*AMENDED 3/9/18

City of St. Helena
Regular City Council Meeting
Tuesday, March 13, 2018 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena

PLEASE NOTE: Any person who wishes to speak regarding an item on the agenda or make a comment under the "Oral Communication" portion of the agenda may do so, but <u>please observe the time limit of three minutes.</u>

Page

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL
Mayor: Alan Galbraith, Vice Mayor: ***Peter White, City Council: Paul Dohring, Geoff Ellsworth and Mary Koberstein

   ***Vice Mayor White will be teleconferencing from Fairmont Washington, 2401 M Street, Room 733, NW Washington District of Columbia, 20037. ~~Room number will be provided at a later date.~~ Updated 3/9/18**

4. PUBLIC FORUM:
Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Forum. Each person's comments shall be limited to <u>3 minutes</u>. Each person is entitled to speak on any non-agendized item only once at any meeting. Brief questions by Councilmembers for clarifications may be posed and answered, and Councilmembers may make requests that items be placed on future agendas, but in accordance with state law, no substantive discussion or action may take place unless and until the matter properly appears on the agenda.

5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, AND AB 1234 REPORTS:
Reports by staff and/or Councilmembers on items of general interest. Brief questions for clarification may be posed and answered, and Councilmembers may request that items be placed on a future agenda. Except under certain circumstances, the Brown Act prohibits any other discussion or action by the City Council.

6. PRESENTATIONS AND PUBLIC RECOGNITIONS

   6.1. None

7. STAFF BRIEFING

   7.1. None

8. CONSENT ITEMS
Members of the Council or the public may ask that any items be considered individually for purposes of considering alternative action, for extended discussion, or for public comment. Unless that is done, one motion may be used to adopt all recommended actions. (Roll Call Vote)

8.1. Consideration and proposed approval of Resolution approving the temporary closure of street intersections, waiving the encroachment permit and banner permit fees for the St. Helena Unified School District Run Big! event on March 30, 2018. 7 - 15

CEQA Determination: Categorically Exempt, Section 15323
Prepared By: Chrissy Cook, Administrative Assistant
Recommendation:
Staff recommends the City Council adopt the Resolution approving the temporary closure of street intersections, and waiving the encroachment and banner permit fees for the St. Helena Unified School District Run Big! event on March 30, 2018.

Staff Report

8.2. Consideration and approval of a Resolution approving a Contract with Land Trust of Napa County for a Conservation Easement as required by the terms of the Department of Water Resources (DWR) grant, SAP Contract No. 4600009016 for an amount not to exceed $65,000. 17 - 32

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation:
Staff recommends City Council approve a Resolution approving a contract with Land Trust of Napa County for a Conservation Easement as required by the terms of the Department of Water Resources (DWR) grant, SAP Contract No. 4600009016 for an amount not to exceed $65,000.

Staff Report

8.3. Consideration and approval of a Resolution authorizing revenues received as General Fund reimbursement from Measure A tax proceeds totaling $1,053,609.28 be placed directly into the Measure A Fund (235) upon receipt of reimbursement from the Napa County Flood Protection and Watershed Improvement Authority to be used for future State Revolving Fund loan payments. 33 - 36

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation:
Staff recommends City Council approve a Resolution authorizing revenues received as General Fund reimbursement from Measure A tax proceeds totaling $1,053,609.28 be placed directly into the Measure A Fund (235) upon receipt of reimbursement from the Napa County Flood Protection and Watershed Improvement Authority to be used for future State Revolving Fund loan payments.

Staff Report

8.4. Consideration and approval of a Resolution approving City of St. Helena City Council Policy P-FI-0013 Issuance and Use of City Fuel Cards — 37 - 47

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation:
Staff recommends approval of the proposed Resolution establishing City of St. Helena City Council Policy P-FI-0015 Issuance and Use of City Fuel Cards.

Staff Report

8.5. Consideration and proposed approval of Regular Meeting Minutes of February 27, 2018 - ~~Minutes will be provided prior to the meeting.~~ Provided 3/9/18 — 49 - 56

02-27-2018 Minutes Regular City Council

9. PUBLIC HEARINGS

9.1. None

10. NEW BUSINESS

10.1. *Updated 3/9/18 — 57 - 72
Consideration of:

1. Approving or denying Active Transportation/Sustainability Committee (ATSC) Member Donna Hinds request for reclassification to an alternate position; and
2. A resolution appointing applicants to fill vacant positions on the Active Transportation/Sustainability Committee (ATSC)

CEQA Determination: Not a CEQA project
Prepared By: Cindy Tzafopoulos, City Clerk
Recommendation:
Staff recommends approving or denying ATSC Member Donna Hinds request to be reclassified as an alternate member.

Per resolution 2013-26 Council Rules of Procedure, appointments shall be made by the Mayor and subject to the City Council approval.

Staff recommends appointing applicants to fill vacancies.

Staff Report

10.2. *Updated 3/9/18 — 73 - 135
Presentation of the 2018-2028 General Fund Long Range Financial Forecast

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation:
Staff recommends City Council review, discuss and accept the Fiscal Year 2018 to 2028 General Fund Long Range Financial Forecast.

[Staff Report](#)
[Presentation](#)

10.3. Consideration and Direction Regarding Conceptual Indemnity and Defense Ordinance — 137 - 140

CEQA Determination: Not a CEQA project
Prepared By: Thomas B. Brown, City Attorney
Recommendation:
Staff recommends that the City Council accept public input and provide direction to staff with respect to the policy issue (and draft ordinance) whether to relieve project applicants who satisfy the City's inclusionary ordinance from any or all of the costs of defending a lawsuit challenging the City Council's approval of a project, perhaps especially with respect to appellate costs after a trial court has determined that the approval was legally correct.

[Staff Report](#)

10.4. *Updated 3/9/18 — 141 - 174

Review of a request from Joe McGrath for Council approval of an Alternative Equivalent Proposal to satisfy the Inclusionary Housing requirement for the approved project at 632 McCorkle, as allowed under St. Helena Municipal Code (SHMC) Section 17.146.050 B.

CEQA Determination: Exempt from the requirements of CEQA under the "General Rule", Section 15061 (b)(3), in that it can be seen with certainty that the proposed action will have no impact on the environment.
Prepared By: Noah Housh, Planning & Community Improvement Director
Recommendation:
It is recommended that the City Council:

1. Determine the consideration and action on the requested Alternative Equivalent Proposal regarding inclusionary housing for the project at 632 McCorkle be found to be in keeping with the previous Class 32 Categorical Exemption allowed under CEQA Section 15332 for In-Fill development, and

2. Review and act on the request from Joe McGrath for approval of an Alternative Equivalent Proposal regarding meeting the City of St Helena Inclusionary Housing Requirements for the eight unit multifamily housing project previously approved at 632 McCorkle Avenue.

[Staff Report](#)
[Public Comment1](#)
[Public Comment2](#)
[Public Comment3](#)
[Presentation](#)

11. ITEMS LIKELY TO BE PLACED ON THE NEXT OR FUTURE MEETING AGENDA:

11.1.

<u>March City Council Meetings</u>: **3/27 (staff reports due 3/9)**
1. 3/27 2018 City Council Meeting Calendar - Admin
1. Annual Housing Element Update – Planning
1. Annual General Plan Update – Planning
1. 3/27 Corp Yard Roof Repair - PW
1. 3/27 Crinella Pump Station - PW
1. 3/27 League of California Cities request for support of two initiatives that will appear on the June 5th ballot, Propositions 68 & 69 - Admin
1. 3/27 Little League Contract Amendment - Recreation
1. 3/27 Napa County Election Division "The Voters' Choice Act" Presentation
1. 3/27 Fire after-incident report
<u>April City Council Meetings</u>: **4/10 (staff reports due 3/23)** **4/24 (staff reports due 4/6)**
1. National Library Week: April 9-15 – Library
1. National Volunteer Week: April 23-29 – Library • Acknowledge Library and Police Volunteers?
1. Quarterly Finance Report – Finance
1. Quarterly Grant Report – Finance
1. Goals and Objectives Update - Admin
1. Earth Day, Chamber uses back parking lot - PW
1. Arts Month Proclamation – Admin
1. 4/10 Library Staff Introduction
1. 4/24 Introduction of new K9 and new staff - PD
<u>May City Council Meetings</u>: **5/8 (staff reports due 4/20)** **5/22 (staff reports due 5/4)** **5/9 Special City Council Budget Study Session 9-12** **5/23 Special City Council Budget Study Session 9-12 (If needed)**
1. Music in the park, June thru August, waive fees, food - PW
1. Proclamation - Annual Public Works Week - PW
<u>June City Council Meetings</u>: **6/12 (staff reports due 5/25)** **6/26 (staff reports due 6/8)**
1. 6/12 Budget adoption – Finance
1. High School to Submit Annual Request Re: Street Closure for Homecoming Parade - PW
1. Agreement with Housing Authority of the City of Napa Expires June 30, 2018 – Planning or Admin
1. Resolution Adopting GANN Limit (Appropriations) - Finance
1. Elder Abuse Prevention Month proclamation – PD
1. Adopt and approve compensation schedule - HR

12. ADJOURNMENT

The next Regular City Council meeting is scheduled for March 27, 2018, at 6:00 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 ~~March 2, 2018~~ March 9, 2018.

Cindy Tzafopoulos

Cindy Tzafopoulos, City Clerk

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

CHALLENGING DECISIONS OF CITY ENTITIES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City of St. Helena is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision, including without limitation Government Code section 65009 applicable to many land use and zoning decisions, Government Code section 66499.37 applicable to the Subdivision Map Act, and Public Resources Code section 21167 applicable to the California Environmental Quality Act (CEQA). Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Government Code section 65009 and 66499.37, and Public Resources Code section 21167, impose shorter limitations periods and requirements, including timely service in addition to filing.

If a person wishes to challenge the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of St. Helena, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this Agenda, after the posting of the Agenda, will be available for public review in the City Clerk's Office located at 1480 Main Street, St. Helena, California, during normal business hours. In addition, such writings or documents will be made available on the City's web site at https://sthelena.civicweb.net and will be available for public review at the respective meeting.

Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **Consent**

Subject: **Consideration and proposed approval of Resolution approving the temporary closure of street intersections, waiving the encroachment permit and banner permit fees for the St. Helena Unified School District Run Big! event on March 30, 2018.**

CEQA Determination: **Categorically Exempt, Section 15323**

Prepared By: Chrissy Cook, Administrative Assistant

Reviewed By: Erica Ahmann Smithies, Public Works Director and City Engineer

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

RunBig! began years ago as the St. Helena Robert Louis Stevenson Middle School (RLS) Run For Funds. With the implementation of GiveBig! the Run For Funds morphed into a district-wide event incorporating students from each school. It is the final push for funds to benefit GiveBig!, the only fundraiser parent groups and foundation hold all year.

The funds raised provide for field trips, enrichment and scholarships for students to attend summer camps in addition to other programs the children would otherwise not receive.

This year the run will be shortened; the route is one way from RLS to the high school football field and is held at the end of the day on the back streets of St. Helena. It was shortened this year because of the need for additional instructional time that was lost during the 2017 October fires.

The Run is estimated to take approximately 30 minutes and will conclude with a small celebration at the high school field. Volunteers will be positioned along the route to help control traffic and cheer the students to the finish line. In addition to volunteers, the City Police Department will assist on the route.

DISCUSSION

The City's Municipal Code does not include provisions for City Staff to waive permit fees. As a result, Staff is presenting the formal request to the City Council for consideration, which includes partial road closures from 2:00 pm - 3:30 pm on Kearney Street, Adams Street, Allyn Avenue, Valley View Street and Grayson Avenue. If approved, staff recommends the St. Helena Unified School District submit an encroachment permit and a banner application along with the required insurance.

City Hall is closed on the day of the event, March 30, 2018.

FISCAL IMPACT

The applicant has requested the following permit fees to be waived:

- Banner: $100.00
- Encroachment Permit: $200.00

Total fee waiver request of $300.00

RECOMMENDED ACTION

Staff recommends the City Council adopt the Resolution approving the temporary closure of street intersections, and waiving the encroachment and banner permit fees for the St. Helena Unified School District Run Big! event on March 30, 2018.

ATTACHMENTS

EP Application, Route, Insurance
Banner Application
RESO

PERMIT # ____________

CITY OF ST. HELENA ENCROACHMENT PERMIT APPLICATION

TO: DEPARTMENT OF PUBLIC WORKS
1480 MAIN STREET
ST. HELENA, CA 94574

Applicant: RunBig! St. Helena
(Property Owner or Contractor)

Email: deborah@bromancellars.com

Phone: 707-337-4976

Job Location: Interior Streets of St. Helena

I (or we) hereby apply for an encroachment permit to carry out the following work:
A run/walk involving students at St Helena Primary, Middle, Elementary and some High School students at St. Helena Unified schooldistrict

Estimated Start Date: March 30 2018 Estimated Completion Date March 30, 2018

DIAGRAM OF LOCATION OF PROPOSED WORK
Attach diagram on separate sheet(s) if necessary

Please see attached.
Estimated start time : 2pm
Estimated end time 3:30 pm
* Please note this year run/walk ends on football field and is 1 way race.

Permittee agrees to comply with all ordinances, regulations, specifications and conditions which may apply or be required as a condition of this Permit/Contract. (See insurance requirements and general and special conditions pages).

Permittee shall indemnify, defend and hold harmless The City of St. Helena and its agents, officers, officials employees and volunteers in interest from and against all claims, damages, losses and expenses including attorney fees arising out of or in connection with work performed under this Permit/Contract, except where caused by the sole negligence or willful misconduct of The City of St. Helena. This obligation of Permittee to indemnify, defend and hold harmless shall continue in effect after the completion of the project authorized under this Permit/Contract.

State Law required U.S.A. to be alerted for all underground work two (2) working days prior to start date

Applicant: [signature] 2/9/2018 President RLS Parent Group
3C27DB5318B54CC
Signature Title Date

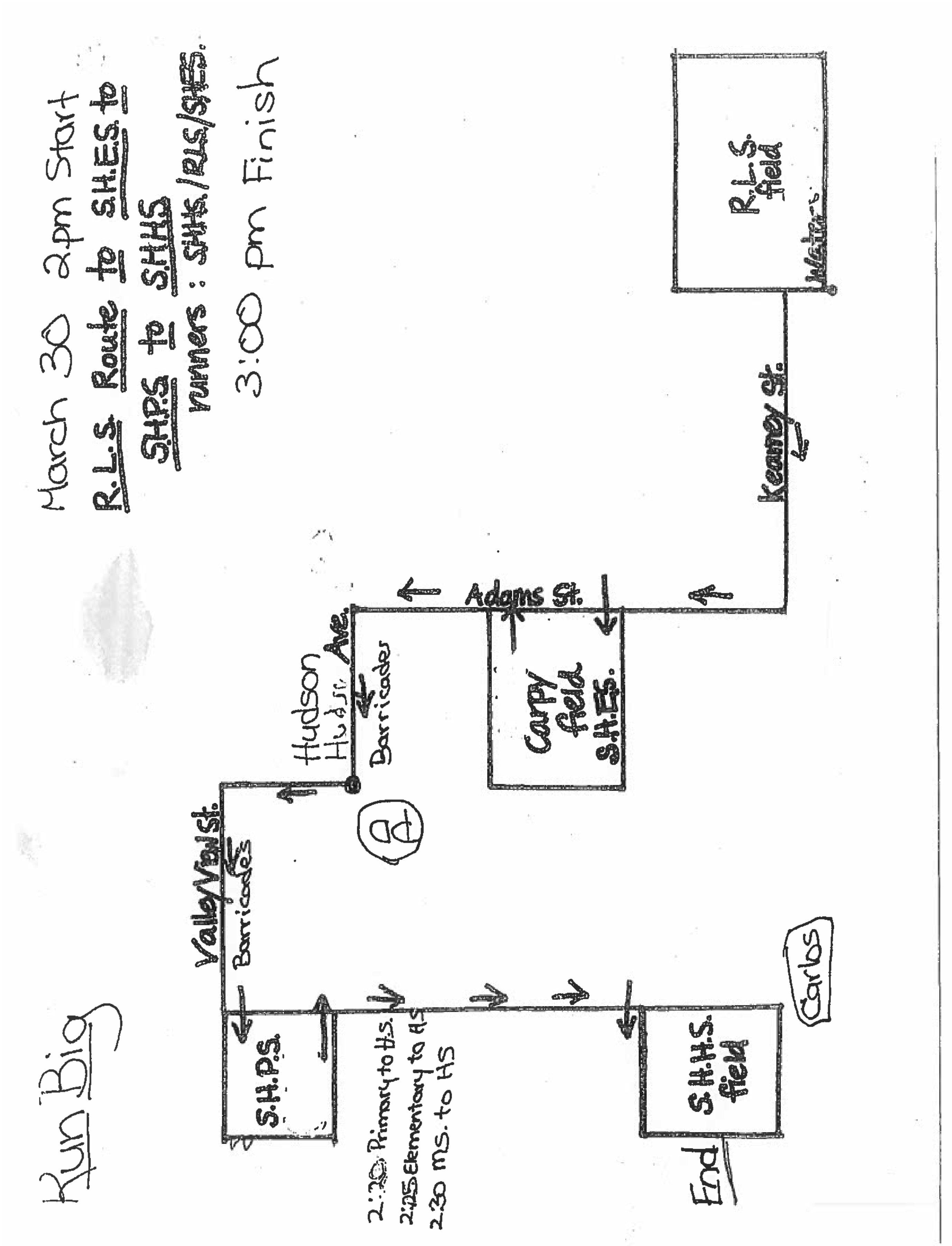
Conditions: ____________

Related to Building Permit: ____________

Approved By: ____________
Public Works Staff Date

Encroachment Permit Application
6/16/15

4


Run Big
March 30 2pm Start
R.L.S. Route to S.H.E.S. to
S.H.P.S. to S.H.H.S.
runners : S.H.H.S./R.L.S./S.H.E.S.
3:00 pm Finish
R.L.S. field
Water
Kearney St.
Adams St.
Carpy field S.H.E.S.
Hudson Ave.
Barricades
Valley View St.
Barricades
S.H.P.S.
2:20 Primary to H.S.
2:25 Elementary to HS
2:30 MS. to HS
S.H.H.S. field
Carlos
End

CID: 277304 SID: 12665202 2/9/2018

CERTIFICATE OF LIABILITY COVERAGE

COVERAGE PROVIDER:

BAY AREA SCHOOLS INSURANCE COOPERATIVE (BASIC)
(a California Joint Powers Authority)
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

NAMED COVERED MEMBER:

North Bay Schools Insurance Authority
St. Helena Unified School District
465 Main Street St.
Helena, CA 94574

THE REFERENCED MEMORANDUM OF COVERAGE(S) ("MOC") AND/OR INSURANCE POLICY(IES) EXTEND INDEMNITY PROTECTION TO THE NAMED COVERED MEMBER, IN KEEPING WITH THE TERMS AND CONDITIONS OF THE COVERAGE AGREEMENTS/ POLICIES, FOR THE EFFECTIVE COVERAGE DATES, AND WITH THE STATED COVERAGE LIMITS. COVERAGE PROVIDED BY MOCS IS EXTENDED PURSUANT TO THE RIGHTS AND LIMITATIONS OF CALIFORNIA GOV'T CODE § 990 & 6500, ET SEQ.

TYPE OF COVERAGE	COVERAGE AFFORDED	MOC/POLICY NUMBER	EFFECTIVE DATE(S)	EXPIRATION DATE(S)	LIMITS	LIABILITY SELF INSURED RETENTION
GENERAL LIABILITY	General Liability Employment Practices Educators' Legal Liability Products Liability Completed Operations Liability	2017MOELC	07/01/2017	07/01/2018	$ 2,000,000	$500,000
AUTOMOBILE LIABILITY	Automobile Liability (All Owned, Hired, Leased, and Borrowed)	2017MOELC	07/01/2017	07/01/2018	$ 2,000,000	$500,000

THIS CERTIFICATE CONFERS NO RIGHT, BENEFIT, OR INTEREST IN THE REFERENCED MEMORANDUM(S) OF COVERAGE OR INSURANCE POLICY(IES), NOR DOES IT AMEND, MODIFY, ENLARGE OR ALTER THE COVERAGE AFFORDED BY SUCH DOCUMENTS. IF THE CERTIFICATE HOLDER IS CONTRACTUALLY ENTITLED TO BE NAMED AS AN ADDITIONAL COVERED MEMBER ("ACM") UNDER ANY COVERAGE AGREEMENT OR POLICY, THE CONTRACT IMPOSING THE OBLIGATION MUST BE PROVIDED TO THE NAMED COVERED MEMBER LISTED ABOVE FOR REVIEW AND APPROVAL BEFORE SUCH AN ENDORSEMENT WILL BE ISSUED; ACM COVERAGE IS NOT AUTOMATICALLY GRANTED.

Description and Date (s) of Event/Operations/Locations/Vehicle:
Additional remarks/schedule may be attached if more space is needed.

Additional Covered Member - Designated Person or Organization RE: St. Helena Unified School District Run Big Event for students elementary to high school March 30, 2018.

The City of St. Helena, its agents, officers, officials, employees and volunteers are included as an additional covered member under the general liability per the attached endorsement, but only as to the liability arising out of the negligent acts of the named covered member.

CERTIFICATE HOLDER:

City of St. Helena
Office of The Director of Public Works
1480 Main Street
St. Helena, CA 94574

Cancellation of Coverage: If any of the policies described herein be cancelled before their expiration dates, notice will be delivered in accordance with policy provisions.

Issuer of this Certificate:

Commercial Lines - (707) 769-2900
USI Insurance Services National, Inc. - CA Lic#: 0D08408
1039 N. McDowell Blvd.
Petaluma, CA 94954-1173

(This certificate replaces certificate# 12665199 issued on 2/9/2018)

POLICY NUMBER: 2017MOELC

THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERED MEMBER — DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies coverage provided under the following:

GENERAL LIABILITY

SCHEDULE

Name of Additional Covered Person(s) or Organization(s)
City of St. Helena Office of The Director of Public Works 1480 Main Street St. Helena, CA 94574 Additional Covered Member - Designated Person or Organization RE: St. Helena Unified School District Run Big Event for students elementary to high school March 30, 2018. The City of St. Helena, its agents, officers, officials, employees and volunteers are included as an additional covered member under the general liability per the attached endorsement, but only as to the liability arising out of the negligent acts of the named covered member.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section III – The Definition of a Covered Member is amended to include as an additional covered member the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

A. In the performance of your ongoing operations; or
B. In connection with your premises owned by or rented to you.

PERMIT # ___________

CITY OF ST. HELENA
NAPA COUNTY, CALIFORNIA
BANNER PERMIT/CONTRACT APPLICATION

TO: DEPARTMENT OF PUBLIC WORKS
1480 MAIN STREET
ST. HELENA, CA 94574

Today's Date: 2/15/18

PERMITTEE: St Helena Public Schools Foundation,

ADDRESS: P.O. BOX 305
St Helena, CA, 94574
(Address, City, State & Zip)

Contact Person: Cecilia Raffo Phone: (707) 963-5244 x1,700
Company Hanging Banner: Pacific tree Phone: (707) 942-0201
Event Being Promoted: Give Big St Helena. Banner Dimensions: 25' x 3½'
Non-Profit tax I.D. Number: 94-2891817

What benefit is derived to St. Helena residents by this activity or organization?
Give Big St. Helena Benefits the Public Schools Of St Helena.

Date Banner will be hung: March 12, 2018 Date to be removed: March 26, 2018

Please sketch your proposed banner design and text: *(Attach diagram on separate sheet(s) if necessary)*

Permittee agrees to comply with all ordinances, regulations, specifications and conditions which may apply or be required as a condition of this Permit/Contract. (See conditions of installation and insurance requirements pages).

Permittee shall indemnify, defend and hold harmless The City of St. Helena and its agents, officers, officials employees and volunteers in interest from and against all claims, damages, losses and expenses including attorney fees arising out of or in connection with work performed under this Permit/Contract, except where caused by the sole negligence or willful misconduct of The City of St. Helena. This obligation of Permittee to indemnify, defend and hold harmless shall continue in effect after the completion of the project authorized under this Permit/Contract.

Authorized Representative [signature] President 2/15/18
Signature Title Date

APPROVED BY: ______________________________
City Manager Date

4

CITY OF ST. HELENA

RESOLUTION NO. 2018-

APPROVING TEMPORARY CLOSURE OF STREET INTERSECTIONS, WAIVING THE ENCROACHMENT PERMIT FEE AND THE BANNER PERMIT FEE FOR THE ST. HELENA UNIFIED SCHOOL DISTRICT RUN BIG! EVENT ON MARCH 30, 2018.

RECITALS

A. The St. Helena Unified School District Run Big! Event has requested temporary closures of various streets for their March 30, 2018 event that will occur between the hours of 2:00 pm and 3:30 pm.

B. In consideration for the benefits of this event to the students of St. Helena Unified School District, City Council desires to waive the Encroachment Permit fee of $200.00 and the $100.00 Banner Permit fee for the Run Big! Event but does not waive the permit requirements and the General Conditions applicable to said permit.

C. The St. Helena Unified School District Run Big! Event is requesting temporary street closures along the route of; Kearney Street, Adams Street, Allyn Avenue, Valley View Street and Grayson Avenue.

D. Section 21101(e) of the California Vehicle Code provides the local authorities may, by resolutions, temporarily close a portion of any street for celebrations, parades, <u>local special events</u>, and other purposes when, in the opinion of local authorities having jurisdiction or a public officer of employee that the local authority designated by resolution, the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.

E. The St. Helena Unified School District Run Big! Event has submitted an encroachment permit application, banner permit application and all permit requirements and General Conditions will be met.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. The above recitals are incorporated herein by this reference

2. The encroachment permit fees of $300.00 and the banner permit application fee of $200.00 are waived.

3. The City Council finds that the benefits derived from the temporary closing of street intersections for the The St. Helena Unified School District Run Big! Event outweigh the anticipated inconvenience and that the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.

4. The City Council authorizes closure of the following streets and intersections during the hours of the event:

   - Kearney Street – RLS to Adams Street
   - Adams Street – Kearney Street to Allyn Avenue
   - Allyn Avenue – Adams Street to Spring Street
   - Spring Street – Allyn Avenue to Valley View Street
   - Valley View Street – Spring Street to Grayson Avenue
   - Grayson Avenue – Valley View Street to High School

5. This is an annual fundraiser and the The St. Helena Unified School District Run Big! Event coordinators have in the past years requested these fees be waived. City permit fees can be waived at the request of event coordinators and by City Council on a case by case basis.

Approved at a Regular Meeting of the St. Helena City Council on March 13, 2018 by the following vote:

Mayor Galbraith: __________

Vice Mayor White: __________

Councilmember Dohring: __________

Councilmember Ellsworth: __________

Councilmember Koberstein: __________

APPROVED: ATTEST:

________________________ ________________________

Alan Galbraith, Mayor Cindy Tzafopoulos, City Clerk

Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **Consent**

Subject: **Consideration and approval of a Resolution approving a Contract with Land Trust of Napa County for a Conservation Easement as required by the terms of the Department of Water Resources (DWR) grant, SAP Contract No. 4600009016 for an amount not to exceed $65,000.**

CEQA Determination: **Not a CEQA project**

Prepared By: April Mitts, Finance Director

Reviewed By: Erica Ahmann Smithies, Public Works Director and City Engineer

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

To comply with the terms of the agreement with the Department of Water Resources (DWR) grant agreement, DWR requires that approximately 10-acres of Napa River frontage, known as APN 009-030-056 and -058, must be preserved via conservation easement with a third-party holder.

DISCUSSION

The City of St. Helena and Land Trust of Napa Valley (Land Trust) are undertaking this conservation easement project to comply with the Grant Agreement with the Department of Water Resources (DWR), SAP Contract No. 4600009016.

City staff has been in dialog with the Land Trust over the past few years to assist with the required conservation easement. A conservation easement is an agreement between the landowner (City of St. Helena) and the Land Trust. It is a perpetual, recorded deed between the City and the Land Trust that permanently protects the land covered by the easement, whether scenic, agricultural, or natural area, from undesirable development. When the conservation easement is recorded, the City will continue to own and manage the land with the knowledge that it will be protected forever.

The conservation easement language and legal descriptions for the protected areas will be drafted by the City and will be reviewed for approval by the Land Trust and Department of Water Resources.

The Land Trust requires that all project associated costs, including staff time, are covered along with a stewardship endowment. In conjunction with agreeing to hold a conservation easement, the Land Trust requires a monetary contribution to their Easement Protection and Easement Monitoring Funds. The Land Trust uses a standard formula that is applied to all conservation easements to calculate the contribution based on the complexity of the easement and the likelihood that it will require enforcement action in the future.

At a regularly scheduled meeting on July 28, 2016, the Land Trust Board of Trustees approved this project and the Land Trust is ready to begin work on preparing the necessary documentation to complete the easement.

FISCAL IMPACT

Based on the proposed conservation easement project, covering portions of two parcels with a single baseline documentation report, the Land Trust estimates the total cost for the Land Trust is approximately $63,000. This includes $33,000 for Easement Monitoring and Protection Funds and approximately $30,000 for staff time.

A total of $65,000 was included in the FY 2017/18 adopted budget.

Not completing the conservation easement would require the City of St. Helena payback approximately $2.3 million in funding received from DWR for the Comprehensive Flood Control Project.

RECOMMENDED ACTION

Staff recommends City Council approve a Resolution approving a contract with Land Trust of Napa County for a Conservation Easement as required by the terms of the Department of Water Resources (DWR) grant, SAP Contract No. 4600009016 for an amount not to exceed $65,000.

