | 6,500 | 6,500 |
| Total Capital Outlay | \$ 1,320 | \$ 5,000 | \$ 6,500 | \$ 6,500 | \$ 6,500 |
| TOTAL EXPENSES | \$ 457,480 | \$ 509,264 | \$ 575,474 | \$ 565,706 | \$ 557,556 |

**Also shown in Water Utility Operating Fund Summary sheet*

| | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2020-21 PROPOSED |
|----------------------------------|-------------------|-------------------|-------------------|---------------------|
| STAFF ALLOCATIONS (FTE) | | | | |
| Town Manager | 0.1250 | 0.1250 | 0.1250 | 0.1250 |
| Public Works Director | 0.1500 | 0.1500 | 0.1500 | 0.1500 |
| Deputy Public Works Director | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Public Works Manager | 0.2000 | - | - | - |
| Engineering Technician | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Utility Operator | 0.1000 | 0.1250 | 0.1500 | 0.1500 |
| Maintenance Worker | 0.0500 | - | - | - |
| Water Service Maintenance Worker | 0.7000 | 0.7000 | 0.7000 | 0.7000 |
| Utility Operations Manager | 0.0250 | 0.0500 | 0.0500 | 0.0500 |
| Finance Director | 0.1500 | 0.2500 | 0.2500 | 0.2500 |
| Management Analyst | 0.0500 | 0.1100 | 0.1100 | 0.1100 |
| Financial Analyst | 0.1500 | 0.0500 | 0.0500 | 0.0500 |
| Accounting Assistant | - | - | 0.4000 | 0.4000 |
| Administrative Assistant | 0.0500 | 0.1000 | 0.1000 | 0.1000 |
| TOTAL STAFF | 1.9000 | 1.8100 | 2.2350 | 2.2350 |

WATER UTILITY PURCHASES & CONSERVATION

Fund 61 - Department 4507



Department Overview

The Town of Yountville has a long-term contract with the State of California Veterans Home to purchase water from Rector Reservoir located northeast of the Town limits along the Silverado Trail. Water purchase costs are accounted for in this department including Rector Reservoir water and City of Napa on a limited basis. The cost per acre foot varies with the amount of water purchased and Veterans Home costs to store and treat the water provided to the Town. Historical information on the amount of water purchased and its cost is shown in the table below:

| Fiscal Year | Acre Feet Purchased | Cost Per Acre Foot | Total Cost |
|-------------------|---------------------|--------------------|------------|
| 2006/07 | 522 | \$500 | \$260,770 |
| 2007/08 | 513 | \$582 | \$299,170 |
| 2008/09 | 507 | \$667 | \$338,085 |
| 2009/10 | 497 | \$728 | \$394,640 |
| 2010/11 | 514 | \$657 | \$337,517 |
| 2011/12 | 559 | \$748 | \$438,256 |
| 2012/13 | 581 | \$665 | \$391,332 |
| 2013/14 | 612 | \$803 | \$491,362 |
| 2014/15 | 604 | \$919 | \$525,953 |
| 2015/16 | 614 | \$793 | \$487,130 |
| 2016/17 | 429 | \$1,202 | \$515,804 |
| 2017/18 | 479 | \$1,487 | \$712,648 |
| 2018/19 | 358 | \$2,147 | \$768,508 |
| 2019/20 Estimated | 460 | \$2,000 | \$920,000 |

Costs for managing and maintaining water supply from the Municipal Well are included in Department 61-4505; Water Utility Operations.

In 2009, the Town Council established the \$2 million Water Drought Reserve Fund (57-4507) with the proceeds from the sale of water rights to North Bay Aqueduct and Kern County water to provide funding to purchase water during a drought condition.

2019-2020 Accomplishments

- Distributed the Annual Water Quality Consumer Confidence Report in an electronic format to the online bill paying customers.
- The Finance Department implemented the third year of the five year water and wastewater utility rates that were adopted by Town Council on February 20, 2018. This includes a 7% water rate increase for the five year period.

WATER UTILITY PURCHASES & CONSERVATION

Fund 61 - Department 4507



2020-2021 Goals and Objectives

- Continue to distribute the Annual Water Quality Consumer Confidence Report in an electronic format to all water customers.

Budget Highlights

- Increases in this budget are driven by costs from the Veterans Home operations of Rector Reservoir and the cost of water purchases. This includes increased costs when the Town is forced to use City of Napa water. These costs are currently double that of water purchased from the Veterans Home.

Did You Know?

The Town has a water conservation rebate program to encourage water conservation. Last year there were:

- 1 Cash for Grass Rebates: \$580/total payments.

Town of Yountville
WATER UTILITY PURCHASES & CONSERVATION
Water Fund 61 - Department 4507

| | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|--------------------------------|--------------------------------------|-------------------|---------------------|-------------------|----------------------|---------------------|
| PERSONNEL | | | | | | |
| 4010 | Salaries - Full Time | 45,254 | 39,499 | 40,915 | 40,915 | 42,414 |
| 4012 | Overtime | 287 | 503 | - | - | 300 |
| 4013 | Medicare & FICA | 605 | 534 | 595 | 595 | 616 |
| 4020 | PERS Employer Rate | 6,444 | 7,157 | 8,520 | 8,338 | 8,139 |
| 4023 | Pension Expense | 3,853 | 1,740 | - | - | - |
| 4024 | OPEB Expense | (1,297) | (6,815) | - | - | - |
| 4030 | Deferred Compensation | 3,261 | 2,678 | 2,836 | 2,836 | 2,948 |
| 4040 | Health Insurance | 6,207 | 5,637 | 6,352 | 5,373 | 6,714 |
| 4042 | Dental Insurance | 592 | 537 | 546 | 546 | 519 |
| 4044 | Life/Disability Insurance | 368 | 342 | 368 | 368 | 389 |
| 4049 | Allocated OPEB | 5,280 | 5,640 | 5,935 | 4,456 | - |
| 4819 | Allocated Liability Insurance | 1,673 | 1,420 | 1,823 | 2,234 | 2,237 |
| 4839 | Allocated Workers' Comp Insurance | (170) | 1,014 | 1,356 | 1,866 | 1,814 |
| | Total Personnel | \$ 72,357 | \$ 59,887 | \$ 69,246 | \$ 67,527 | \$ 66,090 |
| SUPPLIES & SERVICES | | | | | | |
| 4130 | Postage & Printing | - | - | 1,000 | 1,000 | 1,000 |
| 4210 | Contract Services | - | - | - | - | - |
| 4500 | Conservation Rebates | 1,127 | 1,059 | 20,000 | 1,500 | 2,000 |
| 4699 | Allocated IT Costs | 1,700 | 912 | 1,300 | 1,300 | 1,190 |
| | Total Supplies & Services | \$ 2,827 | \$ 1,971 | \$ 22,300 | \$ 3,800 | \$ 4,190 |
| WATER PURCHASES | | | | | | |
| 4550 | Water Purchase - Veterans Home | 712,649 | 768,507 | 845,940 | 845,940 | 920,000 |
| 4555 | Water Purchase - City of Napa | 3,295 | 391,150 | 45,000 | 121,417 | 5,000 |
| | Total Water Purchases | \$ 715,944 | \$ 1,159,657 | \$ 890,940 | \$ 967,357 | \$ 925,000 |
| | TOTAL EXPENSES | \$ 791,128 | \$ 1,221,515 | \$ 982,486 | \$ 1,038,684 | \$ 995,280 |

| | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2020-21 PROPOSED |
|----------------------------------|-------------------|-------------------|-------------------|---------------------|
| STAFF ALLOCATIONS (FTE) | | | | |
| Public Works Director | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Deputy Public Works Director | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Water Service Maintenance Worker | 0.1500 | 0.1500 | 0.1500 | 0.1500 |
| Public Works Manager | 0.0250 | - | - | - |
| TOTAL STAFF | 0.3250 | 0.3000 | 0.3000 | 0.3000 |

Department Overview

The Water Utility Capital Improvements Fund is a subsidiary fund of the Water Utility Operating Fund. This fund accounts for the acquisition and depreciation of water utility system improvements and major equipment. Funding is provided from transfers from the Water Operating Fund, Water System Replacement fees, Water Connection fees collected from development projects, and interest earnings.

Capital Improvement Projects for Fiscal Year 2019-20 included the Pressure Regulator Pit Relocation at the Corner of Finnell and Yountville Cross Road, and the Washington Park Water Pipeline Assessment which consisted of an acoustic method of estimating the remaining useful life of the water main distribution in the neighborhood. Just over one (1) mile (6,100') was assessed with approximately 2/3 needing immediate or near future replacement. The remaining 1/3 could be put off to a later date. All sections are currently in design with the plan of having a "base bid" for the sections needing immediate replacement, a "bid alternate 1" with the moderate pipelines to be replaced, followed by a "bid alternate 2" that would include the entire pipe network in Washington Park. Depending on the bid results and resources available, the Town will be in a position to prioritize which additional sections (if any) should be added to the project. Analyzing and replacing aging water infrastructure is a best management practice to be performed prior to reconstruction of a roadway that is designed and constructed to last 25 years. An infrastructure replacement program has been prepared as part of the Capital Improvement Program to fund the repair or replacement of water pipelines when it is most cost-effective.

2019-2020 Accomplishments

- Conducted assessment of the Washington Park Neighborhood Water Distribution System (WA-0013).
- Complete Regulator Pit Relocation at Yountville Cross Road and Finnell (WA-0007).
- The Water Meter Replacement Program (WA-2020) and Main and Service Lateral Placement Program (WA-3020) continued to build fund balance so funds are available when needed.
- Implemented Water Rate Study recommendations and incorporate into Capital Improvement Program as applicable.
- On February 20, 2018 as part of the new water rate approval, a \$200,000 allocation from the Water Drought Reserve fund was approved for capital improvements. This allocation occurred in Fiscal Year 2019-20.

2020-2021 Goals and Objectives

- Complete water main and lateral replacement based on assessment of the Washington Park Neighborhood Water Distribution System (WA-0016).
- Continue to implement Water Rate Study recommendations and incorporate into Capital Improvement Program as applicable.
- The Water Meter Replacement Program (WA-2021) is building fund balance so funds are available when needed.

Budget Highlights

- The Water Utility Capital budget has increased due to the planned Emergency Washington Park Water Main and Lateral Replacement project.
- Continue Main and Lateral Replacement Program as needed or maintain fund balance for future replacement needs.

Town of Yountville
WATER UTILITY CAPITAL IMPROVEMENTS
Water Fund 60 - Department 4500

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|--|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ 2,084,482 | \$ 2,316,813 | \$ 2,359,977 | \$ 2,046,080 | \$ 1,974,337 |
| REVENUE | | | | | | |
| 3695 | System Replacement Fees | 90,711 | 101,101 | 100,000 | 110,600 | 117,790 |
| | Total Revenue | \$ 90,711 | \$ 101,101 | \$ 100,000 | \$ 110,600 | \$ 117,790 |
| EXPENSES | | | | | | |
| EXPENDITURES | | | | | | |
| WA-0007 | Regulator Pit Relocation Project | - | 4,235 | 150,000 | 162,320 | - |
| WA-0010 | Yount St. Main/Lateral Rplcmnt (Finnell to Mount) | - | 444,478 | - | - | - |
| WA-0013 | Washington Park Mainline Pipe Assessment | - | 30,423 | - | 13,437 | - |
| WA-0015 | Hydrant Repair & Replacement | - | - | - | - | 30,000 |
| WA-0016 | Emerg Repl Washington Prk Main & Lateral | - | - | - | - | 750,000 |
| WA-2020 | Water Meter Replacement Program | 15,445 | - | 26,250 | 26,250 | - |
| WA-2021 | Water Meter Replacement Program | - | - | - | - | 28,000 |
| WA-3018 | Main & Service Lateral Replacement Program | 11,312 | 15,662 | - | - | - |
| WA-3019 | Main & Service Lateral Replacement Program | - | 97,798 | - | - | - |
| WA-3020 | Main & Service Lateral Replacement Program | - | - | 150,000 | 150,000 | - |
| WA-4018 | Hydrant & Main Flushing | 28,233 | - | - | - | - |
| WA-4020 | Hydrant & Main Flushing | - | - | 25,000 | 25,000 | - |
| 5999 | Depreciation Expense | 63,872 | 47,956 | 72,600 | 72,600 | 87,600 |
| | Total Expenditures | \$ 118,862 | \$ 640,552 | \$ 423,850 | \$ 449,607 | \$ 895,600 |
| NON-OPERATING REVENUE & TRANSFERS | | | | | | |
| 3301 | Investment Earnings | 5,579 | 13,804 | 10,000 | 8,500 | 5,000 |
| 3799 | Water Connection Impact Fees (From 58) | 54,904 | 50,678 | - | 58,764 | - |
| 3800 | Miscellaneous Revenue | - | - | - | - | - |
| 3900 | Transfer In / (Out) Water Operating (61) | 200,000 | 200,000 | 200,000 | - | - |
| 3957 | Interfund Transfer - Drought Reserve Fund (57) | - | - | 200,000 | 200,000 | - |
| | Total Non-Operating Revenue & Transfers | \$ 260,482 | \$ 264,483 | \$ 410,000 | \$ 267,264 | \$ 5,000 |
| | Depreciable Capital Projects* | - | 4,235 | - | - | 750,000 |
| ■ ENDING FUND BALANCE | | \$ 2,316,813 | \$ 2,046,080 | \$ 2,446,127 | \$ 1,974,337 | \$ 1,951,527 |
| | Net Change in Fund Balance | 232,331 | (270,733) | 86,150 | (71,743) | (22,810) |
| FUND BALANCE ALLOCATIONS | | | | | | |
| | Reserved for Emergency Capital Replacements per 2018 Utility Rate Study (5% of asset value) | - | - | 87,185 | 87,185 | - |
| | Portion of Fund Balance applicable to Capital Assets | - | - | 1,743,702 | 1,743,702 | 2,468,359 |
| | Unreserved | 2,316,813 | 2,046,080 | 615,240 | 143,450 | (516,832) |
| ■ Total Fund Balance | | \$ 2,316,813 | \$ 2,046,080 | \$ 2,446,127 | \$ 1,974,337 | \$ 1,951,527 |

*Depreciable Capital Projects represents the amount for projects completed and does not include construction in progress.

WATER DROUGHT RESERVE FUND

Fund 57 - Department 4507



Department Overview

The Town Council established the Water Drought Reserve Fund from proceeds of the sale of the Town's North Bay Aqueduct (NBA) and Kern water rights in January 2009 to the City of Napa. This reserve fund provides a funding source for the purchase of additional water supply on the "spot market" in the event of an extended drought, or other situation when water supply from the Veterans Home – State of California Department of Water Resources long-term purchase agreement is not sufficient to meet demand. The City of Napa has agreed to provide water conservation education services to the Town, limited emergency water use, and serve as the Town's broker for the purchase of water on the "spot market".

On February 20, 2018, the Town Council adopted a 7% rate increase for the Water Utility Enterprise Funds. The rate increase includes the transfer of \$200,000 in Fiscal Year 2019-20 from this fund to the Water Capital Fund.

2019-2020 Accomplishments

- Continued strong water conservation education outreach partnership with the City of Napa.
- Maintained a sufficient fund balance to allow the Town to purchase water on the "spot market" in the event of drought or other emergencies.
- Continue with education outreach efforts, further implement "Cash for Grass" conversion program and other programs aimed at reducing outdoor watering.

2020-2021 Goals and Objectives

- Maintain sufficient fund balance to allow the Town to purchase water on the "spot market" in the event of drought or other emergencies.
- Continue with education outreach efforts, further implement "Cash for Grass" conversion program and other programs aimed at reducing outdoor watering.

Budget Highlights

- Fund Balance at the end of Fiscal Year 2020-2021 is estimated to be \$1,954,419.

Town of Yountville
WATER DROUGHT RESERVE FUND
Water Fund 57 - Department 4507

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|--|--|--------------|--------------|--------------|--------------|--------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ 2,061,775 | \$ 2,077,268 | \$ 2,094,481 | \$ 2,114,419 | \$ 1,939,419 |
| NON-OPERATING REVENUE & TRANSFERS | | | | | | |
| 3301 | Investment Earnings | 15,493 | 37,151 | 20,000 | 25,000 | 15,000 |
| Total Non-Operating Revenue & Transfers | | \$ 15,493 | \$ 37,151 | \$ 20,000 | \$ 25,000 | \$ 15,000 |
| NON-OPERATING EXPENSES & TRANSFERS | | | | | | |
| 7960 | Interfund Transfer - Water Capital (60)* | \$ - | \$ - | \$ 200,000 | \$ 200,000 | \$ - |
| Total Non-Operating Expenses & Transfers | | \$ - | \$ - | \$ 200,000 | \$ 200,000 | \$ - |
| ■ ENDING FUND BALANCE | | \$ 2,077,268 | \$ 2,114,419 | \$ 1,914,481 | \$ 1,939,419 | \$ 1,954,419 |
| Net Change in Fund Balance | | 15,493 | 37,151 | (180,000) | (175,000) | 15,000 |

* Council approved utility rate increase effective March 1, 2018, based on Water & Wastewater Utility Rate Study completed in 2017, which includes a subsidy from the Water Drought Reserve Fund in the Amount of \$200,000 in FY 2019-20.

WATER CONNECTION IMPACT FEE FUND Fund 58



Department Overview

The Water Connection Impact Fee Fund was established in June 2005, in accordance with the provisions of Ordinance No. 362-05 and Municipal Code Section 3.40 to account for impact fees collected for existing and planned water system facilities, projects, and infrastructure.

Water Connection Impact Fees are collected on new residential, commercial development, conversion of existing development, and expansion of existing development, as provided in Municipal Code Section 3.40. Approximately 43% of each impact fee collected is allocated to the 'buy-in' of existing water system facilities, and the remainder is allocated to the fund that finances approved water system projects.

The Town continues to move closer to build out of the community. As such, impact fees will not be a significant revenue source going forward to assist in funding the construction and maintenance of the Town's water system. Future revenue is dependent on new or significant redevelopment activity.

2019-2020 Accomplishments

- Collected impact fees from two commercial and one residential development projects at the time of building permit issuance, for a total of \$58,414.

2020-2021 Goals and Objectives

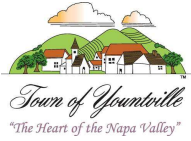
- Allocate any Impact Fees.

