City of St. Helena
St. Helena Financing Civic Infrastructure Task Force Meeting

Vintage Hall Board Room-Second Floor 465 Main Street, St. Helena
Wednesday, February 12, 2020 @ 3:00 PM

Page

1. CALL TO ORDER

2. ROLL CALL
St. Helena Financing Civic Infrastructure Task Force Members: George David, Daniel Hale, Elaine Honig, Patrick Kenealy, Tom McBroom, Richard Walloch, Philippa Ward

3. PUBLIC COMMENT PERTAINING TO THE FINANCING CIVIC INFRASTRUCTURE TASK FORCE
An opportunity for the public to directly address the Task Force on items of interest to the public that are not listed on the agenda. Any person addressing the Task Force should provide his or her name and address, and limit comments to three minutes. Because of restrictions imposed by the Brown Act, the Task Force may not engage in substantive discussion, nor take action on matters not described on the agenda.

4. SELECTION OF TASK FORCE CHAIR AND VICE CHAIR

5. DISCUSSION

5.1. Status Report on City Hall, Library, Streetscape Project, Storm Drains, and Other General Fund Obligations — 3 - 10
Task Force Summary of General Fund Costs
Status Report on City Hall, Library, Streetscape Project, and other General Fund Obligations

5.2. Overview of Municipal Finance and Budget Process — 11 - 13
City Revenues General Fund

5.3. Designation of Possible Subcommittees (e.g. Long-Range Financial Forecast Subcommittee) — 15 - 16
Possible Ad Hoc Subcommittees

5.4. Discussion and Approval of Task Force Schedule/Timeline

5.5. Discussion and Review of Document and Information Requests

6. DISCUSSION OF ITEMS TO BE PLACED ON THE NEXT MEETING AGENDA:

7. ADJOURNMENT
The next Financing Civic Infrastructure Task Force meeting is scheduled for

February 26, 2020 at 3:00 p.m. in the Vintage Hall Board Room located at 465 Main Street.

This agenda was posted at City Hall, 1480 Main Street, and at Vintage Hall, 465 Main Street, St. Helena, California on February 7, 2020.

/s/ Preya Nixon, Asst. to the City Manager

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Clerk's Office (707) 967-2792. Notification 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Status of General Fund Projects & Cost Estimates

GENERAL FUND ASSETS	COST ESTIMATE**	FUNDED	UNFUNDED
CITY HALL			
Option A - Single story 8,500sf City Hall adjacent to existing Library + Stevensen Museum	$ 16,625,692		X
Option B - City Hall/Library Combination	TBD		X
LIBRARY			
Option 1 - Roof only (required now)	$ 600,000	X	
Option 2 - Comprehensive remodel/expansion (can be postponed)	$ 15,214,397		X
Option 3 - Same as Option B above under City Hall			
STREETSCAPE			
Phase 1 Main Street Sidewalk	$ 3,600,000	X*	
Phase 2 Main Street Bulbouts	$ 3,120,000		X
Phase 3 Railroad, Oak, Hunt, Adams	$ 8,400,000		X
STORM DRAINS			
TBD	TBD		X
POLICE STATION			
"Placeholder Estimate": 4,500sf @ $1,000/sf + 30% soft costs	$ 5,850,000		X

** Requires estimated $2.4M General Fund Loan*
*** Includes 30% soft costs*

Other Buildings/Assets Excluded:

Multi-Purpose/Council Chambers Building
Parking Garage
Community/Recreation Facility
Scout Hall
Signorelli Barn
Former Teen Center/Parks & Recreation Administration Buildings
Fire Station
Public Works Corporation Yard
Head Start Building
Carnegie Library
Former CDF/Interim City Hall Building

Status Report on City Hall, Library, Streetscape Project, and other General Fund Obligations

February 12, 2020

Mark T. Prestwich

City Manager

Task Force Focus

- **City Hall**
- **Library**
- **Streetscape**
- **Storm Drains**
- **Police Station**

Pensions

Safety

- Police — 50% percentile
- Fire — No retirees

Non-Safety

- Miscellaneous — 25% percentile

PEPRA (Public Employee Pension Reform Act)

