City of St. Helena
Regular City Council Meeting
Tuesday, May 23, 2023 @ 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 please observe the time limit of four minutes.

The City Council meeting will be live-streamed on Comcast Channel 28 and on the City's website.

***Public comment* for City Council meetings will be accepted via email to publiccomment@cityofsthelena.org. All public comments must be received three hours prior to the meeting. All other public comments received after the deadline will be attached to the item the next business day or soon thereafter. Public comments will not be read out loud but will be publicly available and attached to the on-line City Council agenda.**

The schedule of upcoming meetings and published meeting agendas can be found on the City of St. Helena website at https://sthelena.civicweb.net/portal/.

Simultaneous Spanish interpretation services during meetings can be scheduled upon request. To ensure interpreters are available, requests must be made at least 72 hours in advance by calling the Office of the City Clerk at (707) 968-2640 or emailing cityclerk@cityofsthelena.org.
The schedule of upcoming meetings and published meeting agendas can be found on the City of St. Helena website at https://sthelena.civicweb.net/portal/.

Servicios de interpretación en español durante la reunión pueden ser solicitados por el público. Para asegurar que los intérpretes estén disponibles, los servicios tienen que ser solicitados al menos 72 horas antes de la reunión llamando a la oficina de la Secretaria de la Ciudad al (707) 968-2640 o por correo electrónico a cityclerk@cityofsthelena.org .
El horario de las reuniones publicadas y próximas puede ser localizado en el sitio de web de la Ciudad en https://sthelena.civicweb.net/portal/ .

Page

1. CALL TO ORDER

2. ROLL CALL
   Mayor: Paul Dohring, Vice Mayor Eric Hall:, City Council Members: Anna Chouteau, Lester Hardy, Billy Summers

3. PLEDGE OF ALLEGIANCE

4. ADOPTION OF THE AGENDA

5. 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 4 minutes. Each person is entitled to speak on any non-agendized item only once at any meeting. Brief questions by Council Members for clarifications may

be posed and answered, and Council Members 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.

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

Reports by staff and/or Council Members on items of general interest. Brief questions for clarification may be posed and answered, and Council Members 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.

7. PRESENTATIONS AND PUBLIC RECOGNITIONS

7.1. Oath of office for Lesley Milton, Assistant to the City Manager by Cindy Tzafopoulos, City Clerk

7.2. Oath of office for Andrew Bradley, Assistant to the City Manager by Cindy Tzafopoulos, City Clerk

7.3. National Public Works Week Proclamation - May 21-27, 2023 9

Proclamation

7.4. Historic Preservation Month - May 2023 11

Proclamation

8. STAFF BRIEFING

None

9. 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)

9.1. April 2023 Review and Forecasting of City Water Supply Availability 13 - 18

CEQA Determination: Exempt
Prepared By: Ian Dale, Environmental Services Tech
Recommendation:
Receive and File

Staff Report - Pdf

9.2. Consideration and proposed adoption of a Resolution accepting the work and directing the filing of the Notice of Completion for the Silverado Trail Guardrail Replacement project, Capital Improvement Project R19-07. 19 - 22

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA
Prepared By: Mario Traverso, Public Works Assistant Engineer
Recommendation:
Approve the attached Resolution to accept the work and direct the filing of the Notice of Completion for the Silverado Trail Guardrail Replacement Project, Capital Improvement Project R19-07.

Staff Report - Pdf

9.3. Consideration and proposed adoption of a resolution approving additions to the Measure T project list. 23 - 34

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA
Prepared By: Mario Traverso, Public Works Assistant Engineer
Recommendation:
Adopt a resolution approving the requested project additions to the Five-Year Measure T Expenditure Plan for Fiscal Year 2022-23 through Fiscal Year 2026-27.

Staff Report - Pdf

9.4. Consideration and adoption of a Resolution (1) Authorizing the City Manager to execute a Construction Contract with Argonaut Constructors in the amount not to exceed $124,200 for the emergency water pipeline replacement at the intersection of Mitchell Drive and Highway 29 in St Helena; (2) Authorize staff to increase fund 763-5030-3160 expenditures and increase fund 763-3460-0000 revenues; (3) Authorizing the Director of Public Works to approve change orders not to exceed 15% of the contract amount. 35 - 49

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA
Prepared By: Mario Traverso, Public Works Assistant Engineer
Recommendation:
Adopt a Resolution (1) Authorizing the City Manager to execute a Construction Contract with Argonaut Constructors in the amount not to exceed $124,200; (2) Authorize staff to increase fund 763-5030-3160 expenditures and increase fund 763-3460-0000 revenue to reflect the project cost and reimbursement; (3) Authorizing the Director of Public Works to approve change orders not to exceed 15% of the contract amount.

Staff Report - Pdf

9.5. Consideration and proposed adoption of a resolution approving a Professional Services Agreement with Pacific Tree Care for Phase 2 Tree Pruning in Crane Park and various Heritage Trees pruning in an amount not to exceed $78,849.30 and authorizing the City Manager to execute the agreement. 51 - 91

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA
Prepared By: Carlos Uribe, Assistant Public Works Operations Manager
Recommendation:
Staff recommends City Council adopt a resolution approving a Professional Services Agreement with Pacific Tree Care for tree pruning in Crane Park Phase two, and Heritage Trees in an amount not to exceed $78,849.30 and authorize the City Manager to execute the agreement.

Staff Report-Tree Pruning 2022-2023 - Pdf

9.6. Consideration and Proposed Adoption of a Resolution Adopting a list of Projects for Fiscal Year 2023-24 funded by SB1: The Road Repair and Accountability Act of 2017. 93 - 97

CEQA Determination: Exempt from the requirements of CEQA pursuant to Section 15301, Class 1, which exempts the operation, leasing, or minor alteration of existing facilities
Prepared By: Mario Traverso, Public Works Assistant Engineer
Recommendation:
Adopt a resolution adopting a list of projects for fiscal year 2023-24 funded by SB1: The Road Repair and Accountability Act of 2017.
Staff Report - Pdf

9.7. Proposed Approval of a Resolution Memorializing the City Council Decision at the May 9, 2023 City Council Meeting Approving a Partial Waiver of Penalties Incurred by the Hoff's During the Phase II Water Emergency. Total Penalties Waived: $112,175.06 and Total Penalties to be Paid by the Hoff's: $139,204.22. 99 - 102

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Approve the attached resolution.
Staff Report - Pdf

9.8. Consideration and Approval of a Resolution Approving a 2023 Extension of Raw Water Use Agreement between the City of St. Helena and Spring Mountain Vineyard, Inc. for Raw (non-potable) Water from Lower Reservoir. 103 - 123

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: Joseph Leach, Public Works Director and City Engineer
Recommendation:
Approve the attached resolution.
Staff Report - Pdf
Public Comment.Water Audit
Public Comment.Alan Galbraith

9.9. Consideration and proposed authorization of a letter of support urging immediate action on gun safety legislation 125 - 127

CEQA Determination: Not a CEQA project
Prepared By: Anil Comelo, City Manager
Recommendation:
Authorization of the attached letter of support urging immediate action on gun safety legislation.
Staff Report - Pdf

9.10. Consideration and proposed approval of a Resolution: (1) approving Revision No. 4 to City Council Policy P-FI-0016 Financial Policy and (2) 129 - 183 repealing and rescinding any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0016 Financial Policy, Revision No. 4

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Staff recommends City Council adopt the attached Resolution.
Staff Report - Pdf

10. PUBLIC HEARINGS

None

11. OLD BUSINESS

None

12. NEW BUSINESS

12.1. Presentation of FY 2023-24 and FY 2024-25 Proposed Operating Budget. 185 - 288

CEQA Determination: Not a CEQA project
Prepared By: Mandy Kellogg, Administrative Services Director
Recommendation:
Review and provide staff with recommendations pertaining to the FY 2023-24 Proposed Operating Budget and methodology for preparing the FY 2024-25 Operating Budget.
Staff Report - Pdf
Public Comment.Annette Shafer
Public Comment.Pam Starr
Public Comment.Kristine Waldenburg
Public Comment.Laura Rombauer
Public Comment.Linsey Gallagher Visit Napa Valley
Public Comment.Mark Hoffmeister
Public Comment.Michelle Dondero
Public Comment.Mike Larson
Public Comment.Nicole Dale
Public Comment.Scott Mangleson
Public Comment.St Helena TID Board of Directors
Public Comment.Carole Castell
Public Comment.Casey Miller
Public Comment.Claire Wilkins
Public Comment.Felicia Chan
Public comment.Heidi Bamburg
Public Comment.John Skupny
Public Comment.Kate Hamlin
Public Comment.Katherine Bull
Public Comment.Jude Wilmoth Meagan Rounds
Public Comment.Valerie Zizak Morais
Public Comment.Linzi Gay

12.2. Receive information about potential revenue options and provide direction to staff. 289 - 321

CEQA Determination: Not a CEQA project
Prepared By: Anil Comelo, City Manager
Recommendation:
Discuss and direct staff.

Staff Report - Pdf
Public Comment.Tom Belt
Public Comment.Alan Galbraith

12.3. Designating one (1) Councilmember as Liaison to the Groundwater Sustainability Agency and Associated Technical Advisory Group. 323 - 324

CEQA Determination: Not a CEQA project
Prepared By: Anil Comelo, City Manager
Recommendation:
Designate one (1) Councilmember as Liaison to the Groundwater Sustainability Agency and associated Technical Advisory Group.

Staff Report - Pdf

13. CITY COUNCIL REPORTS:

13.1. A. Association of Bay Area Governments (ABAG) - Executive Board

B. Association of Bay Area Governments (ABAG) - General Assembly

C. Napa Valley Tourism Corporation (Umbrella for Napa County)

D. League of California Cities – North Bay Division

E. Napa County City Selection Committee

F. Napa County Flood Control and Water Conservation District

G. Youth Opportunities Commission

H. Napa County Local Agency Formation Commission (LAFCO)

I. Napa Valley Transportation Authority (NVTA)

J. Napa County Watershed Information Center & Conservancy (WICC)

K. Upper Valley Waste Management Agency

L. Napa County Groundwater Sustainability Plan Advisory Committee

M. Napa County Regional Climate Action Committee

N. Council Ad Hoc and Standing Committee Reports

14. ADJOURNMENT

The next Regular City Council meeting is scheduled for June 13, 2023, at 6:00 p.m.

This agenda was posted at City Hall, 1088 College Avenue, and at Vintage Hall, 465 Main Street, St. Helena, California on May 19, 2023.

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 1572 Railroad Avenue, St. Helena, California, during normal business hours and by appointment. 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.

CITY OF ST. HELENA
PROCLAMATION
NATIONAL PUBLIC WORKS WEEK
MAY 21-27, 2023

"Connecting the World Through Public Works"

WHEREAS, public works professionals focus on infrastructure, facilities and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life and well-being of the people of St. Helena; and

WHEREAS, these infrastructure, facilities and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers and employees at all levels of government and the private sector, who are responsible for rebuilding, improving and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings and other structures and facilities essential for our citizens; and

WHEREAS, it is in the public interest for the citizens, civic leaders, businesses, and children in St. Helena to gain knowledge of and to maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and

WHEREAS, the year 2023 marks the 63rd annual National Public Works Week sponsored by the American Public Works Association/Canadian Public Works Association.

NOW THEREFORE, BE IT RESOLVED, that the St. Helena City Council, City staff and the citizens of St. Helena do hereby designate the week May 21–27, 2023 as National Public Works Week; we urge all citizens to join with representatives of the American Public Works Association and government agencies in supporting our public works professionals, engineers, managers and employees and to recognize the substantial contributions they make to protecting our health, safety and quality of life.

Dated this 23rd day of May 2023.

____
Paul Jamison Dohring, Mayor
City of St. Helena

St. Helena City Council

Proclamation

Historic Preservation Month - May 2023

Whereas, the National Park Service's Register of Historic Places is authorized by the National Historic Preservation Act of 1966. The National Register program coordinates and supports public and private efforts to identify, evaluate, protect, and adapt for re-use, America's historic, cultural, and archeological resources; and

Whereas, in 1973, May was designated "Preservation Month" to raise awareness of historic preservation and the continuity it builds between past, present, and future to instill national and community pride, promote heritage tourism and show the social, economic and environmental benefits of historic preservation; and

Whereas, Napa County is home to irreplaceable historic resources including stone bridges, 19th Century wineries, Victorian commercial buildings, our WPA-era Post Offices as well as architect-designed residences; and

Whereas, Napa County Landmarks (NCL), founded in 1974 by John Whitridge, is a non-profit organization that fosters appreciation and preservation of historic buildings, sites and districts through education programs, public policy, research, and technical assistance; and

Whereas, NCL creates community discussion and preservation of our historic resources to protect and re-use them, create jobs, stabilize property values and preserve existing housing stock; and

Whereas, Throughout the year, NCL creates awareness of historic preservation through the Holiday Candlelight Tour, Annual Preservation Awards, walking and biking tours of historic areas as well as the creation of the Ten Threatened Treasures list of endangered historic places facing potential demolition: and

Whereas, NCL provides high school scholarships to seniors to promote interest in Napa County history in our local youth as well as distributes *A Napa Coloring Book* free to all third graders in Napa County; and

Whereas, NCL recognizes Napa County preservation through the Preservationist of the Year award and Awards of Merit to honor those who restore, rehabilitate, or adapt an historic resource for continued use; and

Now, Therefore, Be It Resolved that I, Paul Jamison Dohring, Mayor of St. Helena, along with the St. Helena City Council, do herby proclaim, May as Historic Preservation Month and call on our citizens to support preservation and Napa County Landmarks efforts to preserve the rich history of Napa County.

Dated: May 9, 2023

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Paul Jamison Dohring, Mayor
City of St. Helena

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **April 2023 Review and Forecasting of City Water Supply Availability**

CEQA Determination: **Exempt**

Prepared By: Ian Dale, Environmental Services Tech

Reviewed By: Joseph Leach, Public Works Director and City Engineer

Approved By: April Mitts, Assistant City Manager

BACKGROUND

The City of St. Helena publishes a monthly water report on the City website (www.cityofsthelena.org/publicworks/page/water-reports). The report includes the amount of water produced at the Louis Stralla Water Treatment Plant and the Stonebridge Potable Water Wells, and potable water delivered from the City of Napa. In addition to presenting data on the amount delivered monthly, the report includes year-to-date information and prior year data. Water elevation and capacity at the Bell Canyon Reservoir is included as well as information on rain and temperatures.

At the City Council meeting of July 27, 2021, the City Council requested City staff enhance the monthly water report to include a forecast of available water supply, consistent with the adopted Urgency Ordinance. This request is consistent with the City's Fiscal Year 2021-22 Council Goal to develop a Comprehensive Water Security Framework, and the recently developed Framework that includes a goal to "Maximize Conservation During Water Emergency" and subtask 1C to "provide customers with comparison of actual vs. projected water demand" as well as Framework Goal Improve Consumer Satisfaction and Confidence" and subtask 3C to "additional analytical tools to improve consumer confidence."

DISCUSSION

City staff has developed a forecasting tool to facilitate its ability to optimize water use and track water availability. Included as Attachment 1 is the Monthly Water Report for April 2023. The water produced for April 2023 is down by -2% when compared to April 2022 and is down -31% compared to the average of April 2018-2020. Below is a chart summarizing the water produced per source:

Water Produced per Source

Source	Average (2018 - 2020) (Acre-Feet)	April 2022 (Acre-Feet)	April 2023 (Acre-Feet)
Bell Canyon	46	21	17
Stonebridge Wells	15	16	13
Napa Water	48	41	46
Total	**110**	**77**	**76**

Percent change from April 2022: -2**%**
Percent change from average of April 2018 - 2020: -31%

Bell Canyon Reservoir

The City is still in drought conditions. Bell Canyon Reservoir has adequate water to support the City's needs through this calendar year with Phase I conservation measures in effect. The storage in Bell Canyon graph (Attachment 2) has been revised to include historic reservoir supply levels since July 2021. It also shows the water availability forecast through June 2024 based on the highest water usage during a non-drought year (FY 2019/20) and 10 inches of rainfall (lowest recorded).

As of May 1, 2023, Bell Canyon Reservoir elevation was at 421.96 feet representing approximately 2,380.66 acre feet (AF) and 99.87% capacity. Bell Canyon spillway level is 422 feet representing 2,383.69 acre feet in water supply volume. Below is a chart comparing Bell Canyon elevation levels, water supply availability in acre feet, and percent capacity of the reservoir on May 1st in 2021, 2022, and 2023.

Year	2021	2022	2023
Bell Canyon Elevation Level	401.43 Ft.	417.69 Ft.	421.96 Ft.
Acre Feet	1,026 AF	2,061 AF	2,380 AF
Percent Capacity	43%	86.5%	99.87%

As a follow up to the May 24th City Council meeting, staff developed a graph (Attachment 3) highlighting the relationship between the reservoir elevation level and water supply availability in acre feet. The graph shows the current status of the reservoir. Furthermore, the graph also displays the points where City Council decided to implement Phase I and Phase II drought restrictions in 2020.

Continued Water Conservation

California experienced two consecutive dry years 2020 and 2021 and drought conditions state-wide persist. Due to the combination of warmer-than-average temperatures and minimal precipitation in the state, the Department of Water Resources (DWR) declared 2021 as the fourth-driest year on record statewide. The record-breaking dry period in January and February 2022, and the absence of significant rains in March, have required DWR to reduce anticipated deliveries from the State Water Project (SWP). However, the reduction does not affect St. Helena as the City has multiple robust water sources not affected by the executive order. Water availability from the Bell Canyon reservoir is based on the City's State Water Rights permit and not the SWP. The City has not received any curtailment order from DWR nor does the City anticipate receiving one.

Due to the ongoing drought conditions, Phase I Water Emergency remains in effect, even though Bell Canyon Reservoir level is above the level when Council initially called for Phase I conservation. Staff will monitor State-wide and local drought conditions, weather conditions, and provide updates on a monthly basis.

City of Napa Water Supply

Normal operations continue at Rutherford Pump Station (RPS) and the City is taking delivery of the allotment purchased from City of Napa. During the month of April 2023, Rutherford Pump Station was producing an average of 0.49 MG/day for a total of 46.66 acre feet (AF) for the month.