Budget Highlights

- Nominal. Current practice is not to budget impact fees as development is limited in number and timing is hard to predict.

Town of Yountville
WATER CONNECTION IMPACT FEE FUND
Water Fund 58

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|-----------------------------------|--|--------------------|--------------------|-------------|--------------------|-------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ - | - | \$ - | \$ - | \$ - |
| REVENUE | | | | | | |
| 3701 | Impact Fees | 54,858 | 50,678 | - | 58,414 | - |
| | Total Revenue | \$ 54,858 | \$ 50,678 | \$ - | \$ 58,414 | \$ - |
| NON-OPERATING REVENUE & TRANSFERS | | | | | | |
| 3301 | Investment Earnings | 46 | - | - | 350 | - |
| 3799 | Allocate to Water Capital Fund (To 60) | (54,904) | (50,678) | - | (58,764) | - |
| | Total Non-Operating Revenue & Transfers | \$ (54,858) | \$ (50,678) | \$ - | \$ (58,414) | \$ - |
| ■ ENDING FUND BALANCE | | \$ - | \$ 0 | \$ - | \$ - | \$ - |
| Net Change in Fund Balance | | - | 0 | - | - | - |



Staff Report

File #: 20-2568, Version: 1

WASTEWATER UTILITY ENTERPRISE FUNDS

The Town Council will review and discuss the 2020-2021 Proposed Budget for Wastewater Utility Enterprise Funds, as follows:

1. Wastewater Funds Summary
2. Wastewater Utility Collection System Operations (62-4510)
3. Wastewater Treatment Operations (62-4515)
4. Wastewater Treatment Capital Recovery Fund (63-4518)
5. Wastewater Collection Capital Improvement Fund (64-4519)
6. Sewer Connection Impact Fee Fund (65)

Town of Yountville
WASTEWATER UTILITY OPERATING FUND SUMMARY

| Fund 62 | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|---------|---|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| ■ | BEGINNING FUND BALANCE | \$ 1,702,064 | \$ 2,207,253 | \$ 2,223,837 | \$ 2,743,291 | \$ 1,735,606 |
| | OPERATING REVENUE | | | | | |
| | Residential Sales | 450,013 | 520,140 | 573,382 | 566,459 | 606,111 |
| | Commercial Sales | 527,024 | 604,982 | 592,298 | 666,391 | 713,038 |
| | Other Sales - Veteran's Home | 895,578 | 966,204 | 750,000 | 845,000 | 900,000 |
| | Other Revenue - Reclaimed Water Sales | 57,761 | 59,353 | 55,000 | 65,000 | 68,250 |
| | Total Revenue | \$ 1,930,376 | \$ 2,150,679 | \$ 1,970,680 | \$ 2,142,850 | \$ 2,287,399 |
| | EXPENDITURES | | | | | |
| | Personnel | 905,658 | 854,642 | 1,027,927 | 1,004,108 | 962,024 |
| | Supplies & Services | 471,510 | 493,461 | 598,380 | 600,402 | 619,285 |
| | Capital Outlay | 5,782 | - | 10,000 | 10,000 | 10,000 |
| | Debt Service | - | - | 12,525 | 12,525 | 12,525 |
| | Total Expenditures | \$ 1,382,950 | \$ 1,348,103 | \$ 1,648,832 | \$ 1,627,035 | \$ 1,603,834 |
| | NET OPERATING INCOME (LOSS) | \$ 547,427 | \$ 802,576 | \$ 321,848 | \$ 515,816 | \$ 683,565 |
| | NON-OPERATING REVENUE & TRANSFERS | | | | | |
| 3301 | Investment Earnings | 7,742 | 31,829 | 10,000 | 25,000 | 15,000 |
| 3800 | Miscellaneous Revenue | 22 | 433 | - | - | - |
| 3901 | Interfund Transfer - Low Income Subsidy (01) | - | 1,200 | 5,000 | 1,500 | 1,500 |
| 7900 | Transfer to Capital Projects (63) | (50,000) | (300,000) | (1,000,000) | (1,000,000) | (1,600,000) |
| 7964 | Transfer to Capital Projects (64) | - | - | (550,000) | (550,000) | (350,000) |
| | Total Non-Operating Revenue & Transfers | \$ (42,235) | \$ (266,538) | \$ (1,535,000) | \$ (1,523,500) | \$ (1,933,500) |
| ■ | ENDING FUND BALANCE* | \$ 2,207,253 | \$ 2,743,291 | \$ 1,010,684 | \$ 1,735,606 | \$ 485,670 |
| | Fund Balance as Percent of Operating Expenses | 160% | 203% | 61% | 107% | 30% |
| | Net Change in Fund Balance | 505,189 | 536,038 | (1,213,153) | (1,007,686) | (1,249,936) |
| | FUND BALANCE ALLOCATIONS | | | | | |
| | Reserved for Emergency Operations per 2018 Utility Rate Study (30% of operating expenses) | - | - | 494,650 | 488,110 | 481,150 |
| | Unreserved | 2,207,253 | 2,743,291 | 516,034 | 1,247,496 | 4,520 |
| ■ | Total Fund Balance | \$ 2,207,253 | \$ 2,743,291 | \$ 1,010,684 | \$ 1,735,606 | \$ 485,670 |

Town of Yountville
WASTEWATER UTILITY OPERATING REVENUE
Fund 62

| Fund 62 | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|---------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| RESIDENTIAL SALES | | | | | | |
| 3610 | Single Residential | 270,348 | 315,013 | 344,120 | 336,500 | 360,055 |
| 3611 | Multi Residential | 86,929 | 99,258 | 110,703 | 111,400 | 119,198 |
| 3612 | Mobile Homes | 92,736 | 105,869 | 118,559 | 118,559 | 126,858 |
| Total Residential Sales | | \$ 450,013 | \$ 520,140 | \$ 573,382 | \$ 566,459 | \$ 606,111 |
| COMMERCIAL SALES | | | | | | |
| 3650 | Low Strength | 56,216 | 60,433 | 65,388 | 68,600 | 73,402 |
| 3651 | Medium Strength | 144,618 | 171,013 | 118,619 | 189,500 | 202,765 |
| 3652 | High Strength | 326,190 | 373,536 | 408,291 | 408,291 | 436,871 |
| Total Commercial Sales | | \$ 527,024 | \$ 604,982 | \$ 592,298 | \$ 666,391 | \$ 713,038 |
| OTHER SALES | | | | | | |
| 3655 | Veteran's Home | 895,578 | 966,204 | 750,000 | 845,000 | 900,000 |
| Total Other Sales | | \$ 895,578 | \$ 966,204 | \$ 750,000 | \$ 845,000 | \$ 900,000 |
| OTHER REVENUE | | | | | | |
| 3642 | Reclaimed Water Sales | 57,761 | 59,353 | 55,000 | 65,000 | 68,250 |
| Total Other Revenue | | \$ 57,761 | \$ 59,353 | \$ 55,000 | \$ 65,000 | \$ 68,250 |
| TOTAL WASTEWATER REVENUE | | \$ 1,930,376 | \$ 2,150,679 | \$ 1,970,680 | \$ 2,142,850 | \$ 2,287,399 |

WASTEWATER UTILITY COLLECTION SYSTEM OPERATIONS

Fund 62 - Department 4510



Department Overview

The Wastewater Collection System Operations in the Public Works Department accounts for the operation and maintenance of 9.5 miles of gravity sewer collection system pipelines under the streets of the Town and the Force Main to the Wastewater Reclamation Facility (WWRF). All wastewater generated in Town drains by gravity to the Peter J. Bardessono Memorial Pump Station located at the southeastern corner Town limits where it is then pumped to the Wastewater Reclamation Facility (WWRF) located at the Corporation Yard for treatment.

The Town maintains the collection system for all residential and commercial properties in the Town limits with a few exceptions which include; the internal collection system of the Veterans Home, the guard station on California Drive, the Napa Valley Museum, Domaine Chandon lounge and tasting room, and the Cal-Fire Station 12/Vintner's Golf Course.

The Wastewater Collection System consists of:

- 9.5 miles of gravity sewer collection pipeline in Town
- 772 sewer lateral connections
- 0.75 miles of force main from the pump station to the WWRF

The Utility Operations staff maintains the Town's collection system. Maintenance operations include the use of equipment such as a vacuum/jet truck and push style video camera system to facilitate the regular maintenance of the pipeline system. The majority of the collection system is hydro cleaned annually. Other sections are also cleaned on an as needed basis to allow for efficient and effective operations of the collections system. The Town has made great strides in collection system capital improvements that have eliminated several "hot spots" that were prone to grease accumulation and root intrusion. Eliminating these issues has also decreased the amount of groundwater making its way to the WWRF which takes up much needed capacity of the system and reduces the chances of sewer backups/overflows.

The Town Council adopted and re-certified the updated Sewer System Management Plan (SSMP) in Fiscal Year 2015-16. The SSMP includes sections on Sanitary Sewer Overflow (SSO) Emergency Response Plan and the Fats, Oils and Grease (FOG) Program. Re-certification of the SSMP is required every five years by Town Council. The individual sections of the SSMP are reviewed and updated as needed every two (2) years. As a part of our ongoing education outreach, staff meets with restaurant operators and their staff to explain the importance of keeping FOG out of the collection system.

Staff also coordinates with the design and construction of Capital Improvement Programs such as:

- Inflow & Infiltration Reduction Program (WW-2020).
- Sewer Main Replacement Program (WW-3020).
- Pump Station Equipment Replacement Program (WW-5020).

These projects ensure the wastewater collection system operates in a manner consistent with State and Federal NPDES regulations. The inflow and infiltration projects reduce the amount of rainwater inflow and groundwater infiltration that must be treated and discharged during wet weather conditions.

Funding is provided through rate payer user charges (wastewater utility fee) and interest income. 695 residential customers are billed a flat rate and 77 commercial customers are billed based on the type of effluent generated and the volume of water used. There is one external customer (Domaine Chandon) located in unincorporated Napa County that is served consistent with a separate service agreement approved by the Town Council in the early 1990's.

2019/2020 Accomplishments

- Utilized video survey results to identify potential future system replacement and repair projects as part of the Capital Improvement Program (CIP) with the goal to reduce infiltration and inflow into the sewer collection system (WW-2020).

WASTEWATER UTILITY COLLECTION SYSTEM OPERATIONS

Fund 62 - Department 4510



- Utilized a “fold & form” slip lining process to rehabilitate 750’ of 6” and 8” clay pipe. This process added substantial life expectancy of these sections of pipe several point repairs and “top hat” lateral repairs (88 total) were made eliminating several instances of infiltration.
- Actively monitored Fats, Oils and Grease (FOG) and other waste discharges from restaurants.
- Increased public education and cooperative efforts to accomplish reduction of such FOG discharges through articles in the Town’s Monthly Newsletter.
- Collected assets for inclusion and use in GIS mapping and applications programs.
- The Finance Department implemented the third year of the five year water and wastewater utility rates that were adopted by Town Council on February 20, 2018. This includes a 12% wastewater rate increase for the five year period.

2020/2021 Goals and Objectives

- Continue to utilize video survey results to identify potential future system replacement and repair projects as part of Sewer Main Replacement and Repair Program (WW-3021) for the Capital Improvement Program (CIP).
- Reduce infiltration and inflow into the sewer collection system through the Infiltration and Inflow Reduction Program (WW-2021).
- Continue to rehabilitate sections of the A-Line and other sections of the system based on updated video work conducted during 2019/2020 fiscal year.
- Continue sealing of utility access manholes where possible and replacing those beyond repair.
- Actively monitor Fats, Oils and Grease (FOG) and other waste discharges from restaurants.
- Increase public education and cooperative efforts to accomplish reduction of such discharges.
- Develop and use technology such as iWorQ Maintenance Management Software, ESRI-GIS mapping and applications programs to help create a more efficient and effective workforce.

Budget Highlights

- The total proposed Wastewater Collection Systems Operation budget is \$2486 or 0.67% lower than the estimated actuals for Fiscal Year 2019-2020.
- There is an increase of \$12,503 or 11% in Supplies and Services costs. This is due to an increase in equipment maintenance and utilities costs.
- There is a small increase in costs regarding the purchase of “Deep Green” electrical power through the Marin Clean Energy (MCE) program to be consistent in meeting the intentions of the Climate Action Plan.
- A \$1,500 transfer from the General Fund is for the Low-Income Subsidy Program.

Did You Know?

- The Town owns a sewer maintenance vehicle (Vactor) that cleans the sewer collection pipes and has an industrial vacuum capability to remove grit and debris from the system.
- There are 9.5 miles of gravity sewer collection pipes in town.
- The Collections System has 772 sewer lateral connections.

Town of Yountville
WASTEWATER UTILITY COLLECTION SYSTEM OPERATIONS
Wastewater Fund 62 - Department 4510

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|---------------------------|-----------------------------------|------------|------------|------------|------------|------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| PERSONNEL | | | | | | |
| 4010 | Salaries - Full Time | 122,691 | 134,205 | 143,688 | 143,688 | 149,736 |
| 4011 | Salaries - Part Time | 20,057 | 8,466 | 6,000 | 6,000 | 6,277 |
| 4012 | Overtime | 1,393 | 1,985 | 1,700 | 1,700 | 1,700 |
| 4013 | Medicare & FICA | 3,158 | 2,394 | 3,798 | 3,798 | 2,659 |
| 4020 | PERS Employer Rate | 19,698 | 26,360 | 30,558 | 30,558 | 28,746 |
| 4023 | Pension Expense | 18,787 | 7,757 | - | - | - |
| 4024 | OPEB Expense | (6,322) | (33,209) | - | - | - |
| 4030 | Deferred Compensation | 8,234 | 8,544 | 10,387 | 10,387 | 10,822 |
| 4031 | Payment In-Lieu Health | 869 | - | - | - | - |
| 4040 | Health Insurance | 16,755 | 20,314 | 25,028 | 19,700 | 23,595 |
| 4042 | Dental Insurance | 1,964 | 2,455 | 2,592 | 2,592 | 2,495 |
| 4043 | Vision Insurance | - | 27 | 2,000 | 2,000 | - |
| 4044 | Life/Disability Insurance | 995 | 1,233 | 1,396 | 1,396 | 1,514 |
| 4049 | Allocated OPEB | 17,040 | 18,240 | 20,845 | 15,650 | - |
| 4053 | Other Employee Reimbursement | - | - | - | - | - |
| 4819 | Allocated Liability Insurance | 5,730 | 4,594 | 6,403 | 7,844 | 7,899 |
| 4839 | Allocated Workers' Comp Insurance | (610) | 3,280 | 4,761 | 6,551 | 6,404 |
| Total Personnel | | \$ 230,439 | \$ 206,645 | \$ 259,156 | \$ 251,864 | \$ 241,847 |
| SUPPLIES & SERVICES | | | | | | |
| 4110 | Office Supplies | 372 | - | 1,000 | 1,000 | 1,000 |
| 4120 | Other Supplies & Materials | 223 | 23 | 2,000 | 2,000 | 2,000 |
| 4125 | Chemicals | - | - | 1,500 | 1,500 | 1,500 |
| 4130 | Postage & Printing | 2,535 | 1,144 | 2,000 | 2,000 | 2,000 |
| 4210 | Contract Services | 6,805 | 8,582 | 15,000 | 17,249 | 20,000 |
| 4220 | Audit & Accounting Services | 2,380 | 2,648 | 3,000 | 4,636 | 3,250 |
| 4225 | Bank & Fiscal Agent Fees | 5,310 | 6,924 | 8,750 | 8,750 | 7,000 |
| 4230 | Personnel Service | - | - | 3,500 | 3,500 | 3,500 |
| 4280 | Other Agencies | 2,533 | 2,653 | 4,000 | 4,000 | 5,000 |
| 4310 | Facilities Maintenance | 110 | 3,076 | 2,500 | 2,500 | 2,500 |
| 4320 | Equipment Maintenance | 6,240 | 9,763 | 10,000 | 10,000 | 15,000 |
| 4330 | Vehicle Maintenance | 1,841 | 1,575 | 2,500 | 2,500 | 2,500 |
| 4510 | Utilities - Gas & Electric | 31,892 | 24,949 | 20,000 | 20,000 | 28,678 |
| 4699 | Allocated IT Costs | 10,380 | 11,975 | 17,110 | 17,110 | 15,670 |
| 4710 | Conference & Travel | - | - | 5,000 | 5,000 | 5,000 |
| 4715 | Meetings & Training | 2,353 | 835 | 4,500 | 4,500 | 4,500 |
| 4720 | Dues & Subscriptions | 1,740 | 822 | 2,500 | 2,500 | 2,500 |
| 4829 | Allocated Property Insurance | 2,136 | 2,146 | 3,350 | 3,350 | 3,000 |
| 4991 | Low Income Subsidy -Wastewater | - | 1,200 | 5,000 | 1,500 | 1,500 |
| Total Supplies & Services | | \$ 76,849 | \$ 78,315 | \$ 113,210 | \$ 113,595 | \$ 126,098 |
| CAPITAL OUTLAY | | | | | | |
| 5700 | Machinery & Equipment | 782 | - | 5,000 | 5,000 | 5,000 |
| Total Capital Outlay | | \$ 782 | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| TOTAL EXPENDITURES | | \$ 308,070 | \$ 284,960 | \$ 377,366 | \$ 370,459 | \$ 372,945 |

| | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2020-21 PROPOSED |
|----------------------------------|-------------------|-------------------|-------------------|---------------------|
| STAFF ALLOCATIONS (FTE) | | | | |
| Town Manager | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Public Works Director | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Deputy Public Works Director | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Utility Operations Manager | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Engineering Technician | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Utility Operator | 0.5000 | 0.5500 | 0.5500 | 0.5500 |
| Water Service Maintenance Worker | 0.1500 | 0.1500 | 0.1500 | 0.1500 |
| Finance Director | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| Management Analyst | 0.0250 | 0.0100 | 0.0100 | 0.0100 |
| Financial Analyst | 0.1000 | 0.0500 | 0.0500 | 0.0500 |
| Accounting Assistant | - | - | 0.2500 | 0.2500 |
| Administrative Assistant | 0.0250 | 0.1000 | 0.1000 | 0.1000 |
| TOTAL STAFF | 1.1750 | 1.2350 | 1.4850 | 1.4850 |

Department Overview

The Wastewater Treatment Operations Division in the Public Works Department accounts for the funding for the operation and maintenance of the Wastewater Reclamation Facility (WWRF). The WWRF treats the wastewater generated by residential and commercial customers of the Town, the Veteran's Home of California - Yountville (Home), and Domaine Chandon in the unincorporated Napa County.