CalPERS Discount Rate

- **Discount rate = CalPERS expected rate of investment return**
- **Discount rate reductions**
  - 2004 8.25% -> 7.75%
  - 2012 7.50%
  - 2018-19 7.375%
  - 2019-20 7.25%
  - 2020-21 7.00%
- **CalPERS currently at 71% funded status**
- **Forthcoming City labor discussions will anticipate this risk**

Retiree Health Obligation

- **Sick Leave Conversion**
  - Some employees eligible to convert unused Sick Leave at separation (50% cash out) or at Retirement (100% to offset medical premiums)
  - Three years ago City exposure stood at $800K

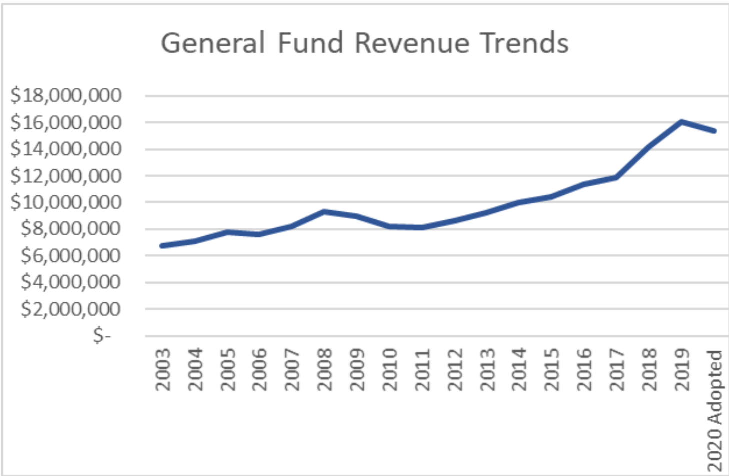
- **Mitigation Measures**
  - Discontinued for non-managers on July 1, 2012
  - Discontinued for new executive/mid-managers hired after May 8, 2018
  - Invested $152K in FY 2019/20 and $152K in FY 2020/21
  - Only Police Officers hired today that serve at least 10 years of service

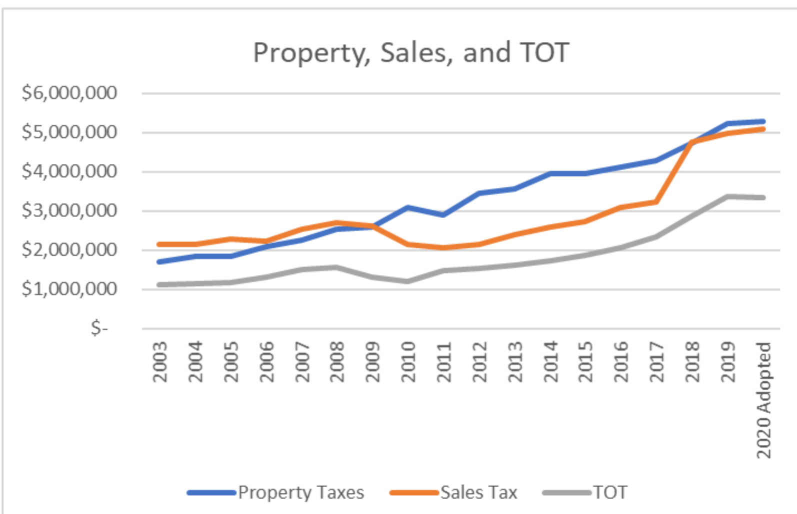
Fire Department FY 19-20 Budget Comparison by City