FISCAL IMPACT

None

RECOMMENDED ACTION

Receive and File

ATTACHMENTS

MWR April 1-30 2023
Attachment 2 - Bell Canyon Water Storage Forecast
Attachment 3 - Bell Canyon Reservoir Storage with Phase I II

CITY OF ST. HELENA
MONTHLY WATER REPORT

CC: CC __X__ PC__X__ FILE ______
RECEIVED: ______ BY: __

April 1-30, 2023

	LOUIS STRALLA WATER PLANT	STONEBRIDGE POTABLE WELLS	SBW IRRIGATION WATER	NAPA WATER	TK #1 & #2 ADJUST
AMOUNT PRODUCED in AF	17.07	13.49	0.00	46.66	-0.44
AMOUNT PRODUCED in MG	5.56	4.39	0.00	15.20	-0.14
PERCENT	**22.2%**	**17.6%**		**60.8%**	-0.6%

WATER PRODUCED ~~DELIVERY~~ (AGGREGATE)

	THIS YEAR	LAST YEAR
TOTAL PRODUCED THIS PERIOD	25.15 MG	27.58 MG
MAXIMUM DAILY PRODUCED	1.71 MG	1.34 MG
MINIMUM DAILY PRODUCED	0.47 MG	0.40 MG
AVERAGE DAILY PRODUCED	0.81 MG	0.28 MG

WATER YEAR TOTALS

	THIS FISCAL YEAR	%	LAST FISCAL YEAR	%
LOUIS STRALLA WATER PLANT	366.38 AF	35.7%	319.16 AF	31.1%
	104.94 MG		103.96 MG	
NAPA WATER	460.62 AF	44.9%	299.28 AF	29.2%
	150.04 MG		97.49 MG	
STONEBRIDGE POTABLE WELLS	198.55 AF	19.4%	406.17 AF	39.6%
	64.67 MG		132.30 MG	
TOTAL WATER PRODUCED ~~DELIVERY~~ (ALL)	**1025.55 AF**	**100.0%**	**1024.61 AF**	**100.0%**

SBW IRRIGATION WATER

	THIS MONTH	THIS MONTH, LAST YR.
STONEBRIDGE APARTMENTS	0.00 MG/Apr 1 -30	0.21 MG/Apr 1-30
NAPA VALLEY COLLEGE	0.00 MG/Apr 1 -30	0.05 MG/Apr 1-30

WATER ELEVATION, CAPACITY & RAINFALL

	THIS FISCAL YEAR	LAST FISCAL YEAR
ELEVATION BELL CANYON RESERVOIR	421.96 FT.	417.69 FT.
MONTHLY RISE OR DROP	-0.34 FT.	-0.81 FT.
CAPACITY AT END OF PERIOD	2380.00 AF	2061.67 AF
PERCENT OF FULL CAPACITY	99.9 %	86.5 %
RAINFALL IN THIS PERIOD	0.45 IN	1.97 IN
TOTAL RAINFALL SEASON TO DATE	40.46 IN	26.43 IN

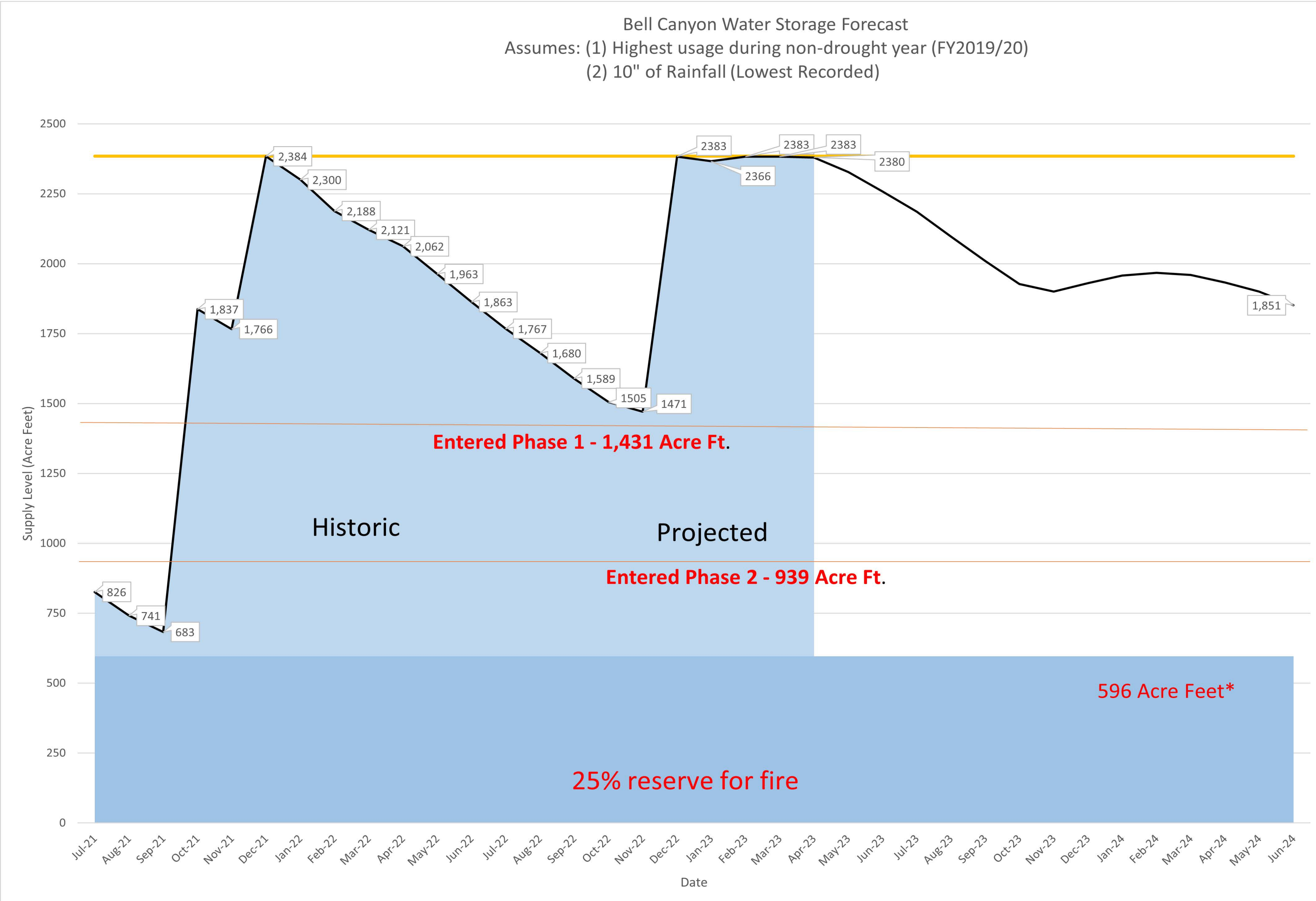
TEMPERATURES

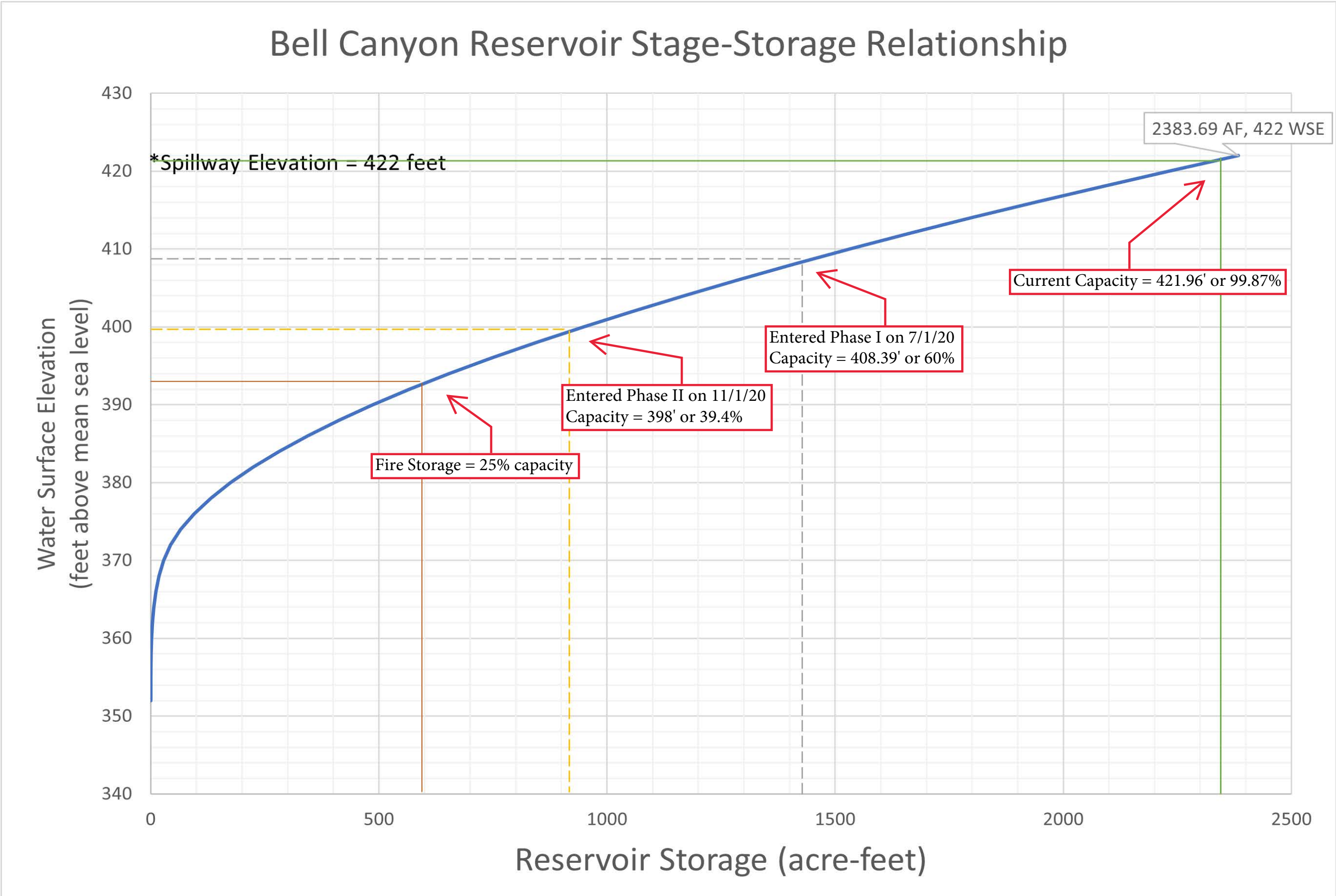
	THIS MONTH, THIS YEAR	THIS MONTH, LAST YR.
DEGREES IN FAHRENHEIT	39-88	43-86
AVERAGE	63.5	58

REMARKS

City of Napa Water Delivery: RPS producing an average of 0.49 MG/day during April 2023.

DISCLAIMER: The data presented in this report is approximate and for informational purposes only.
Updates will be provided if any errors are identified.


Bell Canyon Water Storage Forecast
Assumes: (1) Highest usage during non-drought year (FY2019/20)
(2) 10" of Rainfall (Lowest Recorded)
Supply Level (Acre Feet)
Date
826
741
683
1,837
1,766
2,384
2,300
2,188
2,121
2,062
1,963
1,863
1,767
1,680
1,589
1505
1471
2383
2366
2383
2383
2380
1,851
Entered Phase 1 - 1,431 Acre Ft.
Historic
Projected
Entered Phase 2 - 939 Acre Ft.
596 Acre Feet*
25% reserve for fire


Bell Canyon Reservoir Stage-Storage Relationship
2383.69 AF, 422 WSE
*Spillway Elevation = 422 feet
Current Capacity = 421.96' or 99.87%
Entered Phase I on 7/1/20
Capacity = 408.39' or 60%
Entered Phase II on 11/1/20
Capacity = 398' or 39.4%
Fire Storage = 25% capacity
Water Surface Elevation
(feet above mean sea level)
430
420
410
400
390
380
370
360
350
340
0
500
1000
1500
2000
2500
Reservoir Storage (acre-feet)

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Consideration and proposed adoption of a Resolution accepting the work and directing the filing of the Notice of Completion for the Silverado Trail Guardrail Replacement project, Capital Improvement Project R19-07.**

CEQA Determination: **Class I Categorical Exemption under Section 15301 of CEQA**

Prepared By: Mario Traverso, Public Works Assistant Engineer

Reviewed By: Joseph Leach, Public Works Director and City Engineer

Approved By: Anil Comelo, City Manager

BACKGROUND

The Silverado Trail Guardrail Replacement project is a FY22/23 CIP project which scope includes the replacement of damaged guardrail along north bound Silverado Trail within the City limits. In 2019 the City was awarded a federal grant from the Federal Highway Administration's (FHWA) Highway Safety Improvement Program (HSIP) which included full funding for design and construction of the replacement guardrail. Project plans and specifications were completed by staff, construction authorization was provided from FHWA, and construction was completed on April 12, 2023.

DISCUSSION

The original scope of this project (2018) included the replacement of roughly 1500 linear feet of guardrail along Silverado Trail south of Pope Street. A significant portion of this guardrail was replaced by Napa County in response to the damage incurred from the Glass Fire in 2020. As a result, the scope of this project was significantly reduced compared to the original scope. The project included the replacement of 135 linear feet of guardrail north of Pope Street as well as traffic striping updates in the intersection.

Plans and specifications were initially prepared by Coastland Engineering of Santa Rosa (50% completion) and then were fully completed by staff. The project was advertised publicly requesting bids in accordance with all City and FHWA procurement policies. Midstate Barrier Inc. of Stockton California submitted the lowest responsive bid of $57,088.00 and the contract was awarded on December 7, 2022. Construction occurred April 11 - 12, 2023. City staff provided construction management. One change order was issued in the amount of $4,534 which requested adjustments to the striping bid item quantities and types. The guardrail installation and striping updates were performed to the satisfaction of City staff, and all contractual commitments have been satisfied.

Staff is requesting City Council to accept the completion of this project, direct staff to file the Notice of Completion, and submit the final invoice and project completion package to FHWA to satisfy all funding requirements and close out the project.

FISCAL IMPACT

Funding for this project is provided by the Federal Highway Administration's Highway Safety Improvement Program (HSIP). All expenses, including staff time for construction management and administration are approved for 100% reimbursement up to $70,000.

Expenditures	
Original Contract Items	$ 57,088
Change Order #1	$ 4,534
Construction Management & Administration	$ 8,778
Total	**$ 70,000**

RECOMMENDED ACTION

Approve the attached Resolution to accept the work and direct the filing of the Notice of Completion for the Silverado Trail Guardrail Replacement Project, Capital Improvement Project R19-07.

ATTACHMENTS

Resolution - NOC Silverado Trail Guardrail Replacement

CITY OF ST. HELENA

RESOLUTION NO. 2023-

Resolution Accepting the completion and final project cost of $61,622 and directing the filing of the Notice of Completion for the Silverado Trail Guardrail Replacement Capital Improvement Project R19-07

RECITALS

A. The City of St. Helena's 5-year Capital Improvement Plan includes the Silverado Trail Guardrail Replacement project, Capital Improvement project R19-07; and

B. The City of St. Helena City Council adopted Resolution 2022-92 which authorized the project and approved the plans and specifications for the Silverado Trail Guardrail Replacement project R19-07; and

C. On January 30, 2023 the Construction Contract was executed by the City Manager; and

D. The Public Works Director approved one Contract Change Order in the amount of $4,966 for striping quantity adjustments; and

E. The final, full construction contract amount as amended by the contract change order and final contract quantities is $61,622; and

F. Midstate Barrier Inc. has completed the work in accordance with the contract documents for the project.

RESOLUTION

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

1. The work performed by Midstate Barrier Inc., under the subject contract is accepted as complete.
2. The Public Works Director is authorized to prepare a Notice of Completion and the City Clerk is directed to file a Notice of Completion with the Napa County Recorder.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023, by the following vote:

Mayor Dohring: ___________

Vice Mayor Hall: ___________

Councilmember Chouteau: ___________

Councilmember Hardy: ___________

Councilmember Summers: ___________

APPROVED: ATTEST:

___________________________ ___________________________

Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City Clerk

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Consideration and proposed adoption of a resolution approving additions to the Measure T project list.**

CEQA Determination: **Class I Categorical Exemption under Section 15301 of CEQA**

Prepared By: Mario Traverso, Public Works Assistant Engineer

Reviewed By: Joseph Leach, Public Works Director and City Engineer

Approved By: April Mitts, Assistant City Manager

BACKGROUND
The Napa Countywide Road Maintenance Act, commonly known as "Measure T" is a 25-year period half-cent sales tax to fund improvements and maintenance of under-funded local streets and roads as well as supporting road infrastructure.

To be made eligible for Measure T funding and expenditure, a project must be publicly vetted, supported by a resolution and obtain concurrence with the Napa Valley Transportation Authority Tax Authority Board.

The City's most recent project list submittal and approval occurred in December 2021. This list of projects included a listing of street segments scheduled for restoration treatments as defined by the City's current *5 Year Pavement Management Plan* exhibits.

The City will be submitting a updated project list to the Napa Valley Transportation Authority Tax Authority Board in December of 2023, which will reflect the expected updates to the City's *5 Year Pavement Management Plan* and updated to the City's 5 Year CIP.

DISCUSSION
Public Works staff requests City Council to confirm and approve additions to the current Measure T project list to reflect changes to the existing *5 Year Pavement Management*

Plan and to include projects that the City had budgeted for Measure T funding and expenditure prior to the recent list update in December 2021. The request is as follows:

Include R19-05 *Grayson and South Crane Rehab* Project: R19-05 is a CIP project that has been in development since 2019 and is part of the current 5 year CIP and the FY23/24 budget. This project was listed on the Measure T project list prior to 2021, but was not included in the December 2021 project list. Staff request City Council approve the inclusion of the project to the Measure T project list to be made eligible for funding and expenditure.

Currently, $75,000 is allocated for fund 3160 - Construction Contract in the FY22-23 budget, funded by Measure T. Staff requests this balance be transferred to Design which will allow for the completion of the S. Crane potion of the plans.

Engineers estimate of Measure T expenditure: $1,100,000.