ATTACHMENTS

Attachment 1 - Resolution
Attachment 2 - PSA

Attachment 1

CITY OF ST. HELENA

RESOLUTION NO. 2018-____

Resolution approving a contract with Land Trust of Napa County for a Conservation Easement as required by the terms of the Department of Water Resources (DWR) grant, SAP Contract No. 4600009016 for an amount not to exceed $65,000

RECITALS

WHEREAS, to comply with the terms of the agreement with DWR grant agreement, DWR requires that approximately 10-acres of Napa River frontage, known as APN 009-030-056 and -058 must be preserved via conservation easement with a third-party holder; and

WHEREAS, Land Trust of Napa County meets the requirements of the DWR grant agreement; and

WHERAS, staff has been in dialog with the Land Trust over the past few years to assist with the required conservation easement; and

WHEREAS, at a regularly scheduled meeting on July 28, 2016, the Land Trust Board of Trustees approved this project and the Land Trust is ready to begin work on preparing the necessary documentation to complete the easement; and

WHEREAS, the estimated costs for the easement is $63,000; and

WHEREAS, the Fiscal Year 2017/18 adopted budget included $65,000 for this easement.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. Approves a contract with Land Trust of Napa County, herein included as Attachment 2, for an amount not to exceed $65,000 to complete the conservation easement as required by the Department of Water Resources grant agreement, SAP Contract No. 4600009016.

Approved at a Regular Meeting of the St. Helena City Council on March 13, 2018, by the following vote:

Mayor Galbraith: ___________
Vice Mayor White: ___________
Councilmember Dohring: ___________
Councilmember Koberstein: ___________
Councilmember Ellsworth: ___________

APPROVED: ATTEST:

___________________________ ___________________________
Alan Galbraith, Mayor Cindy Tzafopoulos, City Clerk

Attachment 2

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, made and entered into on ____________, 2018 by and between the City of St. Helena, located in the County of Napa, State of California (City), and Land Trust of Napa County (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Conservations Easements for APN 009-030-056 and -058.

B. Consultant has represented that Consultant has the necessary expertise, experience, and qualifications to perform the required duties.

NOW, THEREFORE, in consideration of the mutual premises, covenants, and conditions herein contained, the parties agree as follows:

SECTION 1 – BASIC SERVICES

Consultant agrees to perform the services set forth in **Exhibit A, "Scope of Work"** and made part of this Agreement.

SECTION 2 – ADDITIONAL SERVICES

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to or outside of those set forth in this Agreement or **Exhibit A, "Scope of Work"**, unless such additional services and compensation are authorized in advance and in writing by the City Council or City Manager of the City.

SECTION 3 – TIME FOR COMPLETION

The time for completion of services shall be as identified in **Exhibit A, "Scope of Work"**.

SECTION 4 – COMPENSATION AND METHOD OF PAYMENT

A. Subject to any limitations set forth in this Agreement, City agrees to pay consultant the amount specified in **Exhibit A, "Scope of Work"** attached hereto and made a part hereof. Total compensation shall not exceed $65,000, unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. City shall independently review each invoice submitted to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. If no charges or expenses are disputed, the invoice shall be approved, and City will use its best efforts to cause Consultant to be paid within

30 days of receipt of invoice. If the City disputes any charges or expenses, the City will return the original invoice to Consultant for correction and resubmission. If the City reasonably determines, in its sole judgment, that the invoiced charges and expenses exceed the value of the services performed to date and that it is probable that the Agreement will not be completed satisfactorily within the contract price, City may retain all or a portion of the invoiced charges and expenses. Within thirty (30) days of satisfactory completion of the project, City shall pay the retained amount, if any, to Consultant.

C. Payment to the Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

SECTION 5 – STANDARD OF PERFORMANCE

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

SECTION 6 – INSPECTION AND FINAL ACCEPTANCE

City may inspect and accept or reject any of Consultant's work under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's work within sixty (60) days after submitted to City, unless the parties mutually agree to extend such deadline. City shall reject work by a timely written explanation, otherwise Consultant's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects and fraud. Acceptance of any of Consultant's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, the sections pertaining to indemnification and insurance.

SECTION 7 – INSURANCE REQUIRED

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees, as indicated:

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:
   1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
   2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
   3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: $2,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $2,000,000 per accident for bodily injury or disease.

C. Professional Liability Insurance. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, environmental engineer or other professional engineer, or land surveyor ("design professional"), Consultant shall maintain at least $2,000,000 of professional liability insurance.

D. Excess Limits. If Consultant maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

E. Primary Coverage. For any claims related to this contract the Consultants insurance coverage shall be primary insurance as respects to City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of Consultants insurance and shall not contribute with it.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of $25,000 or greater must be declared to and approved by the City.

G. Other Insurance Provisions. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its agent, officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of work or operations performed by the Consultant or Consultant's subconsultants; or automobile owned, leased, hired or borrowed by the Consultant.
2. For any claims related to Consultant's conduct while performing the work of this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its agents, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.

H. Waiver of Subrogation. Consultant's commercial general liability, automobile liability, workers' compensation, and employer's liability policies shall be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its agents, officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the work performed by the named insured for the City.

I. The Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

J. Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on forms that conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

SECTION 8 – INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

SECTION 9 – INDEPENDENT CONTRACTOR STATUS

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Consultant shall have no authority to bind City in any manner or to incur an obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of City.

C. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

SECTION 10 – CONFLICTS OF INTEREST

A. Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts with the interests of City in the performance of this Agreement.

B. City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is aware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 11 – OWNERSHIP OF DOCUMENTS

A. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant. When requested by City, but no later than three years after project completion, Consultant shall deliver to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

B. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, improvements, developments, works of authorship, or other products developed or created by Consultant during the course of providing services (collectively the "Work Product") shall belong exclusively to City. The Work Product shall be considered a "work made for hire" within the meaning of Title 17 of the United States Code. Without reservation, limitation, or condition, Consultant hereby assigns, at the time of creation of the Work Products, without any requirement of further consideration, exclusively and perpetually, any and all right, title, and interest Consultant may have in the Work Product throughout the world, including without limitation any copyrights, patents, trade secrets, or other intellectual property rights, all rights of reproduction, all rights to create derivative works, and the right to secure registrations, renewals, reissues, and extensions thereof.

SECTION 12 – CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION

A. All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided consultant gives City notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite such response.

SECTION 13 – SUSPENSION OF WORK

City may, at any time, by ten (10) days written notice suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and Consultant shall be paid for services performed and reimbursable expenses incurred prior to the suspension date.

SECTION 14 – COMPLIANCE WITH LAW

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

SECTION 15 – COMPLIANCE WITH CIVIL RIGHTS

During the performance of this contract, Consultant agrees as follows:

A. Equal Employment Opportunity. In connection with the execution of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, ancestry, age, sexual orientation, gender, gender identity and gender expression as protected categories specifically and expressively in that category, physical handicap, medical condition, marital status, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of l964. Consultant will comply with all federal regulations relative to nondiscrimination to federally-assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitations, either by competitive bidding or negotiations, made by Consultant for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor, supplier, or lessor shall be notified by Consultant of Consultant's obligations under this Agreement and the regulations relative to nondiscrimination.

SECTION 16 – RECORDS

A. Records of Consultant's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to City if and when required for a period of up to 3 years from the date of Consultant's final invoice.

B. Consultant's records and design calculations will be available for examination and audit if and as required. The cost of any reproductions shall be paid by City.

Attachment 2

SECTION 17 – COOPERATION BY CITY

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the work as outlined in the Exhibit A, "Scope of Services", shall be furnished to Consultant in every reasonable way to facilitate, without undue delay, the work to be performed under this Agreement.

SECTION 18 – NOTICES

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or first class mail, addressed as follows:

To City: City Manager
1480 Main Street
St. Helena, California 94574

To Consultant: Land Trust of Napa Valley
Attn : Lena Septimo, Lands Project Manager
1700 Soscol Ave., Suite 20
Napa, CA 94559
707-252-3270
Napalandtrust.org

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or, if mailed, three (3) days after deposit in the custody of the U.S. Postal Service.

SECTION 19 – TERMINATION

A. City may terminate this Agreement, with or without cause, at any time by giving ten (10) days written notice of termination to Consultant. If such notice is given, Consultant shall cease immediately all work in progress.

B. If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.

C. Upon termination of this Agreement by either Consultant or City, all property belonging to City which is in Consultant's possession shall be delivered to City. Consultant shall furnish to City a final invoice for work performed and expenses incurred by Consultant, prepared as set forth in this Agreement.

SECTION 20 – ATTORNEY FEES

If litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled. In addition, any legal fees, costs and expenses incurred to enforce the provisions of this Agreement shall be reimbursed to the prevailing party.

SECTION 21 – ENTIRE AGREEMENT

This Agreement, including the attached Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 22 – SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties. However, this Agreement shall not be assigned by Consultant without written consent of the City.

SECTION 23 – CONTINUITY OF PERSONNEL

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff assigned to perform the services required under this Agreement, prior to any such performance.

SECTION 24 – DEFAULT

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default and may terminate this Agreement immediately by written notice to Consultant.

SECTION 25 – WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a wavier of any of the provisions of this Agreement.

SECTION 26 – LAW TO GOVERN; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Napa. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in San Francisco.

SECTION 27 – SEVERABILITY

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 28 – SPECIAL PROVISIONS

This Agreement is subject to the following special provisions: none.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:	City:
By: ________________________________	By: ________________________
Name: ______________________________	Name: Mark T. Prestwich
Title:________________________________	Title: City Manager

Approved as to Form:

By: __________________________________
Name: Thomas B. Brown
Title: City Attorney

Attachment 2

40 YEARS 1976-2016 Land Trust OF NAPA COUNTY

04 August 2016

Tracey Perkosky, Grants Manager
City of St. Helena
1480 Main St.
St. Helena, CA 94574

Dear Tracey,

It has been a pleasure to meet with you over numerous occasions to discuss the City of St. Helena's grant obligations for the Adams Street restoration project. I've also appreciated the two tours on site. We appreciate the City's intent to permanently preserve approx. 10 acres of Napa River frontage, known as APN 009-030-056 and -058. The Land Trust of Napa County is enthusiastic about continuing discussions and working through some of the issues involved in using conservation easements as a tool for long-term protection on this property. If it comes to fruition, this conservation easement will forward our mission of protecting biodiverse and open space lands throughout Napa County. I wanted to highlight some key issues that come into play in the permanent protection of your land.

As you know, a conservation easement is an agreement between the landowner and the Land Trust. It is a perpetual, recorded deed between you and the Land Trust that permanently protects the land covered by the easement, whether scenic, agricultural, or natural area, from undesirable development. The landowner promises that certain activities will not be allowed on the property and the Land Trust promises to monitor and enforce the terms of the easement. When the conservation easement is recorded, the City will continue to own and manage the land with the knowledge that it will be forever preserved.

Mitigation Projects

As we've discussed, both parties are undertaking this conservation easement project under the terms of the Department of Water Resources ("DWR") grant, SAP Contract No. 4600009016. To comply with the terms of the grant agreement, DWR requires that the affected acreage be preserved via conservation easement with a third-party holder.

As a mitigation conservation easement project, the Land Trust requires that all project associated costs, including staff time, are covered along with the stewardship endowment, as detailed below. We recently completed a project with a government funder, so have estimated our costs from that experience. Staff is tracking time spent on this project and can provide a final amount, if different, at closing.

1700 Soscol Ave, Ste. 20 Napa, CA 94559 tel 707.252.3270 / fax 707.252.1071 napalandtrust.org

Attachment 2

Easement Protection Fund and Easement Monitoring Fund

In conjunction with agreeing to hold a conservation easement, the Land Trust requires a monetary contribution to our Easement Protection and Easement Monitoring Funds. These funds are critical to our ability to meet our obligations to monitor, administer (including responding to requests for interpretation and approvals), and enforce the conservation easement. The Land Trust uses a standard formula that is applied to all conservation easements to calculate this contribution based on the complexity of the easement and the likelihood that it will require enforcement action in the future.

Based on the proposed conservation easement project, covering portions of 2 parcels with a single baseline documentation report, we estimate the total cost for the Land Trust as approximately $63,000. This breaks down into $33,000 for Easement Monitoring and Protection Funds and approximately $30,000 for staff time.

Process

At a regularly scheduled meeting on July 28, 2016, the Land Trust Board of Trustees approved this project. Therefore, we are ready to begin work on preparing the necessary documentation to complete your conservation easement. We will require a $10,000 retainer to begin billing staff time. Also, we will need the site specific details and additional requirements, as mentioned in the recent phone call with DWR on July 25, 2016, prior to drafting. Upon project completion, we will require complete payment for project costs, as well as the calculated fee for the Easement Monitoring and Protection Funds.

A conservation easement is a tremendous step toward maintaining the protection of your property and of Napa County. We are exceedingly thankful for the opportunity to work together with the City to preserve Napa County. Please do not hesitate to contact me (phone: 707.261.6316; email: lena@napalandtrust.org) if you have any questions.

Sincerely,
Land Trust of Napa County

Lena Septimo
Lands Project Manager

cc: Karin Troedsson, Land Trust of Napa County

Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **New Business**

Subject: **Consideration and approval of a Resolution authorizing revenues received as General Fund reimbursement from Measure A tax proceeds totaling $1,053,609.28 be placed directly into the Measure A Fund (235) upon receipt of reimbursement from the Napa County Flood Protection and Watershed Improvement Authority to be used for future State Revolving Fund loan payments.**

CEQA Determination: **Not a CEQA project**

Prepared By: April Mitts, Finance Director

Reviewed By: Mark T. Prestwich, City Manager

Approved By: Mark T. Prestwich, City Manager

BACKGROUND
The City obtained a loan from the State Water Resources Control Board for approximately $8 million for the purpose of financing the acquisition of land parcels and construction costs related to a floodwall barrier project with the City. The State Revolving Fund (SRF) loan bears a service and grant charge at 2.4% per annum and is repayable in annual installments through FY 2029 in an amount of $526,805 per annum.

DISCUSSION
The City of St. Helena pledged Measure A sales tax revenue allocations as security for repayment of the SRF loan. In FY 2018, the Napa County Flood Protection and Watershed Improvement Authority approved Amendment #12 allowing a drawdown of Measure A funds of approximately $4.3 million for payment towards the balance of the SRF loan and approximately $1 million to reimburse the City's General Fund for SRF payments previously made from the General Fund. The total drawdown of Measure A funds is approximately $5.3 million, dependent on actual sales tax revenue received.

The balance of the SRF loan, prior to the $4.3 million payment, is $5.4 million which includes principal, service charges, and grant charges. The remaining $1.1 million balance due on the SRF loan will come from the General Fund.

On February 22, 2018, Finance Director Mitts submitted a Measure A drawdown invoice to the County of Napa totaling $1,053,804.64 to reimburse the City for SRF loan payments made from the General Fund in FY 2016 and FY 2017. To preserve the General Fund in future years, staff recommends the $1,053,804.64 received as reimbursement be placed directly into the Measure A Fund (235) so it can be used to pay off the balance of the SRF loan. At this time, it is estimated the SRF loan will be paid off in FY 2019 with the utilization of the $4.3 million approved in Amendment #12 and the additional $1 million allocated for the repayment to the General Fund. The total repayment amount from the General Fund will be known in September 2018 when actual sales tax information is received through June 30, 2018. Based on current revenue estimates for Measure A, the combination of the $1 million reimbursement and $4.3 million drawdown should be sufficient to cover the balance of the SRF loan.

FISCAL IMPACT

Approval of this Resolution mitigates the amount the General Fund would transfer to Fund 235 for future SRF loan repayments.

RECOMMENDED ACTION

Staff recommends City Council approve a Resolution authorizing revenues received as General Fund reimbursement from Measure A tax proceeds totaling $1,053,609.28 be placed directly into the Measure A Fund (235) upon receipt of reimbursement from the Napa County Flood Protection and Watershed Improvement Authority to be used for future State Revolving Fund loan payments.

ATTACHMENTS

Attachment 1 - Resolution

Attachment 1

CITY OF ST. HELENA

RESOLUTION NO. 2018-____

Resolution authorizing revenues received as General Fund reimbursement from Measure A tax proceeds totaling $1,053,609.28 be placed directly into the Measure A Fund (235) upon receipt of reimbursement from the Napa County Flood Protection and Watershed Improvement Authority to be used for future State Revolving Fund loan payment.

RECITALS

WHEREAS, the City obtained a State Revolving Fund (SRF) loan from the State Water Resources Control Board for approximately $8 million for the purpose of financing the acquisition of land parcels and construction costs related to a floodwall barrier project with the City; and

WHEREAS, the City of St. Helena pledged Measure A sales tax revenue allocations as security for the repayment of the SRF loan; and

WHERAS, in FY 2018, the Napa County Flood Protection and Watershed Authority approved Amendment No. 12 allowing the City of St. Helena a drawdown of Measure A funds of approximately $1 million to reimburse the City's General fund for SRF payments previously made from the General Fund; and

WHEREAS, the City desires to preserve its General Fund balance in future years by authorizing revenues received as reimbursement be placed directly into the Measure A Fund (235) for future SRF payments.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. Authorizes revenues received as General Fund reimbursement from Measure A tax proceeds totaling $1,053,609.28 be placed directly into the Measure A Fund

(235) upon receipt of reimbursement from the Napa County Flood Protection and Watershed Improvement Authority to be used for future State Revolving Fund loan payments.

Approved at a Regular Meeting of the St. Helena City Council on March 13, 2018, by the following vote:

Mayor Galbraith: ___________
Vice Mayor White: ___________
Councilmember Dohring: ___________
Councilmember Koberstein: ___________
Councilmember Ellsworth: ___________

APPROVED:	ATTEST:
______________________	______________________
Alan Galbraith, Mayor	Cindy Tzafopoulos, City Clerk

Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **<u>Consent</u>**

Subject: **Consideration and approval of a Resolution approving City of St. Helena City Council Policy P-FI-0013 Issuance and Use of City Fuel Cards**

CEQA Determination: **Not a CEQA project**

Prepared By: April Mitts, Finance Director

Reviewed By: Mark T. Prestwich, City Manager

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

In addition to producing the City's Comprehensive Annual Financial Report (CAFR) it is the responsibility of the independent auditor to provide to the City of St. Helena a report on internal control over financial reporting and a report on compliance with other matters based on the audited financial statements The auditor's recent *Report on Internal Control and Other Matters* has recommended the City's informal policy on issuance and use of fuel cards be formalized into a City Council approved policy.

DISCUSSION

The proposed policy (attached) establishes formal procedures and use restrictions on City-issued fuel cards. The policy assigns one Fuel Card per vehicle and provides that each driver will have their own PIN for the designated card in order to track individual use. All purchases must be used for City of St. Helena official fuel purchase only.

The responsibilities of a Fuel Cardholder include a requirement to acknowledge receipt of the Fuel Card and to complete a user agreement. The user is also required to enter the odometer reading at the time of fuel purchase. Employees are not authorized to assign or loan cards to other employees and are required to keep receipts for each transaction. Procedures also provide guidance to the Fuel Card Coordinator and

Department Supervisors/Approvers and identify consequences for non-compliance with the policy.

FISCAL IMPACT

None.

RECOMMENDED ACTION

Staff recommends approval of the proposed Resolution establishing City of St. Helena City Council Policy P-FI-0015 Issuance and Use of City Fuel Cards.

ATTACHMENTS

P-FI-0015 Fuel Card Policy
Resolution No. 2018-___ Fuel Card Policy

	City of St. Helena City Council Policy Finance	Policy City Procurement Cards
		Page 1 of 4

Title:		Procedure #	P-FI-0015
Issuance and Use of City Issued Fuel Cards		Revision #	
		Implementation Date	2018-03-14
		Last Update Date	2018-03-13
Approval by City Council		Date Approved	2018-03-13

I. Purpose, Overview and Scope of this Policy

The purpose of this policy is to establish uniform procedures, accountability, and controls for fueling motor vehicles and equipment owned by the City of St. Helena.

A Fuel Card is a City-issued Fuel Card from a financial institution. The Fuel Card shall only be used on City vehicles and/or City equipment and is not authorized for use on any other vehicle or equipment.

This policy applies to all employees who are issued a City of St. Helena Fuel Card.

II. Authority

The City Manager has authority to update this policy.

III. Policy

All individuals and departments that hold or control motor vehicles and equipment must comply with this policy and procedures contained in Policy P-FI-0015.

1. General Information

The Fuel Card is to be used for City of St. Helena official use only and may be used at Wright Express (WEX) participating locations. Each card will have a vehicle number on the card, each vehicle will have a dedicated card, and each driver will have their own Personal Identification Number (PIN).

2. Obtaining a City Fuel Card

Various employees are authorized to receive a City issued Fuel Card PIN for City-related purchases. All employees operating City vehicles on a regular basis receive a WEX PIN. Prior to receipt of the WEX PIN, the employee will receive the associated policies and sign an agreement for use of the card and PIN. A copy of the agreement will be placed in the employees personnel file.

3. Use of Fuel Cards

A. The Fuel Card is to be used for City of St. Helena official use only.
B. There will be one Fuel Card assigned per vehicle and/or equipment.
C. Each driver will have their own PIN that will work on all Fuel Cards.
D. Gasoline powered vehicles will use only regular unleaded 87 octane fuel.
E. The Fuel Card can only be used for fuel purchases.

4. Prohibited Use of Fuel Card

The Fuel Card shall only be used to purchase fuel for use in City of St. Helena owned vehicles and equipment used for official City of St. Helena business. Therefore, it is imperative that cardholders understand the type of purchases that are strictly prohibited:

A. Non-City business.
B. Use of Fuel Card/PIN by any other person than the cardholder.
C. Personal purchase of any kind, including fuel for personal vehicles.
D. Cash advances.
E. Gift cards.
F. Car washes.
G. Alcoholic beverages.
H. Tobacco products.
I. Food, ice, beverages or related items including "snacks" while traveling on official City business.
J. Other purchases not specifically "Unleaded 87 Octane fuel for gasoline powered vehicles" or diesel (both regular and "red dye") where appropriate.

NO EXCEPTIONS will be granted unless otherwise indicated.

5. Responsibilities

Cardholder Responsibilities

Responsibilities of a Fuel Card/PIN holder include, but are not limited to:

A. Acknowledging receipt of the Fuel Card/PIN and understanding the Fuel Card Policy by completing the *User Agreement for City-Issued Fuel Card Form.*
B. Directing questions about the proper use of the Fuel Card to the City Manager, Finance Director, or Department Director, or Department Manager.
C. Never using the Fuel Card for transactions other than for official City purchases.
D. Entering the Odometer, or "hours" (i.e. back how, mini excavator, John Deer) reading at the time of fuel purchase.

E. The Cardholder accepts full responsibility for the purchases made with the City issued Fuel Card.
F. Never purchasing items or services not for City use, inappropriate items or services, or items or services which violate any City policy.
G. Never assigning or loaning the Fuel Card or PIN to other employees unless specifically authorized in writing by this policy or the City Manager.
H. Ensuring the Fuel Card and PIN is secure from theft and misuse.
I. Returning the Fuel Card upon request from the City Manager, Finance Director, or designee.
J. Notifying the Finance Director, or designee immediately if the Fuel Card is lost or stolen.
K. Verifying that the amount on the sales draft/receipt corresponds to the fuel purchased.
L. Keeping records of the sales draft/receipt for each Fuel Card transaction and submitting these documents to the appropriate supervisor/director.
M. If a sales draft/receipt is not received, completing a *Missing Credit Card Receipt* form and submitting this document to the appropriate supervisor/director.

<u>Fuel Card Coordinator/Department Supervisor/Approver</u>

A. Must review all fuel card transaction of supervised Cardholders to ensure compliance with policies and procedures.
B. Must review online reporting provided by WEX Enterprise Fleet Management and review all alerts received ensuring mileage driven verses the fuel charges incurred are reasonable.
C. Notifies Enterprise Fleet Management (WEX Enterprise Fleet Management) when a cardholder leaves the organization.
D. Monitors transactions to ensure all purchases are for City of St. Helena official use only and avoid misuse and fraud.
E. Review monthly WEX report, reconcile report with receipts, code, sign, and submit for payment to Accounts Payable.
F. Create a Fuel Card inventory system.
G. Develop a training program for all cardholders to ensure understanding of policies, procedures, and consequences of misuse of the fuel card program.
H. Responsible for the ordering, deactivating, cancelling, and collection of fuel cards and PINS.

6. Consequences of Non-Compliance

Any misuse of the card will result in reasonable disciplinary action that may include a combination of the following:

A. Suspension of Fuel Card access:
   a. Drivers who fail to input the correct odometer reading when fueling vehicles.
   b. Drivers who fail to submit fuel sales drafts/receipts.
   c. Drivers suspected of fraudulent use, misuse, or abuse of the fuel card shall have their fuel card suspended without exception and reactivated only when a full audit has been completed and it has been determined fraudulent use, misuse, or abuse had not occurred.

B. Termination of Fuel Card
   a. A fuel card will be terminated once fraudulent use, misuse, or abuse has been investigated and confirmed. Additional discipline may apply.

IV. <u>Attachments</u>

a. User Agreement for City-Issued Fuel Card

b. Missing Credit Card Receipt Form

City of St. Helena

"We will conduct city affairs on behalf of our citizens using an open and creative process."

1480 Main Street
St. Helena, CA 94574
Phone: (707) 967-2792
Fax: (707) 963-7748

www.cityofsthelena.org

USER AGREEMENT FOR CITY-ISSUED FUEL CARD/PIN

The following user agreement must be signed by all authorized employees of the City of St. Helena with access to a Fuel Card/PIN.

I understand that the City of St. Helena has authorized my use of a City Fuel Card/PIN for authorized business expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the terms and conditions which follow.

- I will use the PIN issued to me only for the payment of authorized expenses consistent with my departments responsibilities and to satisfy department and City needs.
- I understand the Fuel Card/PIN is to be used for City of St. Helena official use only.
- I understand gasoline powered vehicles will use only regular unleaded 87 octane fuel, or diesel when appropriate.
- I understand the Fuel Card/PIN can only be used for fuel purchases.
- I will not use the card to obtain cash advances.
- I understand that I am the only authorized user for the PIN assigned.
- I will not share my PIN with any other person.
- I will not use the card for personal use or for any other non-City purposes.
- I understand that all purchases shall be made in accordance with applicable purchasing, travel, and credit card policies and/or procedures in place and/or adopted by the City Council.
- I will surrender the Fuel Card/PIN to the Finance Director, or designee, in the event of my transfer within or separation from the City.
- I understand that any charges against the Fuel Card that are not properly identified or not allowed by the City shall be paid by me by check, currency, or salary deduction in US dollars. I further understand that any employee who has been issued a Fuel Card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the City Manager, Finance Director, Department Director, or designee.
- I will immediately report any stolen or lost card to the Finance Director or designee.

I understand that any variance and/or violation of the above conditions will result in cancellation of my Fuel Card/PIN. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges.

All City Fuel Card purchases are subject to examination by external auditors.

The City shall have unlimited authority to revoke use of any Fuel Card/PIN issued and upon such revocation shall not be liable for any cost subsequently charged to the Fuel Card.

I certify I have received, read, and understand Policy P-FI-0015 Issuance and Use of City Fuel Cards.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.

Name	
Department	
Fuel Card Number	
Signature	
Date	

City of St. Helena

Missing Credit Card Receipt

Name: ______________________________

Date: ______________________________

Dept: ______________________________

Dept. Coding: ______________________________

Expense:	Amount:
Total:	

Dept Head Signature: ______________________________

Fianance Director Signature ______________________________

CITY OF ST. HELENA

RESOLUTION NO. 2018-__

Resolution approving City of St. Helena City Council Policy P-FI-0015 Issuance and Use of City Fuel Cards and repealing and rescinding any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0013

RECITALS

A. The City recognizes that fiscal policies and procedures are necessary for efficient, effective, and proper accounting of City spending; and

B. City Council Policy P-FI-0013 Issuance and Use of City Fuel Cards has been reviewed by City Council; and

C. To avoid any inconsistencies with policy application, it is necessary to repeal and rescind any previous policies and procedures which conflict with City Council Policy P-FI-0013 Use of City Fuel Cards.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

1. Approves City of St. Helena City Council Policy P-FI-0013 Issuance and Use of City Fuel Cards; and

2. Repeals and rescinds any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0013 Issuance and Use of City Fuel Cards.

Approved at a Regular Meeting of the St. Helena City Council on March 13, 2018, by the following vote:

Mayor Galbraith:

Vice Mayor White:

Councilmember Dohring:

Councilmember Koberstein:

Councilmember Ellsworth:

APPROVED: ATTEST:

________________________ ________________________

Attachment 1

Alan Galbraith, Mayor

Cindy Tzafopoulos, City Clerk

MINUTES
City of St. Helena
Regular City Council Meeting
Tuesday, February 27, 2018 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena

A complete video recording of this meeting, except for closed session, can be found at https://sthelena.civicweb.net/Portal/ or by calling the City Clerk at (707) 968-2742. The City Council video is the official record of the Council meeting.

Present: Mayor Alan Galbraith, Vice Mayor Peter White, Councilmember Paul Dohring, Councilmember Mary Koberstein, and Councilmember Geoff Ellsworth

Absent:

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC FORUM:

Anthony Micheli and Tom Belt addressed the City Council.

5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, and AB 1234 REPORTS:

City Manager Mark Prestwich provided a status update of the SHAPE Committee.

City Attorney Thomas Brown noted no reportable action was taken at the February 27, 2018 City Council, Closed Session meeting.

Finance Director April Mitts reported the City's draft Long Range Financial Forecast (LRFF) will be presented to the SHAPE Committee at their upcoming February 28, 2018, meeting. The LRFF will also be presented to the City Council at the March 13, 2018, City Council meeting.

Planning Director Noah Housh reported on the Hunter Subdivision neighborhood meeting.

Public Works Director Erica Ahmann Smithies provided an update on the tunnel of elms activity. Director Ahmann Smithies noted Bell Canyon is at 57.6% capacity and will provide a drought conservation staff briefing at the March 27, 2018, City Council meeting.

Council Member Ellsworth noted there will be a Napa County Water Symposium at the Napa Valley College.

Council Member Dohring requested a future discussion related to water conservation measures and to inform the community about the state of the City's water supply.

Chief of Police William Imboden provided a Truck Ordinance enforcement status.

Vice Mayor White noted he will be out of town during the March 13, 2018, City Council meeting while representing NVTA at a conference in Washington, DC.