Facilities for Wastewater treatment operations include the WWRF, storage ponds, and recycled water facilities which include 5.5 miles of recycled water distribution pipelines and the effluent outfall that allows tertiary Title 22 unrestricted and disinfected secondary 2.2 effluent to be discharged to the Napa River per the requirements of the National Pollutant Discharge Elimination System (NPDES) Permit.

Approximately 50% of the division's expenses are paid by the Veterans Home based on flow, solids loading, and strength of influent determined by weekly testing as required in the agreement with the Veterans Home. The remainder of the operating funding is provided through ratepayer service charges and interest income.

The WWRF operation is staffed with a Utility Operations Manager, and three certified Utility Operators in compliance with the August 2015 National Pollutant Discharge Elimination System (NPDES) Permit for the WWRF. The NPDES Permit that is valid for the next five years includes new regulatory requirements for the WWRF. Town staff, with consultant assistance, compile a Report of Waste Discharge (ROWD) and several other documents that make up the annual document package required by the NPDES Permit.

For calendar year 2019, approximately 61% of the 165 million gallons generated (by residents and commercial users) was beneficially reused for irrigation of the Vintner's Golf Course and five vineyards located in the unincorporated Napa County areas adjacent to Finnell Road and along Silverado Trail. The remaining effluent was discharged to the Napa River in accordance with the required dilution of 45:1 in compliance with the NPDES Permit for the WWRF.

2019/2020 Accomplishments

- The Town is a partner in a Solar SEED program with 12 other North Bay agencies. The project includes a solar array at the WWRF and the wastewater pump station. These green energy additions to the system will help stabilize fixed costs over the twenty-year life cycle of the Solar Array.
- Developed several internal operating policies and procedures for new operators performing weekend duties and routine daily rounds using SCADA technology and GIS.
- The Finance Department implemented the third year of the five-year water and wastewater utility rates that were adopted by Town Council on February 20, 2018. This includes a 12% wastewater rate increase per year for the five year period.

2020/2021 Goals and Objectives

- Continue with SCADA implementation to link critical processes of the Wastewater Treatment Plant to allow for remote monitoring and operations of the Wastewater Treatment Plant and associated facilities.
- Continue development of internal operating policies and procedures.
- Continue to use iWorQ Asset Management Platform, GIS, and other technology to improve efficiency and effectiveness.

Budget Highlights

- The total proposed budget is \$25,686 or 2.04% lower than the estimated actuals for Fiscal Year 2019-2020.
- Personnel costs are slightly reduced by \$32,067 or 4.26% due to the temporary suspension of the

WASTEWATER TREATMENT OPERATIONS

Fund 62 - Department 4515



- Town contribution to the OPEB trust, that is allocated to departments.
- \$12,525 is budgeted for payments of the interest-free Energy Efficiency Loan with Pacific Gas and Electric (PG&E) for the methane gas recapture project.

Did You Know

- In Fiscal Year 2019-2020, 61% of the treated recycled water was distributed to local agricultural vineyard customers for irrigation purposes. This is a great public-private partnership and beneficial reuse of recycled water.
- During an average day, it takes approximately 28 gallons of sodium hypochlorite (chlorine/bleach) to disinfect 300,000 gallons of treated effluent.

Town of Yountville
WASTEWATER TREATMENT OPERATIONS
Wastewater Fund 62 - Department 4515

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|---------------------------|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| PERSONNEL | | | | | | |
| 4010 | Salaries - Full Time | 393,633 | 432,487 | 443,591 | 443,591 | 454,363 |
| 4011 | Salaries - Part Time | 17,555 | 8,467 | 6,000 | 6,000 | 6,277 |
| 4012 | Overtime | 4,130 | 5,468 | 4,200 | 4,200 | 4,200 |
| 4013 | Medicare & FICA | 6,739 | 6,503 | 8,161 | 8,161 | 7,090 |
| 4020 | PERS Employer Rate | 54,348 | 77,862 | 91,238 | 91,238 | 86,628 |
| 4023 | Pension Expense | 49,820 | 23,219 | - | - | - |
| 4024 | OPEB Expense | (16,752) | (87,990) | - | - | - |
| 4030 | Deferred Compensation | 25,939 | 27,365 | 31,704 | 31,704 | 32,480 |
| 4031 | Payment In-Lieu Health | 4,147 | - | 6,000 | 6,000 | 6,000 |
| 4040 | Health Insurance | 51,027 | 54,403 | 60,747 | 50,300 | 58,938 |
| 4042 | Dental Insurance | 6,406 | 6,855 | 6,906 | 6,906 | 6,812 |
| 4043 | Vision Insurance | 400 | 865 | - | - | 2,000 |
| 4044 | Life/Disability Insurance | 3,261 | 3,957 | 4,219 | 4,219 | 4,622 |
| 4049 | Allocated OPEB | 54,120 | 58,752 | 64,351 | 48,300 | - |
| 4050 | Tuition Reimbursement | 536 | - | 1,200 | 1,200 | 1,200 |
| 4052 | Cell Phone Allowance | 3,840 | 4,160 | 3,840 | 3,840 | 3,840 |
| 4053 | Other Employee Reimbursement | 241 | 255 | 2,150 | 2,150 | 2,325 |
| 4819 | Allocated Liability Insurance | 17,481 | 14,801 | 19,767 | 24,210 | 23,968 |
| 4839 | Allocated Workers' Comp Insurance | (1,650) | 10,568 | 14,697 | 20,225 | 19,434 |
| Total Personnel | | \$ 675,219 | \$ 647,997 | \$ 768,771 | \$ 752,244 | \$ 720,177 |
| SUPPLIES & SERVICES | | | | | | |
| 4110 | Office Supplies | - | 872 | 1,500 | 1,500 | 1,500 |
| 4120 | Other Supplies & Materials | 2,819 | 2,849 | 5,000 | 5,000 | 5,000 |
| 4125 | Chemicals | 61,779 | 66,578 | 80,000 | 80,000 | 85,000 |
| 4130 | Postage & Printing | 2,692 | 2,258 | 2,500 | 2,500 | 2,500 |
| 4210 | Contract Services | 74,274 | 104,510 | 120,000 | 120,000 | 120,000 |
| 4220 | Audit & Accounting Services | 2,380 | 2,648 | 3,000 | 4,636 | 3,250 |
| 4225 | Bank & Fiscal Agent Fees | 5,310 | 6,924 | 8,750 | 8,750 | 7,000 |
| 4280 | Other Agencies | 25,878 | 26,828 | 30,000 | 30,000 | 32,000 |
| 4310 | Facilities Maintenance | 8,681 | 2,932 | 7,500 | 7,500 | 7,500 |
| 4320 | Equipment Maintenance | 39,396 | 41,279 | 38,000 | 38,000 | 40,000 |
| 4330 | Vehicle Maintenance | 2,984 | 2,246 | 3,000 | 3,000 | 3,000 |
| 4510 | Utilities - Gas & Electric | 111,272 | 88,541 | 100,000 | 100,000 | 103,387 |
| 4520 | Waste Disposal & Recycling | 13,011 | 16,870 | 12,000 | 12,000 | 14,000 |
| 4699 | Allocated IT Costs | 33,260 | 39,158 | 55,720 | 55,720 | 51,050 |
| 4710 | Conference & Travel | 642 | 86 | 4,000 | 4,000 | 4,000 |
| 4715 | Meetings & Training | 2,543 | 2,849 | 5,250 | 5,250 | 5,000 |
| 4720 | Dues & Subscriptions | 3,870 | 3,424 | 3,000 | 3,000 | 3,000 |
| 4829 | Allocated Property Insurance | 3,871 | 4,294 | 5,950 | 5,950 | 6,000 |
| Total Supplies & Services | | \$ 394,661 | \$ 415,146 | \$ 485,170 | \$ 486,806 | \$ 493,187 |
| CAPITAL OUTLAY | | | | | | |
| 5700 | Machinery & Equipment | 5,000 | - | 5,000 | 5,000 | 5,000 |
| Total Capital Outlay | | \$ 5,000 | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| ENERGY EFFICIENCY LOAN | | | | | | |
| 6100 | Principal | - | - | 12,525 | 12,525 | 12,525 |
| 6500 | Interest | - | - | - | - | - |
| Total Loan Payment | | \$ - | \$ - | \$ 12,525 | \$ 12,525 | \$ 12,525 |
| TOTAL EXPENDITURES | | \$ 1,074,880 | \$ 1,063,143 | \$ 1,271,466 | \$ 1,256,575 | \$ 1,230,889 |

| | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2020-21 PROPOSED |
|--------------------------------|-------------------|-------------------|-------------------|---------------------|
| STAFF ALLOCATIONS (FTE) | | | | |
| Town Manager | 0.0750 | 0.1000 | 0.1000 | 0.1000 |
| Public Works Director | 0.2000 | 0.2000 | 0.2000 | 0.2000 |
| Deputy Public Works Director | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Engineering Technician | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Utility Operations Manager | 0.8000 | 0.8000 | 0.8000 | 0.8000 |
| Utility Operator | 2.3000 | 2.3000 | 2.3000 | 2.3000 |
| Finance Director | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| Management Analyst | 0.0250 | 0.2100 | 0.2100 | 0.0100 |
| Management Analyst | - | - | - | 0.2000 |
| Financial Analyst | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Accounting Assistant | - | - | 0.2500 | 0.2500 |
| Administrative Assistant | 0.0250 | 0.1000 | 0.1000 | 0.1000 |
| TOTAL STAFF | 3.7500 | 4.0350 | 4.2850 | 4.2850 |

WASTEWATER TREATMENT CAPITAL RECOVERY FUND

Fund 63 - Department 4518



Department Overview

The Town of Yountville Wastewater Reclamation Facility (WWRF) Capital Recovery Fund is a subsidiary fund of the Wastewater Utility Operating Fund. The Fund accounts for construction, replacement, and modernization of WWRF infrastructure improvements and major equipment. Funding is provided both by the Veterans Home and the Wastewater Utility Operating Fund.

The Veterans Home contributes \$50,000 to cover capital costs and then is billed for expenses exceeding their \$50,000 contribution, which is based on 50% of planned capital costs. This is consistent with the agreement between the Town and Veteran Homes. The total Fiscal Year 2020-2021 share of the 50% proposed costs are estimated to be \$312,000.

In Fiscal Year 2020-21, the Wastewater Operating Fund (62) contribution to this fund is \$1,600,000.

2019-2020 Accomplishments

- Completed the design for Joint Treatment Plant Office Modernization Project (WW-0011).
- Continue to pursue and execute projects that help reduce and control costs while creating an efficient and effective operation.
- The Finance Department implemented the third year of the five-year water and wastewater utility rates that were adopted by Town Council on February 20, 2018. This includes a 12% wastewater rate increase per year for the five-year period.
- Completed a partial pre-payment towards the outstanding principal of the State Water Resources Control Board loan in the amount of \$1,152,031. Funding for this action came from the Veterans Home share of the project constructions costs that were paid in full in June 2014 and have been since held in fund balance. This resulted in a savings in interest expense of \$259,507 over the remaining life of the loan, and the loan will be paid off eight years earlier than originally scheduled.

2020-2021 Goals and Objectives

- Complete the construction of Wastewater Reclamation Facility Office Modernization Project (WW-0011).
- Continue to pursue and execute projects that help reduce and control costs while creating an efficient and effective operation.

Budget Highlights

- The Town obtained a low-interest loan from the State Water Resources Board for wastewater system improvements for 2,717,196 in June 2014. This year \$164,664 (\$144,890 in principal and \$19,771 in interest) is budgeted for debt service. The current outstanding balance of the loan is \$1,040,576. The loan is scheduled to be paid in full in November 2026.

Town of Yountville
WASTEWATER TREATMENT CAPITAL RECOVERY
Wastewater Fund 63 - Department 4518

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|---|--|--------------|--------------|--------------|--------------|--------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ 6,008,128 | \$ 5,779,063 | \$ 5,770,002 | \$ 5,882,996 | \$ 5,423,250 |
| REVENUE | | | | | | |
| 3695 | System Replacement Fees | 127,507 | 146,912 | 155,000 | 168,200 | 179,974 |
| Total Revenue | | \$ 127,507 | \$ 146,912 | \$ 155,000 | \$ 168,200 | \$ 179,974 |
| EXPENDITURES | | | | | | |
| WW-0005 | Dredge Wastewater Ponds | 193 | 149,880 | - | - | - |
| WW-0011 | Treatment Plant Building Modifications | - | - | 100,000 | 100,000 | 500,000 |
| WW-0012 | SCADA Controls | - | - | - | - | 50,000 |
| WW-0014 | New Pumps at JTP (2) | 39,637 | 39,689 | - | - | - |
| WW-0015 | Video & Repair Outfall Line at JTP | - | - | 100,000 | 100,000 | - |
| WW-0022 | Epoxy Scum Well | - | - | 30,000 | 30,000 | - |
| WW-0025 | 3/4 Ton Pickup Replacement | - | 43,352 | - | - | - |
| WW-4018 | Plant Equipment Replacement Program | 44,457 | - | - | - | - |
| WW-4019 | Plant Equipment Replacement Program | - | 263 | - | - | - |
| WW-4021 | Plant Equipment Replacement Program | - | - | 70,354 | 70,354 | 74,000 |
| 5999 | Depreciation Expense | 238,366 | 181,177 | 247,000 | 247,000 | 262,000 |
| 6100 | Debt Service - Principal | - | - | 121,844 | 1,212,953 | 144,890 |
| 6500 | Debt Service - Interest | 47,318 | 43,668 | 42,817 | 42,817 | 19,771 |
| Total Expenditures | | \$ 369,971 | \$ 458,029 | \$ 712,015 | \$ 1,803,124 | \$ 1,050,661 |
| NON-OPERATING REVENUE & TRANSFERS | | | | | | |
| 3301 | Investment Earnings | 16,494 | 41,007 | 27,000 | 25,000 | 25,000 |
| 3690 | Capital Recovery - Veterans Home | 85,262 | 74,043 | 150,177 | 150,177 | 312,000 |
| 3962 | Capital Contribution - WW Operating Fund 62 (Town) | 50,000 | 300,000 | 1,000,000 | 1,000,000 | 1,600,000 |
| 3900 | Interfund Transfer (64) | 2,006 | - | - | - | - |
| 7900 | Transfer to Wastewater Capital (64) | (180,000) | - | - | - | - |
| Total Non-Operating Revenue & Transfers | | \$ (26,238) | \$ 415,050 | \$ 1,177,177 | \$ 1,175,177 | \$ 1,937,000 |
| Depreciable Capital Projects* | | 39,637 | - | - | - | 550,000 |
| ■ ENDING FUND BALANCE | | \$ 5,779,063 | \$ 5,882,996 | \$ 6,390,164 | \$ 5,423,250 | \$ 7,039,563 |
| Net Change in Fund Balance | | (229,065) | 103,933 | 620,162 | (459,747) | 1,616,313 |
| FUND BALANCE ALLOCATIONS | | | | | | |
| Reserved for Emergency Capital Replacements per 2018 Utility Rate Study (5% of asset value) | | - | - | 317,982 | 317,982 | - |
| Reserved for Emergency Debt Service per 2018 Utility Rate Study (0.5 year debt service) | | - | - | - | - | - |
| Assigned for State Water Resources Board loan** | | - | - | 2,290,770 | 1,232,155 | 1,040,576 |
| Portion of Fund Balance applicable to Capital Assets | | - | - | 6,359,643 | 6,297,581 | 6,822,322 |
| Unreserved | | 5,779,063 | 5,882,996 | (2,578,231) | (2,424,468) | (823,335) |
| ■ Total Fund Balance | | \$ 5,779,063 | \$ 5,882,996 | \$ 6,390,164 | \$ 5,423,250 | \$ 7,039,563 |

*Depreciable Capital Projects represents the amount for projects completed and does not include construction in progress.

** State Water Resources Board loan balance at the end of fiscal year 2019-20 is \$1,040,576.

WASTEWATER COLLECTION CAPITAL IMPROVEMENT FUND

Fund 64 - Department 4519



Department Overview

The Wastewater Collection Capital Improvement Fund is a subsidiary fund of the Wastewater Enterprise Fund. The Fund accounts for acquisition and depreciation of wastewater collection system improvements and equipment. System replacement fees, connection fees, and developer fees are the main sources of revenue for this fund. Capital Improvement Projects for the Wastewater Treatment Plant are included in Fund 63 Department 4518. On February 20, 2018, Town Council adopted a wastewater rate structure that includes a 12% rate increase per year for the next five years, ending in Fiscal Year 2022-23. The adopted rates are incorporated into the operations and Capital Improvements Projects budgets.

The Wastewater Operating Fund (62) contribution to this fund will be \$350,000 for Fiscal Year 2020-2021.

2019-2020 Accomplishments

- Continued to allocate funds to the Collections Replacement Fund for future wastewater collections system and pump station equipment repair/ replacement.
- Complete Annual Inflow and Infiltration Reduction Program (WW-2020).
- Continue to allocate funds to the Sewer Main Replacement and Repair Program (WW-3020).
- Use of video assessment of the sewer collection system and the implementation of a Geospatial Information System (GIS) and computer maintenance management system has allowed staff to prioritize necessary repairs.

2020-2021 Goals and Objectives

- Allocate funds to Collections Replacement Fund for future wastewater collections system and pump station equipment repair/ replacement.
- Complete Annual Inflow and Infiltration Reduction Program (WW-2021).
- Allocate funds to the Sewer Main Replacement and Repair Program (WW-3021).

Budget Highlights

- \$29,316 is budgeted as a transfer to Debt Service Fund 53 to cover the Wastewater Capital proportionate share of the 2013 Lease Revenue Bond Allocation for the Madison/Yount Sewer Project.
- This fund is able to meet the 5% of asset value Reserve for Emergency Capital Replacements that was established in the 2018 Utility Rate Study in Fiscal Year 2020-2021.