Include the *St. Helena Active Transportation and Safe Routes to Schools Plan* to the Measure T Project List.
In 2020, the City commissioned GHD Engineers to prepare an Active Transportation and Safe Routes to School Plan. The plan provides a 15 item work plan detailing various safety improvements along the Spring Street and Madrona Avenue corridors within the City. These improvements, resulting from traffic engineering analysis, recommendations from Napa County Bike Coalition and community feedback, include installation of high visibility crosswalk striping, ADA accessible curb ramps and crossing warning devices such as RRFBs. The report was presented to the Active Transportation and Sustainability Committee on November 3, 2021. Staff was provided a copy of this work plan in August 2022, and incorporated the 4 high priority items into the scope of the R22-79 Pavement Restoration Year 2 project. Staff intends on incorporating the remaining 11 work plan items into the scope of the FY23/24 pavement restoration project. Staff requests that the 15 work plan items be included in the Measure T project list to be made eligible for funding and expenditure.

Engineers estimate of Measure T expenditure: $50,000.

Include R21-04 *Pope Street Crosswalk Improvements at College Avenue* to the Measure T Project List. This project is part of the current 5 year CIP and the FY22/23 budget. This project is partially funded by a 2021 *Lifeline Transportation Program Cycle 6* grant for $94,000. Staff request City Council approve the inclusion of this project to the Measure T project list to be made eligible for supplemental funding and expenditure from Measure T.

Engineers estimate of Measure T expenditure: $25,000.

Include R21-02 *Crosswalk Improvements on Main Street/Highway 29 and Pratt Avenue and Elmhurst Avenue* to the Measure T Project List. This project is part of the current 5 year CIP and the FY22/23 budget. The current budget cites Measure T funding, but the project is not currently listed on the Measure T project List. This project is partially funded by a 2021 *Transportation Development Act g*rant for $50,000. Staff request City Council approve the inclusion of this project to the Measure T project list to be made eligible for supplemental funding and expenditure from Measure T.

Engineers estimate of Measure T expenditure: $65,000.

Include Pratt Avenue to the Measure T Project List. It is anticipated that Pratt Avenue will be listed in the December 2023 *5 Year Pavement Management Plan* update, staff requests that Pratt Avenue be included in the current Measure T project list to be made eligible to secure opportunities to continue rehabilitation efforts.

Engineers estimate of Measure T expenditure: $250,000

A public forum was held at City Hall on Wednesday, May 17, 2023. Public Works staff presented these proposals and provided for comment and discussion.

FISCAL IMPACT

No net fiscal impact. This request only provides for a projects eligibility for funding and expenditure through Measure T. Actual fiscal impacts and expenditures are authorized through subsequent Council actions.

RECOMMENDED ACTION

Adopt a resolution approving the requested project additions to the Five-Year Measure T Expenditure Plan for Fiscal Year 2022-23 through Fiscal Year 2026-27.

ATTACHMENTS

2021 Measure T Project List

Resolution - Measure T Project List

Measure T Napa Countwide Road Maintenance Act

Jurisdiction Name: City of St. Helena

Primary Contract #1: Mark A. Rincón-Ibarra   Email: mrincon@cityofsthelena.org   Phone: 707-968-2629

Secondary Contract #2: Mandy Kellogg   Email: nkellogg@cityofsthelena.or   Phone: 707-968-2649

Fiscal Years Included: FY #1 2022-23   FY #2 2023-24   FY#3 2024-25   FY#4 2025-26   FY#5 2026-27

Maintenance of Effort (MOE)

Please provide the following information to establish MOE amount and to validate information:

1. Attach copies of Local Streets and Roads State Controller Reports for three years - FY 2007-08, FY 2008-09, FY 2009-10
2. Attach independent auditors validation for *each* Local Streets and Roads State Controller Report
3. Enter MOE Amounts Claiming: FY 2007-08 $261,217 FY 2008-09 $510,388 FY 2009-10 $365,963
4. Enter Certified MOE Amount: **Total MOE:** $379,189

Please note: Eligible expenses include local streets and roads maintenance and supporting infrastructure within the public right of way for pavement, sealing, overlays, reconstruction, associated infrastructure, as required, excluding any local revenues expended for the pupose of storm damage repair as verified by an independent auditor. One time allocations that have been expended for local streets and road maintenance, but which may not be available on an ongoing basis shall not be considered when calculating an Agency's annual maintenance of effort.

Planned Measure T Expenditures

Please provide Five (5) year planned streets and road maintenance projects beginning in FY 2022-27 **(add rows as needed)**:

Project #	Fiscal Year	Total Project Cost	Measure T Amount	Federal Funds	State Funds	Other Local Funds	Project Scope	Project Phase	Location (intersection, mile marker, length of alignment)
	2022/23	$ 28,584	$ 28,584	$ -	$ 3,813.32	$ -	2" AC OL w/Fabric	Design/Construction	June Lane - Hunt Ave to Chiles Ave, 245'
	2022/23	$ 37,250	$ 37,250	$ -	$ 4,969.43	$ -	2" AC OL w/Fabric	Design/Construction	Stockton Street - Adams St to Tainter St, 447'
	2022/23	$ 7,200	$ 7,200	$ -	$ 960.53	$ -	2" AC OL w/Fabric	Design/Construction	Stralla Court - Pope St to End (S), 90'
	2022/23	$ 79,300	$ 79,300	$ -	$ 10,579.21	$ -	2" AC OL w/Fabric	Design/Construction	Voorhees Circle - Mitchell Dr (E) to Mitchell Dr (W), 915'
	2022/23	$ 73,847	$ 73,847	$ -	$ 9,851.74	$ -	2.5" AC OL w/Fabric	Design/Construction	Railroad Avenue - Hunt Ave to Adams St, 530'
	2022/23	$ 133,794	$ 133,794	$ -	$ 17,849.12	$ -	2.5" AC OL w/Fabric	Design/Construction	Valley View Street - Birche Ave to 315' N/O Grayson Ave, 932'
	2022/23	$ 163,613	$ 163,613	$ -	$ 21,827.19	$ -	2.5" AC OL w/Fabric	Design/Construction	Valley View Street - Spring St to Birche Ave, 1,043'
	2022/23	$ 47,278	$ 47,278	$ -	$ 6,307.24	$ -	2" AC OL	Design/Construction	Library Lane - Adams St to End (N), 460'
	2022/23	$ 64,400	$ 64,400	$ -	$ 8,591.44	$ -	2" AC OL	Design/Construction	Pope Street - Starr Ave to Peppertree Cir, 575'
	2022/23	$ 10,306	$ 10,306	$ -	$ 1,374.90	$ -	MicroSurfacing	Design/Construction	Chiles Avenue - Signorelli Cir to End (E), 530'
	2022/23	$ 11,439	$ 11,439	$ -	$ 1,526.05	$ -	MicroSurfacing	Design/Construction	Tainter Street - Stockton St to Kearney St, 710'
	2022/23	$ 6,284	$ 6,284	$ -	$ 838.33	$ -	MicroSurfacing	Design/Construction	Tainter Street - Kearney St to Oak Ave, 390'
	2022/23	$ 13,085	$ 13,085	$ -	$ 1,745.64	$ -	MicroSurfacing	Design/Construction	Tainter Street - Allyn Ave to Stockton St, 740'
	2022/23	$ 26,013	$ 26,013	$ -	$ 3,470.33	$ -	Reconstruct Structure (AC)	Design/Construction	Oak Avenue - Adams St to Adams St (intersection), 65'
	2022/23	$ 197,107	$ 197,107	$ -	$ 26,295.54	$ -	Reconstruct Structure (AC)	Design/Construction	College Avenue - Pope St to Pvmt Change, 874'
	2022/23	$ 379,189	$ -	$ -	$ -	$ 379,189	Street Maintenance Progam: Pothole Patching	Construction	Various locations as needed
Total FY 2022/23		**$ 1,278,689**	**$ 899,500**	**$ -**	**$ 120,000**	**$ 379,189**			
	2023/24	$ 90,109	$ 90,109	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Allyn Avenue - Tainter St to Spring St, 560’
	2023/24	$ 70,947	$ 70,947	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Andrea Avenue - Kearney St to Oak Ave, 410’
	2023/24	$ 15,862	$ 15,862	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Dowdell Lane - House 759 to House 679, 350’
	2023/24	$ 34,094	$ 34,094	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Dowdell Lane - Montessori @ Cop to House 867, 260’
	2023/24	$ 23,603	$ 23,603	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Dowdell Lane - House 867 to House 759, 450’
	2023/24	$ 297,098	$ 297,098	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Silverado Trail 175' N/O Howell Mountain Rd to City Limits (S), 1,475’
	2023/24	$ 14,203	$ 14,203	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Adams Street - Allyn Ave to Stockton St, 730’
	2023/24	$ 15,439	$ 15,439	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Adams Street - Stockton St to Kearney St, 710’
	2023/24	$ 6,860	$ 6,860	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Adams Street - Cop @ Library Ln to Cop Before Railroad Ave, 324’
	2023/24	$ 6,352	$ 6,352	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Adams Street - Cop @ Business Center Dwy to Cop @ Library Ln, 300’

	2023/24	$ 6,107	$ 6,107	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Adams Street - End (E) to Cop @ Business Center Dwy, 280'
	2023/24	$ 6,189	$ 6,189	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Pope Street - Begin Bridge to Silverado Trail, 500'
	2023/24	$ 84,734	$ 84,734	$ -	$ -	$ -	Reconstruct Structure (AC)	Design/Construction	South Crane Avenue - Grayson Ave to Vallejo St, 410'
	2023/24	$ 322,400	$ 322,400	$ -	$ -	$ -	Reconstruct Structure (AC)	Design/Construction	South Crane Avenue - Vallejo St to Sulphur Springs Ave, 2,015'
	2023/24	$ 379,189	$ -	$ -	$ -	$ 379,189	Street Maintenance Progam: Pothole Patching	Construction	Various locations as needed
Total FY 2023/24		**$ 1,373,186**	**$ 993,997**	**$ -**	**$ -**	**$ 379,189**			
	2024/25	$ 53,900	$ 53,900	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Chablis Circle - Pinot Wy to 500' NE/O Pinot (E), 490'
	2024/25	$ 58,421	$ 58,421	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Kearney Street - Pine St to Adams St, 590'
	2024/25	$ 35,767	$ 35,767	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Kearney Street - Madrona St to Pine St, 370'
	2024/25	$ 33,334	$ 33,334	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Pine Street - Kearney St to Oak Ave, 400'
	2024/25	$ 48,719	$ 48,719	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Columbard Court - Chardonnay Wy to End (W), 430'
	2024/25	$ 40,334	$ 40,334	$ -	$ -	$ -	2" AC OL	Design/Construction	Quail Court - Elmhurst Ave to End (N), 440'
	2024/25	$ 68,620	$ 68,620	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Brown Street - Allison Ave to End (W), 490'
	2024/25	$ 70,020	$ 70,020	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Chablis Circle - Pinot Way to 500' NE/O Pint Way (E), 500'
	2024/25	$ 27,316	$ 27,316	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Chablis Circle - Pinot Way to End, 102'
	2024/25	$ 95,779	$ 95,779	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Chardonnay Way - Spring St to Pinot Wy, 610'
	2024/25	$ 59,750	$ 59,750	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Charter Oak Avenue - Carwash to End (E), 640'
	2024/25	$ 36,114	$ 36,114	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Charter Oak Avenue - Main St to Carwash, 230'
	2024/25	$ 101,624	$ 101,624	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Edwards Street - Hunt Ave to Pope St, 750'
	2024/25	$ 46,800	$ 46,800	$ -	$ -	$ -	2" AC OL	Design/Construction	Hunt Avenue - Church St to Edwards St, 325'
	2024/25	$ 73,823	$ 73,823	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Hunt Avenue - Edwards St to June Ln, 485'
	2024/25	$ 96,480	$ 96,480	$ -	$ -	$ -	2" AC OL	Design/Construction	Hunt Avenue - June Ln to Grove Ct, 670'
	2024/25	$ 2,774	$ 2,774	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Magnolia Avenue - Rosebud Ln to E End, 181'
	2024/25	$ 15,692	$ 15,692	$ -	$ -	$ -	MicroSurfacing	Design/Construction	North Crane Avenue - Mitchell Dr to End (S), 717'
	2024/25	$ 2,909	$ 2,909	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Pine Street - Main St to Fire Station, 154'
	2024/25	$ 27	$ 27	$ -	$ -	$ -	Seal Cracks	Design/Construction	Doris Avenue - Vineyard Ave to End (W), 120'
	2024/25	$ 44	$ 44	$ -	$ -	$ -	Seal Cracks	Design/Construction	Doris Court - Vineyard Ave to End (E), 190'
	2024/25	$ 193	$ 193	$ -	$ -	$ -	Seal Cracks	Design/Construction	Hillview Place - Spring Mountain Rd to Oak Ave, 770'
	2024/25	$ 90	$ 90	$ -	$ -	$ -	Seal Cracks	Design/Construction	North Crane Avenue - Spring St to Mitchell Dr, 715'
	2024/25	$ 190	$ 190	$ -	$ -	$ -	Seal Cracks	Design/Construction	North Crane Avenue - Mitchell Dr to End (S), 717'
	2024/25	$ 95	$ 95	$ -	$ -	$ -	Seal Cracks	Design/Construction	Oak Avenue - Hillview Pl to Madrona St, 550'
	2024/25	$ 271	$ 271	$ -	$ -	$ -	Seal Cracks	Design/Construction	Vineyard Avenue - End (N) to Road Widens, 1,030'
	2024/25	$ 111	$ 111	$ -	$ -	$ -	Seal Cracks	Design/Construction	Vineyard Avenue - Road Widens to Hillview Pl, 515'
	2024/25	$ 379,189	$ -	$ -	$ -	$ 379,189	Street Maintenance Progam: Pothole Patching	Construction	Various locations as needed
Total FY 2024/25		**$ 1,348,386**	**$ 969,197**	**$ -**	**$ -**	**$ 379,189**			
	2025/26	$ 22,037	$ 22,037	$ -	$ -	$ -	2" AC OL	Design/Construction	Harvest Lane - Starr Ave to End (W), 220'
	2025/26	$ 47,600	$ 47,600	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Fulton Lane - RR Tracks to 25 MPH Sign, 1,020'
	2025/26	$ 41,174	$ 41,174	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Pine Street - Oak Ave to Main St, 314'
	2025/26	$ 35,969	$ 35,969	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Stockton Street - Madrona St to Pine St, 395'
	2025/26	$ 61,455	$ 61,455	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Fountain Street - Dowdell Ln to End (N), 380'
	2025/26	$ 49,738	$ 49,738	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Fulton Lane - Main St to Railroad Ave, 380'
	2025/26	$ 28,848	$ 28,848	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Fulton Lane - Railroad Ave to RR Tracks, 300'
	2025/26	$ 44,154	$ 44,154	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Spring Street - Oak Ave to BCR @ Main St, 330'
	2025/26	$ 81,054	$ 81,054	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Starr Avenue - Harvest Ln to Pope St, 385'
	2025/26	$ 208,834	$ 208,834	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Starr Avenue - Hunt Ave to Harvest Ln, 935'
	2025/26	$ 128,902	$ 128,902	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Vintage Avenue - McCormick St to End (E), 780'
	2025/26	$ 2,477	$ 2,477	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Doris Avenue - Vineyard Ave to End (W), 120'
	2025/26	$ 4,038	$ 4,038	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Doris Court - Vineyard Ave to End (E), 190'
	2025/26	$ 10,256	$ 10,256	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Fulton Lane - 25 MPH Sign to End (E) City Limits, 1,420'
	2025/26	$ 5,683	$ 5,683	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Kearney Street - Tainter St to Spring St, 390'
	2025/26	$ 4,918	$ 4,918	$ -	$ -	$ -	MicroSurfacing	Design/Construction	McCorkle Avenue - End (W) to Allison Ave, 300'
	2025/26	$ 379,189	$ -	$ -	$ -	$ 379,189	Street Maintenance Progam: Pothole Patching	Construction	Various locations as needed
Total FY 2025/26		**$ 1,156,326**	**$ 777,137**	**$ -**	**$ -**	**$ 379,189**			
	2026/27	$ 63,686	$ 63,686	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Kidd Ranch Road - McCorkle Ave to End (S), 485'
	2026/27	$ 138,532	$ 138,532	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Signorelli Circle - Chiles Ave to Chiles Ave, 1,055'
	2026/27	$ 84,140	$ 84,140	$ -	$ -	$ -	2" AC OL w/Fabric	Design/Construction	Spring Mountain Court - Spring Mountain Rd to End (S), 700'
	2026/27	$ 79,172	$ 79,172	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Allyn Avenue - Pine St to Adams St, 440'
	2026/27	$ 47,272	$ 47,272	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Hillview Place - Scott St to Vineyard Ave, 350'

	2026/27	$ 48,622	$ 48,622	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Hillview Place - Stockton St to Spring Mountain Rd, 360'
	2026/27	$ 18,883	$ 18,883	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Hillview Place - End (W) to Scott St, 160'
	2026/27	$ 42,835	$ 42,835	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Hillview Place - Vineyard Ave to Stockton St, 350'
	2026/27	$ 44,871	$ 44,871	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Pope Street - Main St to Church St, 230'
	2026/27	$ 58,024	$ 58,024	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Spring Street - Hudson Ave (W) to Allyn Ave, 370'
	2026/27	$ 152,972	$ 152,972	$ -	$ -	$ -	2.5" AC OL w/Fabric	Design/Construction	Spring Street - Allyn Ave to Stockton St, 870'
	2026/27	$ 9,661	$ 9,661	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Vineyard Avenue - Road Widens to Hillview Pl, 515'
	2026/27	$ 10,130	$ 10,130	$ -	$ -	$ -	MicroSurfacing	Design/Construction	Vineyard Avenue - Hillview Pl to Madrona St, 540'
	2026/27	$ 94,067	$ 94,067	$ -	$ -	$ -	Reconstruct Structure (AC)	Design/Construction	Oak Avenue - Madrona St to Pine St, 415'
	2026/27	$ 133,734	$ 133,734	$ -	$ -	$ -	Reconstruct Structure (AC)	Design/Construction	Oak Avenue - Pine St to Adams St, 590'
	2026/27	$ 113,467	$ 113,467	$ -	$ -	$ -	Reconstruct Structure (AC)	Design/Construction	Oak Avenue - Adams St to Tainter St, 460'
	2026/27	$ 104,000	$ 104,000	$ -	$ -	$ -	Reconstruct Structure (AC)	Design/Construction	Oak Avenue - Tainter St to Spring St, 390'
	2026/27	$ 18	$ 18	$ -	$ -	$ -	Seal Cracks	Design/Construction	El Bonita Avenue - La Quinta Wy to COP (Change of Pavement), 150'
	2026/27	$ 13	$ 13	$ -	$ -	$ -	Seal Cracks	Design/Construction	El Bonita Avenue - COP (Change of Pvmt) to Dahlia St, 108'
	2026/27	$ 128	$ 128	$ -	$ -	$ -	Seal Cracks	Design/Construction	El Bonita Avenue - Dahlia St to BCR @ Main St, 1,036'
	2026/27	$ 31	$ 31	$ -	$ -	$ -	Seal Cracks	Design/Construction	El Bonita Court - El Bonita Ave to End, 120'
	2026/27	$ 47	$ 47	$ -	$ -	$ -	Seal Cracks	Design/Construction	Kennedy Court - La Quinta Wy to End (W), 390'
	2026/27	$ 44	$ 44	$ -	$ -	$ -	Seal Cracks	Design/Construction	La Quinta Way - End (N) to End (S), 360'
	2026/27	$ 379,189	$ -	$ -	$ -	$ 379,189	Street Maintenance Progam: Pothole Patching	Construction	Various locations as needed
Total FY 2026/27		**$ 1,623,538**	**$ 1,244,349**	**$ -**	**$ -**	**$ 379,189**			

Equivalent Fund Class 1 Multi-Purpose Paths:

Please provide a five year multi-purpose Expenditures beginning in FY 2022-27 **(add rows as needed)**:

Project #	Fiscal Year	Total Project Amount	Measure T Amount	Federal Funds	State Funds	Other Local Funds	Project Description	Project Phase (Env, PS&E, Construction)	Location (intersection, mile marker, length of alignment)

Note: The amount of a jurisdiction's annual bike expenditure must be a minimum of 6.67% of the anticipated revenue amount received from Measure T each year. Estimates by jurisdiction are shown on the table labeled "Measure T Revenue Estim path projects that are funded by philanthropy, state discretionary funding or federal discretionary funding shall not count as part of the 6.67 % expenditure obligation required to be eligible to receive Measure T revenues.