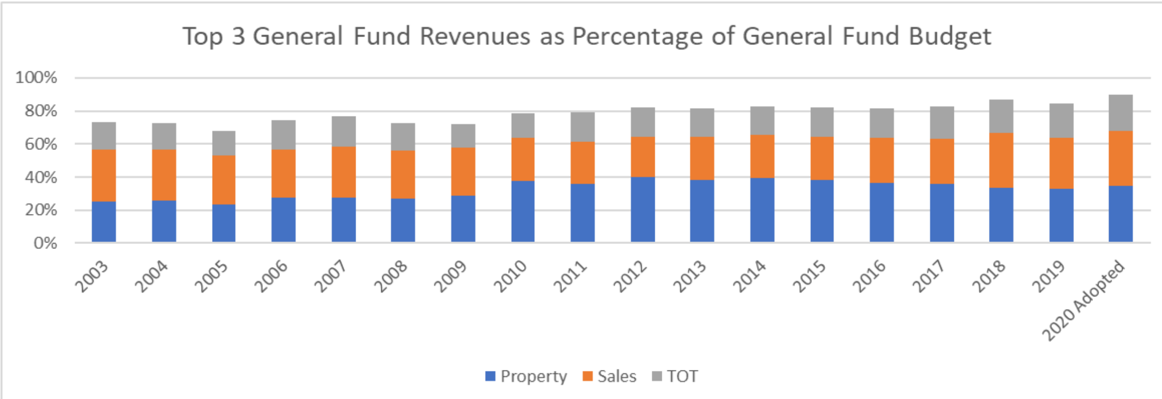
City	General Fund	Fire Dept. Budget	Fire Dept. Cost (Percentage)
Petaluma	$50.3M	$15.7M	**31%**
Sonoma	$20.3M	$6.1M	**30%**
Healdsburg	$13.4M	$3.3M	**25%**
San Rafael	$78.9M	$18.9M	**24%**
Napa	$97.9M	$19.5M	**20%**
Fairfield	$97.7M	$20M	**20%**
Calistoga	$11.7M	$1.9M	**17%**
Sebastopol	$9.2M	$1M	**11%**
St. Helena	$15M	$1.4M	**9%**

1. City Revenues/Trends

Property/Sales/TOT 2003-2020 Adopted

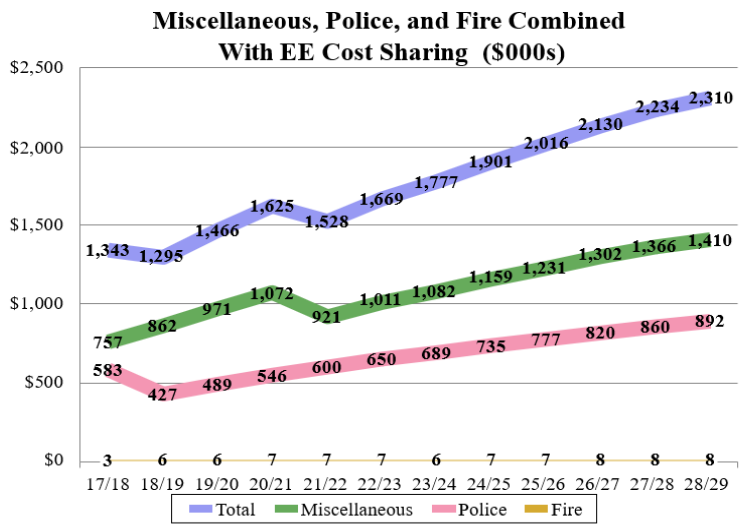






2. City Pension Liability

	6/30/16 Valuation			
	Miscellaneous	**Police**	**Fire**	**Total**
■ **Actuarial Accrued Liability**				
• Active	$ 7,600,000	$ 4,100,000	$ 54,400	$11,754,400
• Retiree	14,600,000	8,000,000	0	22,600,000
• Inactive	3,000,000	1,300,000	0	4,300,000
• Total	25,200,000	13,400,000	54,400	38,654,400
■ **Market Asset Value**	18,000,000	9,100,000	49,100	27,149,100
■ **(Unfunded Liability)**	(7,200,000)	(4,300,000)	(5,300)	($11,505,300)
■ **Funded Percentage**	71.4%	67.9%	90.3%	70.2%