Mayor Galbraith noted the Napa County Elections Department is requesting assistance from community members and respond to the recruitment for vote center workers for the June 5, 2018, and November 6, 2018, statewide elections.

6. PRESENTATIONS AND PUBLIC RECOGNITIONS

6.1 Napa County Flood and Water Conservation District Presentation.
Presented by: Shaun Horne, Watershed Resources Specialist and Rick Thomasser, Operations Manager

Bobbie Monnette provided public comment.

7. STAFF BRIEFING

None

8. CONSENT ITEMS

Members of the Council or the public may ask that any items be considered individually for purposes of considering alternative action, for extended discussion, or for public comment. Unless that is done, one motion may be used to adopt all recommended actions. (Roll Call Vote)

8.1 Consideration and proposed approval of Special Joint City Council and Planning Commission Meeting Minutes of February 13, 2018 and Regular Meeting Minutes of February 13, 2018 - Minutes will be provided prior to the meeting. (*Minutes provided February 26, 2018 at 6:40 pm)
Prepared By: Cindy Tzafopoulos, City Clerk

8.2 Consideration and proposed approval of Resolution 2018-19 approving the Rianda House’s 2018 Rally4Rianda Event and Rianda House’s 10th anniversary on Sunday May 20th, 2018, at Lyman Park and the surrounding areas from 12:00 p.m. to 3:00 p.m. Rianda House is requesting waiver of $350.00 in permit fees, approximately 15 barricades, and two City Public Works Department personnel for 1.5 hours each.

CEQA Determination: Categorically Exempt, Section 15323
Prepared By: Chrissy Cook, Administrative Assistant
Recommendation:
Staff recommends the City Council adopt the resolution approving the 2018 Event Rally4Rianda and Rianda House's 10th anniversary on Sunday May 20th, 2018 at Lyman Park and the surrounding areas from 12:00 pm to 3:00 pm.

Item 8.3 was pulled from Consent.

8.3 ~~Consideration and proposed approval of a resolution appointing Amy Carabba-Salazar, St. Helena Chamber CEO to the Napa Valley Tourism Corporation (NVTC) and St. Helena Tourism Improvement District (SHTID)~~

Staff pulled Item 8.4 from Consent and it will be heard at a future City Council meeting.

8.4 ~~Consideration and proposed approval of a resolution adopting Americans with Disabilities Act (ADA) Policy establishing disabled access to City Services and Programs; establishing ADA Section 504 Rehabilitation Act Informal Grievance Procedures; and designation of City Coordinators for Implementation of American with Disabilities Act efforts.~~

CEQA Determination: Not a CEQA project
Prepared By: Kathy Robinson, Human Resources & IT Director
Recommendation:
Approve Resolution adopting Americans with Disabilities Act (ADA) Policy establishing disabled access to City Services and Programs, establishing ADA Section 504 Rehabilitation Act Informal Grievance Procedures; and designation of City Coordinators for Implementation of American with Disabilities Act efforts.

8.5 Consideration and approval of a resolution 2018-21 authorizing: (1) Award Purchase Order in the amount of $65,709.16 to Folsom Lake Ford for the purchase of two 2018 Ford Interceptor All Wheel Drive SUVs; and (2) A budget increase of $106,400 to Citizens' Option for Public Safety Fund (COPS) #224-4900-2630 for the purchase and outfitting of the two vehicles.

CEQA Determination: Not a CEQA project
Prepared By: William Imboden, Chief of Police
Recommendation:

Staff recommends City Council approve a resolution authorizing: (1) Award Purchase Order in the amount of $65,709.16 to Folsom Lake Ford for the purchase of two 2018 Ford Interceptor All Wheel Drive SUVs; and (2) A budget increase of $106,400 to Citizens' Option for Public Safety Fund (COPS) #224-4900-2630 for the purchase and outfitting of the two vehicles.

8.6 Consideration and proposed approval of a Resolution 2018-22: (1) authorizing purchase of a new Chief's Command Vehicle for the Fire Department in the amount of $55,749 from Enterprise Fleet Management, (2) authorizing a service contract for the vehicle for 48 months at a cost of $51.70 per month, and (3) authorizing a budget increase of $56,010 in FY 2017/18 to Account #593-4800-2630 for the purchase of the vehicle and maintenance costs for the remainder of FY 2017/18.

CEQA Determination: Not a CEQA project
Prepared By: Alec Vidler, Administrative Assistant
Recommendation:
Staff recommends adoption of the resolution: (1) authorizing purchase of a new Chief's Command Vehicle for the Fire Department in the amount of $55,749 from Enterprise Fleet Management, (2) authorizing a service contract for the vehicle for 48 months at a cost of $51.70 per month, and (3) authorizing a budget increase of $56,010 in FY 2017/18 to Account #593-4800-2630 for the purchase of the vehicle and maintenance costs for the remainder of FY 2017/18.

8.7 Consideration and approval of a Resolution 2018-23 redirecting General Fund expenses to Impact Fee Funds by approving: (1) a budget decrease of $39,078 to #101-4500-2130; (2) a budget increase of $39,078 to #713-4500-2130; and (3) a budget increase of $2,724 to #216-5006-2145.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation:
Staff recommends City Council approve a Resolution approving: (1) a budget decrease of $39,078 to #101-4500-2130; (2) a budget increase of $39,078 to #713-4500-2130; and (3) a budget increase of $2,724 to #216-5006-2145.

Vice Mayor Peter White moved to approve Consent items 8.1, 8.2, 8.5 through 8.7. The motion was seconded by Councilmember Geoff Ellsworth and on roll call carried by the following vote:

AYES: Vice Mayor Peter White, Councilmember Geoff Ellsworth, Mayor Alan Galbraith, Councilmember Paul Dohring, and Councilmember Mary Koberstein
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

8.3 Consideration and proposed approval of a resolution 2018-20 appointing Amy Carabba-Salazar, St. Helena Chamber CEO to the Napa Valley Tourism Corporation (NVTC) and St. Helena Tourism Improvement District (SHTID)

CEQA Determination: Not a CEQA project
Prepared By: Cindy Tzafopoulos, City Clerk
Recommendation:
Staff recommends approving a resolution appointing Amy Carabba-Salazar, St. Helena Chamber CEO to the Napa Valley Tourism Corporation (NVTC) and St. Helena Tourism Improvement District (SHTID).

Council Member Ellsworth pulled Item 8.3. He noted he had recent meeting with Chamber CEO Amy Carabba-Salazar. He also stated his desire to have the Chamber CEO report back to the City Council regarding her participation on the NVTC and SHTID.

Vice Mayor Peter White moved to adopt Item 8.3. The motion was seconded by Councilmember Geoff Ellsworth and on roll call carried by the following vote:

AYES: Mayor Alan Galbraith, Vice Mayor Peter White, Councilmember Paul Dohring, Councilmember Mary Koberstein, and Councilmember Geoff Ellsworth
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

9. PUBLIC HEARINGS

None

10. NEW BUSINESS

10.1 Resolution 2018-24 Appeal of administrative decision denying the following: (1) Dismissal of Parking Citation P31099 resulting in a refund of $55.00, (2) Refund of $45.00 late fine for late payment of Parking Citation P31099, and (3) Refund of $21.00 returned check fee.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation:
The City Council may:

A. Approve a Resolution granting the appeal and refund $121.00 to Julia Halvorsen; or

B. Approve a Resolution denying the appeal for the following reasons:

1. Dismissal of Parking Citation P31099 – The citation was issued for parking on a street clearly marked with unobstructed "no parking" signs (Attachment 9). The vehicle created a hazard to motorists and pedestrians where it was parked. The registered owner, Julia Halvorsen, was not the driver, but she was in the passenger seat. The registered owner can contact the driver for compensation.
2. Refund of $45.00 Late Fine – The registered owner, Julia Halvorsen, was contacted in writing in July 2017 to notify her the payment was due, and then contacted on the phone in August 2017 to notify her the payment was late and there was now a late fine. The $55.00 fine was not paid until September 2017. The original check in which the fine was paid was returned not sufficient funds and a letter was sent to the registered owner. The citation and late fine went unpaid until there was an attempt to register the vehicle at the Department of Motor Vehicles which required payment of the outstanding fine of $55.00 and the outstanding late fine of $45.00 prior to registering the vehicle.
3. Refund of $21.00 Returned Check Fee – Resolution 99-23 states it is City Council policy to recover the full cost of providing services to certain individuals for their private benefit. Attachment A of Resolution 99-23 (Attachment 7, page 4) establishes a fee of $21.00 to be charged for Returned Checks. This fee is established to recover the fees charged by the City's financial institution to the City of St. Helena for the returned check and cover the administrative costs for City staff.

Finance Director April Mitts and Chief of Police William Imboden reported on this item.

No public comment was received.

Vice Mayor Peter White moved to deny the appeal of administrative decision denying the following: (1) Dismissal of Parking Citation P31099 resulting in a refund of $55.00, (2) Refund of $45.00 late fine for late payment of Parking Citation P31099, and (3) Refund of $21.00 returned check fee. The motion was seconded by Councilmember Mary Koberstein and on roll call carried by the following vote:

AYES: Mayor Alan Galbraith, Vice Mayor Peter White, Councilmember Paul Dohring, Councilmember Mary Koberstein, and Councilmember Geoff Ellsworth
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

10.2 City Attorney Policy Discussion and Direction

City Manager Mark Prestwich noted at the February 13, 2018, City Council made a request to agendize at a future meeting the matter of policies and procedures related to the City Attorney.

Council Member Dohring reported on this item.

It was the consensus of the City Council to develop a working group to develop policies and procedures related to the City Attorney. The working group will consist of Council Member Dohring, Mayor Galbraith and City Manager Mark Prestwich.

No public comment was received.

10.3 City of St. Helena Public Records Request Process and Procedure Discussion and Direction

City Clerk Cindy Tzafopoulos reported on this item.

Mayor Galbraith called for public comment.

Bobbi Monnette, Tom Belt, Anthony Micheli and Cathy Coldiron addressed the City Council.

Mayor Galbraith closed public comment.

It was the consensus of the City Council for the future City online PRA tracker to not publicly list the requestors name.

11. ITEMS LIKELY TO BE PLACED ON THE NEXT OR FUTURE MEETING AGENDA:

11.1

<u>March City Council Meetings</u>: 3/13 (staff reports due 2/23) 3/27 (staff reports due 3/9)
1. ATSC regular and alternate appointment - Admin
1. Annual Housing Element Update – Planning
1. Annual General Plan Update – Planning
1. Corp Yard Roof Repair - PW
1. Cranella Pump Station - PW
1. 3/13 Pacific Legacy – Finance (243)
1. 3/13 League of California Cities request for support of two initiatives that will appear on the June 5th ballot, Propositions 68 & 69 - Admin

1. 3/13 Little League Contract Amendment - Recreation
1. 3/27 Napa County Election Division "The Voters' Choice Act" Presention
April City Council Meetings: **4/10 (staff reports due 3/23)** **4/24 (staff reports due 4/6)**
1. National Library Week: April 9-15 – Library
1. National Volunteer Week: April 23-29 – Library
1. Quarterly Finance Report – Finance
1. Quarterly Grant Report – Finance
1. Goals and Objectives Update - Admin
1. Earth Day, Chamber uses back parking lot - PW
1. Fun Run - PW
1. 4/10 Library Staff Introduction

12. ADJOURNMENT

The February 27, 2018, Regular City Council minutes were approved at the March 13, 2018, Regular City Council meeting.

Mayor Galbraith adjourned the meeting at 7:15 p.m.

APPROVED: **ATTEST:**

______________________________ ______________________________
Alan Galbraith, Mayor Cindy Tzafopoulos, City Clerk

Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **Consent**

Subject: **Consideration of:**
1. **Approving or denying Active Transportation/Sustainability Committee (ATSC) Member Donna Hinds request for reclassification to an alternate position; and**
2. **A resolution appointing applicants to fill vacant positions on the Active Transportation/Sustainability Committee (ATSC)**

CEQA Determination: **Not a CEQA project**

Prepared By: Cindy Tzafopoulos, City Clerk

Reviewed By: Mark T. Prestwich, City Manager

Approved By: Mark T. Prestwich, City Manager

BACKGROUND
Previous recruitments have not yielded enough applicants to fill all vacant positions on the ATSC.

DISCUSSION
The City Clerk's office received a notification from ATSC Member Donna Hinds requesting Council consideration for reclassification to an alternate member.

The City Clerk also received three applications to fill vacant terms. The applicants are community members Thomas Vence (current ATSC Alternate Member), Pam Smithers and Stan Knight.

FISCAL IMPACT
There is no fiscal impact.

RECOMMENDED ACTION

Staff recommends approving or denying ATSC Member Donna Hinds request to be reclassified as an alternate member.

Per resolution 2013-26 Council Rules of Procedure, appointments shall be made by the Mayor and subject to the City Council approval.

Staff recommends appointing applicants to fill vacancies.

ATTACHMENTS

ATSC Membership
Donna Hinds ATSC Request
Applicants
Resolution

Active Transportation/Sustainability Committee Members	Meets 1st Wednesday @ 5:00 PM, City Hall Conference Room		Term of office is 2 years	
Donna Hinds			9/8/2015	6/30/2018
Vacant				6/30/2019
Jeff Farmer, Chair			6/27/2017	6/30/2019
(Kris) Kristine Coryell			7/1/2016	6/30/2018
Glenn Smith, Vice Chair			9/8/2015	6/30/2018
Tom Vence (alternate)			7/14/2015	6/30/2018
Vacant (alternate)				6/30/2019
City Council Liaison/Councilmember Ellsworth	323-691-9621	gellsworth@cityofsthelena.org		
Staff Liaison/Tobias Barr	968-2746	tbarr@cityofsthelena.org		

Cindy Tzafopoulos

From: Donna Hinds <donna@donnahinds.com>
Sent: Thursday, March 08, 2018 9:47 AM
To: Cindy Tzafopoulos
Cc: Tobias Barr; Smithers Pam
Subject: Active Transportion Members

Hi Cindy,

Pam Smithers is in the process of being appointed to the Active Transportation committee. I believe she is going to be an active and valuable part of the committee. I understand she is being appointed as an alternate which means she will not be voting unless an active member is not present. My term is expiring this summer and I am not planning on renewing since I have been on this committee for a while and may look for other involvement. I think it would be nice for Pam to be an active member instead of being an alternate. Would it make sense to go ahead and appoint Pam as the active member and change my status to alternate?

Best,

Donna

Donna Hinds
Coldwell Banker Brokers of the Valley
707-799-4844
CalBRE# 02006484
donna@donnahinds.com
www.donnahinds.com

CITY OF
ST. HELENA
FEB 15 2018
OFFICE OF
CITY CLERK

CITY HALL, 1480 MAIN STREET
OFFICE OF THE CITY CLERK
ST. HELENA, CA 94574
(707) 968-2742
www.sthelena.org

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Council and made available to the press and public.

Board/Committee/Commission to which you are applying:
Active TRANSPORTATION / SUSTAINABILITY

Name: THOMAS D. VENCE

Home Address:
22 SAN LUCAS CT

Mailing Address: SAME

Occupation: Retired

~~Business Address~~ Cell: 707 815 9566

Telephone: Home ______ Cell ______ Business ______

E-mail: TVence@earthlink.net

- Please indicate if above numbers can be made available to the public upon request: **Yes** or **No**

Resident of St. Helena? **Yes** or **No** Yes, how long have you lived in St. Helena? 9 YRS

Current occupation (within last 12 months) Retired

Business interests in last 12 months: part Time consulting
energy + Resource Mgt.

Previous Committee/Commission Experience:
(1) Current alternate Member of Active TRANSPORTATION /
Sustainability
(2) AD Hoc Water [illegible] vice chairman

Education/Experience: A resume may be attached containing this and any other information that would be helpful in evaluating your application.

ON FILE – BS Engineering, MBA

Professional and/or community service activities:

Member Utility AD Hoc Committee
Member Active Transportation/Sustainability Committee

Local government related experience: NONE

Please explain your reasons for wishing to serve on this committee/commission and how you feel that you may contribute

want to move from alternate to member of committee

Names, addresses, and phone numbers of three individuals familiar with your background:

Grace Kistner
Pat Dell
Glen Smith

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

Signature of Applicant

15 Feb 2018
Date

If you have any questions regarding the appointment procedure, please telephone the City Clerk at (707) 968-2742.

Please return the completed application to:
City of St. Helena
City Clerk
1480 Main Street
St. Helena, CA, 94574

City of St Helena, City Hall
Received

FEB 16 2018

1480 Main St.
St Helena, CA 94574

CITY OF ST. HELENA

CITY HALL, 1480 MAIN STREET
OFFICE OF THE CITY CLERK
ST. HELENA, CA 94574
(707) 968-2742
www.sthelena.org

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Council and made available to the press and public.

Board/Committee/Commission to which you are applying: Active Transportation + Sustainability

Name: Pam Smithers

Home Address: 1819 Vallejo St, St Helena

Mailing Address: Same

Occupation: retired

Business Address: —

Telephone: Home 963-8081 Cell 696-0530 Business —

E-mail: psmithrs @ comcast.net

- Please indicate if above numbers can be made available to the public upon request: **Yes** or **No**

Resident of St. Helena? **Yes** or **No** Yes, how long have you lived in St. Helena? 29 years

Current occupation (within last 12 months) retired

Business interests in last 12 months: none

Previous Committee/Commission Experience:

please see attached resume

1/4

Education/Experience: A resume may be attached containing this and any other information that would be helpful in evaluating your application.

please see attached resume

Professional and/or community service activities:

please see attached resume

Local government related experience:

please see attached resume

Please explain your reasons for wishing to serve on this committee/commission and how you feel that you may contribute

I have the time and will take the position seriously. My training and education will be helpful to the committee. I believe we all must play a part in leaving a sustainable planet to future generations.

Names, addresses, and phone numbers of three individuals familiar with your background:

Lena Septimo, Land Trust of Napa County.
Hon. Diane Price, County of Napa Appellate Div.
Jeff Sharp, Napa County PW Nat. Resources Div.
Judy Todd, Exec Dir, Farella Braun & Martel

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

Signature of Applicant

Date 2/14/18

If you have any questions regarding the appointment procedure, please telephone the City Clerk at (707) 968-2742.

Please return the completed application to:
City of St. Helena
City Clerk
1480 Main Street
St. Helena, CA, 94574

2/4

PAMELA SMITHERS

1819 Vallejo Street, St. Helena, CA 94574
707-696-0530 psmithrs@comcast.net

PROFESSIONAL SUMMARY

Eight years of education and experience in the field of environmental conservation, fisheries monitoring, and natural resource management, as well as 25 years of experience in public accounting.

SKILLS AND QUALIFICATIONS

- Working knowledge of natural resource management and watershed concepts, tools and science methodology
- Extensive experience in completing projects with little or no supervision
- Excellent attention to detail, accuracy
- Ability to work independently or with a diverse group
- Excellent organizational skills, able to set priorities, manage time, work under pressure
- Ability to present information to groups of people or the public
- Positive attitude, willing to learn, excellent physical condition, reliable

WORK EXPERIENCE

Land Trust of Napa County, Napa, CA 2012 – current

Assist Land Projects Manager on field and office projects

- baseline fieldwork, photo documentation and drafting of baseline documents, review wild land camera results, interpret and complete camera result worksheets, check land survey maps for current easement identification, update monitoring maps for current GIS data, monitor land easements, pre-audit of land easement files for national accreditation audit; member of LTNC Project Committee

Napa County Resource Conservation District (RCD), Napa, CA 2013 - 2015

Field intern and volunteer for Senior Biologist

- retrieve, count, record and release fish from the rotary screw trap and Fyke nets, record species count, water and air temperatures, assist in release of smolts upstream, took GPS waypoints and performed photo documentation of in stream fish habitat restoration, data entry of all fish catch data throughout the 2013 spring catch season, prepare charts to illustrate annual catch data, perform genetic clip sampling on steelhead trout, draft summary synopsis of annual fish monitoring program report; took and recorded in stream water quality measurements for Redwood Creek

University of California, Cooperative Extension, Sonoma County, CA 2013

Field intern for Coho Salmon Monitoring Program, performed the following

- trained to assist with fish, water and environmental in stream monitoring techniques, including smolt trapping, habitat typing, snorkeling, dissolved oxygen monitoring, deploying/downloading temperature and stream flow gauges, using GPS devices, and maintenance and operation of PIT tag detection equipment

3/4

Community Clean Water Institute, Sebastopol, CA 2011

- collected in stream water samples, on site testing for pH, temperature, dissolved oxygen, turbidity and electrical conductivity, in lab testing for ammonia, nitrites, nitrates and phosphates, assisted with Laguna de Santa Rosa Creek special project

Certified Public Accountant, St. Helena, CA 1989-2009

Managed extensive and varied client base including wineries, vineyards, hi tech startups, manufacturers, serving as off-site Controller and tax advisor. Responsible for all facets of tax and accounting practice

KPMG Peat Marwick, San Francisco, CA 1983-1986

Member of the Small Business Advisory Services Department of the San Francisco Office. Performed audits, tax returns, financial planning and forecasting for clients, solo and in teams.

EDUCATION

Santa Rosa Junior College, Santa Rosa, CA 2013
NRM Credential-Environmental Conservation: Watershed Management

San Francisco State University, San Francisco, CA 1983
Bachelor of Science, Business; Accounting

University of Illinois, Champaign-Urbana, IL, 1975

COMMUNITY INVOLVEMENT

Napa County WICC–Watershed Info and Conservation Council Board Member 2014-present
County of Napa, Groundwater database volunteer for Nat Resources Div. 2015-2016
Founding Member of St Helena Skatepark Committee 2006-2009
St Helena Unified School District School Site Committees, Treasurer 1994-2010
St Helena Public Schools Foundation Treasurer, 2000-2005
NEWS Board Member and Treasurer, 1995-2000
City of St Helena, Curbside Recycling Advisory Committee 1989

PROFESSIONAL REFERENCES

Lena Septimo, Lands Project Manager, Land Trust of Napa County
Jeff Sharp, Napa County Public Works, Natural Resources Division
Jonathan Koehler, Senior Biologist, Napa County Resource Conservation District (RCD)
Sarah Nossaman Pierce, Fish Biologist, University of California Cooperative Extension
Kasey Wade, Department Chair, Santa Rosa Junior College Natural Resource Management Program
Judy Todd, Executive Director, Farella Braun & Martel, LLP San Francisco Office

4|4

CITY HALL, 1480 MAIN STREET
OFFICE OF THE CITY CLERK
ST. HELENA, CA 94574
(707) 968-2742
www.sthelena.org

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Council and made available to the press and public.

Board/Committee/Commission to which you are applying:
ACTIVE TRANSPORTATION & SUSTAINABILITY COMMITTEE

Name: STAN KNIGHT

Home Address:
1540 VOORHEES CIRCLE, ST. HELENA, CA 94574

Mailing Address: 1241 ADAMS ST SUITE 1013 ST HELENA CA 94574

Occupation: TOUR OPERATOR / REAL ESTATE INVESTOR

Business Address: 1241 ADAMS ST. SUITE 1013 ST. HELENA, CA 94574

Telephone: Home ______ Cell 707-781-8100 Business 707-738-4500

E-mail: office@stanknight.com

- Please indicate if above numbers can be made available to the public upon request: Yes or No

Resident of St. Helena? Yes or No Yes, how long have you lived in St. Helena? 5 YEARS

Current occupation (within last 12 months) TOUR OPERATOR, BUILDING RESTORATION, PROPERTY MANAGEMENT

Business interests in last 12 months: SUSTAINABLE TOURISM FOR SMALL PRIVATE GROUPS VISITING WINE COUNTRY; BUILDING RESTORATION & MANAGEMENT

Previous Committee/Commission Experience:
SHAPE COMMITTEE (current)
President, Strawberry Community Council - Tiburon CA
President of Commercial/Residential Property Owner Ass'ns

Education/Experience: A resume may be attached containing this and any other information that would be helpful in evaluating your application.

① M.A. ECONOMIC DEVELOPMENT, B.A. GOVERNMENT/ECON – TUFTS UNIVERSITY
② FACILITIES & ASSETS MIGRATION LOGISTICS, PROJECT MGR – REGULUS GROUP, NAPA, CA
③ BUILDING RENOVATION PROJECT MGR – COMMERCIAL, MULTI-FAMILY, SINGLE FAMILY
④ COMMERCIAL REAL ESTATE – PROPERTY EVALUATION, CONSULTING & SALES

Professional and/or community service activities:

SHAPE COMMITTEE (current); VISIT NAPA VALLEY – Member; CONCIERGE ALLIANCE of NAPA VALLEY – Member; INTERNATIONAL YOUTH PROJECTS CMTE – BOY SCOUTS of AMERICA

Local government related experience: INTERACTION w/ PLANNING & BUILDING DEPTS; LAFCO REP – TIBURON; GOVERNMENT AFFAIRS COORDINATOR – CLOROX CO.

Please explain your reasons for wishing to serve on this committee/commission and how you feel that you may contribute

To contribute to the quality of the Saint Helena environment. As a CA-PUC Licensed Tour & Transportation provider, over the past 10 years, I have paid close attention to traffic patterns, road conditions & parking in each town and Napa county. I have done research on sustainable tourism & small town evolution and response to change

Names, addresses, and phone numbers of three individuals familiar with your background:

STEVE BECK
SHARON KRULL
COLBY SMITH, EXECUTIVE

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

Signature of Applicant ________ Date 3/8/2018

If you have any questions regarding the appointment procedure, please telephone the City Clerk at (707) 968-2742.

Please return the completed application to:
City of St. Helena
City Clerk
1480 Main Street
St. Helena, CA, 94574

STANLEY KNIGHT
Saint Helena, CA 94574
office@stanknight.com
707-781-8100

EDUCATION

M.A. Economic Development / International Relations, Fletcher School, Tufts University
B.A. *cum laude* Political Science / Economics, Tufts University, Medford, MA (1974)

CAREER SUMMARY

2010 - present
Owner, Knight Wine Tours, LLC, Saint Helena, CA
CA Licensed private charter tour services in Napa Valley, Sonoma & San Francisco

2007 - 2010
Independent consultant, Knight Construction Management, Napa, CA
Commercial (wineries) & residential renovation project management
Commercial & residential inspections & defect assessment

2000 - 2007
Project Manager, Regulus Group, LLC, Napa, CA
Corporate facilities management, relocations and consolidations
Business enterprise information system implementations

1995 - 2000
Financial Consultant, EDS (Electronic Data Systems), Napa, CA
Client account executive at Napa data center

1993 - 1995
Salesman, Keegan & Coppin Commercial Real Estate, Santa Rosa, CA (Napa office)
Commercial & multi-unit residential property evaluation & sales

Other Experience
General Contractor's license (inactive) - design & renovation
Government Affairs Manager, The Clorox Company, Oakland, CA
Bank-owned real estate (REO) assessment & renovation, Bell Savings & Loan
President (volunteer), Davenport Homeowners Association, Boise, Idaho
Sun Meadows Property Owners Association, Kirkwood, CA
President (volunteer), Strawberry Community Council / LAFCO rep, Tiburon, CA
Residential planning & building - interaction with Napa City & County agencies
Author, "Why Corporate Philanthropy is Good for Business" (unpublished)

PERSONAL INTERESTS

Outspan Orphanage & School, Uganda (east Africa)
SAFER - Equine rescue & advocacy
Aviation - glider rating (inactive)
International travel - Africa / Europe
Certified ski instructor

Cindy Tzafopoulos

From: Stan Knight <office@stanknight.com>
Sent: Thursday, March 08, 2018 12:04 PM
To: Cindy Tzafopoulos
Subject: APPLICATION - Active Transportation & Sustainability Committee
Attachments: KNIGHT Transportation Cmte Applkication.pdf

March 8, 2018

To: Saint Helena City Council
c/o Cindy Tzafoppoulos, Clerk

Dear Council Members,

Thank you for the opportunity to be considered for a seat on the "Active Transportation & Sustainability Committee."

I have attached my application and brief resume for your review.

I look forward to making a contribution to the mission of this committee and the challenging issues and potential opportunities involving the local transportation environment of Saint Helena.

As you know, I am involved in the SHAPE Committee, and have learned more about the City infrastructure and related issues in the course of information gathering. I have also done some research on small town responses to internal and external change in their economic and demographic environment.

Please let me know if you have any questions.

Sincerely,

Stan Knight
Saint Helena, CA
707-781-8100

CITY OF ST. HELENA

RESOLUTION NO. 2018-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA APPOINTING _______________ and _____________ TO THE ST. HELENA Active Transportation/Sustainability Committee (ATSC)

RECITALS

A. Previous recruitments have not yielded enough applicants to fill all vacant positions on the ATSC; and

B. The ATSC has a vacant committee member and alternate committee member position; and

C. Two applications were received from community members Thomas Vence and Pam Smithers to serve on the Commission; and

D. Per resolution 2013-26, protocol calls for appointments to be made by the Mayor and approval by the City Council.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

Parks and Recreation Commission

1. The Mayor hereby appoints ___________ to the ATSC committee member position expiring on June 30, 2019.
2. The Mayor hereby appoints ____________ to the alternate committee member position expiring on June 30, 2019.

Approved at a Regular Meeting of the St. Helena City Council on March 13, 2018, by the following vote:

Mayor Galbraith: _______

Vice Mayor White: _______

Councilmember Dohring: _______

Councilmember Koberstein: _______

Councilmember Ellsworth: _______

APPROVED: ATTEST:

Alan Galbraith, Mayor

Cindy Tzafopoulos, City Clerk

Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **New Business**

Subject: **Presentation of the 2018-2028 General Fund Long Range Financial Forecast**

CEQA Determination: **Not a CEQA project**

Prepared By: April Mitts, Finance Director

Reviewed By: Mark T. Prestwich, City Manager

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

The City's Long Range Financial Forecast (LRFF) was first developed in early 2015 to help the City of St. Helena plan a path to stability. A version of the LRFF had been updated in 2016 and only minor updates have taken place since that time. Updating the LFRR to include consideration of the recent City facilities condition assessment is one of the City Council's 12 month strategic objectives.

