



Town of Yountville

"The Heart of the Napa Valley"

Town of Yountville
State of the Town Report
Presented by Mayor Cindy Saucerman

February 2, 2010

A letter to Yountville...

Dear Friends, Neighbors and Colleagues,

It has been almost a year since I last wrote to you and so much has happened in the little Town of Yountville. I'm entering my last year on the Yountville Town Council and the end of my term as your Mayor. All that has transpired and all that has been accomplished this past year is due to the efforts of many, including this Council and our outstanding management team and staff.

More importantly, it is through your participation and support that makes all that we have accomplished Yountville's sweetest reward. Even, though the economy throughout the country remains tenuous with only modest signs of recovery, Yountville continues to provide the high level of services to the community that we have come to expect and enjoy without compromise to our adopted budget.

In addition to adopting a balanced budget last year, the Council adopted several other **goals and objectives** including:

- Complete the Master Plan for the new Community Center and Library;
- Ensure continued fiscal responsibility;
- Improve and enhance communications within Yountville;
- Develop and implement organizational change; and,
- Begin the update process on the Town's General Plan as it relates to build-out.

Without a doubt, the most significant accomplishment this past year was the completion of the Town's largest public infrastructure project in its history - the new **Yountville Community Center and Library**. This outstanding new facility, which was ten years in the making, opened to the public on November 24, 2009. The project financed by an earmark of transient occupancy tax (TOT) paid by our visitors has come in on time and under budget.

We are now working with the community, our Parks and Community Services Commission and staff to fully implement and refine the Council's adopted business plan that will provide a combination of recreation and leisure programming to meet the diverse needs of our community. The new center will also provide much needed space for our local community groups and non-profit organizations. The Town's Parks and Recreation Department will be sending out a user interest survey to invite everyone to send in your ideas and comments about future programming for what we hope will truly be "the center of our community."

Of course, I don't need to remind you that **prudent financial planning** is, and always will be, a primary consideration as we carry out our goals and objectives. As such, the Town Council adopted a **balanced budget** last year including a General Fund budget of \$5.1 million with projected revenues of \$5.6 million before transfers to the utility enterprise operations and capital projects fund. Unlike the State, we have made and will continue to make adjustments to our budget and work plan that reflect available revenue and ensures that we continue to live within our means.

This level of fiscal responsibility has allowed the Town to increase our General Fund undesignated reserves from \$825,000 to \$1,025,000.

Additionally, with the sale of our surplus NBA/Kern water, a drought water reserve bank fund of \$2 million was established. This sale will also result in reduced annual operating costs for the water utility fund.

Finally, we secured a \$1 million grant to fund a class one bike path from the north to the south end of town connecting to a valley wide bicycle and pedestrian pathway system. The project is now out to bid with a scheduled construction start late this spring.

As a result of this Council's measured financial oversight, Yountville remains fiscally sound with prudent reserves.

Another important goal that we tackled last year was to **enhance communications** within Yountville. For the "techies" in town we launched the live video web-streaming of our Council and Zoning and Design Review Board meetings. These meetings are recorded and archived along with meeting agendas and minutes making it convenient for anyone with access to a computer to review meetings at their leisure.

The Town continues to publish a bi-monthly newsletter and a monthly parks and recreation flyer for the benefit of the community. Of course, our very own Yountville Sun published weekly is another excellent source of information for residents and visitors and the Town's "**In the Neighborhood**" by Mr. Rogers is a particularly good resource answering your questions relating to town issues.

In an effort to improve our ability to document and produce reports, support on-line and e-commerce services, we are in the process of phasing in a **new comprehensive**

financial software package. Staff has already brought payroll, accounts payable and cash receipts into the system and continues training and setting up various other modules including utility billing and on-line bill payment features that will provide Yountville residents an added convenience.

Also, in an effort to **reduce traffic and parking congestion** in town, we replaced our old, outdated shuttles with the new “Yountville Trolleys” operating a continuous loop five days per week and offering “free” transportation around town to residents and visitors. New hours make it convenient to go to dinner and the theater and afterward be delivered back to your front door.

Much of the credit for all that has taken place in Yountville is directly attributable to Town management and staff. There have been **significant organizational and operational changes** at Town Hall over the past year.

The Town management team transitioned four key staff positions as we welcomed Kathleen Bradbury as our new Finance Director, Graham Wadsworth as our Public Works Director/Town Engineer, Arnold Alvarez-Glasman as the Town Attorney, and John DeLorenzo as our Interim Parks and Recreation Director. It is a testament to the Town’s management staff and employees who have worked through that level of transition and still continue to deliver a high level of service to our community. Yet, as before, we still maintain the same level of staffing at a total of 24 Town employees.