Town of Yountville
WASTEWATER COLLECTION CAPITAL IMPROVEMENT FUND
Wastewater Fund 64 - Department 4519

| | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|--|---|---------------------|---------------------|---------------------|----------------------|---------------------|
| ■ BEGINNING FUND BALANCE | | \$ 2,195,016 | \$ 2,354,296 | \$ 2,102,534 | \$ 2,139,571 | \$ 2,247,798 |
| REVENUE & FINANCING SOURCES | | | | | | |
| 3750 | Developer Contribution In Lieu | - | - | - | - | - |
| | Total Revenue | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | | | |
| WW-0023 | Pipe Burst Town Force Main | - | - | - | - | 50,000 |
| WW-0026 | Pump Station Backup Pump | - | - | 39,000 | 39,000 | - |
| WW-2018 | Inflow and Infiltration Reduction Program | 4,291 | 68,116 | - | - | - |
| WW-2019 | Inflow and Infiltration Reduction Program | - | 3,985 | - | 74,819 | - |
| WW-2021 | Inflow and Infiltration Reduction Program | - | - | 78,560 | 78,560 | 82,500 |
| WW-3018 | Sewer Main Replacement Program | 239 | 68,514 | - | - | - |
| WW-3019 | Sewer Main Replacement Program | - | 300 | - | 72,572 | - |
| WW-3020 | Sewer Main Replacement Program | - | - | 76,200 | 76,200 | - |
| WW-3021 | Sewer Main Replacement Program | - | - | - | - | 80,500 |
| WW-5021 | Town Pump Station Equip. Repl. Program | - | - | 11,576 | 11,576 | 12,500 |
| 5999 | Depreciation Expense | 75,048 | 55,734 | 85,354 | 85,354 | 85,354 |
| | Total Expenditures | \$ 79,578 | \$ 196,649 | \$ 290,690 | \$ 438,081 | \$ 310,854 |
| NON-OPERATING REVENUE & TRANSFERS | | | | | | |
| 3301 | Investment Earnings | 3,843 | 4,080 | 1,000 | 5,000 | 3,000 |
| 3799 | Allocated Impact Fees | 86,364 | 6,729 | - | 19,736 | - |
| 3962 | Capital Contribution - WW Operating Fund 62 (Town) | - | - | 550,000 | 550,000 | 350,000 |
| 3963 | Transfer from WW Treatment Capital (63) | 180,000 | - | - | - | - |
| 7900 | Interfund Transfer (63) | (2,006) | - | - | - | - |
| 7953 | To Debt Service Fund 53 Transfer In / (Out)*** | (29,343) | (28,885) | (28,428) | (28,428) | (29,316) |
| | Total Non-Operating Revenue & Transfers | \$ 238,858 | \$ (18,076) | \$ 522,572 | \$ 546,308 | \$ 323,684 |
| | Depreciable Capital Projects* | - | - | - | - | - |
| ■ ENDING FUND BALANCE | | \$ 2,354,296 | \$ 2,139,571 | \$ 2,334,416 | \$ 2,247,798 | \$ 2,260,628 |
| | Net Change in Fund Balance | 159,280 | (214,725) | 231,882 | 108,227 | 12,830 |
| FUND BALANCE ALLOCATIONS | | | | | | |
| | Reserved for Emergency Capital Replacements per 2018 Utility Rate Study (5% of asset value) | - | - | 107,808 | 107,808 | 106,077 |
| | Portion of Fund Balance applicable to Capital Assets | - | - | 2,156,164 | 2,156,164 | 2,121,544 |
| | Unreserved | 2,354,296 | 2,139,571 | 70,444 | (16,174) | 33,007 |
| ■ Total Fund Balance | | \$ 2,354,296 | \$ 2,139,571 | \$ 2,334,416 | \$ 2,247,798 | \$ 2,260,628 |

*Depreciable Capital Projects represents the amount for projects completed and does not include construction in progress.

SEWER CONNECTION IMPACT FEE Fund 65



Department Overview

The Sewer Connection Impact Fee Fund was established in June 2005 with the adoption of Ordinance No. 362-05 and Municipal Code Section 3.40 to account for impact fees collected for existing and planned sewer system facilities, projects, and infrastructure.

Sewer Connection Impact Fees are collected on new residential and commercial development, conversions, and expansions as provided in Municipal Code Section 3.40.

The Town continues to near build out and impact fees will not be a significant revenue source going forward to assist in funding the construction and maintenance of the Town's wastewater system.

2019-2020 Accomplishments

- Collected impact fees from two commercial and one residential development projects as a process of building permit issuance, for a total of \$19,636.

2020-2021 Goals and Objectives

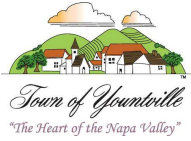
- Allocate any Impact Fees.

Budget Highlights

- Nominal. Current practice is not to budget impact fees as development is limited in number and timing is difficult to predict. Impact Fees from the additional three (3) rooms at the Bardessono Hotel may generate additional revenue.

Town of Yountville
SEWER CONNECTION IMPACT FEE FUND
Wastewater Fund 65

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|-----------------------------------|--|--------------------|-------------------|-------------|--------------------|-------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ - | \$ - | \$ - | \$ - | \$ - |
| REVENUE | | | | | | |
| 3701 | Impact Fees | 86,299 | 6,729 | - | 19,636 | - |
| | Total Revenue | \$ 86,299 | \$ 6,729 | \$ - | \$ 19,636 | \$ - |
| NON-OPERATING REVENUE & TRANSFERS | | | | | | |
| 3301 | Investment Earnings | 65 | - | - | 100 | - |
| 3799 | Allocate Impact Fees | - | - | - | - | - |
| | To Wastewater Collection Capital (64) | (86,364) | (6,729) | - | (19,736) | - |
| | Total Non-Operating Revenue & Transfers | \$ (86,299) | \$ (6,729) | \$ - | \$ (19,636) | \$ - |
| ■ ENDING FUND BALANCE | | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Change in Fund Balance | | - | - | - | - | - |



Staff Report

File #: 20-2569, Version: 1

CAPITAL PROJECTS SPECIAL REVENUE FUNDS

The Town Council will review and discuss the 2020-2021 Proposed Budget for Capital Projects Special Revenue Funds, as follows:

1. State Gas Tax Fund 20
2. Measure T Transportation Improvement Fund 25
3. Road Maintenance and Rehabilitation Act (SB1) Fund 26
4. Measure T Equivalent Fund 27
5. Measure A Maintenance Fund 75
6. Flood Barrier Capital Maintenance Fund 76

Department Overview

The State Gas Tax Fund is used to account for maintenance and capital expenditures associated with street improvement projects. Funding is provided from State Gas Taxes and Traffic Congestion Relief monies that are restricted to street maintenance and related improvements within the Town. The State of California charges a tax of \$0.18 per gallon on the purchase of motor vehicle fuel. A portion is allocated to the Town under five (5) different formulas as specified in the California Streets and Highways Code (SHC) (Sections 2103, 2105, 2106, 2107, 2107.5). These monies are generally allocated on a per capita basis. Gas Tax revenue is restricted for the repair, maintenance, and upkeep of Town streets and roads. A small amount is allocated for engineering and related administration costs.

- Section 2103 provides that funds are allocated per capita to cities and counties 75% based on the proportion of registered vehicles and 25% based on the proportion of road maintained county road miles.
- Section 2104 allocates funds to counties with designated allotments for engineering and administration, snow removal, heavy rainfall / storm damage as well as county streets, roads and public mass transit guideways and facilities.
- Section 2105(a) and Section 2105(b) allocates 11.5 percent of the tax revenues in excess of 9 cents per gallon monthly among counties based on population (i.e. the Proposition 111 rate).

*The current combined rate as of January 2020 is \$0.353 cents a gallon.

- Section 2106(b) provides that each city shall receive a fixed monthly apportionment of \$400; Section 2106(d) provides for distribution on a per capita basis.
- Section 2107 provides monthly allocations to cities of 1.315 cents per gallon of gasoline, 1.8 cents per gallon of diesel, and 2.59 cents per liquefied petroleum gas (LPG), as follows.
 - Each city with snow removal costs in excess of \$5,000 is allocated 50 percent of the cost exceeding \$5,000.
 - The remainder is allocated to cities based on population.
- Section 2107.5 represents a fixed amount of revenue received from the State based on population. Populations less than 5,000 receive \$1,000. Section 2107.5 funds must be used for engineering costs and administrative expenses related to city streets. Cities with populations under 10,000 may use these funds for street construction or acquisition of street right-of-way.

2019-2020 Accomplishments

- The Town received a Pavement Condition Index (PCI) of 78. This is the highest rating in any of the Napa County jurisdictions.
- Gas Tax Funds in the amount of \$57,181 were used for the Plans, Specifications and Engineering (PSE) and project management for the 2020 Oak Circle Rehabilitation Project.

2020-2021 Goals and Objectives

- Utilize Gas Tax Funds to increase/maintain the pavement condition index by supplying Plans, Specifications and Engineering for the Annual Street Maintenance Program.

Budget Highlights

The following projects are partially funded from the Gas Tax fund and augmented by the Capital Improvement Program (Fund 50):

- \$49,000 is budgeted for the Annual Street Maintenance and Paving Project (GT-3021). This fund will primarily support the Plans, Specifications and Engineering (PSE) for Measure T Projects. The attached map illustrates the proposed projects that will use Gas Tax money for PSE.
- A summary of the Capital Improvement Program for Fiscal Year 2020-21 can be found in the last section of the budget document. Details of the Town's Five-Year Capital Improvement

STATE GAS TAX FUND
Fund 20 Department 6000



Program (CIP) are in a public binder at Town Hall and available on the Town's website at www.townofyountville.com under the Public Works Department.

- Budget has been reduced by 30% to reflect the reduction in revenue due to COVID-19.

Town of Yountville
STATE GAS TAX FUND
Fund 20 - Departments 4305 & 6000

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|--|---|------------------|------------------|------------------|------------------|------------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ 47,997 | \$ 36,915 | \$ 42,319 | \$ 30,066 | \$ 27,596 |
| REVENUE | | | | | | |
| 3301 | Investment Earnings | 411 | 872 | 500 | 500 | 500 |
| 3410 | Gas Tax Section 2105 | 14,483 | 16,092 | 16,317 | 11,250 | 11,801 |
| 3411 | Gas Tax Section 2106 | 11,293 | 12,542 | 12,549 | 8,818 | 8,818 |
| 3413 | Gas Tax Section 2103 | 10,472 | 9,798 | 25,015 | 17,046 | 18,201 |
| 3415 | Gas Tax Section 2107 | 19,250 | 18,822 | 21,426 | 14,088 | 14,088 |
| 3416 | Gas Tax Section 2107.5 | - | 2,415 | 1,000 | 700 | 700 |
| 3418 | SB1 Loan Repayments | 3,336 | 3,308 | 3,308 | 2,308 | - |
| Total Revenue | | \$ 59,245 | \$ 63,849 | \$ 80,115 | \$ 54,711 | \$ 54,108 |
| EXPENDITURES | | | | | | |
| Department 4305 Streets Maintenance | | | | | | |
| 4510 | Utilities | 268 | - | - | - | - |
| Total Department 4305 | | \$ 268 | \$ - | \$ - | \$ - | \$ - |
| Department 6000 Capital Projects | | | | | | |
| ST-0004 | Surveys & Monuments Book | - | - | - | - | - |
| GT-0004 | Surveys & Monuments | 20,725 | - | - | - | - |
| GT-3018 | Curb, Gutter & Sidewalk | 36,452 | - | - | - | - |
| GT-3019 | Annual Street Maintenance and Paving Program | - | 70,698 | - | 8,181 | - |
| GT-3020 | Annual Street Maintenance and Paving Program | - | - | 70,000 | 49,000 | - |
| GT -3021 | Plans, Specs, & Engineering for Paving Projects | - | - | - | - | 49,000 |
| GT-4018 | Traffic Calming | 12,882 | - | - | - | - |
| Total Department 6000 | | \$ 70,059 | \$ 70,698 | \$ 70,000 | \$ 57,181 | \$ 49,000 |
| Total Expenditures | | \$ 70,327 | \$ 70,698 | \$ 70,000 | \$ 57,181 | \$ 49,000 |
| TRANSFERS IN (OUT) | | | | | | |
| 3950 | From Capital Projects (50) | - | - | - | - | - |
| Total Net Transfers | | \$ - | \$ - | \$ - | \$ - | \$ - |
| ■ ENDING FUND BALANCE | | \$ 36,915 | \$ 30,066 | \$ 52,434 | \$ 27,596 | \$ 32,704 |
| Net Change in Fund Balance | | (11,082) | (6,849) | 10,115 | (2,470) | 5,108 |

MEASURE T TRANSPORTATION IMPROVEMENT FUND

Fund 25 - Department 6000



Department Overview

In November 2012, Napa County voters passed a half-cent sales tax called the Napa Countywide Road Maintenance Act (NVTA Ordinance 2012-01), known as Measure T. This countywide sales tax is administered by Napa Valley Transportation Authority (NVTA) and is collected and distributed by Napa County for road maintenance that began in 2018. Measure T is estimated to provide approximately \$510,000 annually to fund street, sidewalk, streetlight, and related projects. The forecasted revenue amount for Fiscal Year 2020-2021 has been reduced due to decreases in sales tax collections as a result of the effects of COVID 19.

Measure T requires the Town to continue to maintain its pre-existing expenditure level efforts on road maintenance (as measured by the average general fund expenditures on pavement maintenance activities during Fiscal Year 2007-08, Fiscal Year 2008-09, and Fiscal Year 2009-10). Starting in Fiscal Year 2018-19, this amount, known as Maintenance of Effort (MOE), must also be spent by the Town in the form of General Fund expenditure each year to remain eligible to receive Measure T funds. As part of the biennial update to NVTA, the MOE was updated and approved by Council. It was presented to NVTA and certified by the Independent Taxpayer Oversight Committee.

The MOE amount will be accounted for in personnel costs in the Streets Maintenance budget (01-4305). The ITOC approved MOE for the Town for Measure T is \$223,604.

2019-2020 Accomplishments

- The Town received a Pavement Condition Index (PCI) of 78 for its streets. This is the highest rating in any of the Napa County jurisdictions.
- Used \$420,000 of Measure T Money to complete the Oak Circle Rehabilitation Project (MT-3020).
- Used Measure T funds to complete fall Microsurfacing Project (MT3020).

2020-2021 Goals and Objectives

- Use Measure T Funds for the Annual Streets Maintenance Program (MT-3021). Due to the emergency water line replacement the Washington Park neighborhood was reprioritized and will be completed as part of this year's street improvement projects. This project will include Mt. Ave, Forrester Lane, Jasmine Street, Foxglove Lane, Redwood Drive and a portion of Lande Way.

Budget Highlights

The following projects are funded from this program:

- \$510,000 is budgeted to continue with the Annual Street Maintenance and Paving Program (MT-3021), in the Washington Park Neighborhood at the conclusion of the emergency water line replacement project. This follows Town Council policy of re-paving of a street following utilities replacement.
- A summary of the Capital Improvement Program for Fiscal Year 2020-21 can be found in the last section of the budget document. Details of the Town's Five-Year Capital Improvement Program (CIP) is available on the Town's website at www.townofyountville.com under the Public Works Department.

Town of Yountville
MEASURE T TRANSPORTATION IMPROVEMENT FUND
Fund 25 - Departments 6000

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|----------------------------------|--|-------------|--------------------|-------------------|---------------------|---------------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ - | \$ 0 | \$ 68,100 | \$ (25,943) | \$ (112,841) |
| REVENUE | | | | | | |
| 3301 | Investment Earnings | 0 | 1,680 | 500 | 200 | - |
| 3417 | Measure T | - | 439,659 | 550,000 | 467,500 | 510,000 |
| Total Revenue | | <u>\$ 0</u> | <u>\$ 441,339</u> | <u>\$ 550,500</u> | <u>\$ 467,700</u> | <u>\$ 510,000</u> |
| EXPENDITURES | | | | | | |
| Department 6000 Capital Projects | | | | | | |
| MT-3019 | Annual Street Maintenance and Paving Program | - | 467,282 | - | - | - |
| MT-3020 | Annual Street Maintenance and Paving Program | - | - | 550,000 | 554,598 | - |
| MT-3021 | Annual Street Maintenance and Paving Program | - | - | - | - | 510,000 |
| Total Department 6000 | | <u>\$ -</u> | <u>\$ 467,282</u> | <u>\$ 550,000</u> | <u>\$ 554,598</u> | <u>\$ 510,000</u> |
| Total Expenditures | | <u>\$ -</u> | <u>\$ 467,282</u> | <u>\$ 550,000</u> | <u>\$ 554,598</u> | <u>\$ 510,000</u> |
| ■ ENDING FUND BALANCE | | <u>\$ 0</u> | <u>\$ (25,943)</u> | <u>\$ 68,600</u> | <u>\$ (112,841)</u> | <u>\$ (112,841)</u> |
| Net Change in Fund Balance | | 0 | (25,943) | 500 | (86,898) | 0 |

ROAD MAINTENANCE AND REHABILITATION ACT (SB1) FUND

Fund 26 - Department 6000



Department Overview

On April 28, 2017, the Governor signed Senate Bill 1 (SB1), which is known as the Road Maintenance and Rehabilitation Act. SB1 increased the per gallon fuel excise taxes; increased diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years. Beginning November 1, 2017, the State Controller deposited various portions of this new funding into the Road Maintenance and Rehabilitation Account for cities statewide.

Funding from SB1 will help the Town maintain and rehabilitate streets/roads, and active transportation infrastructure now and into the future. Revenues expected in Fiscal Year 2020-2021 for this fund have been adjusted to reflect reductions in fuel excise tax collections as a result of COVID-19.

To ensure revenues are used in a cost-effective manner, the Town of Yountville uses a pavement management system to develop project lists in high priority areas.

2019-2020 Accomplishments

- The Town received a Pavement Condition Index (PCI) of 78. This is the highest rating in any of the Napa County jurisdictions.
- \$40,000 of SB1 monies were used for the Curb, Gutter and Sidewalk Program (SB-6019). In Fiscal Year 2019-20 various curb, gutters and sidewalks were improved on Oak Circle as part of the Oak Circle Rehabilitation Project.

Budget Highlights

- The Town will receive approximately \$38,777 in SB1 revenues in Fiscal Year 2020-21.
- \$35,000 is budgeted to continue with Curb, Gutter, and Sidewalk Replacement (SB-6020). Improvements will be made in various locations in the Toyan Terrace and Vista neighborhoods in advance of the street improvements being made later in the fiscal year. The attached map illustrates the locations of the improvements.
- A summary of the Capital Improvement Program for fiscal year 2020-21 can be found in the last section of the budget document. Details of the Town's Five-Year Capital Improvement Program (CIP) are available on the Town's website at www.townofyountville.com under the Public Works Department.