DISCUSSION

The Long Range Financial Forecast (LRFF) provides a current and long-range financial assessment of revenues, expenditures, fund balance, and emergency reserves. The primary objective is to provide the City Council and the community with an early financial assessment and identify any significant issues that may need to be addressed in the budget development process.

It is important to keep in mind that a forecast is not a budget. The LRFF is a vehicle that allows us to peer into the future and make projections about what is likely to happen given certain assumptions. If future deficits are projected than the forecast allows time to take corrective action to ensure finances remain stable.

This analysis is centered on the City's General Fund because it is the primary operating budget for tax supported municipal services. This document presents a potential range of financial outcomes based on available data and conditions and represents a review of the long-term financial future of the City of St. Helena General Fund using a set of four revenue projections and two expense forecasts for a total of four scenarios.

The LRFF presents four scenarios illustrating trends of the City's expenditures and revenues over the next 10 years. The FY 2017-18 adjusted Operating Budget is used as the base for all scenarios.

1. Baseline - The baseline revenue/expense growth estimate is based on a continuation of current economic performance. This forecast is similar to the actual revenue growth the City incurred over the last ten years (removing FYs 2008-09, 2009-10, and 2010-11 for the recession) and the actual expenditure growth the City incurred over the past three years (removing large one-time expenditures).

2. Baseline with a recession - This forecast assumes a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. Typically, economic history has shown that the country experiences a recession about every ten years which, based off of the last recession, would be in FY 2017-18; however, immediate indicators do not expect a recession to begin that soon. Revenues for the recession were based on the revenue losses during FYs 2008-09, 2009-10, and 2010-11. While another recession is being forecast, it is not anticipated the recession will be as great as the previously experienced; therefore, the formula used for the LRFF revenue has been scaled back and is based on the average growth/decline in FY 2008-09 and FY 2009-10. The averages for these two years areutilized in FY 2021-22 and FY 2022-23. In FY 2023-24 half of the baseline growth is used and baseline growth is resumed in FY 2024-25. The recession expenditure scenario places a hold on salary, supply, and service growth during FY 2022-23, FY 2023-24, and FY 2024-25.

3. Baseline with new hotel in year 4 (FY 2021-22) - This forecast assumes a new hotel online in year 4 adding $600,000 in additional Transient Occupancy Tax revenue per year.

4. Baseline with a new hotel in year 4 (FY 2021-22) and a recession - This forecast assumes a new hotel in year 4 and a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. As with Scenario #2, this scenario utilizes the same revenue formula and places a hold on salary, supply, and service growth during FY 2022-23, FY 2023-24, and FY 2024-25.

Staff presented the Draft LRFF to the SHAPE Committee for discussion on February 28, 2018.

FISCAL IMPACT
None.

RECOMMENDED ACTION

Staff recommends City Council review, discuss and accept the Fiscal Year 2018 to 2028 General Fund Long Range Financial Forecast.

ATTACHMENTS

DRAFT LRFF - St Helena March 2018
Presentation

General Fund
Long Range Financial Forecast

City of St. Helena
2018-2028

DRAFT

Updated March 6, 2018

Prepared By:

Mark Prestwich, City Manager

April Mitts, Finance Director

City of St. Helena
General Fund
Financial Forecast
FY 2017/18 to FY 2027/28

FORECAST OVERVIEW

City Overview

The City of St Helena is located in the heart of the Napa Valley and has a population of approximately 6,000 residents. The City was incorporated in 1876 and reincorporated in 1889. St. Helena is a General Law city and operates under a Council-Manager form of government. The City Council is comprised of five members, with a directly elected Mayor every two years, and the other four members elected at-large that serve four-year overlapping terms. A City Manager, appointed by the Council, is responsible for the administration of City affairs and implementation of Council policy.

The City's Fiscal Year (FY) 2017-18 adjusted General Fund Operating Budget is $13.8 million with approximately 78 budgeted positions. As a full-service City, St. Helena has the following departments: Administration, Planning and Community Improvement, Recreation, Library, Finance, Public Works, Police, and a part-time Fire Department.

Long Range Financial Forecast

The Long Range Financial Forecast (LRFF) provides a current and long-range financial assessment of revenues, expenditures, fund balance and emergency reserves. The primary objective is to provide the City Council and the community with a financial forecast and identify any significant issues that may need to be addressed in the annual budget development process.

It is important to keep in mind that a forecast is not a budget. The LRFF is a vehicle that peers into the future and make projections about what is likely to happen given certain assumptions. If future deficits are projected then the forecast allows time to take corrective action to ensure finances remain stable.

This analysis is centered on the City's General Fund because it is the primary operating budget for tax supported municipal services. Long range financial forecasting assists the City in making decisions that lead to our ability to sustain the community's core services. This document represents a review of the City of St. Helena's General Fund using a set of six revenue projections and four expenditure forecasts for a total of six scenarios.

It is a standard practice for the City to update this plan annually.

Scenarios

The LRFF scenarios illustrate trends of the City's expenditures and revenues over the next 10 years. The FY 2017-18 Operating Budget is used as the base for all scenarios. More detailed information for the assumptions is included in the *Revenue and Assumptions* and *Expenditure and Assumptions* sections of this report.

1. Baseline - The baseline revenue/expense growth estimate is based on a continuing modest economic recovery. This forecast is similar to the actual revenue growth the City incurred over the last ten years (removing FYs 2008-09, 2009-10, and 2010-11) and the actual expenditure growth the City incurred over the past three years (removing large one-time expenditures).

2. Baseline with a recession - This forecast assumes a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. Typically, economic history has shown that the country experiences a recession about every ten years which, based off of the last recession, would be in FY 2017-18; however, immediate indicators do not expect a recession to begin that soon. Revenues for the recession were based on the revenue losses during FYs 2008-09, 2009-10, and 2010-11. While another recession is being forecast, it is not anticipated the recession will be as great as the previously experienced; therefore, the formula used for this revenue scenario has been scaled back from the Great Recession and is based on the average growth/decline in FY 2008-09 and FY 2009-10. The averages for these two years are utilized in FY 2021-22 and FY 2022-23. In FY 2023-24 half of the baseline growth is used and baseline growth is resumed in FY 2024-25. The recession expenditure scenario places a hold on salary, supply, and service growth during FY 2022-23, FY 2023-24, and FY 2024-25.

3. Baseline with a mild recession – Similar to the model above, this model assumes a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. This model forecasts a milder recession by reducing the revenue decrease projected in the previous model by half. For instance, in the baseline with recession model TOT was reduced by (10%) during FY 2021 and FY 2022. The mild recession model reduces TOT by (5%) for each of these fiscal years. Expenditure assumptions for the mild recession do not change from the previous recession model.

4. Baseline with new hotel in year 4 (FY 2021-22) - This forecast assumes a new hotel online in year 4 adding $600,000 in additional Transient Occupancy Tax revenue per year.

5. Baseline with a new hotel in year 4 (FY 2021-22) and a recession - This forecast assumes a new hotel in year 4 and a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. As with Scenario #2, this scenario utilizes the same revenue formula and places a hold on salary, supply, and service growth during FY 2022-23, FY 2023-24, and FY 2024-25.

6. Baseline with a new hotel in year 4 (FY 2021-22) and a mild recession - This forecast assumes a new hotel in year 4 and a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. As with Scenario #3, this scenario utilizes the same revenue formula and places a hold on salary, supply, and service growth during FY 2022-23, FY 2023-24, and FY 2024-25.

Risks to the Forecast

Every projection is a combination of assumptions based on analysis of historical data, use of actual data when available (e.g., labor contracts, CalPERS rates), and educated assumptions based on an analysis of available information. In addition to the built-in uncertainty of projections, the City continues to experience uncertainty in the future of revenue and major expenses that would impact the City's budget due partly to the structure of State municipal finance laws. The major risks to these projections are discussed below.

1. Volatile Economy - The City's revenues are impacted by economic conditions. As evidenced in the recent Great Recession, the City's three largest revenue sources, property, sales and transient occupancy taxes, are very tied to the broader economic trends.

2. State Takeaways and Borrowing - During times of economic downturn, the State of California has previously shifted, borrowed, or took money from cities to over its own budget shortfalls. In an effort to protect local governments, Proposition 1A was passed in 2004 to protect local revenues from being transferred away from the state. However, Proposition 1A can be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concur. The first emergency suspension of Proposition 1A was passed by the Legislature as part of the 2009-10 budget package. Under this provision the State borrowed 8% of the amount of property tax revenue and was required to repay the obligations plus interest by 2013. After this initial repayment, the legislature may consider only one additional borrowing within a ten-year period. While it can not be predicted if the State will once again borrow money from local governments, it is a possibility.

   An October 2017 report released by Moody's Analytics show that fewer than half of states have the funds they need to weather an economic downturn with one-third likely facing significant financial stress. This report conducted the first-ever stress test on all 50 state budgets to assess their ability to absorb a fiscal shock. It found that 16 states have enough in reserves to get through the next recession somewhat comfortably. Another 19 states have some or most of the funds they would need, which means they would likely have to raise revenue and/or cut spending, as well as tap reserves, to balance their budgets during a downturn. And 15 states are so "substantially unprepared" for the next downturn, they would face major "economic repercussions." The State of California is ranked 34th and is at the bottom part of the middle group of 19. This ranking shows that California, in the modest recession scenario, has actual reserves at 5.9% with the necessary reserves during a modest recession of 10.7% leaving a shortfall of (4.8%).

3. Pension Costs - CalPERS pension costs continue to rise and are projected to double, reaching an average of 15.8% of General Fund budgets by FY 2024-25. The projections in this forecast are based on the average CalPERS unfunded liability actuals for FYs 2015-16, 2016-17, and 2017-18, which is an 11% increase each year. CalPERS continually reassesses the employer contribution, and based on market returns and other factors, rates can be increased or decreased annually. The City is currently working with Bartel Associates for a CalPERS Contribution Analysis. Upon completion of this report, CalPERS unfunded liability figures will be updated in the LRFF.

4. Compensation Increases - The Memorandum of Understanding (MOU) with the St. Helena Employees Association was adopted in February 2018 and expires in June 2020 and the MOU

with the St. Helena Police Officers Association expires in June 2020. Currently the expense forecast includes merit increases and modest salary increases to keep pace with inflation. The City will complete a classification and compensation study in Fiscal Year 2017-18.

5. Fire Department - The City of St. Helena currently operates a part-time fire department for a total operations budget of $966,000 annually. The Department consists of a Fire Chief (two days per week), Fire Marshal (two days per week), full-time Administrative Assistant, and 27 part-time firefighters who are paid on an hourly, per-call basis. The City will experience significant cost increases if there becomes a need to staff the Fire Department on a full-time basis.

6. Health Premiums - The City pays 100% of employee health premiums. The City is a participant in the Redwood Empire Municipal Insurance Fund (REMIF) which is a self-insured joint powers authority established in 1976 to handle insurance claims, benefit programs, and risk management needs of 15 cities. In 2015, REMIF changed to a self-funded health plan with the anticipation of overall savings in health care costs to all member cities. The City of St. Helena has experienced an overall reduction in health care costs; however, these costs have the risk of change and health premiums in the LRFF are projected to continue to rise over the next decade by 6% annually. Actual health care costs are not received by the City until May of each year. The risk is that health premiums may rise faster than the forecast, increasing total compensation costs.

7. Asset Recapitalization - In 2017, to help address the significant current-term and long-term costs for replacement or repair of aging buildings, the City Council formed the St. Helena Assets Planning Engagement (SHAPE) Committee with the general purpose to identify alternatives to address deficiencies and opportunities identified in the Facilities Condition Need Assessment (FCNA), challenges identified in the Long Range Financial Forecast, and feasibility of concepts identified in the 2009 Visioning Statement. The Committee will be identifying financial strategies (along with identifying consequences and trade-offs) for City Council consideration to address identified deficiencies, opportunities, and/or utilization of community assets.

8. No Major New One-Time Expenses - The expenditure forecast does not include any provisions for unexpected one-time expenses, such as changes in legislation, unexpected events, acts of nature or other such factors that could require the City to expend a significant amount of General Fund resources.

GENERAL FUND FORECAST

Six scenarios are presented in the LRFF. The following tables and charts show the General Fund balance for each of the scenarios over a 10-year period. Full-size charts are included as Appendices A-F.

TABLE 1

	SCENARIO 1 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	6,601,085	8,125,638	9,741,182	11,505,843	13,502,252	15,652,449	17,957,764
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	15,751,901	16,453,513	17,187,431	17,955,174	18,758,337	19,598,589	20,477,680	21,397,443
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,571,887	16,190,514	16,761,928	17,448,392	18,172,365	18,876,517
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	1,310,895	1,524,552	1,615,544	1,764,661	1,996,409	2,150,197	2,305,315	2,520,926
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	6,601,085	8,125,638	9,741,182	11,505,843	13,502,252	15,652,449	17,957,764	20,478,690
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	54%	63%	71%	81%	90%	99%	108%

Scenario 1 (Appendix A) Baseline - The baseline revenue/expense growth estimate in Table 1 is based on a continuing modest economic recovery. This forecast is similar to the actual revenue growth the City incurred over the last ten years (extracting out FYs 2008-09, 2009-10, and 2010-11 for the recession) and the actual expenditure growth the City incurred over the past three years.

TABLE 2

	SCENARIO 2 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,049,255	3,370,059	1,696,465	1,371,039	1,507,750	1,683,398	1,911,513
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,200,071	13,249,765	13,540,945	15,137,885	15,788,635	16,475,187	17,211,416	18,020,623
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	(240,935)	(1,679,196)	(1,673,594)	(325,426)	136,710	175,648	228,114	374,786
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,049,255	3,370,059	1,696,465	1,371,039	1,507,750	1,683,398	1,911,513	2,286,299
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	23%	11%	9%	10%	10%	11%	13%

Scenario 2 (Appendix B) Baseline with Recession - This forecast assumes a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. Typically, economic history has shown that country experiences a recession about every ten years which, based off of the last recession, would be in FY 2017-18; however, immediate indicators do not expect a recession to begin that soon. This model places a hold on salary, supply, and services growth during FY 2022-23, FY 2023-24, and FY 2024-25, similar to the City's prior actions.

TABLE 3

SCENARIO 3 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,403,532	4,529,381	3,680,812	3,676,357	4,161,589	4,710,473	5,330,681
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,554,348	14,054,810	14,365,970	15,458,855	16,137,157	16,848,423	17,603,510	18,414,229
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	113,342	(874,151)	(848,569)	(4,455)	485,232	548,884	620,208	768,392
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,403,532	4,529,381	3,680,812	3,676,357	4,161,589	4,710,473	5,330,681	6,099,073
9	UNASSIGNED NET POSITION	27%	29%	38%	37%	30%	24%	24%	27%	29%	31%	35%

Scenario 3 (Appendix C) Baseline with Mild Recession - Similar to Scenario #2, this model assumes a recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. This model forecasts a milder recession by reducing the revenue decrease projected in the previous model by half. For instance, in the Baseline with recession model TOT was reduced by (10%) during FY 2021 and FY 2022. The mild recession model reduces TOT by (5%) for each of these fiscal years. Expenditure assumptions for the mild recession do not change from the previous recession model.

TABLE 4

SCENARIO 4 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	6,601,085	8,725,638	10,971,182	13,397,343	16,088,327	18,967,828	22,038,912
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	15,751,901	17,053,513	17,817,431	18,616,674	19,452,912	20,327,893	21,243,449	22,201,500
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,571,887	16,190,514	16,761,928	17,448,392	18,172,365	18,876,517
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	1,310,895	2,124,552	2,245,544	2,426,161	2,690,984	2,879,501	3,071,084	3,324,983
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	6,601,085	8,725,638	10,971,182	13,397,343	16,088,327	18,967,828	22,038,912	25,363,895
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	58%	70%	83%	96%	109%	121%	134%

Scenario 4 (Appendix D) Baseline with New Hotel in Year 4 (FY 2021-22) - This forecast assumes a new hotel online in year 4 adding $600,000 in additional annual Transient Occupancy Tax revenue.

TABLE 5

	SCENARIO 5 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4 and RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,049,255	3,970,059	2,912,973	2,587,547	2,748,535	2,967,882	3,241,837
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,200,071	13,849,765	14,157,453	15,137,885	15,812,912	16,518,886	17,257,256	18,029,541
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	(240,935)	(1,079,196)	(1,057,086)	(325,426)	160,988	219,347	273,955	383,704
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,049,255	3,970,059	2,912,973	2,587,547	2,748,535	2,967,882	3,241,837	3,625,541
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	27%	19%	17%	18%	18%	19%	21%

Scenario 5 (Appendix E) Baseline with a New Hotel in year 4 (FY 2021-22) and a Recession - This forecast assumes a new hotel in year 4 and a recession during FY 2020-21 and FY 2021-22 with recovery starting in FY 2022-23. As with Scenario #2, this scenario utilizes the same revenue formula and places a hold on salary, supply, and services growth during FYs 2022-23, 2023-24, and 2024-25.

TABLE 6

	SCENARIO 6 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION AND HOTEL IN YEAR 4											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,403,532	5,129,381	4,895,812	5,261,104	6,134,570	7,091,100	8,139,337
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,554,348	14,654,810	14,980,970	15,828,602	16,525,391	17,256,069	18,031,538	18,863,659
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	113,342	(274,151)	(233,569)	365,292	873,466	956,530	1,048,237	1,217,822
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,403,532	5,129,381	4,895,812	5,261,104	6,134,570	7,091,100	8,139,337	9,357,159
9	UNASSIGNED NET POSITION	27%	29%	38%	37%	34%	32%	34%	39%	44%	48%	53%

Scenario 6 (Appendix F) Baseline with a New Hotel in year 4 (FY 2021-22) and a Mild Recession - This forecast assumes a new hotel in year 4 and a mild recession during FYs 2020-21 and 2021-22 with recovery starting in FY 2022-23. As with Scenario #3, this scenario utilizes the same revenue formula and places a hold on salary, supply, and service growth during FY 2022-23, FY 2023-24, and FY 2024-25.

REVENUES AND ASSUMPTIONS

City Revenues

Projections of future revenues are based on a set of assumptions at a point in time and intended to highlight trends. Because the City's three major revenue sources for the General Fund (property, sales and transient occupancy taxes) are affected by the economy, significant changes in the local, regional and national economic outlook, positive or negative, can shift these revenue sources materially, as realized in the substantial revenue reductions that started in FY 2009-10 during the Great Recession. This forecast assumes that recent improvements in economic conditions locally and nationally will continue at a modest pace over the next several years. Overall revenue growth is projected between 3.8% and 4.6% in the baseline forecast, as a result of modeling City growth trends over the past 15 years (excluding FYs 2009-10, 2010-11, and 2011-12).

The annual change in revenue actuals and baseline assumptions by revenue type are shown in Table 7.

TABLE 7 – Baseline Revenues Assumptions

BASELINE REVENUE ASSUMPTIONS - ANNUAL CHANGE					
	FISCAL YEAR				
	15	16	17	18	19 –28
REVENUES	Actual	Actual	Actual	Estimate	Forecast
Property Taxes	0%	4%	4%	5%	3.5%
Sales Taxes	4%	12%	4%	25%	5%
TOT	7%	9%	12%	10%	5%
Other Taxes	2%	5%	8%	(5%)	5%
License & Permits	11%	21%	3%	(13%)	5%
Fines & Forfeits	2%	11%	11%	(312%)	5%
Intergovernmental	43%	6%	(66%)	9%	5%
Interest & Rents	0%	(1%)	(52%)	(7%)	5%
Charges for Service	20%	14%	8%	(40%)	3%
Miscellaneous	(132%)	(37%)	55%	13%	1%
Development Fees	59%	19%	(4%)	(220%)	5%

Table 8 outlines the revenue assumptions with a recession in FY 2021-22 and FY 2022-23 with recovery starting in FY 2023-24. The revenue assumptions with the recession are based on the average reduction in FY 2008-09 and FY 2009-10 applied to FY 2021-22 and FY 2022-23. In FY 2023-24 half of the baseline revenue assumption is used for growth, and in FY 2024-25 the baseline growth assumption is used and applied to pre-recession revenues (FY 2020-21) in all categories except Property and Sales taxes.

TABLE 8 – Baseline with Recession Revenues Assumptions

REVENUE ASSUMPTIONS MINOR RECESSION - ANNUAL CHANGE							
	FISCAL YEAR						
	18	19	20	21	22	23	24-28
REVENUES	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Property Taxes	5%	3.5%	3.5%	2%	0%	1.75%	3.5%
Sales Taxes	25%	5%	5%	(5%)	(10%)	2.5%	5%
TOT	10%	5%	5%	(10%)	(10%)	2.5%	5%
Other Taxes	(5%)	5%	5%	(16.5%)	(16.5%)	2.5%	5%
License & Permits	(13%)	5%	5%	(8%)	(8%)	2.5%	5%
Fines & Forfeits	(312%)	5%	5%	(10%)	(10%)	2.5%	5%
Intergovernmental	9%	5%	5%	(17.5%)	(17.5%)	2.5%	5%
Interest & Rents	(7%)	5%	5%	(44%)	(44%)	2.5%	5%
Charges for Service	(40%)	3%	3%	(23%)	(23%)	1.5%	3%
Miscellaneous	13%	1%	1%	n/a	n/a	0.5%	1%
Development Fees	(220%)	5%	5%	0%	0%	2.5%	5%

Table 9, similar to Table 8, outlines the revenue assumptions with a milder recession in FY 2021-22 and FY 2022-23 and recovery starting in FY 2023-24. This model forecasts a milder recession by reducing the revenue decrease projected in the previous model by half. For instance, in the Baseline with recession model TOT was reduced by (10%) during FY 2021 and FY 2022. The mild recession model reduces TOT by (5%) for each of these fiscal years.

TABLE 9 – Baseline with Mild Recession Revenues Assumptions

REVENUE ASSUMPTIONS MINOR RECESSION - ANNUAL CHANGE							
	FISCAL YEAR						
	18	19	20	21	22	23	24-28
REVENUES	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Property Taxes	5%	3.5%	3.5%	1%	0%	1.75%	3.5%
Sales Taxes	25%	5%	5%	(2.5%)	(5%)	2.5%	5%
TOT	10%	5%	5%	(5%)	(5%)	2.5%	5%
Other Taxes	(5%)	5%	5%	(8.25%)	(8.25%)	2.5%	5%
License & Permits	(13%)	5%	5%	(4%)	(4%)	2.5%	5%
Fines & Forfeits	(312%)	5%	5%	(5%)	(5%)	2.5%	5%
Intergovernmental	9%	5%	5%	(8.75%)	(8.75%)	2.5%	5%
Interest & Rents	(7%)	5%	5%	(22%)	(22%)	2.5%	5%
Charges for Service	(40%)	3%	3%	(11.5%)	(11.5%)	1.5%	3%
Miscellaneous	13%	1%	1%	n/a	n/a	0.5%	1%
Development Fees	(220%)	5%	5%	0%	0%	2.5%	5%

Property Tax

Property taxes are collected by the County of Napa and are governed by California State law. The Tax Collector of Napa County collects taxes on behalf of the County, the five incorporated cities within the county, six school districts, and all other taxing agencies located within Napa County. Once the taxes are collected, the County Auditor-Controller distributes the monies to the various taxing agencies. Property taxes are 1% of the Assessed Value (AV) of a property. Of the amount collected by the County, the City of St. Helena receives approximately 16% of the 1% annually.

Sales Tax

Growth in sales tax depends on a variety of factors. For St. Helena, the economy and tourism have the largest impact. Five-year sales tax projections are provided to the City by MuniServices, the City's sales tax consultant. The growth in Sales Tax between FY 2014-15, 2015-16, and 2016-17 averaged 6.9% with a large increase in FY 2017-18 due to the passage of Measure D, a half-cent local sales tax which will produce an estimated $1.2 million in additional revenues annually.

Transient Occupancy Tax (TOT)

The City charges 12% Transient Occupancy Tax on all overnight stays when occupying a room, rooms, or other living space in a hotel, inn, tourist home or house, motel or other lodging if the stay is for a period of 31 days or less. As indicated in the FY 2017-18 mid-year budget review, a decrease of 29% in TOT was experienced in November 2017 due to the wildfire event. This equates to approximately $120,000. The TOT baseline model assumes modest growth of 5% per year.

Additionally, a scenario has been included in the LRFF that includes a new, modest size hotel online in Year 4 (FY 2021-22) bringing in an additional $600,000 per year in TOT revenues.

Chart 1 provides a summary of the three largest General Fund tax generators from FY 2002-03 to 2016-17, based on actual audited financials.

CHART 1 – Property, Sales, and TOT FY 2002-03 to FY 2016-17 Actuals

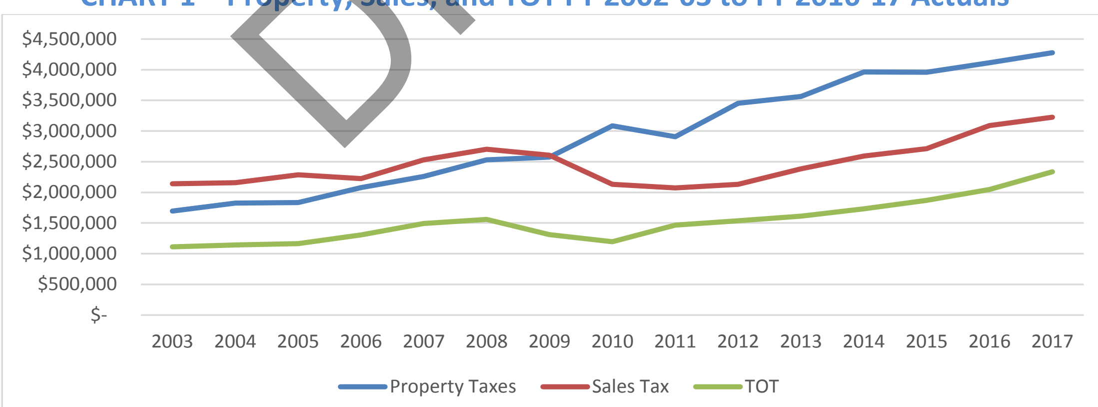


Chart 2 provides a summary of all General Fund revenues from FY 2011-12 to FY 2016-17, based on actual audited financials.

CHART 2 – All General Fund Revenues FY 2011-12 to FY 2016-17 Actuals

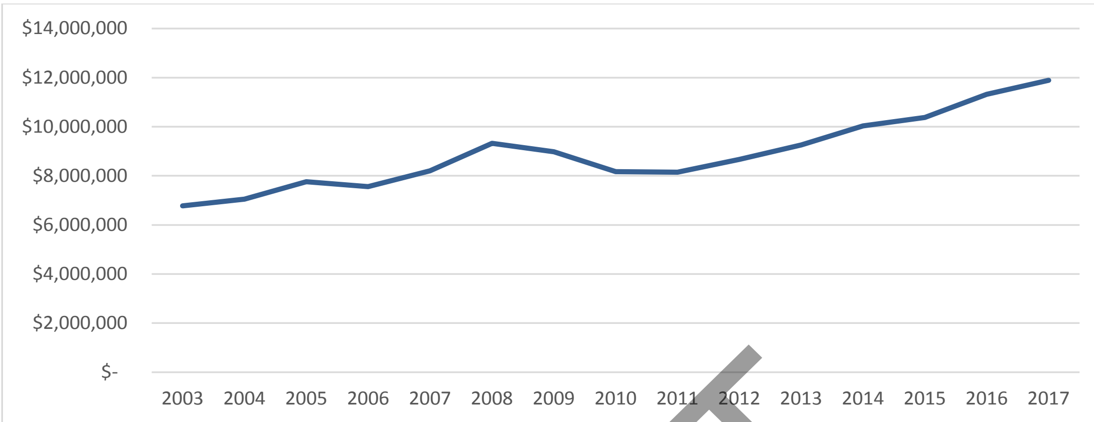


Chart 3 provides a summary of the three largest General Fund tax generators using the six various revenue scenarios: (1) Baseline, (2) Baseline with Hotel in Year 4, (3) Baseline with Recession in FY 2020-21, (4) Baseline with Mild Recession (5) Baseline with Hotel in Year 4 and Recession beginning in FY 2020-21, and (6) Baseline with Hotel in Year 4 and Mild Recession beginning in FY 2020-21.

CHART 3 – Property, Sales, and TOT FY 2017-18 to FY 2027-28 Forecast

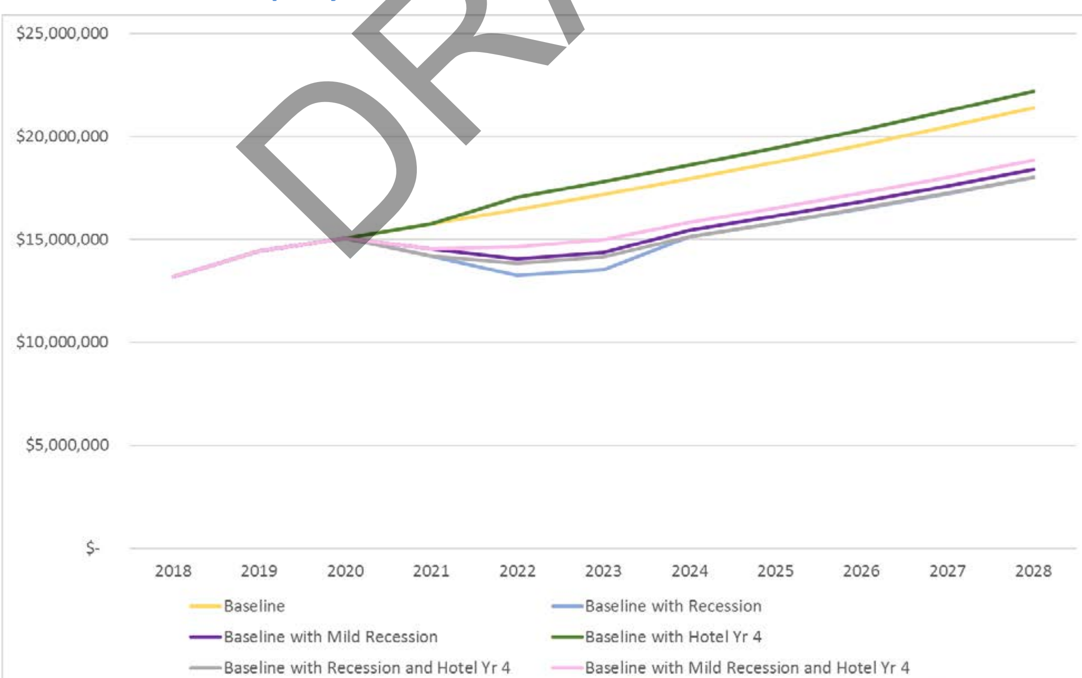


Chart 4 provides a summary of all General Fund revenues using the six various revenue scenarios: (1) Baseline, (2) Baseline with Hotel in Year 4, (3) Baseline with Recession in FY 2020-21, (4) Baseline with Mild Recession (5) Baseline with Hotel in Year 4 and Recession beginning in FY 2020-21, and (6) Baseline with Hotel in Year 4 and Mild Recession beginning in FY 2020-21.