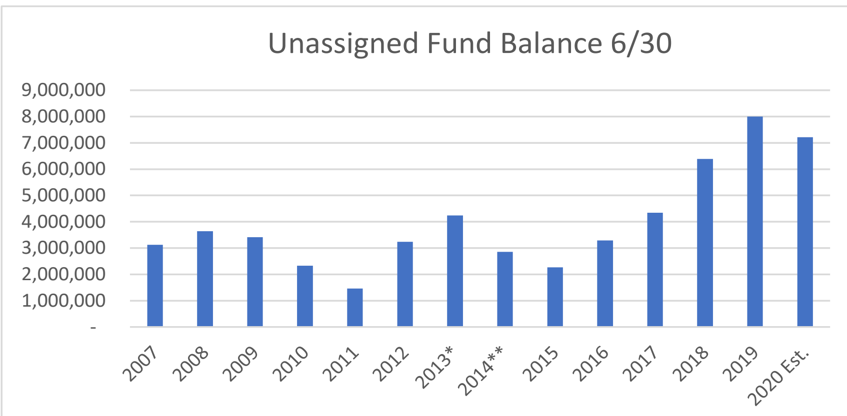


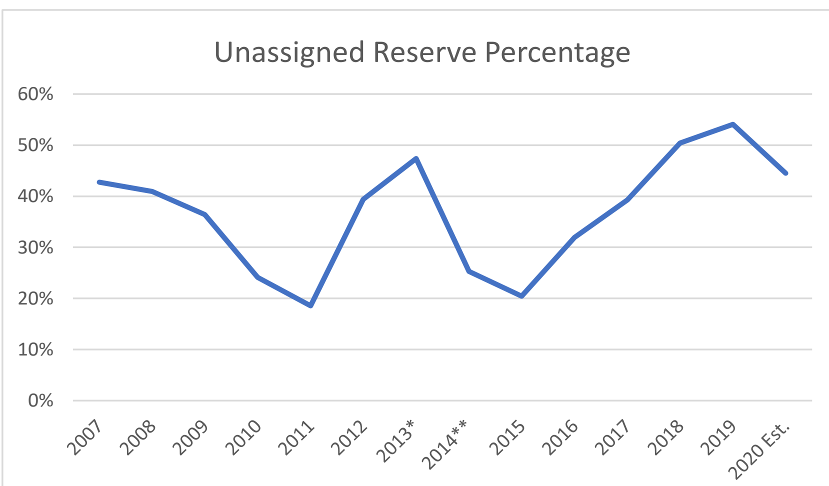
Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease	6.15%
Net Pension Liability	17,332,892
Current Discount Rate	7.15%
Net Pension Liability	11,521,499
1% Increase	8.15%
Net Pension Liability	6,737,451

3. General Fund Reserve Policy and Performance

Financial Policy P-FI-0016 adopted in November 2018 established a 30% reserve target





Financing Civic Infrastructure Task Force

Possible Ad-Hoc Sub-Committees

1. Finance and Budget
   - A. Evaluate financial risks to current budget, CIP, and long range financial plan associated with
     - a. Sidewalk renovation (all phases)
     - b. Storm sewer replacement
     - c. Differed maintenance of city buildings and infrastructure, including library
     - d. Construction of new City Hall and Police Station
   - B. Evaluate options to satisfy funding needs determined in 1.A. above
     - a. Reallocation of available City funds
     - b. Private/public development options for the civic buildings, such as a sale/lease-back option for City Hall
     - c. Incremental TOT, property tax, sales tax, and sale or lease revenue associated with possible hotel development identified by Real Estate Subcommittee in 2.B.b and c, below.
     - d. Issuance of debt instruments

2. Real Estate Development
   - A. Evaluate market potential of leasing, selling, or developing city properties
     - a. Adams Street Parcel
     - b. Current City Hall Site
     - c. Railroad Avenue Site
   - B. Where commercial use is feasible, estimate likely parameters for development
     - a. Space needed to provide attractive site for developer
     - b. Likely sale or ground lease revenue, and benefits and risk of each option
     - c. Estimated incremental Transient Tax, Sales Tax, Property, and other financial and non-financial benefits that would accrue to the city from such development
     - d. Likely schedule for project completion

3. Construction
   - A. Review and evaluate program requirements, plans, and construction estimates of proposed or likely upcoming major projects
     - a. New City Hall
     - b. Police Station
     - c. Sidewalk improvement project
     - e. Storm sewer replacement
     - f. Library

B. Evaluate pluses and minuses and financial impact of alternate possible locations of new city hall building

a. Current Location
b. Portion of Adams Street site
c. Railroad Ave
d. Consolidate into Library Building

4. Editorial – Compose the final formal written report of the Task Force to the City Council. Review with all Task Force members and City Council members, and other interested parties to make sure the report completely, accurately, and clearly communicates the Task Force's findings