Town of Yountville
ROAD MAINTENANCE AND REHABILITATION ACT (SB1) FUND
Fund 26 - Departments 6000

| | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|----------------------------------|-------------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|
| ■ BEGINNING FUND BALANCE | | \$ - | \$ 17,225 | \$ 26,064 | \$ 26,917 | \$ 28,621 |
| REVENUE | | | | | | |
| 3301 | Investment Earnings | 27 | 463 | 200 | 350 | 250 |
| 3419 | Road Maintenance Rehabilitation Act | 17,198 | 49,229 | 48,546 | 41,354 | 38,777 |
| Total Revenue | | <u>\$ 17,225</u> | <u>\$ 49,692</u> | <u>\$ 48,746</u> | <u>\$ 41,704</u> | <u>\$ 39,027</u> |
| EXPENDITURES | | | | | | |
| Department 6000 Capital Projects | | | | | | |
| SB-6019 | Curb, Gutter & Sidewalk Replacement | - | 40,000 | 40,000 | 40,000 | - |
| SB-6020 | Curb, Gutter & Sidewalk Replacement | - | - | - | - | 35,000 |
| Total Department 6000 | | <u>\$ -</u> | <u>\$ 40,000</u> | <u>\$ 40,000</u> | <u>\$ 40,000</u> | <u>\$ 35,000</u> |
| Total Expenditures | | <u>\$ -</u> | <u>\$ 40,000</u> | <u>\$ 40,000</u> | <u>\$ 40,000</u> | <u>\$ 35,000</u> |
| ■ ENDING FUND BALANCE | | <u>\$ 17,225</u> | <u>\$ 26,917</u> | <u>\$ 34,810</u> | <u>\$ 28,621</u> | <u>\$ 32,648</u> |
| Net Change in Fund Balance | | 17,225 | 9,692 | 8,746 | 1,704 | 4,027 |

Department Overview

In November 2012, Napa County voters passed a half-cent sales tax called the Napa Countywide Road Maintenance Act (NVRTA Ordinance 2012-01), known as Measure T. This new countywide sales tax is administered by Napa Valley Transportation Authority (NVRTA) and is collected and distributed by Napa County for road maintenance that began in 2018. Measure T is estimated to provide approximately \$550,000 annually to fund street, sidewalk, and streetlight and related projects. The new funds will be used for projects that will improve the pavement conditions of streets, sidewalks and related street infrastructure projects.

The Measure T Ordinance also requires 6.67% of other monies set aside for Class 1 Bicycle improvements:

In order to receive annual allocations under Measure T, the Agencies (collectively in the County) must demonstrate that at least six and sixty-seven one-hundredths percent (6.67%) of the value of the allocations each year under Section 3(A) has been committed to Class I Bike lane project(s) identified in the adopted Countywide Bicycle Plan, as that Plan may be amended from time to time, through funding not derived from this ordinance.

This obligation may be fulfilled by the NVRTA in programming Congestion Mitigation and Air Quality Improvement (CMAQ) funding (or its successor), plus other local or formula specific funds, in an amount that equals 6.67% over the term of this ordinance. Funding for Class I Bike lane projects that are funded by philanthropy, state discretionary funding or federal discretionary funding shall not count toward the six and sixty-seven one-hundredths percent (6.67%). Discretionary funding means any funding that is not tied to a specific state or federal program or formula.

2019-2020 Accomplishments

- Used Measure T Equivalent Funds (in addition to other funds) for Repair and Slurry of the Yountville Bike Path (Vine trail Path) and Finnell Path Maintenance and Repair.

2020-2021 Goals and Objectives

- The 6.67 % obligation as required by the Measure T Ordinance to comply with the intent of the Ordinance has been met for Fiscal Year 2020-21. This amount has been met via three projects last year that were funded using general Fund monies- Finnell Path Maintenance and Repair (CP-0014), The Pedestrian Path from Oak Circle to Mission (PK-0003)and The Yountville Bike Resurface (PK-0022) these projects qualify for meeting the obligation for Measure T Equivalent requirements for the Fiscal Year. The obligation has been met and no funds will be budgeted in this account for the Fiscal Year 2020/21 period. This will help preserve General Funds for other needs that may arise as a result of COVID 19.

Budget Highlights

- Completed the Finnell Path Maintenance and Repair (CP-0014) from Yount Street to the concrete surface at the Ballfields at Yountville Elementary School.
- Completed the Yountville Bike Resurface (PK-0022) project- this included slurry seal from Town Limits on Solano to the Yountville Bike Path terminus at Madison Street.

Town of Yountville
MEASURE T EQUIVALENT (MTE) FUND
Fund 27 - Departments 6000

| | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET ESTIMATED | | 2020-21 PROPOSED |
|----------------------------------|----------------------------------|-------------------|-------------------|----------------------------------|------------------|---------------------|
| ■ BEGINNING FUND BALANCE | | \$ - | \$ 0 | \$ 100 | \$ 0 | \$ 0 |
| REVENUE | | | | | | |
| 3301 | Investment Earnings | 0 | - | 100 | - | - |
| 3950 | Interfund Transfer (CIP Fund 50) | - | 29,000 | 36,685 | 36,685 | - |
| | Total Revenue | \$ 0 | \$ 29,000 | \$ 36,785 | \$ 36,685 | \$ - |
| EXPENDITURES | | | | | | |
| Department 6000 Capital Projects | | | | | | |
| 4280 | Other Agencies | - | - | - | - | - |
| 5400 | Infrastructure | - | 29,000 | 36,685 | 36,685 | - |
| | Total Department 6000 | \$ - | \$ 29,000 | \$ 36,685 | \$ 36,685 | \$ - |
| | Total Expenditures | \$ - | \$ 29,000 | \$ 36,685 | \$ 36,685 | \$ - |
| ■ ENDING FUND BALANCE | | \$ 0 | \$ 0 | \$ 200 | \$ 0 | \$ 0 |
| Net Change in Fund Balance | | 0 | (0) | 100 | 0 | 0 |

MEASURE A MAINTENANCE FUND

Fund 75 - Department 4330



Department Overview

In March 1998, voters approved a half-cent sales tax increase for flood control purposes known locally as Measure A. The County and each City and Town used Measure A proceeds generated within their jurisdictional boundaries for projects that were specified in the ballot measure. For the Town of Yountville, the Measure read:

Town of Yountville:

1. Flood protection for the Town's mobile home parks and surrounding areas; and
2. Hopper Creek and Beard Ditch improvements and restoration for flood protection.

The Town's projects eligible for Measure A funding included:

3. Flood Barrier Project for two mobile home parks;
4. Phase I Hydrologic Study of the Hopper and Hinman Creek Watershed;
5. Phase II Hydrologic Study & Design of the Hopper and Hinman Creek Watershed;
6. Hopper Creek Diversion Structure Bank Stabilization;
7. Beard Ditch Bank Repair;
8. Hopper Creek Improvements Project (HOP): HOP 5, HOP 10, Villagio Channel, and Sedimentation Basins.

The last remaining debt service (Fund 77-7000) for the Flood Barrier Project was paid in Fiscal Year 2017-2018, and the defined projects are completed. The Town has a small fund balance from the remaining Measure A revenues. This fund will be used to preserve the taxpayers' investment in the flood protection projects within the mobile home parks and surrounding areas, as well as the improvements and restoration completed in Hopper Creek and Beard Ditch. The funds are a special maintenance account and can only be used for project maintenance within the original scope of approved Measure A projects. This includes the Flood Barrier Wall and improvements performed in Beard Ditch and Hopper Creek for Measure A related projects.

2019-2020 Accomplishments

- Continued to oversee, monitor, and maintain the Floodwall and its related infrastructure system.
- Conducted annual training exercise to ensure public works staff and first responders are trained and aware of how to operate the flood barrier.
- Conducted annual Flood wall inspection prior to the rainy season to ensure that the wall meets the operational needs as designed. No issues were found.

2020-2021 Goals and Objectives

- \$20,000 is budgeted in the event funds are required for eligible expenses. This includes funds for Floodwall Maintenance as formerly provided under Fund 76 Flood Barrier Capital Maintenance Fund.
- Continue to oversee, monitor, and maintain the Floodwall and its related infrastructure system.
- Conduct annual training exercise to ensure public works staff and first responders are trained and aware of how to operate the flood barrier.
- Conduct annual Flood wall inspection prior to the rainy season to ensure that the wall meets the operational needs as designed.

Budget Highlights

- The establishment of the Measure A Maintenance Fund in Fiscal Year 2018-19 allowed for the maintenance of infrastructure as required by the Napa County Auditor/Controller.
- This fund will provide for funding of Measure A related projects should they be needed.

Town of Yountville
MEASURE A MAINTENANCE FUND
Fund 75 - Department 4330

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|---------------------------------|-------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ - | \$ - | \$ 192,401 | \$ 252,641 | \$ 446,237 |
| REVENUE | | | | | | |
| 3301 | Investment Earnings | - | 3,448 | 1,000 | 4,500 | 5,000 |
| 3420 | Measure A | - | 241,336 | 20,000 | 23,915 | 20,000 |
| 3976 | Interfund Transfer (76) | - | 7,857 | 189,730 | 185,181 | - |
| Total Revenue | | \$ - | \$ 252,641 | \$ 210,730 | \$ 213,596 | \$ 25,000 |
| EXPENDITURES | | | | | | |
| 4310 | Facilities Maintenance | - | - | 20,000 | 20,000 | 20,000 |
| Total Expenditures | | \$ - | \$ - | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| ■ ENDING FUND BALANCE | | \$ - | \$ 252,641 | \$ 383,131 | \$ 446,237 | \$ 451,237 |
| Net Change in Fund Balance | | 0 | 252,641 | 190,730 | 193,596 | 5,000 |

FLOOD BARRIER CAPITAL MAINTENANCE FUND

Fund 76 - Department 4330



Department Overview

This Fund was established to provide for revenues and expenditures related to the FEMA Flood Hazard Mitigation Grant awarded to the Town in 1990. The Flood Wall project was completed in Fiscal Year 2004-2005 and has been successful in protecting the mobile home park communities from several flood events since the barrier was constructed. Current Fund resources are in effect a reserve fund for future use for capital improvement and maintenance of the Flood Barrier and its related system infrastructure.

Floodwall Project Historical Information:

The cost of planning, designing and construction of the project was approximately \$6.78 Million, and was paid for with a combination of Capital Lease Financing (\$2.82 million), FEMA/OES Grants (\$2.84 million), Town funds (\$433,000), Measure A (\$400,000), Napa County (\$149,000), Property Owner (\$75,000) and other (\$64,000) financing sources.

2019-2020 Accomplishments

- Monitored and maintained the Floodwall.
- Transfer fund balance to Measure A Maintenance Fund (Fund 75).
- Closed this fund as it is now covered by Measure A Maintenance Fund (75).

2020-2021 Goals and Objectives

- Fund now closed as it is no longer needed.

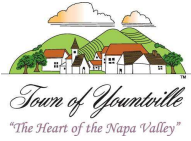
Budget Highlights

- Closed this fund and transfer to the Measure a Maintenance Fund (Fund 75).

Town of Yountville
FLOOD BARRIER CAPITAL MAINTENANCE FUND
Fund 76 - Department 4330

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|----------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ 179,732 | \$ 180,258 | \$ 189,730 | \$ 183,482 | \$ - |
| REVENUE | | | | | | |
| 3301 | Investment Earnings | 1,350 | 3,224 | - | 1,699 | - |
| | Total Revenue | \$ 1,350 | \$ 3,224 | \$ - | \$ 1,699 | \$ - |
| EXPENDITURES | | | | | | |
| 4310 | Facilities Maintenance | 824 | - | - | - | - |
| 7975 | Interfund Transfer (75)* | - | - | 189,730 | 185,181 | - |
| | Total Expenditures | \$ 824 | \$ - | \$ 189,730 | \$ 185,181 | \$ - |
| ■ ENDING FUND BALANCE | | \$ 180,258 | \$ 183,482 | \$ - | \$ - | \$ - |
| Net Change in Fund Balance | | 526 | 3,224 | (189,730) | (183,482) | - |

** Total fund balance transferred into Measure A Maintenance Fund 75 in Fiscal Year 2019-20 and this fund is now closed.*



Staff Report

File #: 20-2570, Version: 1

CAPITAL PROJECTS FUNDS

The Town Council will review and discuss the 2020-2021 Proposed Budget for Capital Project Funds, as follows:

1. Capital Projects Fund (50-6000)
2. Facilities Repair and Replacement Fund (81-6000)
3. Fleet, Tools and Equipment Repair and Replacement Fund (82-6000)

Department Overview

The Capital Projects Fund is used to account for new, large-scale capital expenditure of over \$10,000 associated with implementation of the Town's rolling Five Year Capital Improvement Program (CIP).

The following funds support the CIP:

- General Fund serves as the primary contribution to Fund 50
- Developer contributions/impact fees
- Grants and contributions from other agencies

Projects that are funded by the Water Enterprise Fund (60-4500), Wastewater Enterprise Fund (63-4518, 64-4519) are found in the Enterprise Fund budget sections.

As noted, Measure T (25-6000), SB1 (26-6000) and Gas Tax Fund (20-6000) are special revenue funds that support CIP projects, but are not general fund money.

2019-2020 Accomplishments

Capital projects and programs completed include:

- Stationary Emergency Generator at Community Hall (CF-0013)
- Community Center/Hall and Town Hall Parking lot Resurface. (CF-0023)
- Streetlight Replacement Program LED Street Lights upgrade at Oak Circle (ST-5019)

2020-2021 Goals and Objectives

- Complete the design and construction of 9 Capital Improvement Projects within budget and on schedule while meeting the expectations of the public.
- Use grant funds where eligible to replace General Fund contribution on Oak Circle Path (PK-0003) and Yountville Community Park Restroom (PK-0024).

Capital Projects Impact on Operating

The following major Capital Improvement Projects will have an impact on General Fund operating departments:

- CP-0015 Community WiFi/Hotspot – Possible monthly support costs related to this project when completed will be budgeted in the General Fund Information Technology & Telecommunications department (01-1011).
- PK-0003 Pedestrian Path Oak Circle to Mission – Once completed, this new path will require minimal costs for supplies and staff time applicable to ongoing landscape and maintenance. These future maintenance costs will be budgeted in the General Fund Public Works Parks Maintenance department (01-4320).
- PK-0024 Restroom Construction at Yountville Community Park – This project results in the demolition of an existing single facility restroom and reconstruction of new dual facility restroom. Impact on operating will be minimal, as costs related to the maintenance of this restroom are currently budgeted in the General Fund Public Works Government Buildings department (01-4325). There will a slight increase in cost of supplies, as the new restroom will house two facilities rather than one.

Budget Highlights

- The planned Capital Improvement Program for Fiscal Year 2020-2021 includes General Fund project allocations and the reallocation of existing approved CIP fund balance to continue funding completion of specific capital projects including the New Pedestrian Path from Oak to Mission and the ADA Accessibility Improvement Program.
- A summary of the Capital Improvement Program is included in the last section of this budget document. Details of the Town's Five-Year Capital Improvement Program (CIP) are also available

in a public binder at Town Hall and on the Town's website, www.townofyountville.com under Public Works Department.

Did You Know?

- 88 cubic Yards of concrete were poured for the Multi Use Hopper Creek Path Replacement Project.
- The Stationary Emergency Generator can operate in a power outage for at least 72 Hours before needing additional fuel. The generator fuel capacity is 600 gallons.
- 14 new (or replacement) Town Standard LED streetlights installed in Yountville Streets.