CHART 4 – All General Fund Revenues FY 2017-18 to FY 2027-28 Forecast

Appendices G through L provide details of the four revenue scenarios by category.

EXPENDITURES AND ASSUMPTIONS

The City's expense profile includes a combination of costs the City controls and does not control. For example, the City controls labor costs to the extent that it authorizes a certain number of positions and negotiates labor contracts that govern pay and benefits. Pension costs (the result of past labor negotiations and CalPERS investment performance), on the other hand, are a cost the City has little control over in the near term. The largest cost after labor is the City's services and supplies.

Overall expenditure growth is projected between 5% and 9% in the baseline forecast, based on a combination of City trends over the past five years (post Great Recession) and estimated inflation.

Salary and Benefit Costs
Personnel costs, which include salaries and benefits, make up approximately 56% of the City's General Fund expenditures in the FY 2017-18 Adopted Budget. For the purposes of the LRFF, salary and benefit costs, excluding CalPERS unfunded liabilities, are estimated to grow at 5% per year.

The City pays 100% of employee health care premiums. This means that as premiums rise, the City's contribution increases as well. Based on recent history and expectations for increases over the next decade, the City assumes health premium costs will increase 6% per year.

Pension Costs
In April 2013, the CalPERS Board of Administration approved changes to actuarial assumptions which have and will continue to significantly increase employer rates that state and local government employers pay for their plans in order to maintain fund solvency. The policy changes, termed "direct rate smoothing", will modify both smoothing and amortization policies with the goal in mind to have all plans 100% funded within 30 years. Rate increases are ramped up for the first five years beginning in FY 2015-16. The policy changes include modifying the smoothing from a 15-year rolling period to a five-year direct smoothing rate. The amortization period changes from a 30-year rolling period to a 30-year fixed period.

Most recently, CalPERS recalculated pension contributions to include a higher rate related to mortality, resulting in an increase in the City's PERS contribution effective FY 2016-17 through FY 2022-23. This rate increase is in addition to the rate increase announced in April 2013, which became effective in FY 2015-16. In FY 2015-16, PERS created a new contribution formula that includes an annual lump sum employer payment of unfunded liability. These changes result in a nearly 25% increase in employer PERS contribution for FY 2015-16, a net increase of 10% for FY 2016-17, and a net increase of 12% for FY 2017-18. Baseline expenditure projections for the LRFF is based on the averaged FYs 2016-17 and 2017-18 for an estimated 11% increase over the next ten years.

The City recently contracted with Bartel Associates to provide CalPERS actuaries forecasting out for the next ten years. This information will be updated in the LRFF once available.

Additional reforms enacted independently by the City to create a second benefit tier for employees hired after July 2012 and reforms implemented by the Public Employees' Pension Reform Act of 2013 (PEPRA) eliminated enhancements prospectively and have required the City's employees to contribute more toward their benefits.

Supplies and Services

Supplies and services are the next highest category of expenditures following salary and benefit costs. Overall operating costs for supplies and services are forecast to increase 4.7% annually based on the California Municipal Financial Health Diagnostic completed for the City of St. Helena in December 2017.

TABLE 10 – FY 2017-18 Estimated Costs Per Category

EXPENSES		**Estimate**
Description	Object Code	**2018**
Salaries and Benefits	20	$ 5,818,725
Health Insurance		$ 999,354
PERS Unfunded Liabilities		$ 641,316
Services	21	$ 3,077,218
Supplies	22	$ 407,231
Maintenance	23	$ 361,226
Taxes, Insurance, & Contributions	24	$ 751,308
Debt Service (Interest & Principal)	25	$ 311,350
Capital	26	$ 38,483
Transfer to Other Funds	29	$ 1,486,900
TOTAL EXPENSES		**$ 13,893,110**

CHART 5 – FY 2017-18 Estimated Costs Per Category as a Percentage

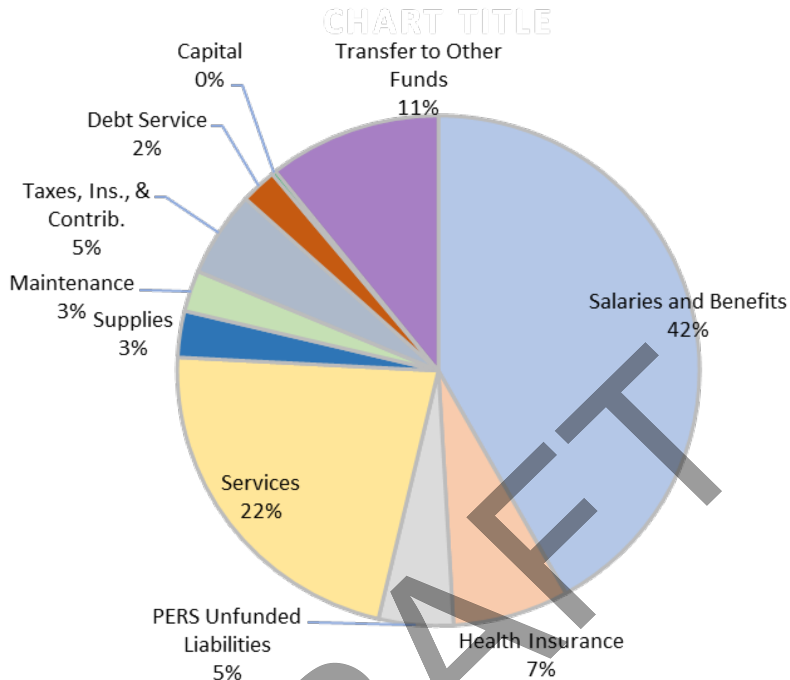


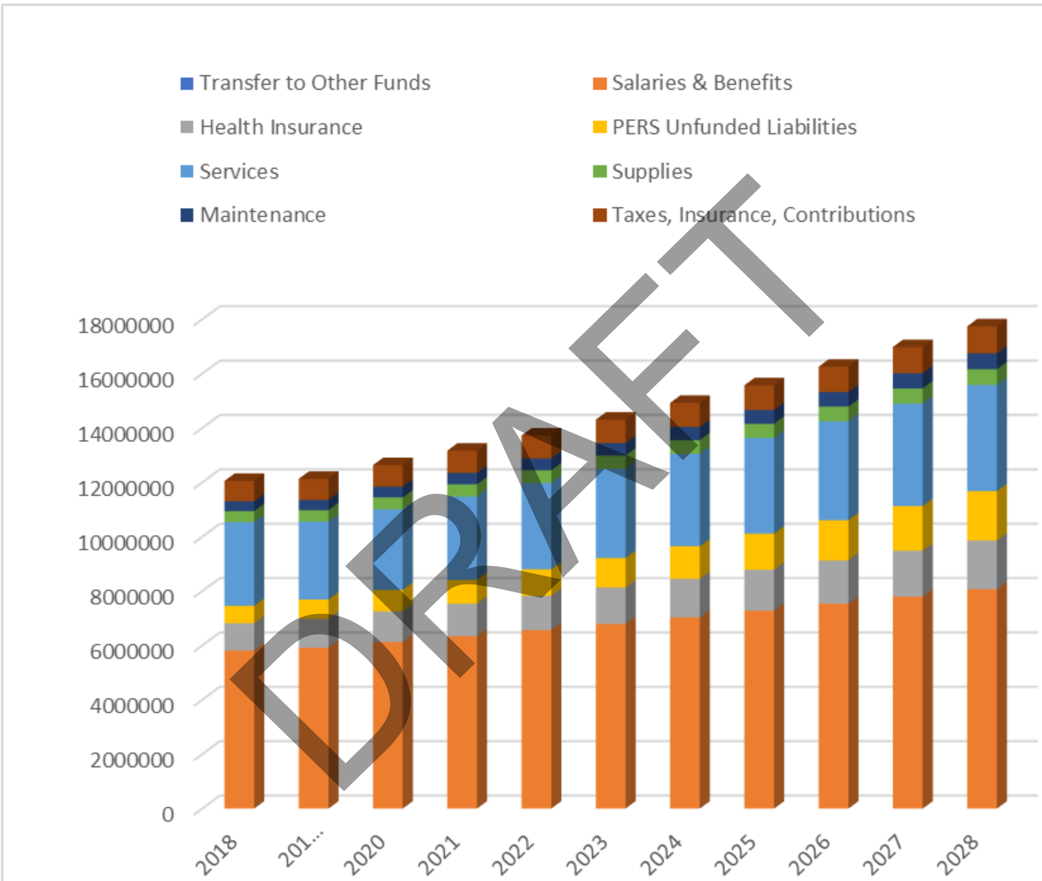
Table 11 provides a summary of the expenditure assumptions in the LRFF.

TABLE 11

EXPENDITURE ASSUMPTIONS - ANNUAL CHANGE			
	FISCAL YEAR		
	17	18	19 – 28
EXPENDITURE	Actual	Estimate	Forecast
Salaries & Benefits	8%	17%	3.5%
Health Insurance	0%	(57%)	6%
PERS Unfunded Liabilities	10%	12%	11%
Services	4%	7%	3.5%
Supplies	12%	32%	3.5%
Maintenance	1%	53%	5%
Taxes, Insurance, & Contributions	(13%)	35%	2.8%
Debt Service	(223%)	24%	n/a
Capital	(16%)	(4%)	5%
Transfer to Other Funds	55%	51%	n/a

In addition to the categories listed above, modest capital improvements have been included in the Baseline scenario to address identified deficiencies with City-owned buildings. The amounts are as follows: FY 2018-19 - $100,000, FY 2019-20 - $300,000, FY 2020-21 and FY 2021-22 - $400,000, FY 2022-23 and beyond $500,000 per year.

CHART 6 – Growth Forecast Baseline by Category



Appendices M through N provide details of the expenditure scenarios by category.

OPERATING & CAPITAL TRANSFERS

Transfers from the General Fund to the Capital Improvement Program (CIP) and to other Funds are presented in Table 12 (the full-size version is included as Appendix O). Beginning in FY 19 additional funding is necessary from the General Fund based off of City Council direction, debt obligations, and Maintenance of Effort (MOE) requirements for both SB1 and Measure T funding (details for each transfer category are included in this section). Table 12 includes the modest capital improvements outlined in the previous section.

TABLE 12 – Operating & Capital Transfers from the General Fund Baseline

Transfer to Other Funds Summary:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Flood Control Capital Reserve	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Transfer to 235 SRF Loan											
W & WW CARE											
Streets Capital - R18-79 Pavement Restoration	$ 250,000	$ 77,500									
Streets Capital - R18-80 ADA Curb Ramps	$ 45,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 20,000
Civic Capital - C18-83 ADA Transition Plan	$ 80,000	$ 103,000	$ 103,000	$ 103,000	$ 103,000	$ 103,000	$ 103,000	$ 23,000	$ 23,000	$ 23,000	$ 8,000
Equipment Replacement Fund	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Flood Control Closeout Expenses to 235	$ 211,900										
Water Capital - Removal of Upper York Creek Dar	$ 800,000	$ 800,000	$ -								
Streets Capital - R18-79 MOE Measure T		$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189
Measure T - Class 1 Trails 6.67%		$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700
Capital Improvements - General		$ 100,000	$ 300,000	$ 400,000	$ 400,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
TOTALS - TRANSFER TO OTHER FUNDS	**$ 1,486,900**	**$ 1,736,389**	**$ 1,058,889**	**$ 1,158,889**	**$ 1,158,889**	**$ 1,213,889**	**$ 1,213,889**	**$ 1,133,889**	**$ 1,133,889**	**$ 1,133,889**	**$ 1,073,889**

Flood Control Capital Reserve
This fund is used for the expansion, major repair or replacement of the flood control facilities and is a requirement of the State Revolving Fund (SRF) Loan obtained from the State Water Resources Control Board for the purposes of financing the acquisition of land parcels and construction costs related to a floodwall barrier project with the City.

Transfer to 235 SRF Loan Repayment
The City obtained a loan from the State Water Resources Control Board for $8 million for the purpose of financing the acquisition of land parcels and construction costs related to a floodwall barrier project with the City. The loan bears a service and grant charge at 2.4% per annum and is repayable in annual installments through FY 2028-29 in an amount of $526,805 per annum. The City pledged Measure A sales tax revenue allocations as security for repayment of the loan. In FY 2017-18, the Napa County Flood Protection and Watershed Improvement Authority approved Amendment #12 allowing a drawdown of Measure A funds of approximately $4.3 million for payment towards the balance of the SRF loan and $1 million to reimburse the City's General Fund for SRF payments previously made from the General Fund. The total drawdown of Measure A funds is approximately $5.3 million, dependent on actual sales tax revenue received. The balance of the SRF loan, prior to the $4.3 million payment, is $5.4 million which includes principal, service charges, and grant charges. The remaining balance due on the SRF loan will come from the General Fund. The LRFF assumes the amount reimbursed to the General Fund from Measure A ($1 million) will be placed in Fund 235 (Measure A) and used towards the final

payments of the SRF Loan, taking a burden off of the City's General Fund in FY 2018-19 and FY 2019-20.

Water and Wastewater CARE

The City of St. Helena offers a CARE program offering assistance to qualified low-income residents in the form of a discount to their water and wastewater base fees. This discount is offset by the General Fund. In FY 2016-17 it was discovered the transfer from General Fund had not been done for several years and a one-time transfer was completed in FY 2016-17. Subsequent years include the CARE rate subsidy in the City's General Fund operating budget.

Streets Capital – R18-79 Pavement Restoration

The FY 2017-18 adopted budget City Council authorized the transfer of $250,000 towards street CIP projects for payment rehabilitation.

Streets Capital – R18-80 ADA Curb Ramps & Civic Capital – C18-83 ADA Transition Plan

On June 27, 2017, City Council adopted Resolution 2017-88 adopting the Americans with Disabilities Act (ADA) Self-Assessment and Transition Plan. The fiscal impact of this plan are annual commitments to both facility and curb ramp upgrades. The annual commitments are shown in Table 13. City staff anticipates that many of the curb ramp improvements can be funded through grants and gas tax revenue during road improvement projects; however, the City will need to be prepared to fund these projects from the General Fund if other funding sources are not available.

TABLE 13 – ADA Transition Plan Commitment

	Annual Commitment	
Years	**Facilities**	**Curb Ramps**
1-5	$103,000	$110,000
6-7	$103,000	$65,000
8-10	$23,000	$65,000
11-15	$8,000	$20,000

Equipment Replacement Fund

The equipment replacement fund is designed to set aside funds for future replacement costs of equipment. Examples include, but are not limited to, vehicles, computers, copiers, etc.). Beginning in FY 2017-18, $50,000 was transferred to this fund to begin building a fund balance for the replacement of equipment. The LRFF continues transferring $50,000 per year into this fund.

Flood Control Closeout Expense to 235

During FY 2017-18 several items remained as "close-out" items for the flood control project. A one-time transfer from the General Fund to Fund 235 of $211,900 was approved by City Council.

Water Capital – Removal of Upper York Creek Dam

As part of the FY 2017-18 budget process, City Council adopted Resolution No. 2017-83 approving the FY 2017-18 budget. This resolution and budget included a two-year commitment of General Fund money to be transferred to the Water CIP account to partially fund the removal of Upper York Creek Dam. The commitment is $800,000 in FY 2017-18 and $800,000 in FY 2018-19.

Streets Capital – R18-79 MOE Measure T

At the General Election held on November 6, 2012, the voters of Napa County approved a half-cent sales tax increase known as Measure T, the Napa Countywide Road Maintenance Act of 2012. Measure T County-wide sales tax will be implemented July 1, 2018 with first payments to Cities and Counties in 2019.

Measure T funding is to be used for maintenance, reconstruction, and/or rehabilitation of streets, roads, and transportation infrastructure within the public right-of-way including but not limited to: sidewalks, curb and gutters, curb ramps, lighting, traffic signage, striping, and local roadway drainage. This Measure is intended to complement, not supplant or replace, the City's current level of effort regarding transportation infrastructure maintenance. Because of this requirement, each jurisdiction is required to maintain a Maintenance of Effort (MOE). The MOE is based off of its FY 2007-08, FY 2008-09, and FY 2009-10 three-year average of General Fund expenditures for road maintenance. The City of St. Helena's MOE is $379,189 each year for the duration of Measure T.

Class 1 Trails

A requirement of Measure T is an additional 6.67% match be set aside into a Special Revenue Fund for Class 1 Trails (from a source other than Measure T). Utilizing the most recent estimates from the County of Napa, this will require approximately $66,700 annually from the General Fund.

EMERGENCY RESERVES

Assigned General Fund Reserves

Based on an informal Council goal the City has established an Assigned General Fund reserve of 25% of budgeted operating expenditures. Reserves for the current fiscal year are estimated to be $3,761,395; equal to 3 months (27%) operating expenditures. Best practices for reserve levels are dependent upon a variety factors and should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their General Fund of no less than two months of regular General Fund expenses.

Dependent on the scenario, the Assigned General Fund Reserves in the LRFF range from 9% reserves to 135%. These percentages are shown in Tables 1-6 and Appendices A-F).

UNFUNDED INFRASTRUCTURE NEEDS

Asset Recapitalization
In addition to general operating expenses, the City has capital assets it is responsible for maintaining and replacing when their useful life has expired. Best practices recommend what is often referred to as "Asset Recapitalization." Asset Recapitalization is the practice of setting aside funds each year, typically based on the value of the asset and lifespan of the asset. Having the funds set aside allows for repair or replacement of items which wear out over time without adversely affecting the General Fund operations budget. Some examples include: HVAC systems, phone systems, computer systems, floor coverings, paving, etc.

Like many cities in California during the Great Recession, St. Helena had significantly reduced its General Fund spending on preventative and ongoing maintenance of its capital assets and has yet to reestablish this practice and has not set aside funding for the long-term rehabilitation of the buildings, streets, parks, and information technology. This section discusses these major areas of asset recapitalization.

The City's water and wastewater enterprise funds are not included in this analysis.

Buildings - The City owns and maintains approximately 64,000 square feet of government buildings including City Hall, fire station, library, police station, and buildings on Railroad Avenue. Since 2012, existing staff and some privatization of services have been used to keep the buildings operating. As stated above, preventative maintenance has not been performed nor has the City established a building replacement fund to cover major repairs or to replace buildings. When repairs are needed, funds are taken from the operations budget.

In late 2017, the City of St. Helena contracted with EMG to complete a Facility Condition Needs Assessment (FCNA) to provide a systematic review of the major physical components of each of the General Fund properties. EMG reviewed 11 buildings and its initial estimates for current year repairs is $2.24 million with 10-year repairs estimated to be $6.8 million for a total 10-year projection of $9.1 million in repairs.

The LRFF baseline models does not include the estimates from EMG and, instead, assumes the following capital contributions: FY 2018-19 - $100,000, FY 2019-20 - $300,000, FY 2020-21 and FY 2021-22 - $400,000, and FY 2022-23 and beyond - $500,000, based on a realistic projection of available resources.

Parks - The City owns 10 parks and four pathways totaling approximately 40 acres. The Parks Division of the Public Works Department maintains the 10 parks, four pathways, street trees, benches, and parking lots. In addition, this division maintains the landscaping around six government buildings and is responsible for herbicide applications around all City facilities and roadsides. The City has not established an asset replacement fund to cover major repairs to parks and park facilities or to replace equipment.

Information Technology - The City contracts with a private IT consultant company to provide all its network, PC, and service needs. It has become industry standard to replace PCs every 3-5 years and to make enhancements to servers, storage, and other IT equipment annually. Replacement of PC's, servers, and phone systems have been included in the operations budget during the past few years. The FY 18 adopted budget included a nominal amount of $50,000 to be placed in an Equipment Replacement Fund to start building reserves for replacement of items in the future. This fund should continue to be built upon in the same manner as other asset recapitalization funds.

Streets - The City is responsible for approximately 30 centerline miles of roadways. The Pavement Management Plan, presented to Council in February 2017, provided estimates for maintaining and improving the City's streets which currently have an average Pavement Condition Index (PCI) of 58, on a 100-point scale, which is considered "At Risk."

Funding for roadway maintenance has traditionally been funded by the General Fund and State Gas Tax monies and these revenues are not enough to keep up with the maintenance requirements. Two additional funding sources are available beginning in FY 19 for the City to help in much needed roadway maintenance and reconstruction.

1. <u>SB1 - The Road Repair and Accountability Act of 2017.</u> This legislative package invests $54 billion over the next decade to fix roads, freeways, and bridges in communities across California and puts more dollars toward transit and safety. It is estimated St. Helena will receive $114,000 annually.
2. <u>Measure T - Napa Countywide Road Maintenance Act.</u> Measure T imposes a transaction and use tax over a twenty-five year period commencing July 1, 2018 with the first payments to be received in January 2019. Of the county-wide revenues collected, the City of St. Helena will receive 5.9%. The initial revenue estimates for St. Helena was approximately $600,000 per year. In a recent report from the County, the FY 18-19 revenue estimates have been increased to $19.3 million, which would equate to approximately $1.1 million in annual revenues.

Both SB1 and Measure T require a Maintenance of Effort (MOE) from the General Fund – the required amount is $379,189 per year.

CURRENT ECONOMIC OUTLOOK

National

Nationally, trends are seeing continued economic growth. In 2016, real Gross Domestic Product (GDP) grew by 1.5 percent, as increases in consumption were offset by weak business investment. The U.S. unemployment rate dipped to 4.1 percent in November 2017, the lowest since December 2000. Low unemployment is leading to higher wage growth. Jobs continue to be added at a slower pace, as both the U.S. and California have fewer people looking for work. U.S. inflation was 1.3 percent in 2016. Inflation exceeded 2 percent in 2017 as housing and energy costs rose. Following the interest rate hike in December, the Federal Reserve is expected to continue to increase interest rates until the benchmark rate reaches 3.2 percent in 2021.

According to the UCLA Anderson Forecast's final quarterly report for 2017, the forecast is somewhat mixed. The nation's near-term outlook is optimistic, anticipating a three percent growth in the economy, thanks to strong equipment spending, Federal tax cuts, and an uptick in consumer spending. However, by the end of the forecast horizon in 2019, real GDP growth could be running at a rate below 1.5 percent as the outlook becomes cloudy. While the same is true for California, the rapid growth that has been driving a significant part of the U.S. recovery is slowing, consistent with a previous prediction by the UCLA Anderson Forecast.

In his outlook for the national economy, UCLA Anderson Senior Economist David Schulman sees "a sunny 2018 with clouds coming in 2019". Momentum coming from the recent strength in 2017, strong equipment spending, the likelihood of a tax cut and a consumer that is benefiting from higher asset prices and the prospect of higher wages. On the horizon, Schulman anticipates that unemployment will drop below four percent and remain there throughout most of the forecast horizon as inflation experiences an uptick.

In an economic update held on March 2, 2018, economist Dr. Robert Eyler, stated that the national economy received a boost from the previous quarter and is anticipated to lower slightly in 2021, but not negative. It is forecast that by 2021 GDP will move from 2.8 to 1.7.

California

In California, trends are seeing economic growth; however, it is slowing. The State of California's FY 2018-19 Budget Summary states that continued growth is expected, with unemployment rates remaining low. However, inflation is beginning to rise in the U.S. and California, and the Federal Reserve has raised the interest rate several times. Additionally, the Governor's Budget Summary states the risks of a stock market correction, geopolitical events or an eventual recession remain the highest risks to California's economy.

California's unemployment rate fell to 4.7 percent in May and June 2017, matching the all-time low unemployment in November 2000. The unemployment rate then rose to around 5 percent and it is expected to remain near that level for the near-term. Job growth is slowing, with an average of 21,000 non-farm payroll jobs added each month in the first three quarters of 2017. From 2011 through 2016, the service sector accounted for 88 percent of the 2.2 million jobs added. It is anticipated from 2017 to 2021, that growth will slow, and construction jobs within the good-producing sector will contribute almost 30 percent of the 1.2 million jobs added.

Average wages are rising faster than inflation, although at a slower rate than has been seen in previous episodes of low unemployment, due partly to retirements. As older, higher-paid workers are replaced by workers earlier in their careers, total wage and average wages will grow slower than the wages of each individual worker.

In an essay by UCLA Anderson Forecast Director Jerry Nickelsburg, he notes that the forecast for California differs from previous UCLA Anderson Forecasts in two ways. First, the new tax bill may dampen the housing market, which will reduce economic growth in the state. Second, the investment incentive increases the forecasted growth for employment and income in 2018, though it reduces it slightly by the end of 2019.

The risk of a recession remains. More than eight years after the end of the last recession, both the U.S. and California are at unemployment levels only seen near the end of an expansion. While recovery was much slower than in previous expansions, there appears to be a limited amount of time that growth can be sustained. To keep growth on its current path, businesses would have to slow their hiring and wage increases in tandem with slowing consumer demand. Otherwise, inflation will rise further, and imbalances that trigger a recession would result.

St. Helena

The latest reports from MuniServices for sales through September 2017 shows California sales tax receipts increased by 4.3% over the same quarter from the previous year, with Northern California reporting a 5.2% increase compared to 3.6% for Southern California. Receipts for the City of St. Helena changed by 4.8% over the same periods. It is important to note these figures do not include one-time sales tax revenue declines due to the October 2017 wildfire events. These figures will be available in March 2018. Staff estimates the decline in sales tax revenue for the City of St. Helena will be approximately $130,000 and a reduction in estimated revenue was made during the City's mid-year budget review in January 2018.

In his 2018 Economic Outlook, Dr. Eyler states that in the North Bay there is still low inflation but it is starting to slowly rise. Much like the National and State outlook, there are no signs of a general recession until at least 2020 and it is anticipated the next general recession will more than likely be a mild recession. Trends show National and California recessions will begin before they start in the North Bay. While there are current indicators of slight weakness, we are still experiencing a strong trend upwards.

Charts 7 through 9 presents historical sales tax trends for the City of St. Helena.