Comment: Please provide any additional information to explaing your project list. E.g. This project list is the jurisdiction's CIP, the jurisdiction opted to include additional projects to have flexibility in completing a variety of projects

Note: The list will serve as the five-year list of projects required for submittal by each jurisdiction as stated in the Measure T Ordinance. These will be projects that will be delivered, depending on available revenues and when revenues become availa jurisdictions will also be required to submit all of the necessary documentation requested as evidence of a ***public hearing*** to ensure that the members of the public were able to comment on the proposed project list as well as a Resolution in suppo

Is the Project Included in the Countywide Transportation Plan?	Is the Project in the Jurisdiction's Capital Improvement Plan?
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	No
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes

No	Yes
No	Yes
No	Yes
No	Yes
No	No
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	No
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	No
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes

No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	Yes
No	No

Project Included in Countywide Bike Plan?	Project in Jurisdiction's Capital Improvement Plan?

ates". Funding for Class 1 Multi-use

able. Prior to any allocation,
rt of the proposed project list.

CITY OF ST. HELENA

RESOLUTION NO. 2023-

Resolution Approving Projects to be included to the Five-Year Expenditure Plan under Napa Countywide Road Maintenance Act Program, Measure T

RECITALS

A. On November 6, 2012, the voters of Napa County passed the Napa Countywide Road Maintenance Act, also known as Measure T, which imposes a half cent transaction and use tax to provide supplemental funding for road maintenance as detailed in the Measure T Expenditure Plan; and

B. The Napa Valley Transportation Authority (NVTA) is the designated agency that administers and oversees the Measure T revenues; and

C. The City of St. Helena is an eligible recipient of Measure T funds; and

D. The tax proceeds will be used to pay for the projects outlined in the Measure T Expenditure Plan allocated to the County of Napa and the cities and town within Napa County ("Local Agencies") as set forth in Measure Ts; and

E. Under the Measure T Expenditure Plan, Measure T funds are provided to the Local Agencies to be used for streets and roads projects as defined in the Measure policies and procedures; and

F. The City of St. Helena has entered into a Master Agreement with NVTA that outlines procedures for Measure T expenditures; and

G. In December of 2021, the City of St. Helena submitted to NVTA a list of projects to be made eligible for Measure T expenditures; and

H. Updates to the project list are required to align with the current 5 Year Capital Improvement Program; and

I. A public forum occurred on May 17, 2023, during which the proposal was presented; and

J. Measure T project(s) will comply with the requirements under the California Environmental Quality Act (California Code Sections 21000 *et seq*.; as implemented through California Regulations Title 14, Chapter 3, Sections 15000 *et seq.*); and

RESOLUTION

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

1. Approves the project additions of the Grayson and South Crane Rehab project, St. Helena Active Transportation and Safe Routes to Schools Plan project, Pope Street Crosswalk Improvements at College Avenue project, Crosswalk Improvements on Main Street/Highway 29 and Pratt Avenue and Elmhurst Avenue project and Pratt Avenue to the Measure T project list; and
2. Authorizes staff to submit the project additions to the Napa Valley Transportation Authority Tax Authority Board for approval; and
3. Authorizing staff to execute the appropriate budget appropriations and transfers of $75,000 from the Streets Capital fund 741-5014-3160 to Streets Capital fund 741-5014-3110 for the R19-05 Grayson and South Crane Rehab design.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023 by the following vote:

Mayor Dohring: ___________

Vice Mayor Hall: ___________

Councilmember Chouteau: ___________

Councilmember Hardy: ___________

Councilmember Summers: ___________

APPROVED: ATTEST:

Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City Clerk

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Consideration and adoption of a Resolution (1) Authorizing the City Manager to execute a Construction Contract with Argonaut Constructors in the amount not to exceed $124,200 for the emergency water pipeline replacement at the intersection of Mitchell Drive and Highway 29 in St Helena; (2) Authorize staff to increase fund 763-5030-3160 expenditures and increase fund 763-3460-0000 revenues; (3) Authorizing the Director of Public Works to approve change orders not to exceed 15% of the contract amount.**

CEQA Determination: **Class I Categorical Exemption under Section 15301 of CEQA**

Prepared By: Mario Traverso, Public Works Assistant Engineer

Reviewed By: Joseph Leach, Public Works Director and City Engineer

Approved By: Anil Comelo, City Manager

BACKGROUND

Since 2020, Pacific Gas and Electric (PG&E) has embarked on a variety of significant utility infrastructure projects within the City of St. Helena, including the replacement of an underground high-pressure natural gas pipeline which runs along Highway 29 and serves St. Helena, Calistoga, and surrounding areas. The installation of this new pipeline is nearing completion; PG&E is in preparation to construct and connect the remaining segments of this pipeline.

One of the remaining segments is an underground pipeline crossing at Sulphur Creek whose connection point is at the northwest corner at Mitchell Drive and Highway 29. Currently, PG&E crews are performing night work to finish this pipeline connection. The pipeline connection is scheduled to be completed on May 23, 2023.

DISCUSSION

The City of St. Helena's Public Works Staff coordinate closely with PG&E's engineers and contractors regarding all utility infrastructure projects within the City, as much of the PG&E utility infrastructure intersects with critical City-owned water and sewer utility infrastructure. As PG&E proceeded with the pipeline connection at Mitchell Drive, concerns grew regarding the possibility of damaging effects to a nearby water pipeline due to vibrations, ground disturbances and shifting resulting from the various construction activities, potentially creating an emergency situation.

In addition to precautionary measures to protect water pipeline, Public Works staff requested that PG&E replace a 100-foot segment of water pipeline within the construction zone. The replacement of this water pipeline segment ensures that no damage incurred, which could result in a future failure, to City infrastructure resulting from PG&E's construction activities. Though the replacement of water pipeline is outside of PG&E's construction abilities, PG&E has agreed to reimburse the City for all expenses related to the replacement of the water pipeline segment.

While discussions with PG&E regarding this specific rehabilitation project have been ongoing for a couple of months, Public Works staff only recently understood the details of PG&E work and, therefore needed to respond quickly to retaining a contractor under an "urgency" situation. As such, staff solicited a proposal from Argonaut Constructors of Santa Rosa to perform the work. Argonaut Constructors has provided a cost estimate of $124,200, which the City presented to PG&E who was agreeable to the cost.

Staff requests City Council to authorize the City Manager to execute a construction contract with Argonaut Constructors to perform the work. Argonaut Constructors possess a valid Class A General Engineering license and has performed extensive underground pipeline projects in the City of St. Helena. The pipeline replacement work is anticipated to begin on May 24, 2023 following PG&E's completion of the pipeline connection, and is expected to take five days to complete. Work will occur at night.

FISCAL IMPACT

There will be no net fiscal impact. 100% of expenses related to the proposed work will be reimbursed by PG&E.

RECOMMENDED ACTION

Adopt a Resolution (1) Authorizing the City Manager to execute a Construction Contract with Argonaut Constructors in the amount not to exceed $124,200; (2) Authorize staff to increase fund 763-5030-3160 expenditures and increase fund 763-3460-0000 revenue to reflect the project cost and reimbursement; (3) Authorizing the Director of Public Works to approve change orders not to exceed 15% of the contract amount.

ATTACHMENTS

Agreement - Emergency Water Main Replacement Mitchell Drive
Resolution - Emergency Water Main Replacement Mitchell Drive

AGREEMENT

CITY OF ST. HELENA
STATE OF CALIFORNIA

THIS AGREEMENT is made and entered into by and between the City of St. Helena, a Municipal Corporation, hereinafter called "City" and **Argonaut Constructors,** hereinafter called "Contractor," for the **Emergency Water Main Replacement at Mitchell Dr. and Hwy 29 Project.**

RECITALS

City has taken appropriate proceedings to authorize construction of the public work and improvements herein provided and execution of this contract.

On May 23, 2023, the City Council of the City of St. Helena authorized the execution of the contract for the construction of the improvement hereinafter described to Contractor, which Contractor said Council found to be a responsive and responsible bidder for construction of said improvement.

City and Contractor desire to enter into this Agreement for the construction of said improvements.

THE PARTIES HERETO AGREE AS FOLLOWS:

1. Contract Documents

The complete contract consists of the following documents:

A. This Agreement
B. The Standard Specifications and Standard Plans of the State of California, Dept. of Transportation, dated 2022
C. City of St. Helena General Conditions for City of St. Helena Construction Projects September 1997 (as amended)
D. The Faithful Performance Bond, Labor and Material Bond, and Warranty/Maintenance Bond
E. City of St. Helena Standard Specifications and Standard Plans

All rights and obligations of City and Contractor are fully set forth and described in the contract documents.

All of the above-named documents are intended to cooperate so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract will hereinafter be referred to as "the contract documents."

2. Scope of Work

The scope of work includes the removal and replacement of water main conveyance infrastructure, including 25 linear feet of 12” C900 PVC water main, 75 linear feet of 6” C900 PVC water main, valves, water services, adapters and restraints.

3. Performance of Work

Contractor shall furnish all tools, equipment, apparatus, facilities, labor and materials necessary to perform and complete in a good and workmanlike manner the work of construction as called for, and in the time and manner designated in, and in strict conformity with, the contract documents for said work.

The equipment, apparatus, facilities, labor and material shall be furnished, and said work performed and completed, as required in said plans and specifications under the direction and supervision, and subject to the approval, of the City Engineer of the City of St. Helena, or his designated assistant or assistants.

4. Contract Price

City shall pay, and Contractor shall accept, in full payment for the work agreed to be done, the dollar amount of $124,200. Increases or decreases in the contract quantities shall operate in the manner provided for in the contract documents.

5. Extra and/or Additional Work and Changes

Should City at any time during the progress of said work request any alterations, deviations, additions or omissions from said plans, specifications or other contract documents, it shall be at liberty to do so and the same shall in no way affect or make void the contract. The value of such will be added to, or deducted from, the contract price, as the case may be, in accordance with the provisions for such contained in the contract documents.

6. Provisions Cumulative

The provisions of this Agreement are cumulative and in addition to, and not in limitation of, any other rights or remedies available to City.

7. Notices

All notices shall be in writing and delivered in person or transmitted by certified mail, postage prepaid. Notices required to be given to City shall be addressed as follows:

City of St. Helena
1088 College Ave
St. Helena, CA 94574
Attn: Public Works Department

Notices required to be given to Contractor shall be addressed as follows:

Argonaut Constructors
360 Sutton Place
Santa Rosa, CA 95407

Notices required to be given to Sureties of Contractor shall be addressed as follows:

[Click here and insert Surety Company]
c/o [Click here and insert Surety]
[Click here and insert address]
[Click here and insert City]

DATED this day of , 20 .

CITY OF ST. HELENA, a Municipal Corporation

____
Anil Comelo
City Manager

ATTEST:

____
Cindy Tzafopoulos, City Clerk

APPROVED AS TO FORM:

____
Ethan Walsh, City Attorney

CONTRACTOR: (Name and form of organization)

Contractors License No. 171432

By:__________________________
[Click here to insert Name and Title]

By:__________________________
[Click here to insert Name and Title]

Project Code

PROPOSAL

Page 1 of 1
REVISION 1

Bid Date: 5/04/2023
Time: 1:00PM

City Of Saint Helena

Proposal for:
St Helena - Water CCO BUDGET
from
Argonaut Constructors
360 Sutton Place, Santa Rosa, CA 95402
(707) 542-4862
License: 171432 Type: GENERAL ENGINEERING

Lock	Item	Description	Quantity	Unit	Unit Price	Total Price
	1	Mobilization / Supervision	1.00	LS	13,200.0000	13,200.00
	2	Pothole Extg Utilities	1.00	LS	6,200.0000	6,200.00
	3	Traffic Control	1.00	LS	3,500.0000	3,500.00
	4	12" & 6" Pipe & Tie-Ins	1.00	LS	101,300.0000	101,300.00
					Total:	124,200.00

FAITHFUL PERFORMANCE BOND
(Construction)

KNOW ALL PERSONS BY THESE PRESENTS, that the City of St. Helena (hereinafter designated as "City"), a municipal corporation located in the County of Napa, State of California, has awarded a contract to and has entered into an agreement with Argonaut Constructors., hereinafter designated as "Principal," whereby Principal agrees to complete the improvements more particularly described in all documents forming the complete contract entitled " **Emergency Water Main Replacement at Mitchell Dr. and Hwy 29 Project**," which said agreement is hereby referred to and made a part hereof; and

WHEREAS, said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

NOW, THEREFORE, we, the Principal and [Click here and insert Surety Agent Name and Number] , as surety, are held and firmly bound unto the City in the penal sum of dollars ($) lawful money of the United States, being not less than one hundred percent (100%) of the estimated contract cost of the work for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his/her/its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, therein provided, on his/her/its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify, defend and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, the above-bounded parties have executed this instrument under their seals this day of , 20 , the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

NOTE: To be signed by Principal, and Admitted Surety and acknowledgement and notarial seal for both attached. Attach copy of authority for surety agent and County Clerk certificate under CCP §995.660*)*
[SEAL]

(Principal Signature)

[Click and insert Principal Name and Title]

[Click and insert Principal Business Name]

(Surety Signature)

[Click and insert Name and Title]

[Click and insert Surety Business Name]

LABOR AND MATERIALS BOND
(Construction)

KNOW ALL PERSONS BY THESE PRESENTS, that the City of St. Helena (hereinafter designated as "City"), a municipal corporation located in the County of Napa, State of California, has awarded a contract to and has entered into an agreement with Argonaut Constructors., hereinafter designated as "Principal," whereby Principal agrees to complete the improvements more particularly described in all documents forming the complete contract entitled " **Emergency Water Main Replacement at Mitchell Dr. and Hwy 29 Project**," which said agreement is hereby referred to and made a part hereof; and

WHEREAS, said Principal is required to furnish a bond in connection and with said contract; provided that if said Principal, or any of his/her/its contractors, shall fail to pay for any materials, provisions, provider or other supplies or teams used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, the Surety of this bond will pay the same to the extent hereinafter set forth.

NOW, THEREFORE, we, the Principal and [Click here and insert Surety Agent Name and Number], as surety, are held and firmly bound unto the City in the penal sum of dollars ($) lawful money of the United States, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if said Principal, his/her/its heirs, executors, administrators, successors or assigns, or its subcontractors, shall fail to pay any of the persons named in Section 3181 of the Civil Code, or to pay for any materials, provisions, provender, or other supplies or teams used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind or for amounts due under the Unemployment Insurance Code with respect to such work or labor, then said Surety will pay the same in or to an amount not exceeding the amount hereinabove set forth, and also will pay in case suit is brought upon this bond a reasonable attorney's fee in such suit, which fee shall be fixed by the Court.

AS FURTHER TERMS OF THIS BOND, IT IS UNDERSTOOD AS FOLLOWS:

1. This bond and all its provisions shall insure to the benefit of any and all persons named in Section 3181 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

2. This bond is given to comply with the provisions of Chapter 7, Part 4, Division 3, of the Civil Code. The liability of the Principal and Surety hereunder is governed by the provisions of said chapter, all acts amendatory thereof, and all other statutes referred to therein. The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way effect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way effect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, the above-bounded parties have executed this instrument under their seals this day of , 20 , the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

NOTE: To be signed by Principal, and Admitted Surety and acknowledgement and notarial seal for both attached. Attach copy of authority for surety agent and County Clerk certificate under CCP §995.660*)*
[SEAL]

(Principal Signature)

[Click and insert Principal Name and Title]

[Click and insert Principal Business Name]

(Surety Signature)

[Click and insert Name and Title]

[Click and insert Surety Business Name]

WARRANTY/MAINTENANCE BOND

WHEREAS, the City Council of the CITY OF ST. HELENA, State of California (hereinafter designated as "City"), and Argonaut Constructors, Inc. (hereinafter designated as "Principal"), have entered into an agreement ("Agreement") dated May 23, 2023, whereby Principal guaranteed that all improvements (as defined therein) constructed by or on behalf of Principal shall be free from defects of materials or work quality and shall perform satisfactorily for a period of at least one (1) year from the date of final acceptance of all work performed under the Agreement and further, the principal agreed to repair defects and replace improvements which cannot be repaired within said one (1) year period; and

WHEREAS, said Principal is required to furnish a bond for the faithful performance of its responsibility to maintain repair and replace said improvements.