Town of Yountville
CAPITAL PROJECTS FUND SUMMARY
Fund 50 - Department 6000

| Fund 50 | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET ESTIMATED | | 2020-21 PROPOSED |
|--|---|---------------------|---------------------|----------------------------------|---------------------|---------------------|
| ■ BEGINNING FUND BALANCE | | \$ 2,205,644 | \$ 2,255,117 | \$ 1,082,914 | \$ 1,435,727 | \$ 595,884 |
| REVENUE & FINANCING SOURCES | | | | | | |
| 3301 | Interest Earnings | 14,146 | 33,340 | 20,000 | 20,000 | 20,000 |
| 3303 | Interfund Loan - Interest (60) | - | - | - | - | - |
| 3409 | Other State Revenue | - | - | 500,000 | - | 557,000 |
| 3421 | NVTA Grant | - | - | - | - | - |
| 3429 | Other County Revenue | - | - | - | - | - |
| 3430 | Federal Grant (FEMA) | - | - | - | - | - |
| 3702 | Utility Underground Impact Fee** | 64,162 | 3,574 | - | - | - |
| 3801 | Refunds & Reimbursements | 4,382 | 582 | 47,500 | 20,000 | 149,000 |
| Total Revenue & Financing Sources | | \$ 82,690 | \$ 37,496 | \$ 567,500 | \$ 40,000 | \$ 726,000 |
| EXPENDITURES | | | | | | |
| 4210 | Contract Services | - | - | - | - | - |
| 4280 | Other Agencies | - | - | - | - | - |
| 4999 | Designated Contingency | - | - | 10,000 | 3,500 | 10,000 |
| CF | Civic Facilities Projects | 160,152 | 220,073 | 23,000 | 157,841 | - |
| CP | Community Projects | 63,475 | 149,368 | 410,000 | 300,000 | 179,999 |
| DF | Drainage & Flood Control Projects | 53,410 | 22,930 | 16,538 | 16,538 | 42,500 |
| PK | Parks & Recreation Projects | 89,024 | 421,399 | 585,000 | 491,500 | 700,000 |
| ST | Streets & Transportation Projects | 247,688 | 36,389 | 70,000 | 70,000 | 32,000 |
| Total Expenditures | | \$ 613,748 | \$ 850,159 | \$ 1,114,538 | \$ 1,039,379 | \$ 964,499 |
| TRANSFERS IN (OUT) | | | | | | |
| 3900 | From General Fund | 438,584 | - | 100,000 | 100,000 | 100,000 |
| 3930 | SB 1186 Fee (Fund 30) | - | 1,806 | 1,500 | 1,500 | 1,500 |
| 3799 | Allocated Impact Fees: | | | | | |
| | Civic Facilities Impact Fees (41) | 43,383 | 6,253 | - | 9,895 | - |
| | Drainage & Flood Control Impact Fees (42) | 7,172 | 1,034 | - | 1,636 | - |
| | Parks & Recreation Impact Fees (43) | 16,576 | 2,391 | - | 3,781 | - |
| | Public Safety Impact Fees (44) | 6,848 | 986 | - | 1,563 | - |
| | Traffic Facilities Impact Fees (45) | 67,968 | 9,802 | - | 15,500 | - |
| | Utility Undergrounding Impact Fees (46) | - | - | - | - | - |
| 7927 | To Measure T Equivalent Fund (27) | - | (29,000) | (36,685) | (36,685) | - |
| 7946 | To Utility Undergrounding Impact Fee (46) | - | - | - | 62,346 | - |
| Total Net Transfers | | \$ 580,531 | \$ (6,728) | \$ 64,815 | \$ 159,536 | \$ 101,500 |
| ■ ENDING FUND BALANCE* | | \$ 2,255,117 | \$ 1,435,727 | \$ 600,691 | \$ 595,884 | \$ 458,885 |
| Net Change in Fund Balance | | 49,473 | (819,390) | (482,223) | (839,843) | (136,999) |
| Funds Available for Capital Projects | | \$ 2,056,646 | \$ 1,435,727 | \$ 953,504 | \$ 595,883 | \$ 458,884 |

** Moved to new Utility Undergrounding Impact Fee Fund (46) in FY 19/20.

Town of Yountville
CAPITAL PROJECTS
Fund 50 - Department 6000

| | | 2018-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|--|--|-------------------|-------------------|-------------------|----------------------|---------------------|
| CIP PLANNING & DEVELOPMENT | | | | | | |
| 4210 | Contract Services | - | - | - | - | - |
| 4280 | Other Agencies | - | - | - | - | - |
| 4999 | Designated Contingency | - | - | 10,000 | 3,500 | 10,000 |
| | Total Contract Services | \$ - | \$ - | \$ 10,000 | \$ 3,500 | \$ 10,000 |
| CF CIVIC FACILITIES | | | | | | |
| CF-0005 | Community Center Trash Enclosure | 78,322 | - | - | - | - |
| CF-0011 | Town Hall Council Chambers Improvements | 1,189 | - | - | - | - |
| CF-0012 | Community Center Restoration Project | - | - | 23,000 | 23,000 | - |
| CF-0015 | Stationary Emergency Generator Comm. Hall/Cntr | - | 858 | - | 134,841 | - |
| CF-0021 | Post Office and Sheriff Annex Roof Replacement | - | 219,215 | - | - | - |
| CF-0018 | Curtain Wall at Community Hall | 25,342 | - | - | - | - |
| CF-0019 | Replace & Update Security Cameras for Facilities | 28,300 | - | - | - | - |
| CF-0020 | Painting Post Office and Sheriff Annex | 27,000 | - | - | - | - |
| | Total Civic Facilities | \$ 160,152 | \$ 220,073 | \$ 23,000 | \$ 157,841 | \$ - |
| CP COMMUNITY PROJECTS | | | | | | |
| CP-0003 | Emergency Operation Center Improvements | - | - | - | - | - |
| CP-0007 | Geographical Information System (GIS) Mapping | 10,540 | 41,947 | 50,000 | 50,000 | 35,000 |
| CP-0014 | Finnell Path Remove & Replace | - | 542 | 150,000 | 150,000 | - |
| CP-0015 | Community WiFi/Hotspot | - | - | 75,000 | - | 75,000 |
| CP-0019 | Emergency Warning System | - | - | 35,000 | - | - |
| CP-2018 | ADA Accessibility Improvements Program | 52,935 | 36,350 | - | - | - |
| CP-2019 | ADA Accessibility Improvements Program | - | 70,528 | - | - | - |
| CP-2020 | ADA Accessibility Improvements Program | - | - | 100,000 | 100,000 | - |
| CP-2021 | ADA Accessibility Improvements Program | - | - | - | - | 70,000 |
| | Total Community Projects | \$ 63,475 | \$ 149,368 | \$ 410,000 | \$ 300,000 | \$ 179,999 |
| DF DRAINAGE & FLOOD CONTROL | | | | | | |
| DF-0005 | Washington Street Drainage | 50,403 | - | - | - | - |
| DF-0018 | Hydroflush from Finnell to Beard Ditch | - | - | - | - | 25,000 |
| DF-2018 | Town Wide Drainage Improvement Program | 3,007 | 8,550 | - | - | - |
| DF-2019 | Town Wide Drainage Improvement Program | - | 14,380 | - | - | - |
| DF-2020 | Town Wide Drainage and Flood Control | - | - | 16,538 | 16,538 | - |
| DF-2021 | Town Wide Drainage and Erosion Control Program | - | - | - | - | 17,500 |
| | Total Drainage & Flood Control | \$ 53,410 | \$ 22,930 | \$ 16,538 | \$ 16,538 | \$ 42,500 |
| PK PARKS & RECREATION | | | | | | |
| PK-0003 | Pedestrian Path - Oak Circle-Mission | - | 57,889 | 550,000 | 450,000 | 500,000 |
| PK-0015 | Veteran's Memorial Park Renovations | 54,620 | 34,600 | - | 6,500 | - |
| PK-0017 | Sports Court Renovation | 13,500 | 328,469 | - | - | - |
| PK-0018 | Vineyard Park Outdoor Exercise Equipment | 20,904 | 440 | - | - | - |
| PK-0020 | Yountville Bike Path Resurfacing | - | - | 35,000 | 35,000 | - |
| PK-0024 | Restroom Construction at Yountville Community Park | - | - | - | - | 200,000 |
| | Total Parks & Recreation | \$ 89,024 | \$ 421,399 | \$ 585,000 | \$ 491,500 | \$ 700,000 |

Town of Yountville
CAPITAL PROJECTS
Fund 50 - Department 6000

| ST | STREETS & TRANSPORTATION | 2018-18 | 2018-19 | 2019-20 | | 2020-21 |
|---------|--|-------------------|-------------------|---------------------|---------------------|-------------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| MT-3019 | Annual Street Maint/Paving Pro | - | 164 | - | - | - |
| ST-0004 | Surveys and Monuments | - | 3,000 | 15,000 | 15,000 | 16,000 |
| ST-0006 | Hopper Creek Bridge Barrier Rail | 77,908 | - | - | - | - |
| ST-0017 | Replace & Equip 2003 (3/4 ton) Chevrolet | 44,007 | 1,323 | - | - | - |
| ST-0018 | Washington St Bridge Rail Project | 83,737 | - | - | - | - |
| ST-3018 | Annual Street Maintenance and Paving Program | 19,955 | - | - | - | - |
| ST-4019 | Traffic Calming Program | - | 7,500 | - | - | - |
| ST-4020 | Traffic Calming Program | - | - | 15,000 | 15,000 | - |
| ST-4021 | Traffic Calming Program | - | - | - | - | 16,000 |
| ST-5018 | Street Light Replacement Program | 22,082 | - | - | - | - |
| ST-5019 | Street Light Replacement Program | - | 24,401 | - | - | - |
| ST-5020 | Street Light Replacement Program | - | - | 40,000 | 40,000 | - |
| | Total Streets & Transportation | \$ 247,688 | \$ 36,389 | \$ 70,000 | \$ 70,000 | \$ 32,000 |
| | TOTAL EXPENDITURES | \$ 613,748 | \$ 850,159 | \$ 1,114,538 | \$ 1,039,379 | \$ 964,499 |

FACILITIES REPAIR & REPLACEMENT FUND

Fund 81 - Department 6000



Department Overview

The Facilities Repair and Replacement Fund was established in Fiscal Year 2016-2017. The purpose of the fund is to allocate funding, develop a strategic facility plan and build a reserve fund to cover current and future facility repair and replacement needs. A strategic facility plan is similar to a capital improvement program encompassing the Town's owned and/or leased buildings to determine and prioritize each facility's maintenance needs to ensure that Town Facilities are, and will be, properly maintained. A facilities replacement matrix will be prepared to identify scope of work, cost estimates and schedules for a list of maintenance/replacement projects for all of the Town's facilities. Capital facilities maintenance projects generally consist of system & component replacement and/or upgrades not just simply repairs. Examples of typical facilities maintenance projects for these funds could be replacement or upgrade of building roofing systems, solar/electrical systems, flooring components, HVAC system replacement or other similar projects. Ultimately, these projects will be programmed into the Five (5) Year CIP and approved by the Town Council as part of the annual budget process.

2019-2020 Accomplishments

- Completed CIP Projects CF-0023 Community Center/Community Hall Parking Lot Resurfacing (\$15,000) and PK-0023 Remove and Replace Play Surface at Vineyard Park (\$10,000).
- The total fund balance including interest is estimated to be \$736,061 at the end of Fiscal Year 2019-2020.

2020-2021 Goals and Objectives

- Develop and refine a strategic facilities plan with a facilities maintenance matrix to identify a scope of work, cost estimate and timeline for each facility and their future maintenance projects.
- Develop the fund to be an internal service fund to better manage expenditures associated with Town Facilities.

Budget Highlights

- When fully developed, Fund 81 will be an internal service fund used to better capture and manage all associated expenditures related to all Town Facilities.

Did You Know?

- Town Facilities includes over 80,000 square feet of buildings including the Community Center, Community Hall, the Post Office and Sheriff's Annex, Town Hall, the Corporation Yard and the Wastewater Reclamation Facility.
- That means there is +/- 80,000 square feet of roof and +/-800,000 square feet of exterior paint to maintain or replace over the life of the building. For comparison, that is 40-times more than the average 2,000 square foot home.

Town of Yountville
FACILITIES REPAIR & REPLACEMENT SUMMARY
Fund 81 - Department 6000

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 | |
|----------------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED | |
| ■ BEGINNING FUND BALANCE | | \$ 31,959 | \$ 345,960 | \$ 846,960 | \$ 925,961 | \$ 736,061 | |
| REVENUE | | | | | | | |
| 3301 | Investment Earnings | 2,001 | 12,883 | - | 15,000 | 15,000 | |
| | Total Revenue | \$ 2,001 | \$ 12,883 | \$ - | \$ 15,000 | \$ 15,000 | |
| EXPENDITURES | | | | | | | |
| 5300 | Building & Structures | - | - | 179,900 | 179,900 | - | |
| 5400 | Infrastructure | - | - | - | - | - | |
| 5900 | Capital Maintenance | - | - | 25,000 | 25,000 | 85,000 | |
| | Total Expenditures | \$ - | \$ - | \$ 204,900 | \$ 204,900 | \$ 85,000 | |
| TRANSFERS IN (OUT) | | | | | | | |
| 3900 | Interfund Transfer | 312,000 | 567,118 | 225,000 | - | - | |
| | Total Net Transfers | \$ 312,000 | \$ 567,118 | \$ 225,000 | \$ - | \$ - | |
| ■ ENDING FUND BALANCE | | \$ 345,960 | \$ 925,961 | \$ 867,060 | \$ 736,061 | \$ 666,061 | |
| Net Change in Fund Balance | | 314,001 | 580,001 | 20,100 | (189,900) | (70,000) | |

Town of Yountville
FACILITIES REPAIR & REPLACEMENT
Fund 81 - Department 6000

| | | 2017-18 ACTUAL | 2018-19 ACTUAL | 2019-20 BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|-----------|---|-------------------|-------------------|-------------------|----------------------|---------------------|
| CF | CIVIC FACILITIES | | | | | |
| CF-0023 | Community Center/Hall Parking Lot Resurface | - | - | 15,000 | 15,000 | - |
| CF-0026 | Replace Roofs on Bus Shelters | - | - | - | - | 10,000 |
| CF-0027 | Repair Roof on Corp Yard Garages | - | - | - | - | 75,000 |
| CF-2020 | Civic Facilities Replacement Fund | - | 32,118 | 179,900 | 179,900 | - |
| | Total Civic Facilities | \$ - | \$ 32,118 | \$ 194,900 | \$ 194,900 | \$ 85,000 |
| CP | COMMUNITY PROJECTS | | | | | |
| CP-7018 | Parking Lot Resurface | - | 10,000 | - | - | - |
| | Total Community Projects | \$ - | \$ 10,000 | \$ - | \$ - | \$ - |
| PK | PARKS & RECREATION | | | | | |
| PK-4018 | Parks Surface Replacement Program | - | 10,000 | - | - | - |
| PK-0023 | Remove/Replace Pour in Place play surface | - | - | 10,000 | 10,000 | - |
| PK-6018 | Swimming Pool Replacement Program | - | 15,000 | - | - | - |
| | Total Parks & Recreation | \$ - | \$ 25,000 | \$ 10,000 | \$ 10,000 | \$ - |
| | TOTAL EXPENDITURES | \$ - | \$ 67,118 | \$ 204,900 | \$ 204,900 | \$ 85,000 |

FLEET, TOOLS, AND EQUIPMENT REPAIR & REPLACEMENT FUND

Fund 82 - Department 6000



Department Overview

The Fleet, Tools and Equipment Repair and Replacement Fund was established in Fiscal Year 2016-2017 to allocate funding and develop a reserve fund to cover current and future fleet, tools and equipment repair and replacement needs. A sound fleet, tools & equipment replacement and repair plan will ensure that the Town's necessary vehicles and equipment are properly maintained and replaced in an appropriate timeframe. A Fleet, Tools & Equipment Repair and Replacement Matrix will identify cost estimates and replacement schedules for the Town's Fleet. Replacement and significant repair will be programmed into the Five-Year CIP and approved by the Council as a part of the annual budgeting process.

2019-2020 Accomplishments

- Completed CIP Projects PK-0022 Replaced ¾ Ton Utility Truck (\$50,000) and PK-3020 Park Major Equipment Repair and Replacement (\$10,000).
- The total fund balance including interest is estimated to be \$968,731 at the end of Fiscal Year 2019-2020.

2020-2021 Goals and Objectives

- To continue to provide the necessary vehicles and equipment to Town departments by ensuring appropriate vehicle availability, expedient repairs, aggressive preventative maintenance procedures, and cost productive practices.

Budget Highlights

- This internal service fund centralizes the expenditures for maintenance and replacement of vehicles for all participating Town departments.

Did You Know?

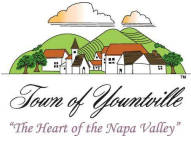
- The Town owns and maintains 27 vehicles and equipment.
- Our current fleet vehicles and specialty equipment include a hybrid vehicle, Vactor truck for Sewer Collections, eight (8) Pickup trucks, a John Deer Backhoe, a skid steer, and a commercial mower.

Town of Yountville
FLEET, TOOLS, AND EQUIPMENT REPAIR & REPLACEMENT
Fund 82 - Department 6000

| | | 2017-18 | 2018-19 | 2019-20 | | 2020-21 |
|----------------------------|------------------------------|-------------------|---------------------|---------------------|-------------------|-------------------|
| | | ACTUAL | ACTUAL | BUDGET | ESTIMATED | PROPOSED |
| ■ BEGINNING FUND BALANCE | | \$ 56,005 | \$ 399,376 | \$ 1,034,967 | \$ 1,034,967 | \$ 968,731 |
| REVENUE | | | | | | |
| 3301 | Investment Earnings | 2,399 | 14,799 | - | 15,000 | 15,000 |
| | Total Revenue | \$ 2,399 | \$ 14,799 | \$ - | \$ 15,000 | \$ 15,000 |
| EXPENDITURES | | | | | | |
| 5300 | Building & Structures | - | - | 21,236 | 21,236 | - |
| 5400 | Infrastructure | - | - | - | - | - |
| 5600 | Machinery & Equipment >\$10K | - | - | 60,000 | 60,000 | - |
| | Total Expenditures | \$ - | \$ - | \$ 81,236 | \$ 81,236 | \$ - |
| TRANSFERS IN (OUT) | | | | | | |
| 3900 | Interfund Transfer | 340,972 | 620,792 | 100,000 | - | - |
| | Total Net Transfers | \$ 340,972 | \$ 620,792 | \$ 100,000 | \$ - | \$ - |
| ■ ENDING FUND BALANCE | | \$ 399,376 | \$ 1,034,967 | \$ 1,053,731 | \$ 968,731 | \$ 983,731 |
| Net Change in Fund Balance | | 343,371 | 635,591 | 18,764 | (66,236) | 15,000 |

Town of Yountville
FLEET, TOOLS, AND EQUIPMENT REPAIR & REPLACEMENT
Fund 82 - Department 6000

| | | 2017-18 ACTUAL | 2018-19 ACTUAL | BUDGET | 2019-20 ESTIMATED | 2020-21 PROPOSED |
|-----------|---|-------------------|-------------------|------------------|----------------------|---------------------|
| CF | CIVIC FACILITIES | | | | | |
| CF-4020 | Civic Equipment Replacement Fund | - | 60,792 | 21,236 | 21,236 | - |
| | Total Civic Facilities | \$ - | \$ 60,792 | \$ 21,236 | \$ 21,236 | \$ - |
| CP | COMMUNITY PROJECTS | | | | | |
| PK-0022 | Replace 3/4 Ton Utility Truck | - | 30,000 | 50,000 | 50,000 | - |
| | Total Community Projects | \$ - | \$ 30,000 | \$ 50,000 | \$ 50,000 | \$ - |
| ST | STREETS & TRANSPORTATION | | | | | |
| ST-0025 | Replacement Municipal Operations Truck | - | - | - | - | - |
| | Total Drainage & Flood Control | \$ - | \$ - | \$ - | \$ - | \$ - |
| PK | PARKS & RECREATION | | | | | |
| PK-0027 | Tilt Trailer for Large Format Lawn Mower | - | - | - | - | - |
| PK-3020 | Park Major Equip Repair and Replacement | - | 30,000 | 10,000 | 10,000 | - |
| | Total Parks & Recreation | \$ - | \$ 30,000 | \$ 10,000 | \$ 10,000 | \$ - |
| | TOTAL EXPENDITURES | \$ - | \$ 120,792 | \$ 81,236 | \$ 81,236 | \$ - |



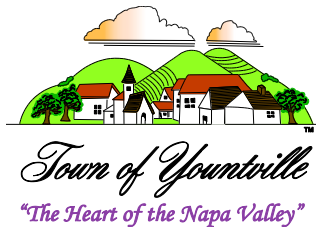
Staff Report

File #: 20-2576, Version: 2

FISCAL POLICIES REVIEW AND DISCUSSION

The Town Council will review and discuss the 2020-2021 Proposed Budget Fiscal Policies, as follows:

1. Financial Policies
2. Investment Policy
3. Use of Long-Term Debt Policy & Legal Debt Margin
4. OPEB Funding Policy
5. OPEB Trust Investment Policy
6. Fund Balance Policy
7. Utility Enterprise Fund Rate Philosophy
8. Use of Drought Water Reserve Bank Policy



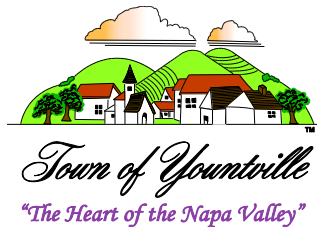
Town of Yountville Financial Policies

Revenue:

- The Town recognizes that its primary revenue sources are locally generated, especially TOT and sales tax revenue, and for the most part this revenue is largely generated by non-residents. Efforts to ensure continued reliability in these revenue sources must be maintained and to develop and diversify other revenue sources as applicable.
- The Town will actively establish a practice of monitoring, auditing and collecting all locally generated taxes.
- The Town will establish and maintain all user fees and charges based on the cost of providing services and shall establish, where appropriate, a cost recovery target for those programs which are subsidized by General Fund revenues. The Town will review and update, as appropriate, the Master Fee Schedule annually at the beginning of the budget development cycle.