CHART 7 – Historical Sales Tax Amounts

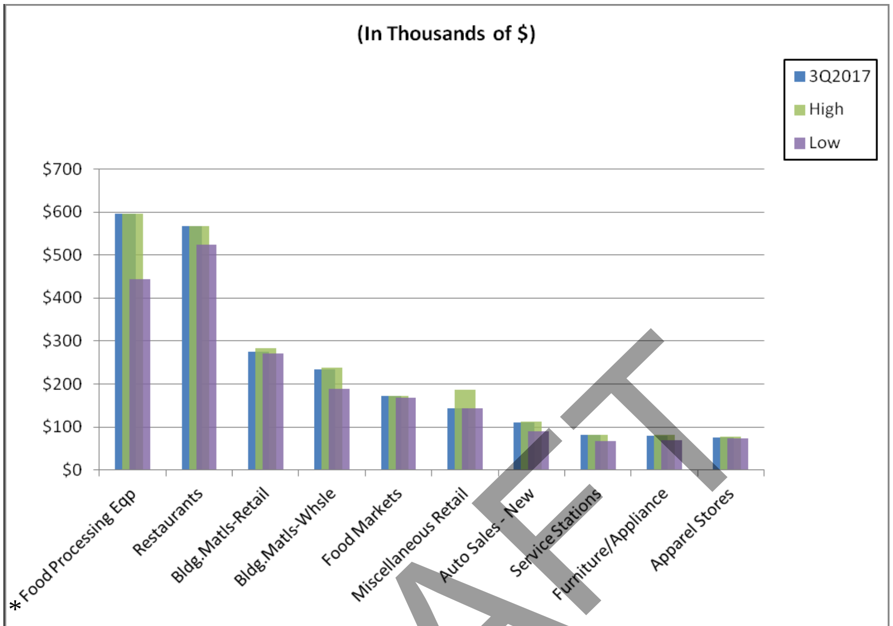
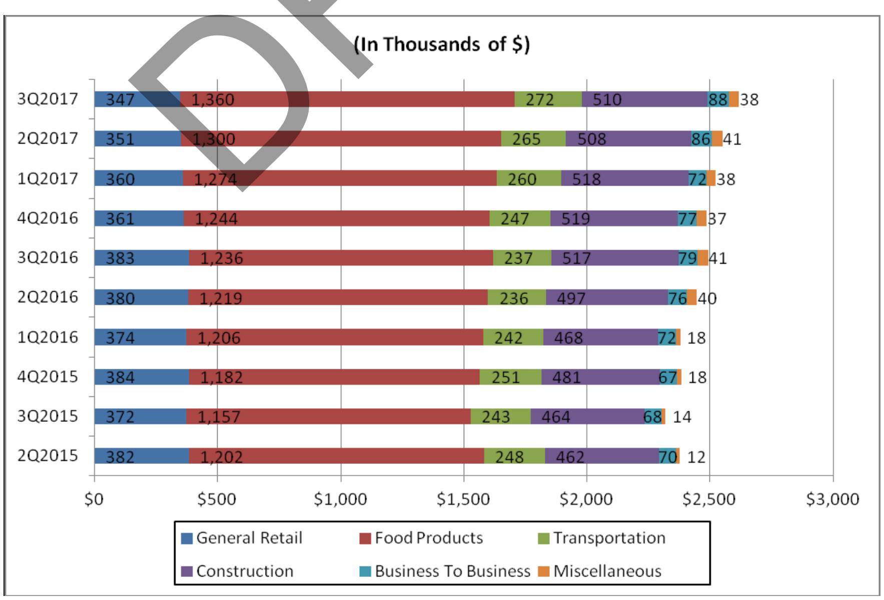
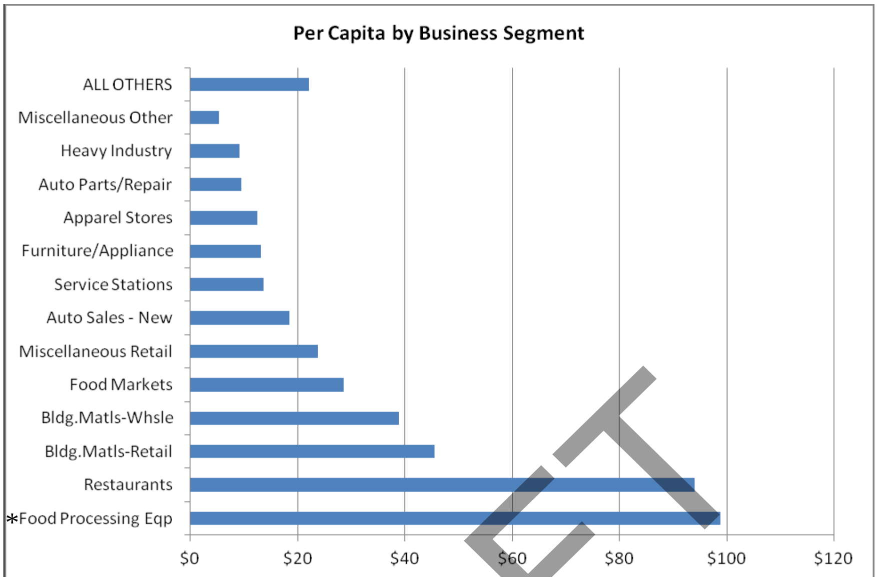


Chart 8 - Annual Sales Tax by Business Category



*The category "Food Processing Equipment" consists of wineries and tasting rooms

Chart 9 – Per Capita by Business Segment



*The category "Food Processing Equipment" consists of wineries and tasting rooms

APPENDIX A

	SCENARIO 1 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	6,601,085	8,125,638	9,741,182	11,505,843	13,502,252	15,652,449	17,957,764
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	15,751,901	16,453,513	17,187,431	17,955,174	18,758,337	19,598,589	20,477,680	21,397,443
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,571,887	16,190,514	16,761,928	17,448,392	18,172,365	18,876,517
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	1,310,895	1,524,552	1,615,544	1,764,661	1,996,409	2,150,197	2,305,315	2,520,926
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	6,601,085	8,125,638	9,741,182	11,505,843	13,502,252	15,652,449	17,957,764	20,478,690
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	54%	63%	71%	81%	90%	99%	108%

APPENDIX B

	SCENARIO 2 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,049,255	3,370,059	1,696,465	1,371,039	1,507,750	1,683,398	1,911,513
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,200,071	13,249,765	13,540,945	15,137,885	15,788,635	16,475,187	17,211,416	18,020,623
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	(240,935)	(1,679,196)	(1,673,594)	(325,426)	136,710	175,648	228,114	374,786
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,049,255	3,370,059	1,696,465	1,371,039	1,507,750	1,683,398	1,911,513	2,286,299
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	23%	11%	9%	10%	10%	11%	13%

APPENDIX C

	SCENARIO 3 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,403,532	4,529,381	3,680,812	3,676,357	4,161,589	4,710,473	5,330,681
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,554,348	14,054,810	14,365,970	15,458,855	16,137,157	16,848,423	17,603,510	18,414,229
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	113,342	(874,151)	(848,569)	(4,455)	485,232	548,884	620,208	768,392
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,403,532	4,529,381	3,680,812	3,676,357	4,161,589	4,710,473	5,330,681	6,099,073
9	UNASSIGNED NET POSITION	27%	29%	38%	37%	30%	24%	24%	27%	29%	31%	35%

APPENDIX D

	SCENARIO 4 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	6,601,085	8,725,638	10,971,182	13,397,343	16,088,327	18,967,828	22,038,912
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	15,751,901	17,053,513	17,817,431	18,616,674	19,452,912	20,327,893	21,243,449	22,201,500
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,571,887	16,190,514	16,761,928	17,448,392	18,172,365	18,876,517
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	1,310,895	2,124,552	2,245,544	2,426,161	2,690,984	2,879,501	3,071,084	3,324,983
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	6,601,085	8,725,638	10,971,182	13,397,343	16,088,327	18,967,828	22,038,912	25,363,895
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	58%	70%	83%	96%	109%	121%	134%

APPENDIX E

	SCENARIO 5 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4 and RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,049,255	3,970,059	2,912,973	2,587,547	2,748,535	2,967,882	3,241,837
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,200,071	13,849,765	14,157,453	15,137,885	15,812,912	16,518,886	17,257,256	18,029,541
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	(240,935)	(1,079,196)	(1,057,086)	(325,426)	160,988	219,347	273,955	383,704
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,049,255	3,970,059	2,912,973	2,587,547	2,748,535	2,967,882	3,241,837	3,625,541
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	27%	19%	17%	18%	18%	19%	21%

APPENDIX F

	SCENARIO 6 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION AND HOTEL IN YEAR 4											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4,409,125	3,700,020	4,089,101	5,290,190	5,403,532	5,129,381	4,895,812	5,261,104	6,134,570	7,091,100	8,139,337
2												
3	REVENUES	13,184,005	14,439,853	15,081,143	14,554,348	14,654,810	14,980,970	15,828,602	16,525,391	17,256,069	18,031,538	18,863,659
4	EXPENSES	13,893,110	14,050,772	13,880,053	14,441,006	14,928,961	15,214,538	15,463,311	15,651,925	16,299,539	16,983,301	17,645,837
5												
6	ANNUAL SURPLUS OR (DEFICIT)	(709,105)	389,081	1,201,089	113,342	(274,151)	(233,569)	365,292	873,466	956,530	1,048,237	1,217,822
7												
8	ENDING FUND BALANCE	3,700,020	4,089,101	5,290,190	5,403,532	5,129,381	4,895,812	5,261,104	6,134,570	7,091,100	8,139,337	9,357,159
9	UNASSIGNED NET POSITION	27%	29%	38%	37%	34%	32%	34%	39%	44%	48%	53%

APPENDIX G

REVENUES - BASELINE	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes	$ 4,517,262	$ 4,675,366	$ 4,839,004	$ 5,008,369	$ 5,183,662	$ 5,365,091	$ 5,552,869	$ 5,747,219	$ 5,948,372	$ 6,156,565	$ 6,372,045
Sales Tax	$ 4,275,511	$ 4,619,287	$ 4,850,251	$ 5,092,763	$ 5,347,402	$ 5,614,772	$ 5,895,510	$ 6,190,286	$ 6,499,800	$ 6,824,790	$ 7,166,030
TOT	$ 2,591,133	$ 3,340,689	$ 3,507,724	$ 3,683,110	$ 3,867,265	$ 4,060,629	$ 4,263,660	$ 4,476,843	$ 4,700,685	$ 4,935,720	$ 5,182,506
Other Taxes	$ 198,815	$ 208,755	$ 219,193	$ 230,153	$ 241,660	$ 253,743	$ 266,431	$ 279,752	$ 293,740	$ 308,427	$ 323,848
Charges for Service	$ 85,450	$ 88,014	$ 90,654	$ 93,374	$ 96,175	$ 99,060	$ 102,032	$ 105,093	$ 108,246	$ 111,493	$ 114,838
Fines & Forfeits	$ 34,500	$ 36,225	$ 38,036	$ 39,938	$ 41,935	$ 44,032	$ 46,233	$ 48,545	$ 50,972	$ 53,521	$ 56,197
Licenses and Permits	$ 919,532	$ 965,509	$ 1,013,784	$ 1,064,473	$ 1,117,697	$ 1,173,582	$ 1,232,261	$ 1,293,874	$ 1,358,568	$ 1,426,496	$ 1,497,821
Development Fees	$ 6,500	$ 6,825	$ 7,166	$ 7,525	$ 7,901	$ 8,296	$ 8,711	$ 9,146	$ 9,603	$ 10,084	$ 10,588
Intergovernental	$ 200,955	$ 211,003	$ 221,553	$ 232,631	$ 244,262	$ 256,475	$ 269,299	$ 282,764	$ 296,902	$ 311,747	$ 327,335
Interest and Rents	$ 136,214	$ 67,866	$ 71,260	$ 74,823	$ 78,564	$ 82,492	$ 86,617	$ 90,947	$ 95,495	$ 100,270	$ 105,283
Miscellaneous	$ 218,133	$ 220,314	$ 222,517	$ 224,743	$ 226,990	$ 229,260	$ 231,553	$ 233,868	$ 236,207	$ 238,569	$ 240,955
BASELINE	**$ 13,184,005**	**$ 14,439,853**	**$ 15,081,143**	**$ 15,751,901**	**$16,453,513**	**$ 17,187,431**	**$ 17,955,174**	**$ 18,758,337**	**$ 19,598,589**	**$ 20,477,680**	**$ 21,397,443**
% change year over year	9.80%	8.70%	4.25%	4.26%	4.26%	4.27%	4.28%	4.28%	4.29%	4.29%	4.30%

APPENDIX H

REVENUES - BASELINE WITH RECESSION	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes	$ 4,517,262	$ 4,675,366	$ 4,839,004	$ 4,935,784	$ 4,935,784	$ 5,022,161	$ 5,197,936	$ 5,379,864	$ 5,568,159	$ 5,763,045	$ 5,964,751
Sales Tax	$ 4,275,511	$ 4,619,287	$ 4,850,251	$ 4,607,738	$ 4,146,965	$ 4,250,639	$ 4,463,171	$ 4,686,329	$ 4,920,646	$ 5,166,678	$ 5,425,012
TOT	$ 2,591,133	$ 3,340,689	$ 3,507,724	$ 3,156,951	$ 2,841,256	$ 2,912,288	$ 3,683,110	$ 3,867,265	$ 4,060,629	$ 4,263,660	$ 4,476,843
Other Taxes	$ 198,815	$ 208,755	$ 219,193	$ 183,026	$ 152,827	$ 156,648	$ 230,153	$ 241,660	$ 253,743	$ 266,431	$ 279,752
Charges for Service	$ 85,450	$ 88,014	$ 90,654	$ 69,804	$ 53,749	$ 54,555	$ 93,374	$ 71,898	$ 55,361	$ 56,192	$ 96,175
Fines & Forfeits	$ 34,500	$ 36,225	$ 38,036	$ 34,233	$ 30,809	$ 31,580	$ 39,938	$ 41,935	$ 44,032	$ 46,233	$ 48,545
Licenses and Permits	$ 919,532	$ 965,509	$ 1,013,784	$ 932,681	$ 858,067	$ 879,518	$ 1,064,473	$ 1,117,697	$ 1,173,582	$ 1,232,261	$ 1,293,874
Development Fees	$ 6,500	$ 6,825	$ 7,166	$ 7,166	$ 7,166	$ 7,345	$ 7,525	$ 7,901	$ 8,296	$ 8,711	$ 9,146
Intergovernental	$ 200,955	$ 211,003	$ 221,553	$ 182,781	$ 150,794	$ 153,056	$ 232,631	$ 244,262	$ 256,475	$ 269,299	$ 282,764
Interest and Rents	$ 136,214	$ 67,866	$ 71,260	$ 39,905	$ 22,347	$ 22,906	$ 74,823	$ 78,564	$ 82,492	$ 86,617	$ 90,947
Miscellaneous	$ 218,133	$ 220,314	$ 222,517	$ 50,000	$ 50,000	$ 50,250	$ 50,753	$ 51,260	$ 51,773	$ 52,290	$ 52,813
BASELINE WITH RECESSION	**$ 13,184,005**	**$ 14,439,853**	**$ 15,081,143**	**$ 14,200,071**	**$13,249,765**	**$ 13,540,945**	**$ 15,137,885**	**$ 15,788,635**	**$ 16,475,187**	**$ 17,211,416**	**$ 18,020,623**
% change year over year	9.80%	8.70%	4.25%	-6.20%	-7.17%	2.15%	10.55%	4.12%	4.17%	4.28%	4.49%

APPENDIX I

REVENUES - BASELINE WITH MILD RECESSION	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes	$ 4,517,262	$ 4,675,366	$ 4,839,004	$ 4,887,394	$ 4,887,394	$ 4,972,924	$ 5,146,976	$ 5,327,120	$ 5,513,569	$ 5,706,544	$ 5,906,273
Sales Tax	$ 4,275,511	$ 4,619,287	$ 4,850,251	$ 4,728,995	$ 4,492,545	$ 4,604,858	$ 4,835,101	$ 5,076,856	$ 5,330,699	$ 5,597,234	$ 5,877,096
TOT	$ 2,591,133	$ 3,340,689	$ 3,507,724	$ 3,332,338	$ 3,165,721	$ 3,244,864	$ 3,683,110	$ 3,867,265	$ 4,060,629	$ 4,263,660	$ 4,476,843
Other Taxes	$ 198,815	$ 208,755	$ 219,193	$ 201,110	$ 184,518	$ 189,131	$ 230,153	$ 241,660	$ 253,743	$ 266,431	$ 279,752
Charges for Service	$ 85,450	$ 88,014	$ 90,654	$ 80,229	$ 71,002	$ 72,067	$ 93,374	$ 82,636	$ 73,132	$ 74,229	$ 96,175
Fines & Forfeits	$ 34,500	$ 36,225	$ 38,036	$ 36,134	$ 34,328	$ 35,186	$ 39,938	$ 41,935	$ 44,032	$ 46,233	$ 48,545
Licenses and Permits	$ 919,532	$ 965,509	$ 1,013,784	$ 973,233	$ 934,303	$ 957,661	$ 1,064,473	$ 1,117,697	$ 1,173,582	$ 1,232,261	$ 1,293,874
Development Fees	$ 6,500	$ 6,825	$ 7,166	$ 7,166	$ 7,166	$ 7,345	$ 7,525	$ 7,901	$ 8,296	$ 8,711	$ 9,146
Intergovernental	$ 200,955	$ 211,003	$ 221,553	$ 202,167	$ 184,477	$ 187,245	$ 232,631	$ 244,262	$ 256,475	$ 269,299	$ 282,764
Interest and Rents	$ 136,214	$ 67,866	$ 71,260	$ 55,583	$ 43,354	$ 44,438	$ 74,823	$ 78,564	$ 82,492	$ 86,617	$ 90,947
Miscellaneous	$ 218,133	$ 220,314	$ 222,517	$ 50,000	$ 50,000	$ 50,250	$ 50,753	$ 51,260	$ 51,773	$ 52,290	$ 52,813
BASELINE WITH MILD RECESSION	**$ 13,184,005**	**$ 14,439,853**	**$ 15,081,143**	**$ 14,554,348**	**$14,054,810**	**$ 14,365,970**	**$ 15,458,855**	**$ 16,137,157**	**$ 16,848,423**	**$ 17,603,510**	**$ 18,414,229**
% change year over year	9.80%	8.70%	4.25%	-3.62%	-3.55%	2.17%	7.07%	4.20%	4.22%	4.29%	4.40%

APPENDIX J

REVENUES - BASELINE WITH MILD RECESSION AND HOTEL	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes	$ 4,517,262	$ 4,675,366	$ 4,839,004	$ 4,887,394	$ 4,887,394	$ 4,972,924	$ 5,146,976	$ 5,327,120	$ 5,513,569	$ 5,706,544	$ 5,906,273
Sales Tax	$ 4,275,511	$ 4,619,287	$ 4,850,251	$ 4,728,995	$ 4,492,545	$ 4,604,858	$ 4,835,101	$ 5,076,856	$ 5,330,699	$ 5,597,234	$ 5,877,096
TOT	$ 2,591,133	$ 3,340,689	$ 3,507,724	$ 3,332,338	$ 3,765,721	$ 3,859,864	$ 4,052,857	$ 4,255,500	$ 4,468,275	$ 4,691,688	$ 4,926,273
Other Taxes	$ 198,815	$ 208,755	$ 219,193	$ 201,110	$ 184,518	$ 189,131	$ 230,153	$ 241,660	$ 253,743	$ 266,431	$ 279,752
Charges for Service	$ 85,450	$ 88,014	$ 90,654	$ 80,229	$ 71,002	$ 72,067	$ 93,374	$ 82,636	$ 73,132	$ 74,229	$ 96,175
Fines & Forfeits	$ 34,500	$ 36,225	$ 38,036	$ 36,134	$ 34,328	$ 35,186	$ 39,938	$ 41,935	$ 44,032	$ 46,233	$ 48,545
Licenses and Permits	$ 919,532	$ 965,509	$ 1,013,784	$ 973,233	$ 934,303	$ 957,661	$ 1,064,473	$ 1,117,697	$ 1,173,582	$ 1,232,261	$ 1,293,874
Development Fees	$ 6,500	$ 6,825	$ 7,166	$ 7,166	$ 7,166	$ 7,345	$ 7,525	$ 7,901	$ 8,296	$ 8,711	$ 9,146
Intergovernental	$ 200,955	$ 211,003	$ 221,553	$ 202,167	$ 184,477	$ 187,245	$ 232,631	$ 244,262	$ 256,475	$ 269,299	$ 282,764
Interest and Rents	$ 136,214	$ 67,866	$ 71,260	$ 55,583	$ 43,354	$ 44,438	$ 74,823	$ 78,564	$ 82,492	$ 86,617	$ 90,947
Miscellaneous	$ 218,133	$ 220,314	$ 222,517	$ 50,000	$ 50,000	$ 50,250	$ 50,753	$ 51,260	$ 51,773	$ 52,290	$ 52,813
BASELINE WITH MILD RECESSION &	**$ 13,184,005**	**$ 14,439,853**	**$ 15,081,143**	**$ 14,554,348**	**$14,654,810**	**$ 14,980,970**	**$ 15,828,602**	**$ 16,525,391**	**$ 17,256,069**	**$ 18,031,538**	**$ 18,863,659**
% change year over year	9.80%	8.70%	4.25%	-3.62%	0.69%	2.18%	5.36%	4.22%	4.23%	4.30%	4.41%

APPENDIX K

REVENUES - BASELINE WITH HOTEL IN FY 22	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated	2022 Estimated	2023 Estimated	2024 Estimated	2025 Estimated	2026 Estimated	2027 Estimated	2028 Estimated
Property Taxes	$ 4,517,262	$ 4,675,366	$ 4,839,004	$ 5,008,369	$ 5,183,662	$ 5,365,091	$ 5,552,869	$ 5,747,219	$ 5,948,372	$ 6,156,565	$ 6,372,045
Sales Tax	$ 4,275,511	$ 4,619,287	$ 4,850,251	$ 5,092,763	$ 5,347,402	$ 5,614,772	$ 5,895,510	$ 6,190,286	$ 6,499,800	$ 6,824,790	$ 7,166,030
TOT	$ 2,591,133	$ 3,340,689	$ 3,507,724	$ 3,683,110	$ 4,467,265	$ 4,690,629	$ 4,925,160	$ 5,171,418	$ 5,429,989	$ 5,701,489	$ 5,986,563
Other Taxes	$ 198,815	$ 208,755	$ 219,193	$ 230,153	$ 241,660	$ 253,743	$ 266,431	$ 279,752	$ 293,740	$ 308,427	$ 323,848
Charges for Service	$ 85,450	$ 88,014	$ 90,654	$ 93,374	$ 96,175	$ 99,060	$ 102,032	$ 105,093	$ 108,246	$ 111,493	$ 114,838
Fines & Forfeits	$ 34,500	$ 36,225	$ 38,036	$ 39,938	$ 41,935	$ 44,032	$ 46,233	$ 48,545	$ 50,972	$ 53,521	$ 56,197
Licenses and Permits	$ 919,532	$ 965,509	$ 1,013,784	$ 1,064,473	$ 1,117,697	$ 1,173,582	$ 1,232,261	$ 1,293,874	$ 1,358,568	$ 1,426,496	$ 1,497,821
Development Fees	$ 6,500	$ 6,825	$ 7,166	$ 7,525	$ 7,901	$ 8,296	$ 8,711	$ 9,146	$ 9,603	$ 10,084	$ 10,588
Intergovernental	$ 200,955	$ 211,003	$ 221,553	$ 232,631	$ 244,262	$ 256,475	$ 269,299	$ 282,764	$ 296,902	$ 311,747	$ 327,335
Interest and Rents	$ 136,214	$ 67,866	$ 71,260	$ 74,823	$ 78,564	$ 82,492	$ 86,617	$ 90,947	$ 95,495	$ 100,270	$ 105,283
Miscellaneous	$ 218,133	$ 220,314	$ 222,517	$ 224,743	$ 226,990	$ 229,260	$ 231,553	$ 233,868	$ 236,207	$ 238,569	$ 240,955
BASELINE WITH HOTEL YR 4	**$ 13,184,005**	**$ 14,439,853**	**$ 15,081,143**	**$ 15,751,901**	**$17,053,513**	**$ 17,817,431**	**$ 18,616,674**	**$ 19,452,912**	**$ 20,327,893**	**$ 21,243,449**	**$ 22,201,500**
% change year over year	9.80%	8.70%	4.25%	4.26%	7.63%	4.29%	4.29%	4.30%	4.30%	4.31%	4.32%

APPENDIX L

REVENUES - BASELINE WITH RECESSION & HOTEL FY 22	2018 Estimated	2019 Estimated	2020 Estimated	2021 Estimated	2022 Estimated	2023 Estimated	2024 Estimated	2025 Estimated	2026 Estimated	2027 Estimated	2028 Estimated
Property Taxes	$ 4,517,262	$ 4,675,366	$ 4,839,004	$ 4,935,784	$ 4,935,784	$ 5,022,161	$ 5,197,936	$ 5,379,864	$ 5,568,159	$ 5,763,045	$ 5,964,751
Sales Tax	$ 4,275,511	$ 4,619,287	$ 4,850,251	$ 4,607,738	$ 4,146,965	$ 4,250,639	$ 4,463,171	$ 4,686,329	$ 4,920,646	$ 5,166,678	$ 5,425,012
TOT	$ 2,591,133	$ 3,340,689	$ 3,507,724	$ 3,156,951	$ 3,441,256	$ 3,527,288	$ 3,683,110	$ 3,867,265	$ 4,060,629	$ 4,263,660	$ 4,476,843
Other Taxes	$ 198,815	$ 208,755	$ 219,193	$ 183,026	$ 152,827	$ 156,648	$ 230,153	$ 241,660	$ 253,743	$ 266,431	$ 279,752
Charges for Service	$ 85,450	$ 88,014	$ 90,654	$ 69,804	$ 53,749	$ 54,555	$ 93,374	$ 96,175	$ 99,060	$ 102,032	$ 105,093
Fines & Forfeits	$ 34,500	$ 36,225	$ 38,036	$ 34,233	$ 30,809	$ 31,580	$ 39,938	$ 41,935	$ 44,032	$ 46,233	$ 48,545
Licenses and Permits	$ 919,532	$ 965,509	$ 1,013,784	$ 932,681	$ 858,067	$ 879,518	$ 1,064,473	$ 1,117,697	$ 1,173,582	$ 1,232,261	$ 1,293,874
Development Fees	$ 6,500	$ 6,825	$ 7,166	$ 7,166	$ 7,166	$ 7,345	$ 7,525	$ 7,901	$ 8,296	$ 8,711	$ 9,146
Intergovernental	$ 200,955	$ 211,003	$ 221,553	$ 182,781	$ 150,794	$ 154,564	$ 232,631	$ 244,262	$ 256,475	$ 269,299	$ 282,764
Interest and Rents	$ 136,214	$ 67,866	$ 71,260	$ 39,905	$ 22,347	$ 22,906	$ 74,823	$ 78,564	$ 82,492	$ 86,617	$ 90,947
Miscellaneous	$ 218,133	$ 220,314	$ 222,517	$ 50,000	$ 50,000	$ 50,250	$ 50,753	$ 51,260	$ 51,773	$ 52,290	$ 52,813
BASELINE WITH RECESSION AND H	**$ 13,184,005**	**$ 14,439,853**	**$ 15,081,143**	**$ 14,200,071**	**$13,849,765**	**$ 14,157,453**	**$ 15,137,885**	**$ 15,812,912**	**$ 16,518,886**	**$ 17,257,256**	**$ 18,029,541**
% change year over year	9.80%	8.70%	4.25%	-6.20%	-2.53%	2.17%	6.48%	4.27%	4.27%	4.28%	4.28%

APPENDIX M

EXPENSES: Baseline	Estimate	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Description	2018	2019****	2020	2021	2022	2023	2024	2025	2026	2027	2028
Salaries and Benefits*, **	$ 5,818,725	$ 5,922,381	$ 6,129,664	$ 6,344,202	$ 6,566,249	$ 6,796,068	$ 7,033,930	$ 7,280,118	$ 7,534,922	$ 7,798,644	$ 8,071,597
Health Insurance	$ 999,354	$ 1,059,315	$ 1,122,874	$ 1,190,247	$ 1,261,661	$ 1,337,361	$ 1,417,603	$ 1,502,659	$ 1,592,818	$ 1,688,388	$ 1,789,691
PERS Unfunded Liabilities***	$ 641,316	$ 711,861	$ 790,165	$ 877,084	$ 973,563	$ 1,080,655	$ 1,199,527	$ 1,331,475	$ 1,477,937	$ 1,640,510	$ 1,820,966
Services	$ 3,077,218	$ 2,864,920	$ 2,965,193	$ 3,068,974	$ 3,176,388	$ 3,287,562	$ 3,402,627	$ 3,521,719	$ 3,644,979	$ 3,772,553	$ 3,904,592
Supplies	$ 407,231	$ 421,484	$ 436,236	$ 451,504	$ 467,306	$ 483,662	$ 500,590	$ 518,111	$ 536,245	$ 555,013	$ 574,439
Maintenance	$ 361,226	$ 379,287	$ 398,251	$ 418,164	$ 439,072	$ 461,026	$ 484,077	$ 508,281	$ 533,695	$ 560,380	$ 588,399
Taxes, Insurance, & Contributions	$ 751,308	$ 772,345	$ 793,970	$ 816,201	$ 839,055	$ 862,549	$ 886,700	$ 911,528	$ 937,050	$ 963,288	$ 990,260
Debt Service (Interest & Principal)	$ 311,350	$ 142,384	$ 142,384	$ 71,192	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital	$ 38,483	$ 40,407	$ 42,427	$ 44,549	$ 46,776	$ 49,115	$ 51,571	$ 54,149	$ 56,857	$ 59,700	$ 62,685
Transfer to Other Funds	$ 1,486,900	$ 1,736,389	$ 1,058,889	$ 1,158,889	$ 1,158,889	$ 1,213,889	$ 1,213,889	$ 1,133,889	$ 1,133,889	$ 1,133,889	$ 1,073,889
TOTAL EXPENSES	**$ 13,893,110**	**$ 14,050,772**	**$ 13,880,053**	**$ 14,441,006**	**$ 14,928,961**	**$ 15,571,887**	**$ 16,190,514**	**$ 16,761,928**	**$ 17,448,392**	**$ 18,172,365**	**$ 18,876,517**

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APPENDIX N

EXPENSES: Baseline with Recession	Estimate	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Description	2018	2019****	2020	2021	2022	2023	2024	2025	2026	2027	2028
Salaries and Benefits*, **	$ 5,818,725	$ 5,922,381	$ 6,129,664	$ 6,344,202	$ 6,566,249	$ 6,566,249	$ 6,566,249	$ 6,566,249	$ 6,796,068	$ 7,033,930	$ 7,280,118
Health Insurance	$ 999,354	$ 1,059,315	$ 1,122,874	$ 1,190,247	$ 1,261,661	$ 1,337,361	$ 1,417,603	$ 1,502,659	$ 1,592,818	$ 1,688,388	$ 1,789,691
PERS Unfunded Liabilities***	$ 641,316	$ 711,861	$ 790,165	$ 877,084	$ 973,563	$ 1,080,655	$ 1,199,527	$ 1,331,475	$ 1,477,937	$ 1,640,510	$ 1,820,966
Services	$ 3,077,218	$ 2,864,920	$ 2,965,193	$ 3,068,974	$ 3,176,388	$ 3,176,388	$ 3,176,388	$ 3,176,388	$ 3,287,562	$ 3,402,627	$ 3,521,719
Supplies	$ 407,231	$ 421,484	$ 436,236	$ 451,504	$ 467,306	$ 467,306	$ 467,306	$ 467,306	$ 483,662	$ 500,590	$ 518,111
Maintenance	$ 361,226	$ 379,287	$ 398,251	$ 418,164	$ 439,072	$ 461,026	$ 484,077	$ 508,281	$ 533,695	$ 560,380	$ 588,399
Taxes, Insurance, & Contributions	$ 751,308	$ 772,345	$ 793,970	$ 816,201	$ 839,055	$ 862,549	$ 886,700	$ 911,528	$ 937,050	$ 963,288	$ 990,260
Debt Service (Interest & Principal)	$ 311,350	$ 142,384	$ 142,384	$ 71,192	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital	$ 38,483	$ 40,407	$ 42,427	$ 44,549	$ 46,776	$ 49,115	$ 51,571	$ 54,149	$ 56,857	$ 59,700	$ 62,685
Transfer to Other Funds	$ 1,486,900	$ 1,736,389	$ 1,058,889	$ 1,158,889	$ 1,158,889	$ 1,213,889	$ 1,213,889	$ 1,133,889	$ 1,133,889	$ 1,133,889	$ 1,073,889
TOTAL EXPENSES	**$ 13,893,110**	**$ 14,050,772**	**$ 13,880,053**	**$ 14,441,006**	**$ 14,928,961**	**$ 15,214,538**	**$ 15,463,311**	**$ 15,651,925**	**$ 16,299,539**	**$ 16,983,301**	**$ 17,645,837**