NOW, THEREFORE, we the Principal and [Click here and insert Surety Agent Name and Number] as surety are held and firmly bound unto the City in the penal sum of $ lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his, her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on this or their part, to be kept and performed by Principal as required therein and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City and its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

In witness hereof, this instrument has been duly executed by the Contractor and surety above named on , 20 .

NOTE: To be signed by Principal, and Admitted Surety and acknowledgement and notarial seal for both attached. Attach copy of authority for surety agent and County Clerk certificate under CCP §995.660)
[SEAL]

(Principal Signature)

[Click and insert Principal Name and Title]

[Click and insert Principal Business Name]

(Surety Signature)

[Click and insert Name and Title]

[Click and insert Surety Business Name]

ACORD **CERTIFICATE OF INSURANCE** **ISSUE DATE: ____________**

PRODUCER:

____

____

____

THIS CERTIFICATE OF INSURANCE IS NOT AN INSURANCE POLICY AND DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE:	NAIC#
INSURER A: Insurance Company name	?
INSURER B: Insurance Company name	?
INSURER C: Insurance Company name	?
INSURER D: ______________	______

INSURED:

____

____

____

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	
A	**GENERAL LIABILITY** ■ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ■ OCCURRENCE ☐ OWNER'S & CONTRACTOR'S PROT. ☐ OTHER	__________	__________	__________	EACH OCCURRENCE	$2,000,000
					DAMAGE TO RENTED PREMISES (Ea occurrence)	$
					MED. EXP. (Any one person)	$
					PERSONAL & ADV INJURY	$
					GENERAL AGGREGATE	$2,000,000
					PRODUCTS COMP/OP AGG.	$2,000,000
B	**AUTOMOBILE LIABILITY** ■ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ■ HIRED AUTOS ■ NON-OWNED AUTOS	__________	__________	__________	COMBINED SINGLE LIMIT (Ea accident)	$2,000,000
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE	$
	EXCESS/UMBRELLA LIABILITY ☐ OCCURRENCE ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION				EACH OCCURRENCE	$
					AGGREGATE	$
C	**WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY** ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICERS/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below.	__________	__________	__________	■ WC STATUTORY LIMITS / OTHER	$
					EACH ACCIDENT	$1,000,000
					DISEASE-POLICY LIMIT	$1,000,000
					DISEASE-EACH EMPLOYEE	$1,000,000
	PROPERTY INSURANCE ☐ COURSE OF CONSTRUCTION				AMOUNT OF INSURANCE	$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

The City of St. Helena, its agents, officials, officers, employees and volunteers are added as additional insured
RE: ____________________________

CERTIFICATE HOLDER

CITY OF ST. HELENA
1480 MAIN STREET
ST HELENA, CA 94574

CANCELLATION **10 Days for Non-Payment**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURED WILL ~~ENDEAVOR TO~~ MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION ON LIABILITY OF ANY KIND UPON THE INSURED, ITS AGENTS AND REPRESENTATIVES~~.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: The City of St. Helena, its' agents, officers, officials, employees and volunteers are additionally insured.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. **Section II – Who Is An Insured** is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

2. Exclusions

This insurance does not apply to "bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Certificate pursuant to 995.640(a) Code of Civil Procedure

State of California)
)*ss.*
County of Napa)

I, JOHN TUTEUR, County Clerk of the County of Napa, State of California, in and for said County DO HEREBY CERTIFY THAT

…………………………………………………………………………………………………
has been issued a certificate of authority as an admitted surety by the Insurance Commissioner authorizing the insurer to transact surety insurance in the State of California, and that based on the records in this office, that authority has not been surrendered, revoked, canceled, annulled, or suspended.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said County this ………………… Day of …………………………………, 20………

JOHN TUTEUR, COUNTY CLERK

By: ………………………………………..
Deputy Recorder-County Clerk

CITY OF ST. HELENA

RESOLUTION NO. 2023-

(1) Authorizing the City Manager to execute a Construction Contract with Argonaut Constructors in the amount not to exceed $124,200, (2) Authorizing staff to increase fund 763-5030-3160 expenditures and increase fund 763-3460-0000 revenue; (3) Authorizing the Director of Public Works to approve change orders not to exceed 15% of the contract amount.

RECITALS

A. Beginning in November 2020, Pacific Gas and Electric Company (PG&E) has proceeded with various replacements of utility infrastructure within the City of St. Helena; and

B. The City of St. Helena Public Works staff works closely with PG&E regarding the execution and delivery of all utility and construction projects; and

C. The construction and replacement of portions of PG&E utility infrastructure at Mitchell Dr. and Hwy 29 was found to compromise the integrity of City owned utility infrastructure; and

D. An encroachment permit was issued to PG&E whereby a condition of approval requires PG&E to reimburse the City for expenses for activities necessary to mitigate the City's infrastructure concerns including the replacement of 100 liner feet on water main; and

E. Argonaut Constructors of Santa Rosa has provided a cost proposal to perform the requested work; and

F. City staff has verified that Argonaut Constructors possesses a valid Contractor's License, Class A, number 171432 that qualifies Argonaut Constructors to complete the project; and

G. The emergency water main replacement at the intersection of Mitchell Drive and Highway 29 has been found to be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301(c) of Title 14 of the California Code of Regulations as it consists of repair of existing facilities.

RESOLUTION

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

1. Authorizing the City Manager to execute a construction contract in the amount not to exceed $124,200 with Argonaut Constructors for the construction of the

Emergency Water Main Replacement at Mitchell Drive and Highway 29 Project; and

2. Authorize staff to increase fund 763-5030-3160 expenditures and increase fund 763-3460-0000 revenue; and
3. Authorizing the Director of Public Works to approve change orders not to exceed 15% of the contract amount.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023 by the following vote:

Mayor Dohring:	___________
Vice Mayor Hall:	___________
Councilmember Chouteau:	___________
Councilmember Hardy:	___________
Councilmember Summers:	___________

APPROVED: ATTEST:

_________________________ _________________________

Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City Clerk

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Consideration and proposed adoption of a resolution approving a Professional Services Agreement with Pacific Tree Care for Phase 2 Tree Pruning in Crane Park and various Heritage Trees pruning in an amount not to exceed $78,849.30 and authorizing the City Manager to execute the agreement.**

CEQA Determination: **Class I Categorical Exemption under Section 15301 of CEQA**

Prepared By: Carlos Uribe, Assistant Public Works Operations Manager

Reviewed By: Joseph Leach, Public Works Director and City Engineer

Approved By: Anil Comelo, City Manager

BACKGROUND

The City of St Helena has an established pruning schedule that ensures trees are maintained for the health of the trees as well and minimizing hazards to park patrons. This maintenance schedule recommends trees be on a 5- or 7-year cycle and it takes into consideration the location, type, and age of trees in each park. Regular tree pruning is critical for the structural integrity and health of the tree and helps to mitigate the risk of broken limbs and falling branches. The park trees in need of pruning in this cycle ending in June 30, 2023 are as follows:

1. Crane Park Phase 2
2. Heritage Trees

The City packaged a bid proposal listing pruning objectives that included a reduction in hazards as well as maintenance pruning for:
- Deadwood removal on all branches one inch and larger
- Canopy reduction to reduce weight and windsail
- All pruning cuts conform to ANSI A300 standards
- Perform root collar inspections

- Provide written report of all hazards
- Issue 48-hour notice before any work can begin to allow for any noticing and arrange for any closures if needed.

DISCUSSION

On March 11, 2023, the City of St. Helena solicited a bid for its pruning program from Pacific Tree Care utilizing Uniform Construction Cost accounting list for professional tree services. The list was established using the procedures set in the St. Helena Municipal Code Section 3.04.200 for Uniform Construction Cost Accounting and Pacific Tree Care was qualified professional tree company that submitted an application. While the City could have requested additional bids, the proposal amount of $78,849.30 is in line with other bid proposals received for similar work and Pacific Tree Care has completed satisfactory work with the City on a regular basis.

FISCAL IMPACT

Total fiscal impact is $78,849.30 and has been included in the Fiscal Year 2022-23 Adopted Budget.

RECOMMENDED ACTION

Staff recommends City Council adopt a resolution approving a Professional Services Agreement with Pacific Tree Care for tree pruning in Crane Park Phase two, and Heritage Trees in an amount not to exceed $78,849.30 and authorize the City Manager to execute the agreement.

ATTACHMENTS

Resolution 2023 Pacific Tree Services
PSA-PTC- Heritage Tree pruning 4.19.23 (PTC Signed)
PSA-PTC Tree pruning Crane 4.19.23 (PTC signed)
2023 Annual List of Qualified Bidders Notice Application Fillable

CITY OF ST. HELENA

RESOLUTION NO. xxxx-xx

Resolution approving a Professional Services Agreement with Pacific Tree Care for tree pruning at Crane Park Phase 2 and Heritage Tree pruning for an amount not to exceed $78,849.30 and authorizing the City Manager to execute the agreement

RECITALS

A. The City of St Helena has an established tree pruning schedule to ensure the health of its trees in City parks; and

B. The City of St. Helena requested bids for tree pruning at Crane Park, and for Heritage trees; and

C. Pacific Tree Care is on the City of St Helena's 2023 California Uniform Construction Cost accounting list for professional tree service; and

D. The proposal from Britton Tree Services is $78,849.30; and

E. Sufficient funding for the tree pruning is available in the Public Works budget for Fiscal Year 2022/2023.

F. The project is categorically exempt as a Class I Categorical Exemption from the requirements of CEQA pursuant to Section 15301.

RESOLUTION

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

1. The City Council approves the Professional Service Agreement with Pacific Tree Care, in the amount of $78,849.30.
2. The City Council authorizes the City Manager to execute the agreement with Pacific Tree Care.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023 by the following vote:

Mayor Dohring: ___
Vice Mayor Hall: ___
Councilmember Chouteau: ___
Councilmember Hardy: ___
Councilmember Summers: ___

APPROVED: ATTEST:

______________ __________________________
Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City
Clerk

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, made and entered into on _____________, 2023 by and between the City of St. Helena, located in the County of Napa, State of California (City), and Pacific Tree Care (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Tree Maintenance- Heritage Tree pruning.

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 Services"** 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 Services"** (the "Services"), 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 Services"**. The parties expressly agree that time is of the essence in the performance of this Agreement.

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 B, "Compensation"** attached hereto and made a part hereof. Total compensation shall not exceed $46,233.40 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. Each original invoice furnished shall include the expenses incurred during the preceding month, the cumulative Agreement amount, and the amount remaining on the Agreement. 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

A. 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 in the same or similar geographical area engaged in providing Services similar to those required of Consultant under this Agreement.

B. In order to induce City to enter into this Agreement, Consultant represents that it is duly organized, existing and in good standing under applicable state law; Consultant is licensed to perform all aspects of the Services; Consultant will employ only persons and Subconsultants with all required licenses and certifications; that Consultant is duly qualified to conduct business in the State; that Consultant has duly authorized the execution, delivery and performance of this Agreement and the Services to be performed herein; and that the Agreement does not violate or create a default under any instrument, agreement, order or decree binding on Consultant.

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.

<u>SECTION 7 – INSURANCE REQUIRED</u>

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. <u>Minimum Scope of Insurance.</u> 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. <u>Minimum Limits of Insurance.</u> Consultant shall maintain limits no less than:
   1. General Liability: $1,000,000 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: $1,000,000 per accident for bodily injury and property damage.
   3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

C. <u>Professional Liability Insurance.</u> 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. When Consultant is not a design professional, Consultant shall maintain at least $1,000,000 of professional liability insurance combined single limit for each occurrence, insuring against professional errors and omissions in the Services performed by Consultant under this Agreement, including, without limitation, claims for negligence, misrepresentation, violation of good faith and fair dealing, and inaccurate advise arising out of, resulting from, or in connection with Services performed by Consultant under this Agreement.

D. <u>Excess Limits.</u> 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. <u>Primary Coverage.</u> 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. To the fullest extent allowed by law (including without limitation California Civil Code Sections 2782 and 2782.8), as may be applicable, Consultant shall indemnify, defend, and hold harmless City, its agents, officers, officials, employees, representatives, 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, including legal fees and expert witness costs) (collectively, "Liabilities"), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees, subconsultants, 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, pertaining to, or relating to 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 (i.e., a "design professional," pursuant to Civil Code § 2782.8(c)), the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant.

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, active negligence, or willful acts or misconduct.

E. Duty to Cooperate. Each party shall notify the other party immediately in writing of any claim or damage related to activities or Services performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of all Liabilities arising out of the activities or Services under this Agreement.

F. In the event that Consultant executes any subconsulting agreements in connection with the Services performed under this Agreement, Consultant shall place in all such subconsulting agreements, and cause its subconsultants to agree to, the indemnity and insurance obligations in favor of City and other Indemnitees, as provided herein, in the exact form and substance of those contained in this Agreement.

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 AND ANTI-FRAUD AND ANTI-CORRUPTION POLICIES

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.

C. Consultant understands and acknowledges City maintains an anti-fraud and anti-corruption policy to protect the City, its operations, and its employees from and against financial risks, operational breaches, and unethical, fraudulent and corrupt activities. Consultant represents and warrants that Consultant, its subcontractor(s) / subconsultant(s) and their respective employees providing Services pursuant to the Agreement are (1) in good standing; (2) have not been previously investigated, convicted, or debarred for fraudulent or corrupt activities; (3) will not participate in fraudulent or corrupt activities, and (4) will take steps to ensure that its employees and subcontractor(s) / subconsultant(s) employees do not participate in any fraudulent or corrupt activities. Consultant acknowledges and agrees further that it has a duty to and will report to City any information or incident(s) about possible fraudulent or corrupt activities Consultant may discover, and will cooperate in any fraud or corruption investigation conducted, with respect to Consultant's service provided pursuant to this Agreement.

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 – COMPLIANCE WITH CALIFORNIA LABOR CODE REQUIREMENTS

A. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

B. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

C. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

SECTION 17 – AUDIT AND INSPECTION OF 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 shall maintain all documents and records prepared by or furnished to Consultant during the course of performing the Services for at least three (3) years following completion of the Services. Such records include, but are not limited to, correspondence, internal memoranda, technical reports and investigations, calculations, books and accounts, accounting records documenting its work under its Agreement, and invoices, payrolls, records and all other data related to matters covered by this Agreement.

C. Consultant shall permit City to audit, examine and make copies, excerpts and transcripts from such records, and the Consultant shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any matter whatsoever for three (3) years after City makes the final or last payment or within three (3) years after any pending issues between City and Consultant with respect to this Agreement are closed, whichever is later.

SECTION 18 – LIMITATION OF LIABILITY

A. Consultant agrees that any liability of City arising in connection with this Agreement shall be limited exclusively to the City-entity identified as the "City" under this Contract. Under no circumstance shall any other City-entity be liable to Consultant under any theory, whether in contract, tort, or otherwise, and Consultant waives unconditionally any such claims. Consultant hereby waives and release other City-entites from any liability under this Agreement.

B. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed hereunder.

SECTION 19 – 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 20 – 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
1572 Railroad Avenue
St. Helena, California 94574

To Consultant: Pacific Tree Care
PO Box 34
Calistoga, CA 94515
Jacob Schneider
(707)-942-0261

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 21 – 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 22 – ATTORNEYS' 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 23 – 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 24 – 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 25 – 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 26 – 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 27 – 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, or 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 waiver of any of the provisions of this Agreement.

SECTION 28 – 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 29 – 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 30 – THIRD PARTY BENEFICIARIES

Consultant's subconsultants shall agree to be bound to the terms of the Agreement to the extent of their scope of Services, including but not limited to, terms regarding indemnity and dispute resolution, and shall agree that City is deemed an express third party beneficiary of their subconsultant agreements. Nothing contained in this Agreement, however, shall operate to confer such or similar rights or benefits on persons or entities not party to this Agreement.

SECTION 31 – STATUTES OF LIMITATION

As between the parties to this Agreement, any applicable statute of limitations for action arising out of, pertaining to, or relating to any act or failure to act in connection with this Agreement shall commence to run on the date of City's issuance of the final Certificate for Payment, or termination of this Agreement, whichever is earlier, except for latent defects and/or deficiencies, for which the applicable statute of limitation shall begin to run upon discovery of the defect and/or deficiency and its cause.

SECTION 32 – 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: Jacob Schneider	Name: Anil Comelo
Title: Owner	Title: City Manager

Approved as to Form:

By: ______________________
Name: Ethan Walsh
Title: City Attorney

Exhibit A
"Scope of Services"

Tree Maintenance of trees Heritage Tree. This includes maintenance pruning, addressing overall tree health and deficiencies.