Budgeting and Expenditures:

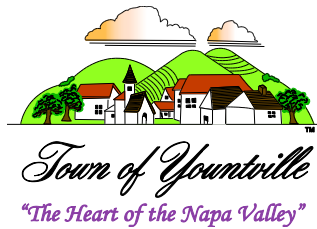
- The Town Council shall adopt an annual balanced budget effective from July 1 to June 30 each fiscal year. A balanced budget requires current year operating expenses and transfers for debt service and capital expenditures to be fully funded by current year revenues and other designated available funding sources.
- Fund Balance Reserves will be used only for non-recurring “one-time” and capital projects and not for on-going operations. The use of reserves must be approved by Town Council.
- Use of long-term debt shall be limited to capital projects or special projects that cannot be financed from current revenues.
- The Town Manager is authorized to implement the programs as approved in the adopted budget. Within a specific fund the Town Manager may transfer appropriations between categories, departments, projects and programs as needed to implement the adopted budget, as long as it does not increase the full time equivalent (FTE) personnel, increase overall appropriations, or decrease appropriations for capital outlay.



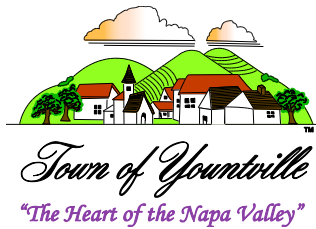
- Personnel costs (salaries and benefits) will be budgeted in the Town's primary operating funds: General Fund, Water Enterprise and Wastewater Enterprise.
- The annual budget will include a nominal \$45,000 Designated Contingency for non-recurring, unanticipated expenditures. The Town Manager may approve expenditures from this contingency if needed during the fiscal year. The contingency will be transferred to the appropriate account to fund the approved expenditures.
- A capital outlay (fixed asset) purchase will be any single item or piece of equipment which costs more than \$10,000 and has an expected useful life exceeding one year.
- Regular budget reports and updates shall be presented to the Town Council to provide information on the status of the Town's financial condition. Budget adjustments may be made during the year by Council resolution if necessary to reflect changes to revenues and/or expenditure projections.
- The Town shall post on its website current budget reports and updates, sales tax and TOT reports and other financial information for the public to review.

Capital Improvements:

- Capital Improvement Program (CIP) projects will be funded by the following revenue sources:
 - Available General Fund Reserves
 - Available Capital Project Fund balances
 - Impact Fee Fund balances
 - Water and Wastewater revenues (for Water and Wastewater projects)
 - Grant fundings
 - Other State and Federal funding sources as available
- The Town will annually develop and update a multi-year plan for capital improvements. Future capital expenditures will be projected annually for a rolling 5-year period based on projections of available funding, changes in the community and needed replacement of infrastructure.
- The Town will coordinate development of the Five Year Capital Improvement Program (CIP) in advance of the development of the operating budget.



- The annual funding for the current year of the Capital Improvement Plan shall be approved as part of the operating budget. Budgets are approved by project with the understanding that projects may span fiscal years and the appropriations will carry forward to the following fiscal year; the amounts carried forward will be shown in the budget for information and transparency.
- Capital projects financed by bonds or other debt instruments shall be paid back within a period not to exceed the useful life of the project.
- The Town Manager is authorized to implement the projects as approved in the adopted Capital Improvement Program. Within a specific fund, the Town Manager may transfer appropriations between projects as needed to implement the adopted Capital Improvement Program.



Town of Yountville Investment Policy

1. Policy:

It is the policy of the Town of Yountville to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Town and conforming to all California laws and local statutes governing the investment of public funds.

2. Scope:

This investment policy applies to all the funds and investment activities under the direct authority of the Town of Yountville as accounted for in the Comprehensive Annual Financial Report (CAFR). Policy statements outlined in this document focus on the Town of Yountville's pooled funds, but will also apply to all other funds under the Town Treasurers' span of control unless specifically exempted by statute or ordinance. This policy is applicable, but not limited to, all funds listed below:

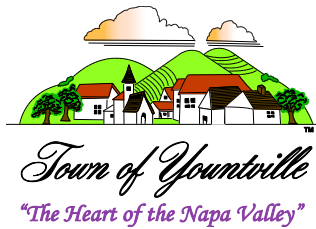
- General Fund
- Enterprise Funds
- Special Revenue Funds
- Capital Project Funds
- Debt Service Funds
- Agency Funds

Excluded funds are those held with a fiscal agent, which has their own specific "permitted investments" section in the bond covenants and OPEB and PRSP funds invested in a IRC section 115 irrevocable trust (see separate policy).

3. Prudence:

Investments shall be made with judgment and care -- under circumstances then prevailing -- which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by the Town's investment officials shall be the "**prudent person**" standard and shall be applied in the context of managing an overall portfolio. The Town Treasurer and/or Town Manager, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations that result in a loss of principal are reported to the Town Manager immediately,



and to the Town Council at their next meeting addressing appropriate actions to be taken to control adverse developments.

4. Objective:

The primary objectives in priority order of the Town of Yountville's investment activities shall be:

4.1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the Town of Yountville shall be undertaken in a manner that seeks to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

4.2. Liquidity: The Town of Yountville's investment portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements that might be reasonably anticipated.

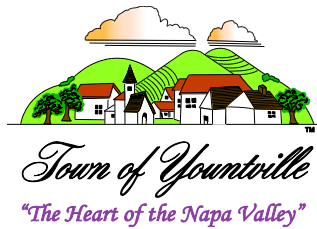
4.3. Return: The Town of Yountville's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town's investment risk constraints and the cash flow characteristics of the portfolio.

5. Delegation of Authority:

Authority to manage the Town's investment program is derived from the California Government Code. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures shall include, but not limited to, references to: safekeeping, wire transfer agreements, collateral/depository agreements, banking services contracts, local banking preferences, and other investment-related activities. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. Delegation of authority shall expire one year from the date of adoption of this policy as required by State Law.

6. Ethics and Conflicts of Interest:

The Town Council, Town Manager and Town Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Council Members, Town Manager



and Town Treasurer shall disclose to the Town Attorney any material financial interests in financial institutions that conduct business within the jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Town's portfolio. The Town Attorney and Treasurer shall review all disclosures made to insure there are no conflicts with any planned investment.

7. Authorized Financial Dealers and Institutions:

The Treasurer will maintain a list of financial institutions and primary dealers authorized to provide investment services. Primary dealers include those that regularly report to the Federal Reserve Bank and should qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

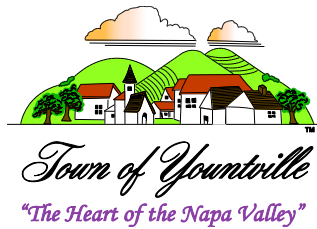
All financial institutions, dealers and cash managers who desire to become qualified bidders for investment transactions must supply the Town with the following: audited financial statements, proof of National Association of Security Dealers certification when applicable, completed questionnaire and certification of having read the Town of Yountville's investment policy and depository contracts.

8. Authorized Investments and Limitations on Investments:

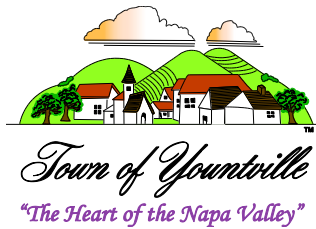
Investment of Town funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category.
2. Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the maximum permitted by LAIF.
4. Insured savings accounts are permitted without limitations.

Investments detailed in items 5 through 10 are further restricted to 5% of the purchase value of all investments and cash accounts (the portfolio), in any one issuer name. The total value invested in any one issuer shall also not exceed 5% of the issuer's net worth.



5. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances are permitted. Bankers acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio.
6. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided by Moody's Investor Services, Inc., Standard & Poor's, or Fitch Financial Services, Inc. Commercial paper shall be issued by domestic corporations having assets in excess of \$500,000,000 and having a "AA" or better rating on its long term debentures as provided by Moody's, Standard & Poor's, or Fitch. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the Town's portfolio.
7. Negotiable certificates of deposit issued by nationally or state chartered banks or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio.
8. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.
9. Medium Term Corporate Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Securities eligible for investment shall be rated "AA" or better by Moody's or Standard & Poor's rating services. Purchase of medium term notes may not exceed 30% of the purchase value of the portfolio and no more than 5% of the purchase value of the portfolio may be invested in notes issued by one corporation.
10. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years of experience investing in securities and obligations authorized by Government Code section 53601 and with assets under



management in excess of \$500,000,000. The purchase price of shares shall not exceed 15% of the investment portfolio.

11. California Asset Management Program (CAMP).

9. Ineligible Investments:

The Town shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool or mortgages, or in any security that could result in zero interest accrual if held to maturity, or any other investment not listed in this policy.

10. Safekeeping and Custody:

All securities owned by the Town, including collateral for repurchase agreements, shall be held in safekeeping by the Town's custodian bank or a third party bank trust department, acting as agent for the Town under the terms of a custody or trustee agreement executed by the bank and by the Town. All securities will be received and delivered using standard delivery-versus-payment (DVP) procedures.

11. Percentage Limitations:

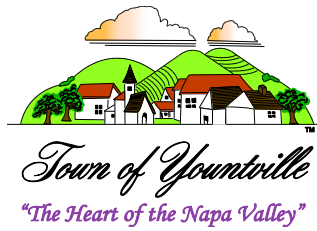
Where a section specifies a percentage limitation for a particular category or investments, that percentage is applicable only at the date of purchase. Where a section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Town Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the Town Council no less than three months prior to the investment.

12. Reporting Requirements:

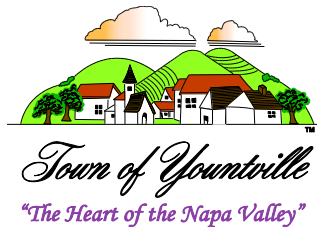
The Treasurer shall annually render to the Town Council a statement of investment policy, which the Council shall review and approve at a public meeting. The Council at a public meeting shall also review and approve any changes to the policy.

The Treasurer shall render a monthly transaction report to the Town Council. The Treasurer shall render a quarterly investment report to the Council within 60 days after the end of the subject quarter. The year end quarterly report shall be available after the audit is completed. The quarterly report shall include for each individual investment:

- Description of investment instrument
- Issuer name



- Maturity date
- Purchase price
- Par value
- Current market value and the source of the valuation. The quarterly report also shall; (I) state compliance of the portfolio to the investment policy, or manner in which the portfolio is not in compliance, (II) include a description of any of the Town's funds, investments or programs that are under the management of contracted parties, including lending programs, and (III) include a statement denoting the ability of the Town to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not be available.

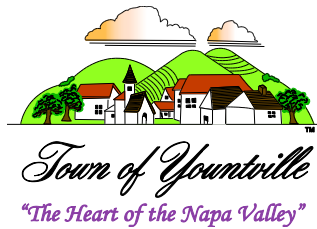


Town of Yountville Use of Long-Term Debt Policy

The Town recognizes that it may need to enter into long-term financial obligations to meet the demands of providing a high quality level of government services to our community. The following long-term debt policy sets the considerations for issuing debt and provides guidance in the timing and structuring of long-term debt commitments by the Town.

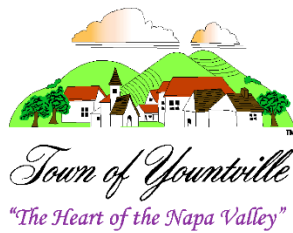
General Practices:

1. The Town will strive to maintain good relations with credit rating agencies, investors of the Town's long-term financial obligations and those in the financial community that participate in the Town's financings. The Town also will strive to maintain and improve its bond rating in order to minimize borrowing costs and preserve access to credit.
2. Bond issue proposals are to be accompanied by an analysis defining how the new issue, combined with current debt, impacts the Town's debt capacity and conformance with Town debt policies. Such analysis shall include identification of the funding source, an assessment of the ability to repay the obligation, the impact on the current budget, commitments to future budgets, maintenance and operational impact of the facility or asset and the impact on the Town's credit rating, if any.
3. Town Council must review such analysis, including existing debt level, ability to pay debt service, impact on Town services, and make a finding that use of debt is appropriate.
4. Debt service costs (COP, Lease Purchase Agreements and other contractual debt which are backed by General Fund Operating Revenues) are not to exceed 25% of the Town's General Fund operating revenues.
5. Projects financed by a non-general fund revenue source such as utility rate revenue and specific voter approved authorizations such as Measure A Sales Tax for flood control are not subject to the 25% of general fund revenue maximum debt service limit.



The Town will consider the issuance of long-term obligations under the following conditions:

1. The Town will use debt financing only for one-time capital improvement projects and specific nonrecurring equipment purchases, and only under the following circumstances:
 - When the project is included in the Town's adopted five-year capital improvement program (CIP) and is in conformance with the Town's adopted General Plan.
 - When the project is not included in the Town's adopted five-year capital improvement program (CIP), but the project is an emerging critical need whose timing was not anticipated in the five-year capital improvement program, or it is a project mandated by State or Federal requirements.
 - When the project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing.
 - When there are designated General Fund revenues sufficient to service the debt, whether from project revenues, other specified and/or reserved resources, or infrastructure cost-sharing revenues.
 - Debt financing (other than tax and revenue anticipation notes) is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures.
2. The Town will follow all State and Federal regulations and requirements related to bonds and debt financing instruments regarding bond provisions, issuance, taxation and disclosure.
3. Costs incurred by the Town, such as bond counsel and financial advisor fees, printing, underwriter's discount, and project design and construction costs, will be charged to the bond issue to the extent allowable by law.
4. The Town will monitor compliance with bond covenants and adhere to federal arbitrage and disclosure regulations.
5. The Town shall continually review outstanding obligations for opportunities to achieve debt service savings through refunding and shall pursue refinancing when economically feasible and advantageous.



Town of Yountville
OPEB (Other Post Employment Benefits) Funding Policy
(Adopted June 17, 2014 by Resolution Number 3188-14)

Town Council initially adopted an OPEB funding policy and multi-year financing plan approving a funding rate schedule with the adoption of Resolution Number 2962-08 on June 24, 2008. The policy established the OPEB funding allocation percentage, calculated on full-time salaries, and each fiscal year considered allocating additional allocations to fund the Town's OPEB liability.

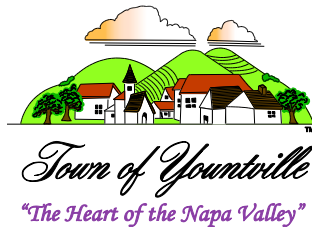
The Town Council approved an updated OPEB funding policy with the adoption of Resolution Number 3006-11 on December 6, 2011 approving the following payroll allocation rates and funding:

1. Fiscal Year 2012/13: 8% of full-time salaries.
2. Fiscal Year 2013/14: 9% of full-time salaries.
3. Fiscal Year 2014/15: 10% of full-time salaries.

Town Council may consider approval of additional funding allocations to OPEB at the time unassigned funds become available.

In June 2014 Council approved Resolution Number 3188-14 adopting the current OPEB funding policy. The policy statement is to fully fund the ARC (annual required contribution) each fiscal year. The policy establishes the following procedure:

1. Each fiscal year staff will present the proposed budget with the payroll allocation funding rate required to fully fund the ARC.
2. Town Council will review and approve and/or modify the rate during the budget review process each year.



OPEB Trust Fund
Detailed Information for Investment Guidelines Document
(Adopted June 21, 2011 by Resolution Number 2974-11)

Overview:

The purpose of this Investment Guidelines document (IGD) is to assist you and your Portfolio Manager in effectively supervising, monitoring and evaluating the investment of your portfolio. Your investment program is defined in the various sections of the IGD by:

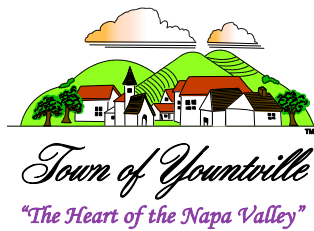
1. Stating in a written document your attitudes, expectations, objectives and guidelines for the investment of all assets.
2. Setting forth an investment structure for managing your portfolio. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
3. Encouraging effective communications between you and your Portfolio Manager.
4. Complying with all applicable fiduciary, prudence and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, and federal entities that may impact your assets

Diversification:

Your Portfolio Manager is responsible for maintaining the balance between fixed income and equity securities based on the asset allocation. The following parameters shall be adhered to in managing the portfolio:

Fixed Income

- The long-term fixed income investments (greater than seven-years in maturity) shall constitute no more than 25%, and as little as 0% of the total Plan assets.
- The intermediate-term fixed income investments (between three-seven years in maturity) shall constitute no more than 60%, nor less than 25% of the total Plan assets.
- The high-yield portion of the Plan shall constitute no more than 10%, and as little as 0% of the total Plan assets.
- The convertible bond exposure shall constitute no more than 10%, and as little as 0% of the total Plan assets.
- The short-term fixed income investments (between one-three years in maturity) shall constitute no more than 25%, and as little as 0% of the total Plan assets.