APPENDIX O

Transfer to Other Funds Summary:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Flood Control Capital Reserve	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Transfer to 235 SRF Loan											
W & WW CARE											
Streets Capital - R18-79 Pavement Re	$ 250,000	$ 77,500									
Streets Capital - R18-80 ADA Curb Ra	$ 45,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 20,000
Civic Capital - C18-83 ADA Transition	$ 80,000	$ 103,000	$ 103,000	$ 103,000	$ 103,000	$ 103,000	$ 103,000	$ 23,000	$ 23,000	$ 23,000	$ 8,000
Equipment Replacement Fund	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Flood Control Closeout Expenses to 2	$ 211,900										
Water Capital - Removal of Upper Yo	$ 800,000	$ 800,000	$ -								
Streets Capital - R18-79 MOE Measu		$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189	$ 379,189
Measure T - Class 1 Trails 6.67%		$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700	$ 66,700
Capital Improvements - General		$ 100,000	$ 300,000	$ 400,000	$ 400,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
TOTALS - TRANSFER TO OTHER FUN	**$ 1,486,900**	**$ 1,736,389**	**$ 1,058,889**	**$ 1,158,889**	**$ 1,158,889**	**$ 1,213,889**	**$ 1,213,889**	**$ 1,133,889**	**$ 1,133,889**	**$ 1,133,889**	**$ 1,073,889**

DRAFT
FY 2018-2028
Long Range Financial Forecast

By:

Mark Prestwich, City Manager

April Mitts, Finance Director

March 13, 2018

Long Range Financial Forecast

- What is a LRFF?
  - Provides a current and long-range financial forecast
  - Identify any significant issues that may need to be addressed
  - It is not a budget
  - Utilizes assumptions
  - Offers several scenarios based on assumptions

LRFF - Assumptions

REVENUES

1. **Baseline**
   - Based on a continuing modest economic recovery
   - Similar to actual revenue growth the City incurred over the last 10-years
2. **Baseline with Recession**
   - Assumes a recession during FY 2020-21 and FY 2021-22
   - Takes the average growth/decline in FY 2008-09 and FY 2009-10
   - Applies average to FY 2021-21 and FY 2021-22
   - Takes half of the baseline growth for FY 2022-23
3. **Baseline with Mild Recession**
   - Reduces growth/decline in Baseline with Recession by half

LRFF - Assumptions

REVENUES

4. **Baseline with a Hotel in Year 4**
    - Adds $600,000 in TOT beginning in FY 2022-23
5. **Baseline with Hotel in Year 4 and Recession**
6. **Baseline with Hotel in Year 4 and Mild Recession**

LRFF - Assumptions

EXPENDITURES

1. Baseline

- Based on a continuing modest economic recovery
- Similar to actual expenditure growth the City incurred over the last 10-years
- Civic Capital Improvements

FY 2018-19	$100,000
FY 2019-20	$300,000
FY 2020-21 and FY 2021-22	$400,000
FY 2022-23 and beyond	$500,000

2. Baseline with Recession

- Assumes a recession during FY 2020-21 and FY 2021-22
- Hold on salary, supply, and service growth in FY 2022-23 to FY 2024-25

Scenario 1 - Baseline

SCENARIO 1 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.4 m	3.7 m	4.1 m	5.3 m	6.6 m	8.1 m	9.7 m	11.5 m	13.5 m	15.7 m	18.0 m
2												
3	REVENUES	13.2 m	14.4 m	15.1 m	15.8 m	16.5 m	17.2 m	18.0 m	18.8 m	19.6 m	20.5 m	21.4 m
4	EXPENSES	13.9 m	14.1 m	13.9 m	14.4 m	14.9 m	15.6 m	16.2 m	16.8 m	17.4 m	18.2 m	18.9 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.7 m	0.4 m	1.2 m	1.3 m	1.5 m	1.6 m	1.8 m	2.0 m	2.2 m	2.3 m	2.5 m
7												
8	ENDING FUND BALANCE	3.7 m	4.1 m	5.3 m	6.6 m	8.1 m	9.7 m	11.5 m	13.5 m	15.7 m	18.0 m	20.5 m
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	54%	63%	71%	81%	90%	99%	108%

Scenario 2 – Baseline with Recession

	SCENARIO 2 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.4 m	3.7 m	4.1 m	5.3 m	5.0 m	3.4 m	1.7 m	1.4 m	1.5 m	1.7 m	1.9 m
2												
3	REVENUES	13.2 m	14.4 m	15.1 m	14.2 m	13.2 m	13.5 m	15.1 m	15.8 m	16.5 m	17.2 m	18.0 m
4	EXPENSES	13.9 m	14.1 m	13.9 m	14.4 m	14.9 m	15.2 m	15.5 m	15.7 m	16.3 m	17.0 m	17.6 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.7 m	0.4 m	1.2 m	-0.2 m	-1.7 m	-1.7 m	-0.3 m	0.1 m	0.2 m	0.2 m	0.4 m
7												
8	ENDING FUND BALANCE	3.7 m	4.1 m	5.3 m	5.0 m	3.4 m	1.7 m	1.4 m	1.5 m	1.7 m	1.9 m	2.3 m
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	23%	11%	9%	10%	10%	11%	13%

Scenario 3 – Baseline with Mild Recession

	SCENARIO 3 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.4 m	3.7 m	4.1 m	5.3 m	5.4 m	4.5 m	3.7 m	3.7 m	4.2 m	4.7 m	5.3 m
2												
3	REVENUES	13.2 m	14.4 m	15.1 m	14.6 m	14.1 m	14.4 m	15.5 m	16.1 m	16.8 m	17.6 m	18.4 m
4	EXPENSES	13.9 m	14.1 m	13.9 m	14.4 m	14.9 m	15.2 m	15.5 m	15.7 m	16.3 m	17.0 m	17.6 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.7 m	0.4 m	1.2 m	0.1 m	-0.9 m	-0.8 m	0.0 m	0.5 m	0.5 m	0.6 m	0.8 m
7												
8	ENDING FUND BALANCE	3.7 m	4.1 m	5.3 m	5.4 m	4.5 m	3.7 m	3.7 m	4.2 m	4.7 m	5.3 m	6.1 m
9	UNASSIGNED NET POSITION	27%	29%	38%	37%	30%	24%	24%	27%	29%	31%	35%

Scenario 4 – Baseline with Hotel in Year 4

SCENARIO 4 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.41 m	3.70 m	4.09 m	5.29 m	6.60 m	8.73 m	10.97 m	13.40 m	16.09 m	18.97 m	22.04 m
2												
3	REVENUES	13.18 m	14.44 m	15.08 m	15.75 m	17.05 m	17.82 m	18.62 m	19.45 m	20.33 m	21.24 m	22.20 m
4	EXPENSES	13.89 m	14.05 m	13.88 m	14.44 m	14.93 m	15.57 m	16.19 m	16.76 m	17.45 m	18.17 m	18.88 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.71 m	0.39 m	1.20 m	1.31 m	2.12 m	2.25 m	2.43 m	2.69 m	2.88 m	3.07 m	3.32 m
7												
8	ENDING FUND BALANCE	3.70 m	4.09 m	5.29 m	6.60 m	8.73 m	10.97 m	13.40 m	16.09 m	18.97 m	22.04 m	25.36 m
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	58%	70%	83%	96%	109%	121%	134%

Scenario 5 – Baseline with Recession and Hotel in Year 4

SCENARIO 5 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4 and RECESSION												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.41 m	3.70 m	4.09 m	5.29 m	5.05 m	3.97 m	2.91 m	2.59 m	2.75 m	2.97 m	3.24 m
2												
3	REVENUES	13.18 m	14.44 m	15.08 m	14.20 m	13.85 m	14.16 m	15.14 m	15.81 m	16.52 m	17.26 m	18.03 m
4	EXPENSES	13.89 m	14.05 m	13.88 m	14.44 m	14.93 m	15.21 m	15.46 m	15.65 m	16.30 m	16.98 m	17.65 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.71 m	0.39 m	1.20 m	-0.24 m	-1.08 m	-1.06 m	-0.33 m	0.16 m	0.22 m	0.27 m	0.38 m
7												
8	ENDING FUND BALANCE	3.70 m	4.09 m	5.29 m	5.05 m	3.97 m	2.91 m	2.59 m	2.75 m	2.97 m	3.24 m	3.63 m
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	27%	19%	17%	18%	18%	19%	21%

Scenario 6 – Baseline with Mild Recession and Hotel in Year 4

SCENARIO 6 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION AND HOTEL IN YEAR 4												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.41 m	3.70 m	4.09 m	5.29 m	5.40 m	5.13 m	4.90 m	5.26 m	6.13 m	7.09 m	8.14 m
2												
3	REVENUES	13.18 m	14.44 m	15.08 m	14.55 m	14.65 m	14.98 m	15.83 m	16.53 m	17.26 m	18.03 m	18.86 m
4	EXPENSES	13.89 m	14.05 m	13.88 m	14.44 m	14.93 m	15.21 m	15.46 m	15.65 m	16.30 m	16.98 m	17.65 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.71 m	0.39 m	1.20 m	0.11 m	-0.27 m	-0.23 m	0.37 m	0.87 m	0.96 m	1.05 m	1.22 m
7												
8	ENDING FUND BALANCE	3.70 m	4.09 m	5.29 m	5.40 m	5.13 m	4.90 m	5.26 m	6.13 m	7.09 m	8.14 m	9.36 m
9	UNASSIGNED NET POSITION	27%	29%	38%	37%	34%	32%	34%	39%	44%	48%	53%

DRAFT
FY 2018-2028
Long Range Financial Forecast

By:

Mark Prestwich, City Manager

April Mitts, Finance Director

March 13, 2018

Long Range Financial Forecast

- What is a LRFF?
  - Provides a current and long-range financial forecast
  - Identify any significant issues that may need to be addressed
  - It is not a budget
  - Utilizes assumptions
  - Offers several scenarios based on assumptions

LRFF - Assumptions

REVENUES

1. **Baseline**
   - Based on a continuing modest economic recovery
   - Similar to actual revenue growth the City incurred over the last 10-years
2. **Mild Recession**
   - Reduces growth/decline in Baseline
3. **Deep Recession**
   - Assumes a deep recession during FY 2020-21 and FY 2021-22
   - Takes the average growth/decline in FY 2008-09 and FY 2009-10
   - Applies average to FY 2021-21 and FY 2021-22
   - Takes half of the baseline growth for FY 2022-23

LRFF - Assumptions

REVENUES

1. **With a Hotel in Year 4**
   - Adds $600,000 in TOT beginning in FY 2022-23
2. **With Hotel in Year 4 and Deep Recession**
3. **With Hotel in Year 4 and Mild Recession**

LRFF - Assumptions

REVENUES

	Annual percentage of Revenues	Revenue Assumptions						
		Baseline	Mild Recession			Deep Recession		
			2021	2022	2023	2021	2022	2023
Property Taxes	33%	4%	3%	1.5%	3%	2%	0%	1.75%
Sales Tax	32%	5%	(2%)	(3%)	5%	(5%)	(10%)	2.5%
TOT	23%	5%	(5%)	(3%)	5%	(10%)	(10%)	2.5%
Other Taxes	12%	4.25%	(6.9%)	(7%)	4.25%	(29%)	(29%)	2.1%

LRFF - Assumptions

EXPENDITURES

1. **Baseline**
   - Based on a continuing modest economic recovery
   - Similar to actual expenditure growth the City incurred over the last 10-years
   - Civic Capital Improvements

FY 2018-19	$100,000
FY 2019-20	$300,000
FY 2020-21 and FY 2021-22	$400,000
FY 2022-23 and beyond	$500,000

2. **Recession (both Mild and Deep)**
   - Assumes a recession during FY 2020-21 and FY 2021-22
   - Hold on salary, supply, and service growth in FY 2022-23 to FY 2024-25

Scenario 1 - Baseline

SCENARIO 1 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.4 m	3.7 m	4.1 m	5.3 m	6.6 m	8.1 m	9.7 m	11.5 m	13.5 m	15.7 m	18.0 m
2												
3	REVENUES	13.2 m	14.4 m	15.1 m	15.8 m	16.5 m	17.2 m	18.0 m	18.8 m	19.6 m	20.5 m	21.4 m
4	EXPENSES	13.9 m	14.1 m	13.9 m	14.4 m	14.9 m	15.6 m	16.2 m	16.8 m	17.4 m	18.2 m	18.9 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.7 m	0.4 m	1.2 m	1.3 m	1.5 m	1.6 m	1.8 m	2.0 m	2.2 m	2.3 m	2.5 m
7												
8	ENDING FUND BALANCE	3.7 m	4.1 m	5.3 m	6.6 m	8.1 m	9.7 m	11.5 m	13.5 m	15.7 m	18.0 m	20.5 m
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	54%	63%	71%	81%	90%	99%	108%

Scenario 2 – Deep Recession

SCENARIO 2 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH RECESSION												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.4 m	3.7 m	4.1 m	5.3 m	5.0 m	3.4 m	1.7 m	1.4 m	1.5 m	1.7 m	1.9 m
2												
3	REVENUES	13.2 m	14.4 m	15.1 m	14.2 m	13.2 m	13.5 m	15.1 m	15.8 m	16.5 m	17.2 m	18.0 m
4	EXPENSES	13.9 m	14.1 m	13.9 m	14.4 m	14.9 m	15.2 m	15.5 m	15.7 m	16.3 m	17.0 m	17.6 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.7 m	0.4 m	1.2 m	-0.2 m	-1.7 m	-1.7 m	-0.3 m	0.1 m	0.2 m	0.2 m	0.4 m
7												
8	ENDING FUND BALANCE	3.7 m	4.1 m	5.3 m	5.0 m	3.4 m	1.7 m	1.4 m	1.5 m	1.7 m	1.9 m	2.3 m
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	23%	11%	9%	10%	10%	11%	13%

Scenario 3 – Mild Recession

	SCENARIO 3 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION											
	GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED											
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.41 m	3.70 m	4.09 m	5.29 m	5.58 m	5.15 m	5.07 m	5.56 m	6.58 m	7.69 m	8.90 m
2												
3	REVENUES	13.18 m	14.44 m	15.08 m	14.73 m	14.51 m	15.13 m	15.95 m	16.67 m	17.41 m	18.19 m	19.01 m
4	EXPENSES	13.89 m	14.05 m	13.88 m	14.44 m	14.93 m	15.21 m	15.46 m	15.65 m	16.30 m	16.98 m	17.65 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.71 m	0.39 m	1.20 m	0.28 m	-0.42 m	-0.08 m	0.49 m	1.01 m	1.11 m	1.21 m	1.36 m
7												
8	ENDING FUND BALANCE	3.70 m	4.09 m	5.29 m	5.58 m	5.15 m	5.07 m	5.56 m	6.58 m	7.69 m	8.90 m	10.26 m
9	UNASSIGNED NET POSITION	27%	29%	38%	39%	35%	33%	36%	42%	47%	52%	58%

Scenario 4 – With Hotel in Year 4

SCENARIO 4 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.41 m	3.70 m	4.09 m	5.29 m	6.60 m	8.73 m	10.97 m	13.40 m	16.09 m	18.97 m	22.04 m
2												
3	REVENUES	13.18 m	14.44 m	15.08 m	15.75 m	17.05 m	17.82 m	18.62 m	19.45 m	20.33 m	21.24 m	22.20 m
4	EXPENSES	13.89 m	14.05 m	13.88 m	14.44 m	14.93 m	15.57 m	16.19 m	16.76 m	17.45 m	18.17 m	18.88 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.71 m	0.39 m	1.20 m	1.31 m	2.12 m	2.25 m	2.43 m	2.69 m	2.88 m	3.07 m	3.32 m
7												
8	ENDING FUND BALANCE	3.70 m	4.09 m	5.29 m	6.60 m	8.73 m	10.97 m	13.40 m	16.09 m	18.97 m	22.04 m	25.36 m
9	UNASSIGNED NET POSITION	27%	29%	38%	46%	58%	70%	83%	96%	109%	121%	134%

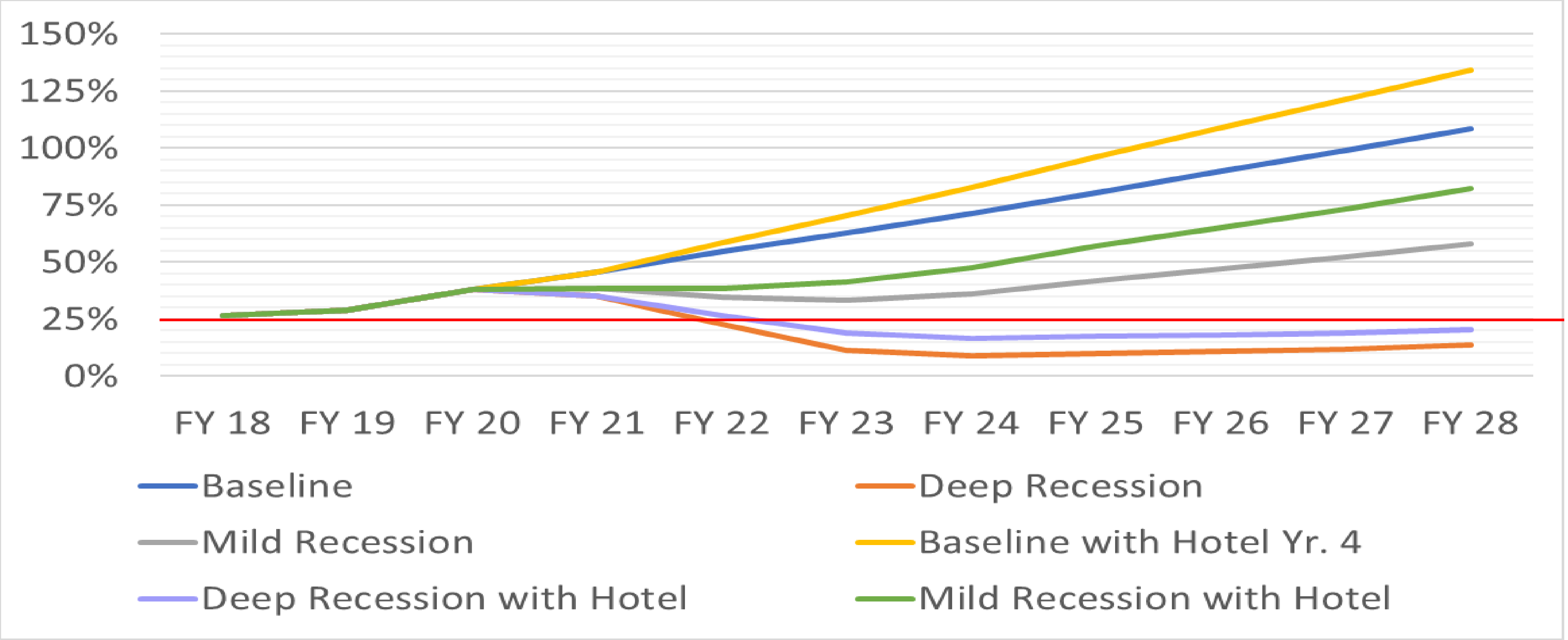
Scenario 5 – Deep Recession and Hotel in Year 4

SCENARIO 5 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH NEW HOTEL YR 4 and RECESSION												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.41 m	3.70 m	4.09 m	5.29 m	5.05 m	3.97 m	2.91 m	2.59 m	2.75 m	2.97 m	3.24 m
2												
3	REVENUES	13.18 m	14.44 m	15.08 m	14.20 m	13.85 m	14.16 m	15.14 m	15.81 m	16.52 m	17.26 m	18.03 m
4	EXPENSES	13.89 m	14.05 m	13.88 m	14.44 m	14.93 m	15.21 m	15.46 m	15.65 m	16.30 m	16.98 m	17.65 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.71 m	0.39 m	1.20 m	-0.24 m	-1.08 m	-1.06 m	-0.33 m	0.16 m	0.22 m	0.27 m	0.38 m
7												
8	ENDING FUND BALANCE	3.70 m	4.09 m	5.29 m	5.05 m	3.97 m	2.91 m	2.59 m	2.75 m	2.97 m	3.24 m	3.63 m
9	UNASSIGNED NET POSITION	27%	29%	38%	35%	27%	19%	17%	18%	18%	19%	21%

Scenario 6 – Mild Recession and Hotel in Year 4

SCENARIO 6 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH MILD RECESSION AND HOTEL YEAR 4												
GENERAL FUND TEN YEAR FORECAST 2018-2028 - UNASSIGNED												
		FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	BASELINE	Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	4.41 m	3.70 m	4.09 m	5.29 m	5.58 m	5.75 m	6.30 m	7.33 m	8.92 m	10.63 m	12.46 m
2												
3	REVENUES	13.18 m	14.44 m	15.08 m	14.73 m	15.11 m	15.76 m	16.50 m	17.24 m	18.01 m	18.82 m	19.67 m
4	EXPENSES	13.89 m	14.05 m	13.88 m	14.44 m	14.93 m	15.21 m	15.46 m	15.65 m	16.30 m	16.98 m	17.65 m
5												
6	ANNUAL SURPLUS OR (DEFICIT)	-0.71 m	0.39 m	1.20 m	0.28 m	0.18 m	0.54 m	1.03 m	1.58 m	1.71 m	1.84 m	2.02 m
7												
8	ENDING FUND BALANCE	3.70 m	4.09 m	5.29 m	5.58 m	5.75 m	6.30 m	7.33 m	8.92 m	10.63 m	12.46 m	14.48 m
9	UNASSIGNED NET POSITION	27%	29%	38%	39%	39%	41%	47%	57%	65%	73%	82%

General Fund Reserves



Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **New Business**

Subject: **Consideration and Direction Regarding Conceptual Indemnity and Defense Ordinance**

CEQA Determination: **Not a CEQA project**

Prepared By: Thomas B. Brown, City Attorney

Reviewed By: Noah Housh, Planning & Community Improvement Director

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

In January 2017, the City Council approved the design review and demolition permit for the eight-unit multifamily residential project proposed by Joe McGrath for the property located at 632 McCorkle Street. At that time, the applicant presented the project as a purely market rate project, in which none of the eight units would be "affordable" regulated units. Staff since has determined that the project is subject to the City's affordable housing "inclusionary" ordinance (St. Helena Municipal Code ("SHMC") chapter 17.146), requiring either that (1) 20% of the project's units be "affordable" for households at specified income levels, or (2) the project applicant satisfy alternative and/or in lieu fee requirements. All such fees would be added to the City's affordable housing trust fund ("AHTF").

Two groups challenged the City Council's decision approving the project in Court. The Napa Superior Court entered judgment in favor of the City and Mr. McGrath, and the petitioner groups have appealed. In accordance with the terms of his project application and conditions of project approval, which the City imposes on all project applicants, Mr. McGrath has to date paid the costs of the City's defense of the lawsuit. Mr. McGrath previously requested that the City Council relieve him of that obligation, on the ground that the project provides important workforce and infill housing in the City, and that the costs of defending the lawsuit make the project infeasible. While the City Council previously declined that request, Mr. McGrath has recently repeated the request with specific respect to the costs of defending the appeal. Mr. McGrath has stated that the costs of the litigation have substantially impacted the feasibility of, and his ability to develop the project.

The McGrath project is an example of a project that will provide affordable units and/or fees, as well as other workforce housing units. As such, it presents an opportunity for the Council to Council consider whether, and if so how, to require such projects that provide affordable units (and/or in lieu affordable housing fees) should also be required to pay the City's litigation defense costs, especially with respect to appellate costs after the trial court has determined that the City's approval of the project was legally correct.

DISCUSSION

Staff recommends that the City Council should consider whether, as a matter of general policy applicable to all developers, certain classes of affordable housing projects ought not be required to assume the costs of any or all of the City's litigation costs, either ever or under certain defined circumstances. For example, the Council may believe that while the City ought not be required to pay the costs of defending "market rate" residential projects, especially larger projects, the same may not be true for some smaller (20 units or less) multifamily projects providing some affordable units and/or in lieu fees, either voluntarily or as required by the City's inclusionary ordinance, Section 17.146.050. Similarly, while Council might believe as a matter of policy that the project developer should pay defense costs in the initial trial court proceedings, the same may not be the case after the trial court has ruled in favor of the correctness of the project's approval.

To initiate a conversation as to consideration of a possible preferred policy, staff has prepared the attached draft ordinance. (**Attachment A**.) The draft ordinance would amend the zoning ordinance to provide, as a matter of general applicability, that the obligation to pay the City's litigation defense costs on appeal would not apply to smaller residential development projects (20 units or less) satisfying the City's inclusionary ordinance where the trial court has entered judgment upholding the City's decision approving the project. Because the ordinance would amend the zoning ordinance, it would require Planning Commission review.

[1] It is important to bear in mind that the City's standard obligation is one that requires both defense and indemnity. The latter indemnity requirement is different from the defense obligation, and protects the City against any award of damages or attorney's fees that might be awarded were a court to rule against the City. Staff does not recommend relieving applicants of that indemnity obligation, as the attached ordinance makes clear.

FISCAL IMPACT

There is no direct fiscal impact. First, until the Planning Commission makes its recommendation, it is unclear what the ordinance will apply to or require. Even if the Planning Commission adopts the sample ordinance verbatim, it is impossible to predict the instances in the future in which that ordinance would apply, and in any event it would only apply to appeal costs for the relatively narrow class of projects specified.

RECOMMENDED ACTION

Staff recommends that the City Council accept public input and provide direction to staff with respect to the policy issue (and draft ordinance) whether to relieve project applicants who satisfy the City's inclusionary ordinance from any or all of the costs of defending a lawsuit challenging the City Council's approval of a project, perhaps especially with respect to appellate costs after a trial court has determined that the approval was legally correct.

ATTACHMENTS

Attachment A

Attachment A

EXHIBIT A

Section 17.08.060
Administrative Procedures

17.08.060 Authority of final decision-making body. Conditions of approval.

A. In considering an application for a permit or other discretionary approval authorized by this title, the final decision-making body may approve, deny or modify the application consistent with the evidence presented to it and the appropriate findings required by this title. Final decision-making bodies may require changes to applications and/or impose conditions of approval in order to affect the policies of the general plan and the purpose of this title. Such conditions include but are not limited to: dedication of land; installation of specific improvements; size, design and placement of buildings or structures; landscaping; the defense and indemnity of the City in litigation challenging the approval; and limitations on use and/or hours of operation. Such conditions shall be reasonably related to the use of the property for which the permit or other discretionary approval is requested. (Prior code § 27.405)

B. Notwithstanding any other provision or requirement of this code, following a trial court entry of judgment upholding the City's approval of a "residential development project" (as defined in Section 17.146.020 of this code) that (1) contains 20 or fewer units, and (2) satisfies the requirements of subsections (A), (B) or (C) of Section 17.146.050 of this code, the applicant shall be relieved of the obligation to pay the City's defense costs on appeal. The provisions of this subsection are not intended and shall not be deemed to relieve the residential development project applicant of: the requirement or condition to pay trial court litigation defense costs incurred prior to entry of judgment upholding the City's approval of the project; or any other indemnity requirement or condition, including without limitation a requirement or condition to indemnify the City from and against any damages, costs and/or attorney's fees should the City's approval of the residential development project be reversed.

Report to the City Council
Council Meeting of March 13, 2018

Agenda Section: **New Business**

Subject: **Review of a request from Joe McGrath for Council approval of an Alternative Equivalent Proposal to satisfy the Inclusionary Housing requirement for the approved project at 632 McCorkle, as allowed under St. Helena Municipal Code (SHMC) Section 17.146.050 B.**

CEQA Determination: **Exempt from the requirements of CEQA under the "General Rule", Section 15061 (b)(3), in that it can be seen with certainty that the proposed action will have no impact on the environment.**

Prepared By: Noah Housh, Planning & Community Improvement Director

Reviewed By: Mark T. Prestwich, City Manager

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

On December 6, 2016, the Planning Commission approved a request for Demolition and Design Review approval to construct an eight-unit multifamily housing project at 632 McCorkle Avenue in the High Density Residential zoning district.

On January 24, 2017, the City Council denied an appeal of this Planning Commission action, upholding the decision and reaffirming the approval of the design review and demolition permit for the eight-unit multifamily residential project proposed by Joe McGrath for the property located at 632 McCorkle Street. The project is subject to the City's affordable housing "inclusionary" ordinance (St. Helena Municipal Code ("SHMC") chapter 17.146), requiring either that (1) 20% of the project's units be "affordable" for households at specified income levels, or (2) the project applicant satisfy an alternative equivalent requirement and/or (3) pay in lieu fees to meet the City's Inclusionary Housing requirements. Under Chapter 17.146, project applicants also may request (from the Council) specified concessions and incentives to offset the costs of complying with the requirements.The requirements of Chapter 17.146 should have been, but were not, addressed during the discretionary review of the project. Rather, staff incorrectly assumed the project would automatically be required to pay an affordable housing in-lieu fee of $40,000.The applicant, Mr. McGrath, has requested that the Council address the issue now through the consideration of an Alternative Equivalent Proposal, as allowed under SHMC 17.146.050 B.

<u>DISCUSSION</u>

The City's Inclusionary Ordinance, SHMC Chapter 17.146

Many cities have adopted what are known as "inclusionary" ordinances, which require developers of market rate residential projects to set aside or offer a specified percentage of the proposed units to be affordable to households with specified moderate, low or very low incomes. St. Helena has adopted its own inclusionary ordinance, which is codified at SHMC chapter 17.146 under the heading "Housing Trust Fund, Housing Impact Fee and Inclusionary/In Lieu Fee Requirements."

The basic "inclusionary" requirement under the City's ordinance is as follows:

"At least twenty percent (20%) of all new dwelling units in a residential development project shall be affordable units, which shall be constructed and completed not later than the related market rate units."

Depending on the number of units any given project might propose, the 20% inclusionary requirement can result in a requirement that the applicant provide a fraction of one unit.The City's ordinance anticipates and addresses that as follows:

"For fractions of affordable units, including fractions resulting from construction of less than five dwelling units, the developer may elect, at his or her option, to construct the next higher whole number of affordable units, perform an alternative equivalent action which has received the approval of the city council pursuant to subsection B, or pay the housing in-lieu fee specified in subsection E for such fraction." (SHMC section 17.146.050 A.)