1. Tree #1, Valley Oak (Quercus lobata)
TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter cuts. Inspect the tree for visual inconsistencies that may lead to failure. Provide traffic control.
COST: Labor 4,600.00
COST: 80' Red Lift 400.00

2. Tree #2 has been removed.

3. Tree #3, Valley Oak
TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter cuts. Inspect the tree for visual inconsistencies that may lead to failure. Provide traffic control.
COST: Labor 2,760.00
COST: Bucket Truck 250.00
NOTE: HIGH VOLTAGE ONSITE

4. Tree #4, Coast Live oak. Tree retains six cables, one is broken.
TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter cuts. Raise over street and vineyard. Replace all six cables. Provide traffic control
COST: Labor 4,600.00
COST: JLG Lift 300.00
COST: Materials - Cabling 960.00T

5. Tree #5, Coast Live Oak
TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter cuts.
COST: Labor 2,760.00
TREATMENT B: For adjacent tree, clean deadwood 1" diameter and greater.
COST: Labor 920.00

6. Tree #6, no treatment recommended at this time

7. Tree #7, Valley Oak
TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter cuts. Raise canopy over the road. Inspect the tree for visual inconsistencies that may lead to failure.
COST: Labor 3,680.00
COST: Bucket Truck 250.00
NOTE: HIGH VOLTAGE ONSITE

8. Tree #8
TREATMENT: Clean deadwood 1" diameter and greater. Provide traffic control.
COST: Labor 1,380.00
COST: Bucket Truck 250.00
NOTE: HIGH VOLTAGE ONSITE

9. Tree #9,
TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter cuts. Excavate and examine the root collar. Provide traffic control, will need neighbor access.
COST: Labor 3,680.00
COST: Bucket Truck 250.00
NOTE: HIGH VOLTAGE ONSITE

10. Tree #10TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter
cuts. Replace four cables. Provide traffic control.
COST: Labor 2,760.00
COST: Bucket Truck 250.00
COST: Materials - Cabling 480.00T
NOTE: HIGH VOLTAGE ONSITE

11. Tree #11, Coastal Redwood (Sequoia sempervirens)
TREATMENT: Clean deadwood 1" diameter and greater. Remove broken, hanging limb. Inspect the tree for visual inconsistencies that may lead to failure.
COST: Labor 1,840.00
COST: Bucket Truck 250.00

12. Tree #12, Incense Cedar (Calocedrus decurrens)
TREATMENT: Clean deadwood 1" diameter and greater. Inspect the tree for visual inconsistencies that may lead to failure.
COST: Labor 1,380.00
COST: Bucket Truck 250.00
NOTE: HIGH VOLTAGE ONSITE

13. Tree #13, Valley Oak
TREATMENT A: Clean deadwood 1" diameter and greater. Reduce endweight with 2" - 4" diameter cuts. Inspect the tree for visual inconsistencies that may lead to failure.
COST: Labor 3,680.00
--AND--
TREATMENT B: Subcontract with Bob & Duff's Pest Control for systemic injection for Mediterranean Oak Borer. COST: Subcontractor 750.00

14. Tree #14, Coast Live Oak
TREATMENT A: Clean deadwood 1" diameter and greater. Reduce endweight with 1" - 3" diameter cuts and 2" - 4" diameter cuts above the house. Inspect the tree for visual inconsistencies that may lead to failure. Provide traffic control.
COST: Labor 4,600.00
COST: Bucket Truck 250.00

COST: 7% Fuel and Regulatory Compliance Surcharge 2,703.40

TREE LEGEND

1. 1350 Grove Court 41” Valley Oak
Located in the street.

2. Removed due to to failure.

3. 1201 Edwards St. 42” Valley Oak
Located in the street.

4. 1671 Sulphur Springs Ave. 50” Coast Live Oak
Located across the street.

5. 2660 Spring Street 30” Coast Live Oak

6. 2790 Spring Street 36” Valley Oak

7. 2126 Madrona Avenue 39” Valley Oak

8. 1544 Hudson Avenue 34” Valley Oak

9. 1918 Spring Street 32” Valley Oak
Located across the street.

10. 1918 Spring Street 52” Valley Oak
Located across the street.

11. 1276 Allyn Ave. 50” Coastal Redwood
Located on Tainter St. side.

12. 1256 Stockton Street 36” Incense Cedar

13. 1413 Tainter Street 36” Valley Oak

14. 1417 Tainter Street 36” Valley Oak

15. 2080 Spring Mountain Rd. 45” Coast Live Oak

Exhibit B
“Compensation”

Tree Maintenance of 12 Heritage trees, located in Right of Way through out St Helena city limits.

Total: $46,233.40

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, made and entered into on _____________, 2023 by and between the City of St. Helena, located in the County of Napa, State of California (City), and Pacific Tree Care (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Tree Maintenance phase II Crane Park.

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 Services"** 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 Services"** (the "Services"), 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 Services"**. The parties expressly agree that time is of the essence in the performance of this Agreement.

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 B, "Compensation"** attached hereto and made a part hereof. Total compensation shall not exceed $32,615.90 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. Each original invoice furnished shall include the expenses incurred during the preceding month, the cumulative Agreement amount, and the amount remaining on the Agreement. 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

A. 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 in the same or similar geographical area engaged in providing Services similar to those required of Consultant under this Agreement.

B. In order to induce City to enter into this Agreement, Consultant represents that it is duly organized, existing and in good standing under applicable state law; Consultant is licensed to perform all aspects of the Services; Consultant will employ only persons and Subconsultants with all required licenses and certifications; that Consultant is duly qualified to conduct business in the State; that Consultant has duly authorized the execution, delivery and performance of this Agreement and the Services to be performed herein; and that the Agreement does not violate or create a default under any instrument, agreement, order or decree binding on Consultant.

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: $1,000,000 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: $1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $1,000,000 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. When Consultant is not a design professional, Consultant shall maintain at least $1,000,000 of professional liability insurance combined single limit for each occurrence, insuring against professional errors and omissions in the Services performed by Consultant under this Agreement, including, without limitation, claims for negligence, misrepresentation, violation of good faith and fair dealing, and inaccurate advise arising out of, resulting from, or in connection with Services performed by Consultant under this Agreement.

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. To the fullest extent allowed by law (including without limitation California Civil Code Sections 2782 and 2782.8), as may be applicable, Consultant shall indemnify, defend, and hold harmless City, its agents, officers, officials, employees, representatives, 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, including legal fees and expert witness costs) (collectively, “Liabilities”), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees, subconsultants, 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, pertaining to, or relating to 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 (i.e., a “design professional,” pursuant to Civil Code § 2782.8(c)), the provisions of this section regarding Consultant’s duty to defend and indemnify apply only to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant.

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, active negligence, or willful acts or misconduct.

E. Duty to Cooperate. Each party shall notify the other party immediately in writing of any claim or damage related to activities or Services performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of all Liabilities arising out of the activities or Services under this Agreement.

F. In the event that Consultant executes any subconsulting agreements in connection with the Services performed under this Agreement, Consultant shall place in all such subconsulting agreements, and cause its subconsultants to agree to, the indemnity and insurance obligations in favor of City and other Indemnitees, as provided herein, in the exact form and substance of those contained in this Agreement.

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 AND ANTI-FRAUD AND ANTI-CORRUPTION POLICIES

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.

C. Consultant understands and acknowledges City maintains an anti-fraud and anti-corruption policy to protect the City, its operations, and its employees from and against financial risks, operational breaches, and unethical, fraudulent and corrupt activities. Consultant represents and warrants that Consultant, its subcontractor(s) / subconsultant(s) and their respective employees providing Services pursuant to the Agreement are (1) in good standing; (2) have not been previously investigated, convicted, or debarred for fraudulent or corrupt activities; (3) will not participate in fraudulent or corrupt activities, and (4) will take steps to ensure that its employees and subcontractor(s) / subconsultant(s) employees do not participate in any fraudulent or corrupt activities. Consultant acknowledges and agrees further that it has a duty to and will report to City any information or incident(s) about possible fraudulent or corrupt activities Consultant may discover, and will cooperate in any fraud or corruption investigation conducted, with respect to Consultant's service provided pursuant to this Agreement.

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 – COMPLIANCE WITH CALIFORNIA LABOR CODE REQUIREMENTS

A. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

B. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

C. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

SECTION 17 – AUDIT AND INSPECTION OF 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 shall maintain all documents and records prepared by or furnished to Consultant during the course of performing the Services for at least three (3) years following completion of the Services. Such records include, but are not limited to, correspondence, internal memoranda, technical reports and investigations, calculations, books and accounts, accounting records documenting its work under its Agreement, and invoices, payrolls, records and all other data related to matters covered by this Agreement.

C. Consultant shall permit City to audit, examine and make copies, excerpts and transcripts from such records, and the Consultant shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any matter whatsoever for three (3) years after City makes the final or last payment or within three (3) years after any pending issues between City and Consultant with respect to this Agreement are closed, whichever is later.

SECTION 18 – LIMITATION OF LIABILITY

A. Consultant agrees that any liability of City arising in connection with this Agreement shall be limited exclusively to the City-entity identified as the "City" under this Contract. Under no circumstance shall any other City-entity be liable to Consultant under any theory, whether in contract, tort, or otherwise, and Consultant waives unconditionally any such claims. Consultant hereby waives and release other City-entites from any liability under this Agreement.

B. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed hereunder.

SECTION 19 – 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 20 – 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
1572 Railroad Avenue
St. Helena, California 94574

To Consultant: Pacific Tree Care
PO Box 34
Calistoga, CA 94515
Jacob Schneider
(707)-942-0261

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 21 – 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 22 – ATTORNEYS' 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 23 – 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 24 – 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 25 – 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 26 – 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 27 – 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, or 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 waiver of any of the provisions of this Agreement.

SECTION 28 – 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 29 – 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 30 – THIRD PARTY BENEFICIARIES

Consultant's subconsultants shall agree to be bound to the terms of the Agreement to the extent of their scope of Services, including but not limited to, terms regarding indemnity and dispute resolution, and shall agree that City is deemed an express third party beneficiary of their subconsultant agreements. Nothing contained in this Agreement, however, shall operate to confer such or similar rights or benefits on persons or entities not party to this Agreement.

SECTION 31 – STATUTES OF LIMITATION

As between the parties to this Agreement, any applicable statute of limitations for action arising out of, pertaining to, or relating to any act or failure to act in connection with this Agreement shall commence to run on the date of City's issuance of the final Certificate for Payment, or termination of this Agreement, whichever is earlier, except for latent defects and/or deficiencies, for which the applicable statute of limitation shall begin to run upon discovery of the defect and/or deficiency and its cause.

SECTION 32 – 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: Jacob Schneider	Name: Anil Comelo
Title: Owner	Title: City Manager

Approved as to Form:

By: ______________________
Name: Ethan Walsh
Title: City Attorney

Exhibit A
"Scope of Services"

Tree Maintenance of trees as part of phase 2 in crane park. This includes maintenance pruning and addressing dead and failed trees, overgrown vegetation, and any hazardous trees over picnic Pads Juan Diaz memorial pad and Pad 1.

1. Two Valley Oak (Quercus lobata)
COST: Labor 4,600.00
COST: JLG Lift 300.00

2. Two Coast Live Oak (Quercus agrifolia)
COST: Labor 1,840.00

3. One Coulter Pine
COST: Labor 2,760.00
COST: JLG Lift 300.00

4. One Stone Pine (Pinus pinea)
COST: Labor 2,760.00
COST: JLG Lift 300.00

5. One Black Oak and one Coast Live Oak
COST: Labor 3,220.00
COST: JLG Lift 300.00

6. Move wood from removals to park entrance.
COST: Labor 460.00
COST: Skidsteer with attachments as needed. 250.00

TREATMENT B: Cut wood to 16" length rounds and pile.
COST: Labor 1,380.00
The following trees are all to be pruned. Chip mulch will be broadcast and spread neatly in park area--
7. Two Coast Live Oak and three Valley Oak
TREATMENT: Clean deadwood 1" diameter and greater. Reduce end weight with 1" - 3" diameter cuts.
COST: Labor 5,520.00
COST: 80' Red Lift 800.00

8. Three Valley Oak
TREATMENT: Clean deadwood 1" diameter and greater. Reduce endweight 1with 1" - 3" diameter cuts.
COST: Labor 3,680.00
COST: JLG Lift 600.00

9. One Western Red Cedar (Thuja plicata)
TREATMENT: Clean deadwood 1" diameter and greater. Install a 3-piece cable system.
COST: Labor 1,150.00
COST: Materials - Cabling 480.00T

Exhibit B
"Compensation"

Tree Maintenance of 13 trees as part of Crane Park Phase II, located at 360 Crane park near picnic Pad 1 and Juan Diaz Memorial Picnic Pad.

Total: $32,615.90

Annual Bidders List Notice

City of St .Helena
Public Works Department
1088 College Avenue
St. Helena, CA 94574
(707) 968-2658

Remit Application Via Email To

CUribe@cityofsthelena.org

Call (707) 968-2658 With Questions.

NOTICE TO ALL LICENSED CONTRACTORS:

The City of St. Helena hereby invites all licensed contractors to complete this form and submit it to the St Helena Public Works Department if they wish to be included on the City's List of Qualified Bidders for Public Works projects for the 2023 calendar year. CONTRACTOR MUST be able to complete the City's Construction Contract, City Insurance Requirements and comply with State Prevailing Wage Law.

This notice is to any individual or firm wishing to be added to the City of St. Helena's ("City") list of qualified bidders ("List") for the 2023 calendar year pursuant to the California Uniform Public Construction Cost Accounting Act (CUPCCAA). Interested individual/firm(s) must submit the CUPCCAA contractor/vendor application ("Application Form").

To be considered for placement on the List, the City must receive the completed Application Form no later than January 31, 2023.

Please be advised that submission of an Application Form does not guarantee placement on the List or that the applicant will be informed of, or included in, all requests for proposals ("RFP"), requests for qualifications ("RFQ"), or bid requests. The City will either issue notices of RFQ, RFP, or bid requests to qualified bidders on the List based on the category of work being bid, or announce project opportunities in designated trade journals, or both.

The City reserves the right to reject any and all requests solicited, to waive minor irregularities, and to make such decisions as deemed necessary in the best interest of the City in accordance with the law.

Interested individual/firm(s) are encouraged to inquire about current City project opportunities by checking the local newspaper, trade journals, and City website for publicly advertised RFPs, RFQs, or bid solicitations.

The City is an equal opportunity owner/employer and will not discriminate against any bidder and/or contractor because of race, creed, color, religion, sex, national origin or ADA disability.

Company Name: Pacific Tree Care Contact Name: Jacob Schneider

Address: PO Box 34 City: Calistoga State: CA Zip: 94515

Email: lauren@pacifictreecare.com Phone #: 707-942-0261

CA Contractor License Number: 672522

Type of Specialty Work in which contractor is interested and currently licensed to do:
Tree removal, tree pruning, stump grinding, fertilization, cabling, consultation, tree plotting, tree planting and milling.

APPLICATION CERTIFICATION: I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THAT THE INFORMATION PROVIDED ABOVE IS ACCURATE AND TRUE AS OF THIS DATE. I AM LICENSED IN THE STATE OF CALIFORNIA AND SKILLED TO PERFORM THE ABOVE WORK AS STATED, I AM ALSO ABLE TO SECURE BONDS IF REQUIRED BY THE CITY TO PERFORM THE WORK IF SELECTED. MY COMPANY SHALL COMPLY WITH ALL CITY, STATE AND FEDERAL REQUIREMENTS.

For Additional Information, or Documents Please Visit the Public Works Website @ http://www.cityofsthelena.org/publicworks

Annual Bidders List Application

City of St. Helena
Public Works Department
1088 College Avenue
St. Helena, CA 94574
(707) 968-2658

Remit Application Via Email To
CUribe@cityofsthelena.org
Call (707) 968-2658 With Questions.

NOTICE TO ALL LICENSED CONTRACTORS:

The City of St. Helena hereby invites all licensed contractors to complete this form and submit it to the St. Helena Public Works Department if they wish to be included on the City's List of Qualified Bidders for Public Works projects for the 2023 calendar year. CONTRACTOR MUST be able to complete the City's Construction Contract, City Insurance Requirements and comply with State Prevailing Wage Law.

Company Name: Pacific Tree Care Contact Name: Jacob Schneider
Address: PO Box 34
City: Calistoga State: CA Zip: 94515
Email: lauren@pacifictreecare.com Phone #: 707-942-0261

Please fill out the following for each trade your firm is proposing to be listed on:

1. **CA. License Number- State issued Contractors license Number**
2. **Type of Classification: General "A", General "B" or Specialty Classification "C"**
3. **Brief description of work associated with License.**

Please attach sheet to add more trades if needed.

1. CA. Contractor License Number (s): 672522 2. Class of License (s) held: C
3. Description of work: Tree Service
1. CA. Contractor License Number (s): ______ 2. Class of License(s) held: ______
3. Description of work: ______
1. CA. Contractor License Number (s): ______ 2. Class of License(s) held: ______
3. Description of work: ______

Print Name: Lauren Hall Title: Office Admin Signature: Lauren Hall Digitally signed by Lauren Hall Date: 2023.05.01 16:08:08 -07'00'

APPLICATION CERTIFICATION: I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THAT THE INFORMATION PROVIDED ABOVE IS ACCURATE AND TRUE AS OF THIS DATE. I AM LICENSED IN THE STATE OF CALIFORNIA AND SKILLED TO PERFORM THE ABOVE WORK AS STATED, I AM ALSO ABLE TO SECURE BONDS IF REQUIRED BY THE CITY TO PERFORM THE WORK IF SELECTED. MY COMPANY SHALL COMPLY WITH ALL CITY, STATE AND FEDERAL REQUIREMENTS.

For Additional Information or Documents Please Visit the Public Works Website @ http://www.cityofsthelena.org/publicworks

INSURANCE REQUIREMENTS FOR MINOR CONSTRUCTION SERVICES

Commercial General Liability Insurance, written on an "occurrence" basis, which shall provide coverage for bodily injury, death and property damage resulting from operations, liability for slander, false arrest and invasion of privacy, blanket contractual liability, broad form endorsement, and completed operations, personal and advertising liability, with limits of not less than [**$2,000,000]** each occurrence and [**$4,000,000]** general aggregate, subject to a deductible of not more than [**$1,000]** payable by Contractor.

Business Automobile Liability Insurance with limits not less than [**$1,000,000]** each occurrence including coverage for owned, non□owned and hired vehicles, subject to a deductible of not more than [**$1,000]** payable by Contractor.

Workers' Compensation Employers' Liability limits not less than [**$2,000,000]** each accident, [**$2,000,000]** per disease and [**$2,000,000]** aggregate. Contractor's Workers' Compensation Insurance policy shall contain a Waiver of Subrogation against the City of St. Helena, its officers, directors, officials, agents, employees and volunteers. In the event Contractor is self-insured, it shall furnish Certificate of Permission to Self-Insure signed by Department of Industrial Relations Administration of Self-Insurance, State of California.

Builder's Risk Insurance including, without limitation, coverage against loss or damage to the Work by fire, lightening, wind, hail, aircraft, riot, vehicle damage, explosion, smoke, falling objects, vandalism, malicious mischief, collapse, and other such hazards as are normally covered by such coverage. Such insurance shall be in amount equal to the replacement cost (without deduction for depreciation and subject to stipulated value in lieu of average clause) of all construction constituting any part of the Work, excluding the cost of excavations, of grading and filling of the land, and except that such insurance may be subject to deductible clauses not to exceed [**$10,000]** for any one loss. Such insurance will not cover loss or damage to Contractor's equipment, scaffolding or other materials not to be consumed in the construction of the Work. The insurer shall waive all rights of subrogation against Owner.