Equity

- The domestic large cap equity investments of the Plan shall constitute no more than 45% nor less than 15% of the total Plan assets.
- The domestic mid-capitalization equity investments of the Plan shall constitute no more than 10%, and as little as 0% of the total Plan assets.
- The domestic small capitalization equity investments of the Plan shall constitute no more than 15% nor less than 0% of the total Plan assets.
- The international equity investments of the Plan shall constitute no more than 15% and as little as 0% of the total Plan assets.
- The real estate investments of the Plan shall constitute no more than 10% and as little as 0% of the total Plan assets.

Permitted Asset Classes and Security Types:

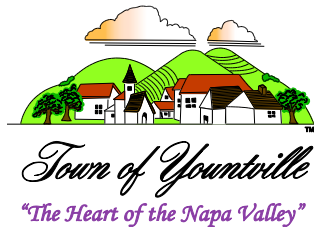
The following asset classes and security types have been approved by HighMark for use in client portfolios:

Asset Classes

- Fixed Income
 - Domestic Bonds
 - Non-U.S. Bonds
- Equities
 - Domestic
 - Non-U.S.
 - Emerging Markets
 - Real Estate Investment Trust (REITs)
- Cash and Cash Equivalents

Security Types

- Equity Securities
 - Domestic listed and unlisted securities
 - Equity and equity-related securities of non-US corporations, in the form of American Depositary Receipts ("ADRs")
- Equity Mutual Funds
 - Large Cap Core, Growth and Value
 - Mid Cap Core, Growth and Value
 - Small Cap Core, Growth and Value
 - International and Emerging Markets
 - REITs
- Exchange Traded Funds (ETFs)
- Fixed Income Securities
 - Government/Agencies
 - Mortgage Backed Bonds
 - Corporate Bonds and Notes



- Fixed Income Mutual Funds
 - Corporate
 - Government
 - High Yield
 - International and Emerging Market
 - Convertible
 - Preferred
- Closed end funds
- Cash and Cash Equivalents
 - Money Market Mutual Fund
 - Commercial Paper
 - CDs and Bankers Acceptance

Prohibited assets:

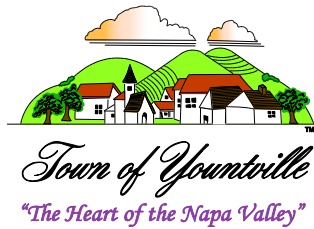
- Precious metals
- Venture Capital
- Short sales
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions
- Commodities Transactions Puts, calls, straddles, or other option strategies,
- Purchases of real estate, with the exception of REITs
- Derivatives, with exception of ETFs

Rebalancing Procedures:

From time to time, market conditions may cause your asset allocation to vary from the established target. To remain consistent with the asset allocation guidelines established by this Investment Guidelines document, your Portfolio Manager will rebalance the portfolio on a quarterly basis.

Duties and Responsibilities of Portfolio Manager:

Your portfolio manager is expected to manage your portfolio in a manner consistent with this Investment Guidelines document and in accordance with State and Federal law and the Uniform Prudent Investor Act. HighMark Capital Management is a registered investment advisor and shall act as such until you decide otherwise.



Your portfolio manager shall be responsible for:

1. Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
2. Advising the committee about the selection of and the allocation of asset categories.
3. Identifying specific assets and investment managers within each asset category.
4. Monitoring the performance of all selected assets.
5. Recommending changes to any of the above.
6. Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
7. Preparing and presenting appropriate reports.
8. Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

You shall be responsible for:

1. The oversight of the investment portfolio.
2. Providing your portfolio manager with all relevant information on the Plan, and shall notify him or her promptly of any changes to this information.
3. Advising your portfolio manager of any change in the Plan's circumstances, such as a change in the actuarial assumptions, which could possibly necessitate a change to your overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to your overall investment objective and goals for the portfolio.
4. Monitoring performance by means of regular reviews to assure that objectives are being met and that the policy and guidelines are being followed.

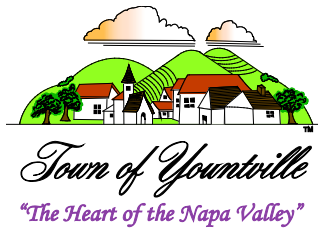
Communication:

As a matter of course, your portfolio manager shall keep you apprised of any material changes in HighMark Capital's outlook, recommended investment policy and tactics. In addition, your portfolio manager shall meet with you no less than annually to review and explain the portfolio's investment results and any related issues. Your portfolio manager shall also be available on a reasonable basis for telephone communication when needed.

Any material event that affects the ownership of HighMark Capital Management or the management of the portfolio must be reported immediately to you.

Disclosures

Union Bank N.A. and HighMark Capital Management, Inc. are wholly owned subsidiaries of UnionBanCal Corporation. Investments are not deposits or bank obligations, are not guaranteed by any government agency, and involve risk, including loss of principal



Town of Yountville Fund Balance Policy

Background:

The Governmental Accounting Standards Board (GASB) issued Statement No.54 Fund Balance Reporting and Governmental Fund Type Definitions in February 2009. The requirements of this statement are intended to improve financial reporting by providing five fund balance categories that will be more easily understood. The five fund balance categories are clearly defined to make the nature and extent of the constraints placed on a government's fund balance more transparent. GASB 54 requires a formal fund balance policy be adopted to fully define any constraints imposed upon the use of resources and how those constraints may be modified or eliminated. The Town implemented GASB 54 in fiscal year ending June 30, 2011.

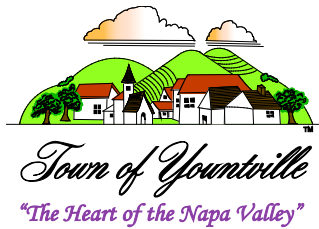
Purpose:

The Town of Yountville's fund balance policy defines the five fund balance categories established by GASB and how the Town will report each of the categories. The policy is establishing the Town's formal commitment of a specific amount of the Town's fund balance to be set aside specifically for emergency contingencies defined as a state or federal emergency or declaration of a local emergency as defined in the Yountville Municipal Code Section 2.52.020. This amount and/or commitment may be changed with the adoption of a new fund balance policy resolution approved by the Town Council. This policy also provides definitions of other categories of fund balance for financial reporting and budgeting purposes. The policy authorizes and directs the Finance Director to prepare financial statements which accurately categorize fund balance per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Definitions & Provisions:

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure accurate reporting of available resources and that there will be adequate financial resources to protect the Town against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

Fund balance is essentially the difference between the assets and liabilities reported in each governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the Town is bound to honor constraints on the specific purposes for which amounts can be spent.



- Non-spendable Fund Balance (inherently non-spendable)
- Restricted Fund Balance (externally enforceable limitations on use)
- Committed Fund Balance (self-imposed limitations on use)
- Assigned Fund Balance (limitation resulting from intended use)
- Unassigned Fund Balance (residual net resources)

Non-spendable fund balance is not specifically addressed in this policy due to the nature of the restriction. An example of non-spendable fund balance is a reserve for prepaid expense.

Restricted Fund Balance

Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. An example of restricted fund balance would be a state or federal grant or gas tax funds that can only be used for a specific purpose.

- Restricted for PEG Fees

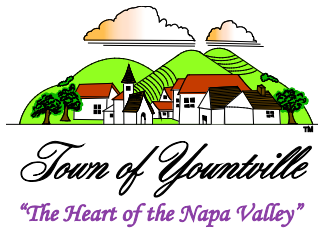
The Public Educational and Government Access Fund (PEG) has a restricted fund balance for PEG Fees, derived from a 1% charge that the Town's cable franchise operator collects and remits to the Town. PEG Fees can only be used to cover capital expenses for public access television, and are prohibited from being used for operating expenses.

Committed Fund Balance

The Town Council, as the Town's highest level of decision making authority, may commit fund balance for specific purposes pursuant to the constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use through the same type of formal action taken to establish the commitment. Town Council action to commit fund balance needs to occur within the fiscal reporting period; however the specific amounts can be determined subsequently.

- Emergency Reserve Fund

The Town's General Fund balance committed for emergency reserves is established at a minimum of 20% of General Fund operating expenditures. The calculation and review of the 20% minimum will be part of the proposed budget each fiscal year. Use of the General Fund Emergency Reserve would be appropriate if the Town declared a state or federal emergency or declaration of a local emergency as defined in the Yountville Municipal Code Section 2.52.020:



2.52.020 Emergency defined:

As used in this chapter, “emergency” means the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the Town caused by such conditions as air pollution, fire, flood, storm, epidemic, riot or earthquake, or other conditions, including conditions resulting from a labor controversy, which conditions are or are likely to be beyond the control of the services, personnel, equipment and facilities of the Town, requiring the combined forces of other political subdivisions to combat. (Ord. 225, 1991; Ord. 294-99)

- OPEB Reserve Fund

The Town Council has made a commitment to funding OPEB (other post-employment benefits) and has established an IRC Section 115 Irrevocable Trust Fund to deposit these funds. There may, however, be a time when the Town is holding funds pending transfer to the OPEB Trust and those funds would be reported as the Town’s OPEB Reserve.

- PERS Unfunded Actuarially Accrued Liability (UAAL) Fund

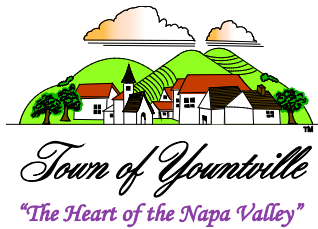
The Town Council has made a commitment to funding PERS UAAL and has established a Pension Rate Stabilization Plan IRC Section 115 Irrevocable Trust Fund to deposit these funds. There may, however, be a time when the Town is holding funds pending transfer to the PERS UAAL Trust and those funds would be reported as the Town’s PERS UAAL Reserve.

- Liability Insurance Reserve

The Town is a member of PARSAC (Public Agency Risk Sharing Association of California) for purposes of liability and claims coverage. The Town’s self-insured retention for claims is \$10,000 per occurrence and our policy coverage requires a minimum reserve balance for three (3) claims or \$30,000. The Town may report a higher balance, but will always maintain the required \$30,000 minimum.

Assigned Fund Balance

Amounts that are constrained by the Town’s *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Both committed and assigned fund balance classifications include amounts constrained to being used for specific purposes by actions taken by the government itself. The nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regard to the committed fund balance classification, resulting in the constraints imposed being more easily removed or modified than those imposed on committed fund balance. Furthermore, the nature of the actions necessary to remove or modify an assignment is not as



prescriptive as those in the committed fund balance classification and the authority is not required to be the government's highest level of decision making authority, but may be delegated to the Town Manager or Finance Director.

All remaining fund balance amounts that are reported in governmental funds, other than the general fund, that are not classified as non-spendable, and are neither restricted nor committed will be reported as assigned fund balance.

- Arts Program Reserve

The Yountville Arts Commission has been successful in raising funds to support the Town's Art Program activities. The Arts Program was previously accounted for in the General Fund, but has been moved to the Town of Yountville Community Foundation as of fiscal year 2018-19.

- Capital Projects Reserve

The Town Council may assign a specific amount or percentage of unassigned fund balance at the end of the fiscal year to be transferred or reserved for transfer to the Town's Capital Projects Fund.

- Budget Contingency Reserve

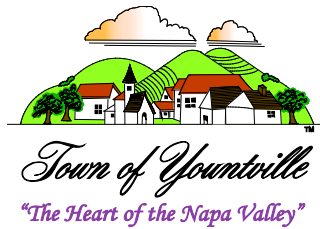
The Town Council may assign a specific amount to be reserved for future appropriations to fund unanticipated costs or revenue shortfalls that were not anticipated at the adoption of the Town's operating budget. As of December 4, 2018, this amount has been established at 5% of planned expenditures.

- Leave Buy Out Reserve

The Town Council may assign a specific amount to be reserved for future appropriations to fund unanticipated costs related to covering costs of employees retiring and or separating from the Town to cover funding the cost of accrued leave (management and vacation leaves). As of July 1, 2017 this amount has been established at \$250,000.

- Legal Contingency Reserve

The Town Council may assign a specific amount to be reserved for future appropriations to fund unanticipated legal and litigation costs. As of July 1, 2015 this amount has been established at \$250,000.



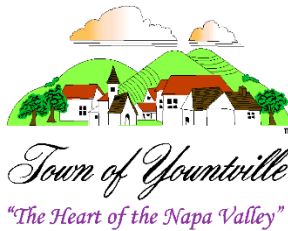
- Revenue Stabilization Reserve Fund

Funds set aside to ensure the Town could respond to an unexpected drop in tourism based revenue, especially Transient Occupancy Tax (TOT). Revenue Stabilization Reserve funding is established at a minimum of 25% of TOT revenue budget.

By approving specific assigned amounts or percentage allocations of unassigned fund balance as part of budget adoption, the Town Council would authorize Finance Director to report specific assigned amount on financial statements.

Unassigned Fund Balance

Fund balance that has no current assignment or commitment.



Town of Yountville
Water and Wastewater Utility Enterprise Fund Rate Philosophy
(Adopted June 21, 2011 by Resolution Number 2974-11)

Historical Background:

The Town of Yountville operates both water and wastewater utility enterprise fund operations which serve the residents of the Town and, in the case of the water enterprise fund, an additional 32 accounts located along Yountville Cross Road. Enterprise Fund operations are designed by nature to operate more like a private sector business model as compared to general government services. For the past decade the Town has operated its water and wastewater utility enterprise funds in a manner which included a significant General Fund subsidy averaging \$300,000 per year to cover water operating expenses and capital project expenses for both the water and wastewater utility enterprise funds.

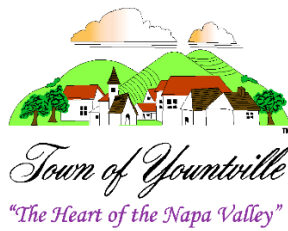
On February 10, 2011 the Town Council adopted a new five (5) year phased rate schedule that was designed to end the General Fund subsidization of these enterprise funds. The Town Council issued a policy statement that the enterprise funds should no longer be subsidized and requested a formal policy be brought back to the Council.

Purpose:

The Town will establish Utility Enterprise Funds for Town services when the intent of the Town is that all costs of providing the service shall be recovered primarily through ratepayer charges.

General Policy Practices:

1. Enterprise Funds will be established for Town-operated utility services such as the water and wastewater operations.
2. Enterprise Fund expenditures will be established at a level sufficient to properly maintain the fund's infrastructure and provide for necessary capital improvements.
3. The Town Council will review and adopt utility rates as needed to appropriately cover the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves as established by Town Council policy, and provide for an adequate level of working capital.
4. Enterprise Fund services will establish and maintain reserves for general contingency and capital purposes consistent with those maintained for general governmental services.
5. Revenue bonds shall be issued only when projected operating revenues and reserves are insufficient for the timely completion of enterprise capital projects.
6. Town Council shall continue the five (5) year phased utility rate increase for water and wastewater approved on February 10, 2011 which is designed to end General Fund subsidy and operating deficits of each enterprise fund over the next five (5) years.

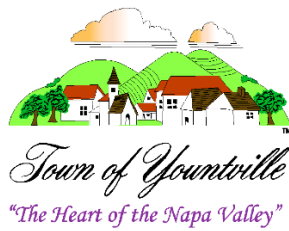


Town of Yountville
Use of Drought Water Reserve Bank Policy
(Adopted December 5, 2017 by Resolution Number 17-3448)

The Town has established a reasonable water supply through a combination of its long-term supply contract with the Californian Veterans Home for use of Rector Reservoir water and the completion of the Yountville Municipal Water Well to meet the community's annual water needs. However, the Town recognizes that it may need to purchase additional water supply in long-term drought situations and has established this Drought Water Reserve Bank from the sale of its State Water Supply surplus water rights to potentially fund the purchase of drought supply water. The following policy sets the considerations for use of the Drought Water Reserve Bank by the Town.

General Practices:

1. The Town will continue to develop and implement reasonable water conservation programs and educational programs to educate residential and business customers on how to use less water.
2. The Town will evaluate future water conservation rebate programs to see if their implementation may be appropriate. Continuation of the ultra low flow toilet and water saving appliance program and implementation of turf replacement with drought tolerant and native plants and alternative irrigation systems are examples of how to reduce water consumption are possibilities.
3. Town will review, update if necessary, and maintain a water usage pricing structure which encourages water conservation as allowed by state law.
4. The Town will implement voluntary water rationing and/or increase water rates to reduce water usage and evaluate what impact those mechanisms may have had on water consumption prior to use of mandatory water rationing practices and/or purchase of additional drought water supply.
5. Town Council must review such analysis, including existing available water resources, implementation of advisory and/or mandatory water conservation practices, available water production from emergency water well, and impact on Town services, and make a finding that use of drought water bank to purchase additional water supply is appropriate.
6. The purpose of the initial deposit amount into the Drought Water Reserve Bank is to provide future Town Council's with available resources to make immediate single year drought supply water purchases on the open market.
7. Any use of the Drought Water Reserve Bank by the Town Council will require implementation and adoption of a plan to replenish the Bank by the same amount as used to purchase drought water supply so that the fund is available in the event of a future drought situation.



The Town will consider use of the Drought Water Reserve Bank under the following conditions:

1. The Town may use its Drought Water Reserve Bank for the purchase of additional water supply under the following circumstances:
 - The Town Council has declared a local Water Emergency after evaluating local water supply with needs in accordance with the Town Code, Chapter 13.24, Water Shortage Emergencies, Sections 13.24.020 through 13.24.050, or as may be amended in the future.
 - The Town Council has first implemented reasonable voluntary water conservation and rationing measures in accordance with Chapter 13.20, Water conservation or as may be amended in the future.
 - The Town Council has implemented mandatory water rationing program if appropriate.
 - The Town Council has developed and implemented a temporary water rate increase sufficient to replenish the amount of the draw down against the Drought Water Reserve Bank so that the Bank is available for future use if necessary.
2. The Town Council may use the interest earnings from the Drought Water Reserve Bank to annually fund rebate programs (existing or new programs) that help to reduce overall municipal water usage by the customer.
3. The Town Council may use interest earnings and fund balance from the Drought Reserve Bank to make water utility capital projects possible and reduce the impact to the rate payer while maintaining a strong fund balance.
4. The Town Council may use the fund to pay for capital construction cost for water projects which are designed for the purpose of increasing the Town's water storage capacity or increase water production to meet drought water supply needs.
5. The Town shall continually review and work with its partner City of Napa to develop opportunities to achieve reduced water consumption through implementation of new technology, community education and implementation of appropriate water conservation programs when economically feasible and advantageous.

Adopted by the Yountville Town Council on December 5, 2017.