Most inclusionary ordinances allow for alternative means by which a developer may satisfy the requirements of the ordinance, namely, "alternative equivalents" and/or in-lieu fees.St. Helena's ordinance is no exception, and provides a means for developers to seek discretionary City Council approval for specified alternatives to the inclusionary units under SHMC 17.146.050 B., which states:

"A developer of any residential project may propose to meet the requirements of subsection A with an alternative equivalent action, subject to the review and approval of the city council. Proposals for alternative equivalent actions may include, but are not limited to, dedication of vacant land, the construction of affordable units on another site, or acquisition and enforcement of required rental/sales price restrictions on existing standard dwelling units consistent with this section. Any proposal shall show how the

alternative action will further affordable housing opportunities in the city to an equal or greater extent than compliance with the express requirements of subsection A or payment of the appropriate in-lieu housing fee."

Again, like most inclusionary ordinances, St. Helena's ordinance also allows developers to request discretionary City Council approval to satisfy the entire inclusionary requirement by payment of an in lieu fee:

"A developer of four or fewer residential dwelling units which are the whole of a residential development project may meet the requirements of subsection A through payment of an in-lieu fee.

A developer of any other residential project may propose to meet the requirements of subsection A through payment of an in-lieu fee by showing good cause that it is not feasible to construct the required units.

In addition to, and separate from, the alternative equivalent and in lieu fee options, the City's ordinance allows developers subject to the ordinance to request certain concessions and incentives to offset the costs of providing the affordable units (under the City's ordinance, a developer is allowed, but not required, to submit a preliminary development proposal for early City Council review, at which time the developer may also identify and receive Council feedback on any requests for concessions and incentives).

Thus, under Section 17.146.050 F., a developer who satisfies the ordinance by actually constructing the required affordable units may ask the City for a variety of financial and other concessions and incentives, including:

- An additional density bonus or other incentives of equal financial value subject to the City Council's review and approval.
- Waiver or modification of City standards that have a direct impact on reducing total project costs while being consistent with required building and safety code standards. The developer shall be responsible for documenting that the waiver or modification is necessary for the feasibility of the residential development project and is consistent with required building and safety code standards.
- Direct financial assistance in the form of a loan or grant using trust fund or other appropriate available funds subject to the recommendation of the housing director.
- Defer payment of City fees on market rate units until the issuance of the certificate of occupancy for the unit.

(SHMC section 17.146.050 F.)

For projects involving a developer's commitment to 25% affordable units, the Council may grant additional concessions or incentives as identified in SHMC 17.146.050 F 3.

The ordinance also specifies the required affordability of the inclusionary units as follows:

“If under subsection A, the developer is required to build three or fewer units of affordable rental housing, the following requirements apply:

a. If the developer is required to build only one affordable unit, that unit shall be affordable for a very low-income household.

b. If the developer is required to build two affordable units, one unit shall be affordable for a very low-income household and one unit shall be affordable for a low-income household.

c. If the developer is required to build three affordable units, one unit shall be affordable for a very low-income household, one unit shall be affordable for a low-income household, and one unit shall be affordable for a moderate-income household.

d. If the city's fair share housing goals, as set by the housing element of the general plan, have been met for the lowest income category, any required units shall be affordable in the next higher income category in which there is a fair share requirement."

Application Of The City’s Inclusionary Ordinance To Mr. McGrath’s 632 McCorkle Project.

As noted, Mr. McGrath’s project at 632 McCorkle proposes an eight-unit, multifamily residential rental project. As such, it is subject to the requirements of Section 17.146.050. Under Section 17.146.050 A, 20% of the eight units would be required to be affordable units under the terms and definitions of the ordinance.

The inclusionary requirement of 20% of the approved eight units is 1.6 units.Because the requirement results in a fraction of a unit, under Section 17.146.050 A, if Mr. McGrath were to build the one affordable unit, that unit would have to be affordable for a very low income household per SHMC section 17.146.050 G 1. A., and Mr. McGrath then may, at his option, either (1) construct and include an additional unit (affordable per Section 17.146.050 G 1. b. for a moderate income household) or (2) pay the specified in lieu fee for the remaining .6 unit. Staff has calculated the in lieu fee for the .6 unit as $2,837.13 ($1,600,000 construction costs for the project/7,994 square feet = $200.15 per square foot cost x 945 square feet unit size = $189,141.75 per two bedroom unit x 0.6 units = $113,485.05 x 2.5% In-Lieu fee requirement= $2,837.13).

Alternatively, Section 17.146.050 allows Mr. McGrath to seek approval from the Council for an alternate equivalent under Section 17.146.050 B, or pay in-lieu fees to cover the entirety of the inclusionary requirement under 17.146.050 C, both subject to Council approval.

Alternative Equivalent Proposal

Mr. McGrath has requested the City Council approve an alternative equivalent proposal as allowed under 17.146.050 B. Specifically, this alternative proposes:

1) Deed restrict one 2-bedroom unit located at 1246 Grayson Avenue to Low Income residents and deed restrict one 2-bedroom unit located at 1244 Grayson Avenue to Moderate Income Residents for a period of 20-years (both units are 960 square feet) for a period of 20-years; and

2) That this restriction be found to satisfy the inclusionary housing requirement for the 632 McCorkle project and no additional in-lieu fees be required; and

3) That the City Council grant a request to eliminate the covered parking (carport) requirement for the 632 McCorkle project as a concession and incentive consistent with State law and the Housing Element, given that the alternative equivalent proposal is providing 25% (two units) of the total unit count of the McCorkle project (eight units) as deed restricted affordable housing, as identified in SHMC 17.146.050 F. 3.; and

4) That all municipal fees for the 632 McCorkle Project been deferred until occupancy of the project.

Staff finds that Mr. McGrath's alternative equivalent proposal meets the requirements of 17.146.050 B., in that the alternative would further affordable housing opportunities in the City to an equal or greater extent than compliance with the express requirements of subsection A. Specifically, this alternative would:

1) Deed restrict two existing units (to low and moderate income residents) totaling 25-percent of the approved project's unit count, rather than the one low income unit and partial fee payment required under the standard inclusionary housing element identified in 17.146.050 A. which requires 20-percent of the approved project's unit count;

2) Locate these two additional units onto the west side of St Helena, an area identified by some members of the community as lacking in affordable housing units;

3) The alternative proposal has the added benefit of proving affordable housing units within walking distance of several schools;

4) The size of the deed restricted units are slightly larger (960 vs. 945 square feet), and include a garage as an added amenity.

FISCAL IMPACT

The only direct fiscal impact associated with the proposed alternative equivalent proposal is that the 0.6 unit in-lieu fee (approximately $2,837.13) would not be paid into the Affordable Housing Trust Fund account. Rather, a deed restricted moderate income unit would be accepted. Deferral of the project's impact fees would not result in any direct fiscal impacts as the fees would be collected prior to occupancy of the project.

RECOMMENDED ACTION

It is recommended that the City Council:

1. Determine the consideration and action on the requested Alternative Equivalent Proposal regarding inclusionary housing for the project at 632 McCorkle be found to be in keeping with the previous Class 32 Categorical Exemption allowed under CEQA Section 15332 for In-Fill development, and

2. Review and act on the request from Joe McGrath for approval of an Alternative Equivalent Proposal regarding meeting the City of St Helena Inclusionary Housing Requirements for the eight unit multifamily housing project previously approved at 632 McCorkle Avenue.

ATTACHMENTS

McGrath 632 McCorkle Inclusionary Alternative Resolution
Attachment A-Kosmont Feasibility Memo
Alternative Equivalent Proposal from Mr. Joe McGrath
Alternative Unit Photo 1
Alternative Unit Photo 2
Alternative Unit Photo 3
Alternative Unit Photo 4

CITY OF ST. HELENA

RESOLUTION NO. 2018-

APPROVING JOE MCGRATH'S PROPOSAL TO MEET THE REQUIREMENTS OF THE CITY'S INCLUSIONARY ORDINANCE, SHMC SECTION 17.146.050 A, FOR THE EIGHT UNIT PROJECT LOCATED AT 632 MCCORKLE STREET BY AN ALTERNATIVE EQUIVALENT ACTION PURSUANT TO SHMC SECTION 17.146.050 B, ACCEPTING A 20 YEAR REDUCED AFFORDABILITY DURATION, AND ADOPTING FINDINGS

RECITALS

A. **WHEREAS**, in January 2017, the City Council approved the design review and demolition permit for the eight-unit multifamily residential project proposed by Joe McGrath ("Applicant") for the property located at 632 McCorkle Street.

B. **WHEREAS**, at that time, the applicant presented the project as a purely market rate project, in which none of the eight units would be "affordable" regulated units, and Staff determined that an impact fee of $40,000 would be the project's only affordable housing requirement.

C. **WHEREAS**, Staff since has determined that the project is subject to the City's affordable housing "inclusionary" ordinance (St. Helena Municipal Code ("SHMC") chapter 17.146), requiring either that (1) 20% of the project's units be "affordable" for households at specified income levels, or (2) the project applicant satisfy alternative and/or in lieu fee requirements.

D. **WHEREAS**, applying the requirements, SHMC Section 17.146.050 A and G would require Applicant's project to provide 1.6 affordable units, including (1) one unit that would be affordable for a low-income household plus, with respect to the fractional (.6) unit, either one additional affordable unit, an alternative equivalent action or payment of the housing in-lieu fee specified under SHMC Section 17.146.050 E for such fraction ($2,837.13).

E. **WHEREAS**, two groups challenged the City Council's decision approving the project in Court. The Napa Superior Court entered judgment in favor of the City and Applicant, and the petitioner groups have appealed.

F. **WHEREAS**, in accordance with the terms of his project application and conditions of project approval, Applicant has paid the costs of the City's defense of the lawsuit.

G. **WHEREAS**, applicant has demonstrated that the costs of the litigation have substantially impacted the feasibility of, and his ability to develop the project. In addition, Applicant has incurred other unanticipated costs and expenses, including the requirement to include covered carports in the project and the remediation of soil contamination, which diminish the financial feasibility of, and jeopardize the project.

H. **WHEREAS**, Applicant has also demonstrated that the project will be financially infeasible if he is required to satisfy the City's basic inclusionary requirement under SHMC Section 17.146.050. He has stated that he may decide not to develop the project unless the City approves an alternative equivalent action as allowed under 17.146.050 B.

I. **WHEREAS**, under SHMC Section 17.146.050 J 4, affordable rental units are normally required to be affordable in perpetuity. Under SHMC Section 17.146.050 G 3, the City Council may forgive all or a portion of an affordability requirement. SHMC Section 17.146.050 J 4 includes the duration of affordable rental units' affordability as an issue of affordability. Applicant shall be required to execute the other regulatory agreements ensuring the affordability of the affordable units that he proposes to provide by his alternative equivalent action, as required by SHMC Section 17.146.050 J.

J. **WHEREAS**, Applicant has proposed an alternative equivalent action, as authorized by SHMC Section 17.146.050 B, and has requested a concession, as authorized by SHMC Section 17.146.050 F, as follows:

Alternative Equivalent Action Proposal:

- Applicant will provide one (1) two bedroom unit at 1246 Grayson shall be affordable for a low income household for a deed-restricted period of 20 years.

- Applicant will provide one (1) two bedroom unit at 1244 Grayson shall be affordable for a moderate income household for a deed-restricted period of 20 years.

- Applicant requests that the affordability duration of the two units commence at issuance of Certificate of Occupancy for the 632 McCorkle project and run for a period of 20 years.

- Applicant further requests that this component of his proposal not result in the eviction of an existing tenant, and that the existing tenant be evaluated as to whether he/she meets the qualification of this income category, and proposes to freeze the current rent in the interim period.

Concession Proposal:

- The City Council will excuse Applicant from the requirement to provide Carport(s) for the project.

- The City Council will defer collection of remaining municipal fees until occupancy of the 632 McCorkle project is granted.

K. **WHEREAS**, the City engaged Kosmont Companies ("Kosmont"), a consultant with expertise in reviewing such materials and assessing the financial feasibility of such projects, to assess the financial feasibility of the Applicant's project, and to confirm Applicant's demonstration that his project will not be feasible if the project is required to satisfy the basic inclusionary requirement as perscribed. Kosmont has confirmed and concluded that the Applicant's project will not be feasible, if the project satisfies the City's basic inclusionary requirement. The Kosmont financial analysis is attached hereto as **Attachment A**.

L. **WHEREAS**, Applicant submits, and City Council agrees, that his proposal will both further and significantly contribute to the affordable housing opportunities in the City to an equal or greater extent than compliance with the express requirements of SHMC Section 17.146.050 A or payment of the appropriate in-lieu housing fee as identified.

M. **WHEREAS**, the City of St. Helena has sought to satisfy its state-imposed housing obligations, at least in part, by planning for and approving smaller in-fill projects that are dispersed throughout the City. Such smaller in-fill projects can be financially infeasible when they provide affordable units and otherwise encounter unanticipated expenses such as litigation and soil remediation costs. Applicant's project is such a project. The City Council finds that unless the City approves Applicant's proposal, Applicant will be unable to develop his project, which provides critically-needed housing consistent with the City's above policy, and elements of the City's adopted Housing Element.

N. **WHEREAS**, excusing the Applicant from the requirement to provide carports and deferring fees, as authorized by SHMC Section 17.146.050 F, would both improve the project's financial feasibility and also substantially improve the project's design in terms of open space, light and air.

O. **WHEREAS**, Applicant's alternative equivalent action proposal advances the City's satisfaction of state RHNA requirements, and its provision of one low income unit on the west side of ST Helena will both apply to the City's satisfaction of its mileposts under the Settlement and Release entered into by the City in or around October of 2014 in that certain litigation known as *Calderon v. City of St. Helena*, et al., Case Number C 12-05819 ("Calderon Settlement") and further the goals of the adopted Housing Element.

P. **WHEREAS**, providing the affordable units at 1246 and 1244 Grayson Street serves the ongoing interest of the City in dispersing and balancing the location of affordable housing in all parts of City.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. The recitals above are true and correct, incorporated herein by this reference, and adopted as the Council's findings.

2. The City Council hereby approves Applicant's proposed alternative equivalent action, as authorized by SHMC Section 17.146.050 B.

3. The City Council finds that Applicant's alternative equivalent action will both further and contribute significantly to the affordable housing opportunities in the City to an equal or greater extent than his project's compliance with the express requirements of SHMC Section 17.146.050 A or payment of the appropriate in-lieu housing fee, because:

    a. The proposal would deed restrict two existing units (to low and moderate income residents) totaling 25-percent of the approved project's unit count, rather than the one low income unit and partial fee payment required under the standard inclusionary housing element; and

    b. These two additional units would be located on the west side of St Helena, an area identified by some members of the community as lacking in affordable housing units.

    c. The alternative has the added benefit of proving these units within walking distance of several schools; and

    d. The size of the deed restricted units are slightly larger (960 vs. 945 square feet), and include a garage as an added amenity.

4. The City Council hereby forgives the requirement that affordable rental units be affordable in perpetuity.

5. The City Council hereby directs staff to draft an affordability agreement and deed restriction limiting the rental rates on the units at 1244 and 1246 Grayson, as identified in the Alternative Equivalent Proposal.

6. The City Council hereby excuses Applicant from the requirement that the project include carports, as a concession authorized by SHMC Section 17.146.050 F. and further allows the deferral of fee payment until occupancy of the units is granted.

7. The City Council hereby finds that it can be seen with certainty that there is no possibility the adoption and implementation of this Resolution may have a significant effect on the environment as this Resolution in no manner changes the residential use, density or intensity of the project or the property at 1244 and 1246 Grayson Street, but instead simply defines and transfers the requirement to provide affordable units from the proposed development at 632 McCorkle to the existing units at 1244 and 1246 Grayson Street, and excuses the construction of the carports at 632 McCorkle. As such, the action to adopt this Resolution is exempt from the provisions of the California Environmental Quality Act (Public Resources Code section 21000, et seq.) (CEQA) pursuant to CEQA Guidelines Section 15332 In-Fill Development Projects and 15061(b)(3). in that the project site is both an infill property and it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, given no physical changes are proposed by this action and the elimination of the carport through a concession actually reduces the total coverage of the property, reduces the amount of overall construction activity and materials required to develop the property and allows additional light and air circulation to reach the lower floor units.

8. The City Council hereby finds that the action to adopt this Resolution is consistent with the City's General Plan, including without limitation the Housing Element in that Housing Element policies HE2.A and HE1.H expressly direct the support of attached market rate "workforce" housing for residents with incomes above the moderate level, and identify such housing shall be provided with incentives to assist with its development.

9. The City Council makes no representation regarding the effect, if any, that the adoption of this Resolution, including without limitation its forgiveness of perpetual affordability or its waiver of the carport requirement, may have on Applicant's need to comply with California state or federal laws that might apply to the construction of the Applicant's project, including but not limited to the California Prevailing Wage Law. Applicant shall bear sole responsibility for ensuring that the project is completed in compliance with all applicable laws and regulations.

Approved at a Regular Meeting of the St. Helena City Council on March 13, 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: ATTEST:

Alan Galbraith, Mayor

Cindy Tzafopoulos, City Clerk

Attachment A

kosmont companies

February 27, 2018

Mr. Mark Prestwich
City Manager
City of St Helena
1480 Main Street
St Helena, CA 94574

Re: McGrath Financial Analysis – 632 McCorkle Ave., St. Helena

Dear Mr. Prestwich:

Kosmont Companies ("Kosmont" or "Consultant") is pleased to submit to the City of St. Helena ("City" or "Client") this draft financial analysis of the proposed 8-unit apartment project at 632 McCorkle Ave. ("Project") to be built by Mr. Joe McGrath ("Developer").

Background

Developer acquired an 0.5-acre parcel at 632 McCorkle in January 2016, at a cost of $900,000. The property is zoned High Density Residential allowing up to 28 units per acre. In order to build the Project, Developer has had to do significant environmental cleanup estimated at $150,000 and defend a CEQA lawsuit and appeal filed by residents of St Helena (estimated cost of $350,000).

Further, the City has determined that the Inclusionary Zoning Ordinance 17.146.050 must be applied to the Project requiring 20% of the project unit count (or 1.6 units) be developed as affordable housing. The Ordinance calls for the first unit to be affordable for Very Low Income Households (< $43,600 annual income), with the second unit affordable to Low income Households (<$60,000 annual income).

Developer has indicated that the Project cannot afford to provide the required inclusionary units on site, due to the unanticipated costs identified above. City has retained Kosmont for help in understanding the economics of the Project, including assistance in negotiating an agreement with Developer on a feasible level of low income inclusionary units. The Ordinance grants the City authority to forgo the inclusionary requirements, if it will cause undue hardship to a project that contributes to affordable housing opportunities within the City. Kosmont has reviewed financial pro forma information provided by Developer and discussed assumptions with Developer.

Financial Valuation Summary

Based on Kosmont's 30+ years of experience with development feasibility studies, the appropriate measure to determine financial feasibility for apartment projects is the stabilized annual return on cost, which is measured as the stabilized net operating income divided by total development costs. In the recent market environment, a 4.0 percent annual return on cost would be a minimum threshold for financial feasibility for development of an apartment project.

1601 N. Sepulveda Blvd. #382, Manhattan Beach, CA 90266 I ph 424.456.3088 I www.kosmont.com

632 McCorkle Ave.
Valuation Summary

			Stabilized Year
Units			8
Net Operating Income			$140,000
Total Dev. Costs			$4,000,000
Return on Investment			3.5%
Gap to achieve 4% ROI			$500,000

Source: Kosmont Companies

Financial Pro Forma
Kosmont reviewed the developer pro forma estimates for hard costs, soft costs and operating revenue and expenses. Kosmont has prepared a simple excel financial pro forma for this analysis in order to provide a best estimate of developer return on investment when the Project is completed.

The pro forma indicates that proposed Project will cost slightly over $4 million, including land cost, environmental remediation and legal fees mentioned previously. The major cost is for modular building system at $1.6 million, or $200 per building square foot. City fees are estimated at $240,000 or $30 per square foot. Site improvements, utilities and landscape is estimated at $800,000. Kosmont believes the cost estimates are reasonable for the proposed Project design.

At completion of construction, the Project apartments are estimated to generate effective gross income of $230,000 per year assuming no inclusionary units, based on 2-bedroom rent of $2,400 per month and 3-bedroom rent of $2,800 per month. After deducting an allowance for property taxes and operating expenses of approximately $11,000 per unit, the net operating income is estimated to be $140,000. This $140,000 annual income represents a 3.5% annual return on the $4 million investment, and is below the feasible development return threshold of 4.0% per year. To achieve a 4.0% return, at these rent levels, Developer would need to reduce costs by $500,000.

Impact of Inclusionary Affordable Units
A Very Low Income unit will likely rent for approximately $1,000 per month, representing a loss of $1,400 to $1,800 per month ($17,000 to $22,000 per year).

A Low Income unit will likely rent for approximately $1,300 per month, representing a loss of $13,000 to $18,000 per year, while a Moderate Income unit will likely rent for approximately $2,000 per month, representing a loss of $5,000 to $10,000 per year.

If the City were to require one Very Low and one Low Income unit, the developer pro forma would be severely impacted, resulting in net operating income for the entire Project of only $100,000 to $110,000 per year. This would be a severe hardship, reducing the ROI to 2.5% to 2.75%, which translates into an ultimate buildout value of the Project of less than $2.5 million – representing a potential $1.5 million loss to Developer.

Recommendation
The eight market rate units are expected to rent for $2,400 to $2,800 for 2-bedroom and 3-bedroom units, which is reasonable given the type of construction planned. It is useful to note that the Project will provide units at a level comparable to Napa County average rents, but at a substantial discount to the higher **average** apartment rents in St Helena, as reported by GoSection8.

We note that the upper end rent level of moderate income affordable units is $2,600 per month, thus allowing the City could make a finding that imposing the inclusionary requirements would be a severe financial hardship, preventing the Developer from providing 8 units of workforce housing that would be affordable to households at 120% of median income.

Mr. Joe McGrath's Alternative Equivalent Proposal to meet the Inclusionary Housing Requirements for the Approved Multifamily Housing Project at 632 McCorkle

1) Dedicate (1) 2 BR Unit at 1246 Grayson to "Low" Income for deed-restricted period of 20 years.

This unit was constructed in 2006. It is a 960 SF 2 Bedroom, I Bath unit with garage. I believe this is in the best interest of the City - as expressed also by opposition to this project - to help balance affordable housing with the "west" side of St. Helena. The garage also serves as a critical amenity for tradespeople that may fall into the "low" income category. I propose that the period commence at issuance of Certificate of Occupancy for the 632 McCorkle project and run for a period of 20 years. I would also request that this policy does not result in the eviction of an existing tenant, and that existing tenant be evaluated as to whether they meet the qualification of this income category. We will freeze the current rent in the interim period.

2) Dedicate (1) 2BR Unit at 1244 Grayson to "Moderate" Income for a deed restricted period of 20 yrs.

This unit is a part of the original triplex constructed in 1983. It is a 960 SF 2 Bedroom, 1 Bath unit with garage. I believe this is in the interest of the City - as expressed also by opposition to this project to balance affordable housing with the "west" side of St. Helena. This unit has not been renovated since original construction. Dedicating the older unit to "Moderate" will enable renovation at the next turnover. I will commit to that renovation to the standard of the two units (1240 and 1242) recently renovated. (I have attached pictures). The garage also serves as a critical amenity for tradespeople that may fall into the "low" income category. I propose that the period commence at issuance of Certificate of Occupancy for the 632 McCorkle project and run for a period of 20 years. I would also request that this policy does not result in the eviction of an existing tenant, and that existing tenant be evaluated as to whether they meet the qualification of this income category. We will freeze the current rent in the interim period.

3) The Housing Impact fee of $40000 becomes waived and not applicable as prescribed by Municipal Code.

4) The Carport(s) requirement shall be removed. No fees shall be charged for any exception processing.

As allowed by municipal code 17.146.050, concessions are warranted. As you certainly can appreciate working with these concessions early in the development process is much more preferable. As it now stands, our design is frozen which leaves minimal opportunity to put in place cost-effective concessions. I believe this is a very modest concession from the standpoint of the City. During the Design Review process, there were negative comments regarding the massing and potential reflectivity of the Carport roof. The U-shape building design and parking distance from the street virtually hides all parking from street view.

5) Municipal Fees shall be deferred until Certificate of Occupancy.

I believe this is also warranted and low impact to the City. This helps me support the cash flow needs during project development. Pending Appeal litigation necessitates self-financing of this project.

I trust this is an acceptable proposal and look forward to progressing on this project.

Thanks,

Joe McGrath


1240

March 10, 2018

To: St Helena City Council

Re: March 13 Agenda, Item 10.4

Dear Council Members

Thank you for your service to ***all the members*** of our community

I have no “issue” with Item 10.4 ***going forward***

I object to applying this proposed new ordinance ***retroactive*** to 632 McCorkle Market rate housing project.

632 McCorkle Project applied for a building permit as “market rate housing”, governed at that time by ordinances in place at the time of the permit

It is unfair to change the designation of 632 McCorkle Project from “market rate” to “inclusionary” housing ***after the fact.***

Making this proposed Ordinance ***retroactive*** appears to be favoring the interests of one individual over the fair process applied to all members of our community.

Thank you
Best regards,
Anne Fisher

681 McCorkle Avenue
St Helena Ca 94574

March 11, 2018

To: St Helena City Council

Re: March 13 Agenda, Item 10.4

Dear Council Members;

We do not support any request to change the classification of the project at 632 McCorkle Ave from Market Rate to Inclusionary after the fact and while this project is still under litigation. We believe it would also show economic favoritism to one individual and disregard the neighbors concerns who live on this street and would be most affected by any changes with regard to the classification.

We respectfully ask that you deny this request.

Review of a request from Joe McGrath for Council approval of an Alternative Equivalent Proposal to satisfy the Inclusionary Housing requirement for the approved project at 632 McCorkle, as allowed under St. Helena Municipal Code (SHMC) Section 17.146.050 B.

10.4 Review of a request from Joe McGrath for Council approval of an Alternative Equivalent Proposal to satisfy the Inclusionary Housing requirement for the approved project at 632 McCorkle, as allowed under St. Helena Municipal Code (SHMC) Section 17.146.050 B.

.Sincerely,

Paul Skinner
Anita Davena

Property owners on McCorkle Ave.

780 Kidd Ranch Road
St Helena Ca 94574

March 11, 2018

To: St Helena City Council

Re: March 13 Agenda, Item 10.4

Dear Council Members;

We do not support any request to change the classification of the project at 632 McCorkle Ave from Market Rate to Inclusionary after the fact and while this project is still under litigation. We believe it would also show economic favoritism to one individual and disregard the neighbors concerns who live on this street and would be most affected by any changes with regard to the classification.

We respectfully ask that you deny this request.

Review of a request from Joe McGrath for Council approval of an Alternative Equivalent Proposal to satisfy the Inclusionary Housing requirement for the approved project at 632 McCorkle, as allowed under St. Helena Municipal Code (SHMC) Section 17.146.050 B.

10.4 Review of a request from Joe McGrath for Council approval of an Alternative Equivalent Proposal to satisfy the Inclusionary Housing requirement for the approved project at 632 McCorkle, as allowed under St. Helena Municipal Code (SHMC) Section 17.146.050 B.

.Sincerely,

Paul Skinner
Anita Davena

Property owners on McCorkle Ave.

780 Kidd Ranch Road
St Helena Ca 94574

Review of a Requested Equivalent Alternative Proposal to Satisfy the Inclusionary Housing Requirement for the Approved Project at 632 McCorkle

By: Noah Housh, Planning Director

Planning and Community Improvement

March 13, 2018

Description

Request for Council approval of an Equivalent Alternative Proposal to satisfy the City's inclusionary housing requirements for the approved project at 632 McCorkle Avenue

Permissible under SHMC 17.146.050 B.

Background

In January 2017, applicant received approval to construct an 8-unit multifamily housing project at 632 McCorkle Avenue.

Project subject to the City's Inclusionary Housing requirements, as identified in SHMC 17.146, which requires:

(1) 20% of the project's units be "affordable" for households at specified income levels, or

(2) the project applicant satisfy an alternative equivalent requirement, or,

(3) The applicants pay in lieu fees to meet the requirements.

SHMC 17.146 Requirements

- Basic Inclusionary Requirements
  - -20% of all new dwelling units shall be affordable
  - -Would require 1 unit in 632 McCorkle be restricted to Very Low Income + Partial Fee Payment
  - -Would allow developer to request concession or incentive

- May also request Alternative Equivalent proposal or pay fee
  - -Requires Council Approval and Finding that proposal furthers affordable housing opportunities equal to strict compliance

Proposed Alternative Equivalent

- Deed restrict one 2-bedroom unit (1246 Grayson Ave to Low Income resident and one 2-bedroom unit (1244 Grayson Ave) to Moderate Income Residents for a period of 20-years (both 960 square feet)

- Eliminate the covered parking requirement for the 632 McCorkle project as a "concession and incentive" consistent with State law and the Housing Element. Per SHMC 17.146.050 F. 3 Alternative Equivalent Proposal providing 25% (two units) of the total unit count of the McCorkle project (eight units),

- Defer all municipal fees for the 632 McCorkle Project until occupancy of the project.

Supporting Information

- Deed restrict two existing units totaling 25-percent of the approved project's unit count, rather than the one unit and partial fee payment required under the standard inclusionary housing standards (17.146.050 A. which requires 20-percent of the project's unit count);

- Locates two units in west St Helena, an area identified by some citizens as lacking in affordable housing units;

- Provides affordable housing units within walking distance of several schools;

- The size of the deed restricted units are slightly larger (960 vs. 945 square feet) and include a garage as an added amenity.

Recommendation

1. Determine the action on the requested Alternative Equivalent Proposal (regarding inclusionary housing) for the project at 632 McCorkle is in keeping with the previous Class 32 Categorical Exemption allowed under CEQA Section 15332 for In-Fill development, and

2. Review and act on the request from Joe McGrath for approval of an Alternative Equivalent Proposal regarding meeting the City of St Helena Inclusionary Housing Requirements for the eight unit multifamily housing project previously approved at 632 McCorkle Avenue.

Questions?