Remarkably, Yountville’s streetscapes and parks continue to improve and each season appear more beautiful than before.

In addition to our town wide beautification program, Council has pursued an **aggressive capital improvement program**. At times, it seemed that the entire town was under construction but the sounds of hammering, sawing and back-up beeps have decreased as projects are completed and the town nears build-out.

We took advantage of the outstanding public bidding climate to complete a number of planned projects at considerable cost savings to the Town. The Council authorized the advancement of several projects planned for future years to this year to take advantage of very favorable construction bid results. As an example, over 24 companies bid on a recent sewer project and, the end result saved the Town significant costs while getting the work done ahead of schedule. These are the types of win-win situations that benefit Yountville and it help keep local contractors working.

Some notable capital projects include the following:

- The mid-town pedestrian project – including street curbs, cross walks and storm drain replacement and the addition of new street lights;
- North Washington sewer lateral replacement project;

- Finnell Street bridge repair and replacement;
- South Washington Street sewer relocation project;
- Hopper Creek bank stabilization and sediment removal;
- Jefferson Street overlay project;
- Upgrade of electrical and lighting at Yountville Community Park;
- Renovation of Yountville Park Community Playground including curbing, new play equipment and a safety mulch surface;
- Improvements along Mulberry and Washington Streets as a part of the new Community Center Project;
- A town wide signage program (Town staff is now making our own park, street, and other signs); and,

Finally, another large capital project that began last year and continues is the Wastewater Treatment Plant (WWTP) upgrade or the (JTP) Joint Treatment Plant as it is a shared facility with the Veteran's Home. Construction commenced on the \$1.2 million modernization project which seeks to upgrade the tertiary level of treatment to meet what is referred to as Title 22 unrestricted levels of treatment standards. This is the highest level of treatment that a wastewater treatment facility can attain. By upgrading the plant to this standard we also increase the capacity as determined by the Regional Water Quality Control Board. We also increase supply to our recycled water customers and their offsite storage. Also, we may be able to attain a "zero discharge" status through our permit issued by the Regional Board saving the Town over a quarter million dollars by not having to place a diffuser into the Napa River.

Council has addressed several **General Plan** issues, as we have submitted to the State and received our certification on an updated housing element. Through what seemed like endless negotiations, Yountville has continued to meet the demands for affordable housing with 50 new units being constructed – 25 at the Fennell Place Project and 25 in conjunction with the Yountville Inn expansion.

As a result of in-session "work shops", Council has addressed new **land use issues**. We listened to your concerns and adopted a retail diversity policy ensuring that future wine tasting establishments include a retail component that is distinguishable from wine tasting operations.

Challenges and Opportunities in 2010 and 2011.

The Country is slowly emerging from what is now the most significant economic downturn since the Great Depression. There are signs that the economy is beginning to improve, but it will likely be a slow and protracted recovery. Yountville has weathered the storm relatively well due to our fiscal planning and management practices.

Unfortunately, the State of California government seems completely dysfunctional and decisions made in Sacramento are having a significant and negative impact on local funding sources which impacts our ability to continue the delivery of high quality services to you. The State continues to try to resolve its budget problems by “stealing” money that has historically been used to **fund local services** such as streets, police and fire. We need your help to tell Sacramento enough is enough and to support an upcoming voter initiative designed to prevent the State’s electeds from balancing their budget problems by taking funds from local governments.

As of December 30, 2009 the Town is on track with anticipated revenues related to the budgeted revenue for the current fiscal year ending June 30, 2010. This Council recognizes that in spite of our good financial situation, it is prudent to plan for a reduction in overall TOT revenue. Property tax revenue is coming in greater than budgeted and we are receiving our \$80,000 to \$100,000 in COPS grant funding which was not included in the budget at all this year.

The Council is working with staff on plans to scale back current year expenditures to provide a “**budget safety net**” should TOT revenues not materialize as projected. However, our TOT tracking reports, which are available on the Town’s website at www.townofyountville.com, show some positive trending. Occupancy rates are tracking slightly off from the record 2008 year but the average room rate has declined from a high of \$304 to \$278 which has resulted in about a 6 to 7% decline in overall TOT revenue. Sales tax revenue, principally derived from visitors dining in our restaurants, continues to be positive whereas, the statewide average is at an overall decline in the range of 15 percent.

More importantly as we begin the planning process for a **reduced expenditure plan for FY 2010-11**, we must develop a budget and service level plan that is within our financial means. As residents, we need to be prepared for the possibility that there could be changes from what we have experienced, grown to expect and have taken for granted all these years if there is less revenue available to fund those service levels.