Insurance policies in Appendix C shall contain an endorsement containing the following terms:

City of St. Helena, its officers, directors, officials, agents, employees, and volunteers, shall be named as additional insureds, but only with respect to liability arising out of the activities of the named insured, and there shall be a waiver of subrogation as to each named and additional insured.

The policies shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability.

Written notice of cancellation, non-renewal or of any material change in the policies shall be mailed to Owner thirty (30) days in advance of the effective date thereof.

Insurance shall be primary insurance and no other insurance or self-insured retention carried or held by any named or additional insureds other than Contractor shall be called upon to contribute to a loss covered by insurance for the named insured.

Certificates of Insurance and Endorsements shall have clearly typed thereon the Project Name, shall clearly describe the coverage and shall contain a provision requiring the mailing of written notices of cancellation described in clause 5.03 above.

All policies of insurance shall be placed with insurers acceptable to Owner. The insurance underwriter(s) must be duly licensed to do business in the State of California and (other than for workers' compensation) must have an A. M. Best Company rating of [**A-,VII]** or better. Required minimum amounts of insurance may be increased should conditions of Work, in the opinion of Owner, warrant such increase. Contractor shall increase required insurance amounts upon direction by Owner.

INSURANCE REQUIREMENTS FOR MAJOR CONSTRUCTION SERVICES

Commercial General Liability Insurance, written on an "occurrence" basis, which shall provide coverage for bodily injury, death and property damage resulting from operations, liability for slander, false arrest and invasion of privacy, blanket contractual liability, broad form endorsement, and completed operations, personal and advertising liability, with limits of not less than [**$5,000,000]** each occurrence and [**$10,000,000]** general aggregate, subject to a deductible of not more than [**$1,000]** payable by Contractor.

Business Automobile Liability Insurance with limits not less than [**$5,000,000]** each occurrence including coverage for owned, non-owned and hired vehicles, subject to a deductible of not more than [**$1,000]** payable by Contractor.

Workers' Compensation Employers' Liability limits not less than [**$2,000,000]** each accident, [**$2,000,000]** per disease and [**$2,000,000]** aggregate. Contractor's Workers' Compensation Insurance policy shall contain a Waiver of Subrogation against the City of St. Helena, its officers, directors, officials, agents, employees and volunteers. In the event Contractor is self-insured, it shall furnish Certificate of Permission to Self-Insure signed by Department of Industrial Relations Administration of Self-Insurance, State of California.

Builder's Risk Insurance including, without limitation, coverage against loss or damage to the Work by fire, lightening, wind, hail, aircraft, riot, vehicle damage, explosion, smoke, falling objects, vandalism, malicious mischief, collapse, and other such hazards as are normally covered by such coverage. Such insurance shall be in amount equal to the replacement cost (without deduction for depreciation and subject to stipulated value in lieu of average clause) of all construction constituting any part of the Work, excluding the cost of excavations, of grading and filling of the land, and except that such insurance may be subject to deductible clauses not to exceed [**$10,000]** for any one loss. Such insurance will not cover loss or damage to Contractor's equipment, scaffolding or other materials not to be consumed in the construction of the Work. The insurer shall waive all rights of subrogation against Owner.

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The policies shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability.

Written notice of cancellation, non-renewal or of any material change in the policies shall be mailed to Owner thirty (30) days in advance of the effective date thereof.

Insurance shall be primary insurance and no other insurance or self-insured retention carried or held by any named or additional insureds other than Contractor shall be called upon to contribute to a loss covered by insurance for the named insured.

Certificates of Insurance and Endorsements shall have clearly typed thereon the Project Name, shall clearly describe the coverage and shall contain a provision requiring the mailing of written notices of cancellation described in clause 5.03 above.

All policies of insurance shall be placed with insurers acceptable to Owner. The insurance underwriter(s) must be duly licensed to do business in the State of California and (other than for workers' compensation) must have an A. M. Best Company rating of [**A-,VII]** or better. Required minimum amounts of insurance may be increased should conditions of Work, in the opinion of Owner, warrant such increase. Contractor shall increase required insurance amounts upon direction by Owner.

INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES

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:

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.

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

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.

Automobile Liability: $2,000,000 per accident for bodily injury and property damage.

Employer's Liability: $2,000,000 per accident for bodily injury or disease.

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.

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.

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.

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.

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.

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.

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.

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.

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Consideration and Proposed Adoption of a Resolution Adopting a list of Projects for Fiscal Year 2023-24 funded by SB1: The Road Repair and Accountability Act of 2017.**

CEQA Determination: **Exempt from the requirements of CEQA pursuant to Section 15301, Class 1, which exempts the operation, leasing, or minor alteration of existing facilities**

Prepared By: Mario Traverso, Public Works Assistant Engineer

Reviewed By: April Mitts, Assistant City Manager

Approved By: Anil Comelo, City Manager

BACKGROUND

On April 28, 2017, the Governor signed Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017. SB 1 increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years. A percentage of the Road Maintenance and Rehabilitation Account (RMRA) account funding is apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

Prior to receiving an apportionment of RMRA funds in FY 2023-24, the City is required to submit to the California Transportation Commission a list of projects proposed to be funded in FY 2023-24 by July 1, 2023. The list of projects proposed to be funded with these funds shall include:

- A description of the project;
- The location of each proposed project;
- A proposed schedule for the project's completion; and
- The estimated useful life of the improvement.

DISCUSSION

The City must adopt by resolution a list of projects proposed to receive fiscal year funding from the RMRA. This is the fourth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1. The City is recommending continuing the Downtown Sidewalk and Pedestrian Project and adding the Napa Valley Vine Trail: Gap Closure Yountville to St. Helena Project and the Rectangular Rapid Flash Beacon (RRFB) for Pratt and Elmhurst Intersection Improvements to the FY 2023-24 project list.

The recommended action to adopt the project list will ensure the City continues to receive SB 1 revenues. It is anticipated that the City will receive approximately $125,000 during FY 2023-24. The SB 1 funds do carryover from year to year and any unused funds can be spent on other City funded projects in accordance with local needs and priorities so long as the projects are consistent with SB 1 and adopted by City Council.

Staff recommends that City Council approve the SB 1 street project list for FY 2023-24 in order to meet the July 1, 2023 deadline.

FISCAL IMPACT

SB 1 requires the City to provide an annual general fund Maintenance of Effort (MOE) in the amount of $314,571. However, the MOE specific expenditures do not need to be reflected in the approved project list. The proposed FY 2023-24 Capital Improvements Plan Budget and proposed FY 2023-24 Operations Budget will include a total of $379,189 in General Funds for City Streets to meet the MOE requirement of both SB 1 and Measure T funding. There is no additional fiscal impact with the adoption of the resolution approving the RMRA Project List for FY 2023-24.

RECOMMENDED ACTION

Adopt a resolution adopting a list of projects for fiscal year 2023-24 funded by SB1: The Road Repair and Accountability Act of 2017.

ATTACHMENTS

Exhibit A - SB1 Project List
Resolution - SB 1 Project List

Project Details

Title	Description	Location	Component	Priority Status	Est. Schedule Start	Est. Schedule Complete	Useful Life Min	Useful Life Max	Assem	Senate
Downtown Sidewalk and Pedestrian Project	This project will include design and construction of the downtown sidewalk and pedestrial improvement project. Improvements include replacing sidewalks, curb ramps, bulb outs, landscape and utilites.	Main Street (Highway 29) from Mitchell Drive to Pine Street	Construction	Carried Over 22/23	Jun-23	Jun-24	15	30	4	3
Napa Valley Vine Trail: Yountville to St. Helena	This project will include design and construction of the Napa Valley Vine Trail. Improvemnts include the installation of pedestrian and bicycle facilities through the City of St. Helena corridor.	Main Street, Oak Avenue, Railroad Avenue	Planning	New	23-Jun	25-Jun	15	30	4	3
Pratt & Elmhurst Intersection Improvements	This project includes construction of pedestrian crossing and safety improvements including new curb ramps, striping, and installation of RRFBs.	Pratt Avenue, Elmhurst Avenue, Main Street	Construction	New	Jun-23	Dec-23	15	30	4	3

CITY OF ST. HELENA

RESOLUTION NO. 2023-

ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2023/24 FUNDED BY SB1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017.

RECITALS

A. Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

B. SB 1 includes accountability and transparency provisions that will ensure the residents of our City are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

C. The City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

D. The City, will receive an estimated $125,000 in RMRA funding in Fiscal Year 2023- 24 from SB 1; and

E. This is the seventh year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

F. The City has undergone a robust public process to ensure public input into our community's transportation priorities/the project list; and

G. The funding from SB 1 will help the City maintain and rehabilitate streets, roads, bridges, add active transportation infrastructure throughout the City this year and similar projects into the future; and

H. The 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an at-risk condition and this revenue will help the City increase the overall quality of our road system and over the next decade will bring our streets and roads into a good to excellent condition; and

I. The SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials, and practices, will have significant positive co-benefits statewide; and

J. The project is exempt from the requirements of CEQA pursuant to Section 15301, Class 1, which exempts the operation, leasing, or minor alteration of existing facilities.

RESOLUTION

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

1. The foregoing recitals are true and correct; and
2. The following list of previously proposed projects in Exhibit “A” will be funded in-part or solely with fiscal year 2023/24 Road Maintenance and Rehabilitation Account revenues.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023, by the following vote:

Mayor Dohring:	___________
Vice Mayor Hall:	___________
Councilmember Chouteau:	___________
Councilmember Hardy:	___________
Councilmember Summers:	___________

APPROVED: ATTEST:

___________________________ ___________________________

Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City Clerk

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Proposed Approval of a Resolution Memorializing the City Council Decision at the May 9, 2023 City Council Meeting Approving a Partial Waiver of Penalties Incurred by the Hoff's During the Phase II Water Emergency. Total Penalties Waived: $112,175.06 and Total Penalties to be Paid by the Hoff's: $139,204.22.**

CEQA Determination: **Not a CEQA project**

Prepared By: April Mitts, Assistant City Manager

Reviewed By: Ethan Walsh, City Attorney

Approved By: Anil Comelo, City Manager

BACKGROUND

Duane and Susan Hoff filed a request for fee waiver for penalties incurred on their water account in June, July, and August 2021 totaling $251,379.28. The penalties imposed were not the result of a leak; therefore, the request for fee waiver does not fall under the authority of the Water Advisory Board (WAB) and the amount exceeds the authority granted to the City Manager; therefore, the appeal was presented to the City Council for consideration on January 24, 2023 and continued to May 9, 2023. The staff reports can be found utilizing the following links:

January 24, 2023 City Council Meeting
May 9, 2023 City Council Meeting

DISCUSSION

On May 9, 2023, City Council made the determination to waive a portion, but not all of the penalties imposed. Based on the recommendation by the City Attorney, and agreed upon by the City Council, staff is bringing back a resolution memoralzing the May 9, 2023 City Council decision.

The total penalties assessed is $251,379.28 and City Council moved to waive 75% of the June penalties assessed and 50% of the July penalties assessed for a total penalty waiver of $112,175.06 leaving a balance of $139,204.22 to be paid by the Hoff's. The table below provides a summary of the penalities assessed and waived.

	Amount Assessed	**Amount Waived**	**Total Penalties to be Paid**
June - 25% Penalty	17,051.37	- 0 -	17,051.37
June - 75% Penalty	51,154.11	(51,154.11)	- 0 -
July - 50% Penalty	61,020.95	- 0 -	61,020.95
July - 50% Penalty	61,020.95	(61,020.95)	- 0 -
August Penalty	61,131.90	- 0 -	61,131.90
TOTAL PENALTIES	***251,379.28***	***(112,175.06)***	***139,204.22***

FISCAL IMPACT

The fiscal impact is waiving of $112,175.06 in penalities assessed during the Phase II water emergency. The Hoff's will be respoonsible for paying the remaining balance of $139,204.22 in penalties.

RECOMMENDED ACTION

Approve the attached resolution.

ATTACHMENTS

Resolution - Water Penalty Appeal Duane and Susan Hoff

CITY OF ST. HELENA

RESOLUTION NO. 2023-

Resolution of the City Council of the City of St. Helena Making Findings and Determinations Regarding the Water Penalty Appeal of Duane and Susan Hoff as follows: Waive 75% of the Penalties Imposed in June 2021 and Waive 50% of the Penalties Imposed in July 2021 for a Total Penalty Waiver of $112,175.06 with the Hoff's responsible for paying the remaining $139,204.22 in Penalties Assessed

WHEREAS, On October 27, 2020, the City Council established Phase II Water Regulations and, in accordance with the St. Helena Municipal Code (SHMC), established the Water Advisory Board; and

WHEREAS, In June 2021, the City began charging penalties for water use which exceeded allocations as determined by the SHMC; and

WHEREAS, the City recognized that during a Phase II or Phase III water emergency, penalties may have been incurred as a result of a leak. On July 27, 2021, the City Council adopted a resolution designating that the Water Advisory Board can hear/make a determination for reduction of penalties for those customers who receive a penalty as a result of a water leak; and

WHEREAS, Duane and Susan Hoff have filed a request for fee waiver for the penalties incurred on their water account in June, July, and August 2021 totaling $251,379.28. The penalties imposed were not the result of a leak; therefore, the request for fee waiver does not fall under the authority of the Water Advisory Board (WAB) and the amount exceeds the authority granted to the City Manager; therefore, it is being presented to the City Council for consideration; and

WHEREAS, the City Council has reviewed the penalty appeal for Duane and Susan Hoff on January 24, 2023 and on May 9, 2023; and

WHEREAS, on May 9, 2023, the City Council made the determination to waive a portion, but not all, of the penalties imposed as noted below.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. HELENA AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The City Council has considered the circumstances of the appeal.

SECTION 3. The City Council has determined the following:

a. Waive 75% of the penalties assessed in June 2021 in the amount of $51,154.11 and waive 50% of the penalties assessed in July 2021 in the amount of $61,050.95 for a total penalty waiver of $112,175.06.

b. The Hoff's are responsible for paying the balance of the penalties assessed for total amount of $139,204.22.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023, by the following vote:

Mayor Paul Dohring: _____

Vice Mayor Eric Hall: _____

Council Member Anna Chouteau: _____

Council Member Lester Hardy: _____

Council Member Billy Summers: _____

APPROVED: ATTEST:

Paul Jaminson Dohring, Mayor

Cindy Tzafopoulos, City Clerk

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **<u>CONSENT ITEMS</u>**

Subject: **Consideration and Approval of a Resolution Approving a 2023 Extension of Raw Water Use Agreement between the City of St. Helena and Spring Mountain Vineyard, Inc. for Raw (non-potable) Water from Lower Reservoir.**

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: Joseph Leach, Public Works Director and City Engineer

Reviewed By: April Mitts, Assistant City Manager

Approved By: Anil Comelo, City Manager

BACKGROUND

The City of St. Helena Water Enterprise owns and operates a water storage facility known as Lower Reservoir located on Spring Mountain Road at the westerly City limits. It remains an operational piece of St. Helena's history dating back to 1877 when a group of local wine growers with lands along York Creek organized and filed articles of incorporation as the St. Helena Water Company with the purpose of supplying the Town of St. Helena with water. Various improvements have been made to meet demand through its service life. In 1922, the St. Helena Water company conveyed the water system, its properties and all water rights of the water company to the Town of St. Helena. The Town, which became a City, continued to operate Lower Reservoir as part of its potable water supply until 1980 when Louis Stralla Water Treatment Plant fed by Bell Canyon Reservoir became operational. Lower Reservoir raw water currently serves: (1) Robert Louis Stevenson Middle School; (2) as a permit issued raw water station; (3) Spring Mountain Vineyard; and (4) for fire-fighting emergencies by aircraft.

Spring Mountain Vineyard is a winery estate located on slopes of Spring Mountain in the northwesterly quadrant of St. Helena and in close proximity to the Lower Reservoir. Spring Mountain Vineyard's current operation is dependent upon the supply of raw water from the City of St. Helena via Lower Reservoir and the existing infrastructure to deliver that water. On August 28, 1990, the City approved a Water Use Agreement with Michael Robbins, Spring Mountain Vineyard, Inc.'s predecessor in interest. That agreement was amended in 1996, and then expired on June 30, 2006. Following that expiration, the City continued to voluntarily provide raw water from Lower Reservoir to Spring Mountain Vineyard, until executing a new two-year agreement in May 2016. At that time, the rate being paid by Spring Mountain Vineyard for raw water was $750 per acre-foot, with an annual limit of 25 acre-feet.

In 2018, City staff and staff from Spring Mountain Vineyard negotiated terms of a new agreement. In order to continue supplying raw water to Spring Mountain Vineyard, an agreement (Attachment 1) was approved by City Council on June 26, 2018 with the additional following terms:

- Five-year initial contract period
- After year five, the contract will automatically renew year to year unless terminated by either party
- Raw water rates are to match the rate schedule set by City Council Resolution
- Annual limit of 25 acre-feet
- The rate doubles per acre-foot of raw water delivered in excess of the 25 acre-foot annual limit

DISCUSSION

The current agreement is set to expire on June 26, 2023 and Spring Mountain Vineyard has requested that the City renew the agreement for an additional five year term. Under the terms of the current agreement, there is an annual limit of 25 acre-feet (10,892 HCF). Spring Mountain Vineyard exceeded its limit in CYs 2019 and 2020 and, per the terms of the agreement, paid double the rate per acre-foot of the raw water delivered in excess of the 25 acre-foot limit. Spring Mountain Vineyard stayed within its allocation in CY 2021 and CY 2022 and is on-track to remain compliant in CY 2023.

The City Attorney, City staff, and and legal counsel for Spring Mountain Vineyard have drafted an updated extension to the agreement with terms that are identical to the terms of the current agreement. The only changes from the existing Agreement are that the extension provides for a new five year term that will now expire on five years from the effective date in 2028. The City will continue to charge the rate established by the City Council for raw water, and in the event that Spring Mountain Vineyard exceeds their annual limit of 25 acre feet, it will be required to pay double the then established rate for any water used in excess of its annual limit.