We need to work on a plan to address the continued **General Fund** subsidies to the Town’s water and wastewater enterprise funds. Like all true business, these operations are supposed to be completely funded by rate payer utility charges.

Positive Economic Trends

In spite of the economic downturn and recession, all is not doom and gloom in Yountville. Yountville has reason to be optimistic about our future given some of the following economic trends:

An increase in total room capacity from 402 rooms to 422 with the opening of the 20 room Hotel Luca and 92 seat Cantinetta Piero Restaurant in December 2009. The full impact of this increase is yet to be determined, but over the long term will result in an increased level of General Fund revenue available to fund Town services.

The Yountville Inn expansion nears its anticipated completion and will add an additional 32 inn rooms bringing the total to 454. There is **reason to believe** we will be well positioned for future revenue growth when the economy recovers during the next year which will provide additional TOT and sales tax revenue paid by those visiting our town.

We continue to see additional **economic expansion** with the construction and summer opening of the new Sorrento Building by Somerston Wines which will include a significant retail component consistent with the our recently adopted retail diversity requirements.

The Vita Restaurant project is now actively under construction and is anticipated to open later this year.

Continued reinvestment by local businesses, including Hope and Grace who expanded the size of their existing operations and we welcomed several new wine tasting retail outlets (Girard, Verismo, Cornerstone and Page) to the Town.

The completed renovation of Bouchon Bistro patio area, renovation of the Yountville Deli and patio area at Ranch Market, and approved plans for the Pacific Blues remodel are also signs of positive economic growth. We have also seen the arrival of several new shops at the V Market Place.

Reinvestment and new office and retail space will be available at Washington Square this year as that property undergoes remodel and upgrade. There are two spaces available for new dining establishments as well.

The approval of the Vineyard Oaks “green building” residential subdivision consisting of 12 market rate detached single-family dwellings and 2 affordable duplex dwellings for a total of 16 dwelling units on 13 parcels located along the east side of Stag’s View Lane.

Completion of several new single family residential home projects occurred last year and there are several under construction at this time.

Finally, the Town continues to revamp and improve Town communications efforts; both internally, within the Town’s organizational structure and externally to our residents, business community, and regional community partners. The Town Council has agreed to work with a consultant to develop a comprehensive **Five Year Strategic Plan and Vision** for the Town of Yountville. This process has just kicked off and will include a number of public meetings to engage the community in helping to craft Yountville’s future.

Working with our staff, the Council continues to work on efforts to maintain and enhance community outreach and education through:

- Refinement and ongoing update of the content available on the Town's web-site. Our objective is to improve and increase content and to include a "search" mechanism and document library.
- Update of the municipal code to include the ability of the Town to put the entire code online. Look for this to happen in the next few months.
- Continued publication of the Town newsletter every two (2) months and the publication of a monthly park and recreation services flyer.
- Implementation of an e-mail subscription service for Town information, agendas, media releases, and periodic updates available on the "Y-net".
- Town employee training and employee development workshops.
- Issuance of media releases related to Town activities and events.
- Video web-streaming of Town Council meetings and ZDRB meetings and Council agenda packet information and staff reports on the Town web-site.
- Continue and increase the frequency of Town and business community forums.

These are all positive steps in the right direction for Yountville.

In closing, the Council and the Town management team will continue to address the issues important to Yountville. As we enter the New Year we will begin the process of developing our **five year strategic plan** – our "roadmap" to help guide us, keep us on track and remind us of our responsibilities as elected officials and your public servants. I encourage you to participate in this process. Part of the process is building healthy relationships with our friends and neighbors and keeping the lines of communication open and clear. Communication is the key to our success and we will do all that we can to continue to provide accurate and timely information through the various channels previously described.

Yountville continues to shine as the crown jewel in the Napa Valley. We are cradled in the ultimate setting of rolling green hills and vineyards. Our marketing and public relations efforts continue to draw visitors to Yountville to experience our hospitality, stay in our inns, dine in our restaurants and lavish in our spas. This is essential to our continued economic success and our ability to provide the high level of services we currently enjoy.

Our future depends upon insight and leadership, keeping at all times Yountville's best interests at the forefront. I am confident that Yountville has that leadership in place and will be in good hands in the years to come.

We are your representatives, please let us know what you are thinking and how we can work together to make Yountville a better place to live, work and play. And, even though we are bombarded daily with the doom and gloom which seems to be all around us, I believe our future is bright and all that we love and cherish about this tiny little town continues to fill my heart exponentially. Thank you, Yountville.

Sincerely,

Cindy Saucerman
Mayor
Town of Yountville