FISCAL IMPACT

The agreement continues to utilize the raw water rate schedule set by City Council. Revenues generatred to to the City's water utility fund. Actual revenue is dependent on actual raw water use.

RECOMMENDED ACTION
Approve the attached resolution.

ATTACHMENTS
Attachment 1 - 2023 Spring Mountain Vineyard Raw Water Agreement
Attachment 2 - St. Helena Resolution Approving 2023 SMV Raw Water Agreement

EXEMPT FROM RECORDING FEES PURSUANT
TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City Clerk
City of St. Helena
1088 College Avenue
St. Helena, California 94574

Assessor's Parcel No(s). 022-180-020, 022-180-021 and 009-450-001

2023 EXTENSION OF RAW WATER USE AGREEMENT

SPRING MOUNTAIN VINEYARDS, INC.

THIS 2023 EXTENSION OF RAW WATER USE AGREEMENT ("AGREEMENT') is entered into this __day of ___, 2023 ("Effective Date"), by and between the City of St. Helena, a California municipal corporation ("City"), on the one hand, and Spring Mountain Vineyards, Inc., a Delaware corporation ("Buyer"), on the other. City and Buyer are sometimes referred to herein individually as a "party" and collectively as the "parties."

RECITALS

A. Buyer is the owner of that certain real property (the "Property") generally located on the southerly side of Spring Mountain Road at 2805 Spring Mountain Road, identified by Napa County Assessor's Parcel Nos. 022-180-020, 022-180-021 and 009-450-001, and more commonly referred to as "Spring Mountain Vineyards." Parcel No. 022-180-021 is located in the City of St. Helena.

B. City is the owner of that certain reservoir (the Lower Reservoir") located on the northerly side of Spring Mountain Road and identified by Napa County Assessor's Parcel No. 0097131-013.

C. On August 28, 1990, City adopted City Council Resolution No. 90-91 approving a Water Use Agreement between City and Buyer's predecessor in interest, Michael Robbins (the "1990 Water Use Agreement").

D. The 1990 Water Use Agreement was amended in 1996 by the "Amended Agreement." That Amended Agreement terminated on June 30, 2006. Between that time and May 24, 2016, the City had no obligation to provide raw water from the Lower Reservoir to

Buyer. During that time the City continued to voluntarily provide raw water to Buyer, even though the City had no ongoing obligation to do so.

E. Following the expiration of the Amended Agreement on June 30, 2006, Buyer continued to purchase water from the City substantially under the terms of that expired agreement, although the volume of water used by Buyer exceeded the 25-acre feet authorized by the 1990 Water Use Agreement and the Amended Agreement.

F. On May 24, 2016, City adopted City Council Resolution No. 2016-64 approving a Raw Water Use Agreement between City and Buyer (the "2016 Raw Water Use Agreement").

G. On June 26, 2018, City and Buyer entered into the 2018 Extension of Raw Water Use Agreement, pursuant to which Buyer would continue to use raw water from the Lower Reservoir to irrigate its vineyard, and City would continue to sell said water to Buyer upon the terms and conditions set forth therein.

H. The parties mutually desire to (i) extend and amend the 2018 Extension of the Raw Water Use Agreement; (ii) strictly limit Buyer's actual annual water usage; and (iii) set forth the respective obligations of the parties and the terms under which City will continue to sell and Buyer will continue to purchase raw water from the City from Lower Reservoir.

I. This Agreement confirms the City's intent to continue to use the raw water for beneficial purposes pursuant to pre-1914 water rights claimed by the City associated with water in Lower Reservoir.

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

<u>AGREEMENT</u>

1. <u>Supply.</u> City shall provide water from the Lower Reservoir to the Property up to a maximum of twenty-five (25) acre-feet (i.e. 8,146,275 gallons) per Water Year ("Annual Limitation") upon the terms and conditions set forth herein. As used herein, the term "Water Year" shall mean the twelve-month period between July 1st and June 30th each year. Buyer shall in no event use more water than the Annual Limitation.

2. <u>Term.</u> This Agreement shall commence on the Effective Date and shall continue in full force and effect for an initial period not to exceed five (5) years. Thereafter, this Agreement shall automatically renew each year and shall continue on a year to year basis unless terminated by either party upon six (6) months written notice.

3. <u>Price.</u>

A. Within thirty (30) days of the receipt of an invoice from City, and throughout the term of this Agreement, Buyer shall pay City for water delivered pursuant to this Agreement at the price established by the City Council for raw water. The raw water rate as of the effective date of this Agreement is $0.00397 per gallon, and may be updated from time to time during the term of this Agreement by action of the City Council.

B. The amount of water furnished shall be measured by the existing meter located directly across Spring Mountain Road from the dam at the Lower Reservoir. Any and all maintenance expenses and costs of the meter shall be the sole responsibility of Buyer, payable within thirty (30) days of the receipt of an invoice from City.

Without limitation on the provisions of Paragraph 1, and without in any manner excusing Buyer from strict compliance with the Annual Limitation, should Buyer for any reason exceed the Annual Limitation, Buyer shall pay City twice the price under Paragraph 3A above per gallon of water delivered in excess of the Annual Limitation. Without limitation on any other rights or remedies available to the City, and as specified in Paragraph 10.1, the City shall have the right to discontinue and terminate at its discretion the provision of raw water under this Agreement upon ten (10) days prior written notice if and when Buyer exceeds its Annual Limitation.

4. <u>Quality.</u> City does not warrant or guarantee the quality of water coming from the Lower Reservoir or provided to Buyer, or its suitability for any purpose or use by Buyer. Buyer expressly acknowledges, agrees and understands that the water being delivered from the Lower Reservoir pursuant to this Agreement is raw water. Buyer expressly acknowledges and agrees that said water is **<u>not treated</u> and** is **<u>not suitable or intended for human consumption.</u>**

5. <u>Use.</u> Buyer shall use the water delivered under this Agreement solely for vineyard irrigation purposes.

6. <u>Release and Indemnity.</u>

A. Buyer shall defend (with counsel approved by City, which approval shall not be unreasonably withheld), indemnify, and hold harmless City, its elected and appointed officials, employees, volunteers and agents from and against any and all loss, liability, expenses, claims, costs (including reasonable attorney's fees), suits and damages of every kind, nature, and description, directly or indirectly arising from the performance of this Agreement or any third party legal or administrative challenge to City's approval of this Agreement.

B. To the full extent authorized by law, Buyer hereby forever waives, releases and covenants not to sue the City, and its Council members, officials, officers, agents, representatives, insurers and employees, from any and all claims, causes of action and damages, including without limitation damages to Buyer's road and/or Property, arising from or in any manner connected with Buyer's (and its predecessors') acceptance of soil from the City in 2006 or at any other time.

7. <u>Connection Location and Charges.</u> Buyer shall receive raw water via its current water meter and existing three and one-half inch (3.5") diameter pipe located in Spring Mountain Road. Buyer agrees that any proposed improvements relating to the utility connection will require review and approval by the City Engineer as well as an encroachment permit. Buyer is solely responsible for all applicable connection charges.

8. <u>Emergencies.</u> City shall have the unlimited right to shut off or reduce the supply of water to Buyer in the event of an emergency. As used in this Agreement, an "emergency" shall be defined as (1) a fire, act of god, or other natural disaster, (2) malfunction of the water

system that prevents distribution to Buyer, or (3) an event declared by resolution of the city council to threaten the public health, safety or welfare.

9. Compliance with Laws. At all times during the term of this Agreement, Buyer shall be bound by and subject to all lawful resolutions, rules, regulations, directives, ordinances and orders of the City applicable to Buy6·.

10. Conservation; Declaration of Water Shortage Emergency; Avoidance of City Liability.

10.1 Conservation. In the event City's Director of Public Works, in his or her sole discretion, determines that the Annual Limitation inevitably will be exceeded or that the Annual Limitation has been exceeded, City may require Buyer to undertake additional conservation measures and may shut off raw water delivery, upon ten (10) days prior written notice.

10.2 Water Shortage Emergency. The Lower Reservoir holds approximately 161 acre feet of water at full capacity. Buyer acknowledges and understands that City desires to retain not less than twenty-five percent (25%), or 40.25 acre feet, of this capacity in the reservoir at all times. in addition, Robert Louis Stevenson Middle School ("RLS") uses 10 acre feet per year for irrigation of athletic fields and landscaped areas. At any time City determines that delivery of the Annual Limitation specified in Paragraph 1 of this Agreement will reduce the water level in the Lower Reservoir below 40.25 acre feet ("Minimum Water Reserves"), City may declare a water shortage emergency and, upon written notice to Buyer, reduce the Annual Limitation delivered to Buyer as necessary to ensure that the water capacity in the Lower Reservoir does not dip below the Minimum Water Reserves.

10.3 State Ordered Reductions, or Potential Liability Associated with Diversion and Use. Buyer acknowledges and agrees if, at any time during the term of this Agreement, the State of California orders City to reduce the storage volume behind the dam at the Lower Reservoir, the City in its exclusive discretion may reduce the Annual Limitation pursuant to Paragraph 1 of this Agreement and/or turn off and discontinue raw water delivery in order to maintain Minimum Water Reserves and comply with the State of California order. Further, if a federal, state, or local agency or third party orders that the diversion, storage or use of water associated with Lower Reservoir is unlawful, or that the delivery of water to Buyer is unlawful, City in its exclusive discretion may shut off water delivery.

11. Modification of Use Permit with County. Buyer agrees that if any future request or application for approval of amendments or modifications to any of the use permits for the Property are filed with the County of Napa, Buyer shall concurrently submit copies of such application(s) or request(s) to City. In addition, Buyer agrees to provide City with copies of all supporting documents or other information submitted in connection with such requests or applications.

12. Remedies; Prohibition On Damages.

A. As part of the bargained for consideration for this Agreement, the parties agree that any action or proceeding to cure, correct, or remedy any default or to enforce any covenant or promise herein shall be limited solely and exclusively to those remedies expressly provided herein. Either party may institute legal or equitable proceedings to cure, correct or remedy any default of this Agreement; or to enforce any covenants or promises herein, enjoin any threatened or attempted violation, or to enforce by specific performance, injunction, declaratory relief, writ of mandate, and/or other similar non-monetary relief, the obligations and rights of the parties under this Agreement.

B. In no event shall the City, or any of its officers, agents, representatives, officials, Council, employees, or insurers, be liable to Buyer for damages for any breach or violation of this Agreement. In the event Buyer requests damages in any action or proceeding brought for breach or violation of this Agreement or to enforce any provision hereof, then such request shall destroy the consideration supporting the City's agreement to enter into this Agreement, and shall, in turn, entitle the City to immediately terminate and end all obligations under this Agreement, irrespective of any provision to the contrary contained herein. The enforceability and validity of the above limitations on the remedies available to the parties, including, without limitation, the specific provision prohibiting the recovery of damages, is part of the bargained for, negotiated consideration for the City's agreement to enter into this Agreement, and it is acknowledged that the City would not have entered this Agreement if it were to be liable in damages under this Agreement.

13. <u>Notices.</u> All notices and other communications provided for herein shall be in writing and shall be sent to the address set forth below (or such other address as a party may hereafter designate for itself by notice to the other parties as required hereby) of the party for whom such notice or communication is intended:

If to City:

City of St. Helena
Attn: City Manager
1088 College Avenue
St. Helena, CA 94574
Email: acomelo@cityofsthelena.org

If to Buyer:

Spring Mountain Vineyard
Attn: General Manager
2805 Spring Mountain Rd.
St. Helena, CA 94574
Email: vineyard@springmtn.com

Any such notice or communication shall be sufficient if sent by registered or certified mail, return receipt requested, postage prepaid; by hand delivery; by overnight courier service; or by facsimile transmission or by email. Any notice given by email shall be deemed given on the day sent, provided it is sent on a business day during normal business hours, otherwise it will be deemed sent on the next business day. Any notice given by registered or certified mail, return receipt requested, shall be deemed to have been given on the date receipt was acknowledged to the postal authorities. Any notice given by overnight courier service shall be deemed to have been given on the business day following deposit with the courier service. Buyer and City agree that any notice provided by their respective legal counsel shall be deemed to be notice given by Buyer or City, respectively. Either party may, by written notice to the other in the manner aforesaid, change the address to which notices addressed to it shall thereafter be mailed.

14. Force Majeure.

A. "Force Majeure Event" means a cause of non-performance or delay that is not the fault of the party who is required to perform under this Agreement and is beyond that party's reasonable control, including the elements (including floods, earthquakes, windstorms, drought or water shortage and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

B. If the performance of any act required by this Agreement to be performed by either City or Buyer is prevented or delayed because of a Force Majeure Event, then the time for performance will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. An extension of time for any such Force Majeure Event shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Lease may also be extended in writing by the mutual agreement of City and Buyer.

C. This Section does not excuse (1) Buyer's obligation to pay for water provided under this Agreement when due and payable; or (2) either party's obligation to perform an act when performance is rendered difficult or impossible solely because of the party's financial condition. Buyer expressly agrees that adverse changes in economic conditions, either of Buyer specifically or the economy generally, or changes in market conditions or demand, shall not constitute grounds of enforced delay pursuant to this Section. Buyer expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the effective date of this Agreement.

15. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the venue for such action shall be in the Superior Court of California, County of Napa.

16. Attorneys' Fees. If any legal action is brought by either party to interpret or enforce any terms or provisions of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

17. Severability. The parties hereto agree that the provisions of this Agreement are severable. If any provision of this Agreement is held invalid, the remainder of this Agreement

shall not be affected and shall remain in full force and effect unless amended or modified by mutual consent of the parties in writing.

18. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of all tenants, heirs, assigns and successors in interest to the parties hereto and shall be a covenant that runs with the land.

19. Integration. This Agreement, together with any documents expressly incorporated herein, constitutes the entire agreement between the parties and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of the parties concerning the subject matter contained herein, written or oral. No change, modification, addendum or amendment to any provision of this Agreement shall be valid unless executed in writing by each party hereto.

20. Counterparts. This Agreement may be executed in counterparts, and all counterparts shall constitute but one and the same document.

21. No Waiver. The failure of the City to exercise any right under this Agreement shall not constitute or be deemed as a waiver or breach.

Executed the day and year first above written.

BUYER:

SPRING MOUNTAIN VINEYARD, INC.

Dated: ____________________ By: ________________________________
Constantine S. Yannias, President

Dated: ____________________ By: ________________________________
General Manager

CITY:

CITY OF ST. HELENA,
A municipal corporation,

Dated: ____________________

By: ________________________________
Anil Comelo
Its: City Manager

APPROVED AS TO FORM:

____
Ethan Walsh, City Attorney

CITY OF ST. HELENA

RESOLUTION NO 2023-

RESOLUTION OF THE COUNCIL OF THE CITY OF ST. HELENA APPROVING A 2023 EXTENSION OF RAW WATER USE AGREEMENT BY AND BETWEEN THE CITY OF ST. HELENA AND SPRING MOUNTAIN VINEYARDS, INC.

RECITALS

A. The City of St. Helena ("City") is the owner of that certain reservoir (the Lower Reservoir") located on the northerly side of Spring Mountain Road and identified by Napa County Assessor's Parcel No. 0097131-013; and

B. On August 28, 1990, City adopted City Council Resolution No. 90-91 approving a Water Use Agreement between City and Spring Mountain Vineyard's predecessor in interest, Michael Robbins (the "1990 Water Use Agreement"); and

C. The 1990 Water Use Agreement was amended in 1996 by the "Amended Agreement." That Amended Agreement terminated on June 30, 2006. Between that time and May 24, 2016, the City had no obligation to provide raw water from the Lower Reservoir to Spring Mountain Vineyard ("Buyer"). During that time the City continued to voluntarily provide raw water to Buyer, even though the City had no ongoing obligation to do so; and

D. Following the expiration of the Amended Agreement on June 30, 2006, Buyer continued to purchase water from the City substantially under the terms of that expired agreement, although the volume of water used by Buyer exceeded the 25-acre feet authorized by the 1990 Water Use Agreement and the Amended Agreement; and

E. On May 24, 2016, City adopted City Council Resolution No. 2016-64 approving a Raw Water Use Agreement between City and Buyer (the "2016 Raw Water Use Agreement"); and

F. On June 26, 2018, City and Buyer entered into the 2018 Extension of Raw Water Use Agreement, pursuant to which Buyer would continue to use raw water from the Lower Reservoir to irrigate its vineyard, and City would continue to sell said water to Buyer upon the terms and conditions set forth therein; and

G. The parties mutually desire to (i) extend and amend the 2018 Extension of the Raw Water Use Agreement; (ii) strictly limit Buyer's actual annual water usage; and (iii) set forth the respective obligations of the parties and the terms under which City will continue to sell and Buyer will continue to purchase raw water from the City from Lower Reservoir.

<u>RESOLUTION</u>

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

1. The 2023 Extension of Raw Water Use Agreement by and between the City of St. Helena and Spring Mountain Vineyards, Inc. is hereby approved in the form as provided to the City Council, subject to minor, nonsubstantive changes as approved by the City Manager in consultation with the City Attorney.

2. The City Manager is hereby authorized to execute such Agreement on behalf of the City.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023, by the following vote:

Mayor Dohring: ___________

Vice Mayor Hall: ___________

Councilmember Chouteau: ___________

Councilmember Hardy: ___________

Councilmember Summers: ___________

APPROVED: ATTEST:

___________________________ ___________________________

Paul Jaminson Dohring, Mayor Cindy Tzafopoulos, City Clerk

WATER AUDIT CALIFORNIA
A PUBLIC BENEFIT CORPORATION

952 SCHOOL STREET #316 NAPA CA 94559
VOICE: (707) 681-5111
EMAIL: GENERAL@WATERAUDITCA.ORG

May 22, 2023

Public Comment <publiccomment@cityofsthelena.org>

Paul Dohring <PDohring@cityofsthelena.org>
Eric Hall <EHall@cityofsthelena.org>
Anna Chouteau <AChouteau@cityofsthelena.org>
Lester Hardy <LHardy@cityofsthelena.org>
Billy Summers <BSummers@cityofsthelena.org>
Anil Comelo <AComelo@cityofsthelena.org>
Maya DeRosa <MDeRosa@cityofsthelena.org>

To all it may concern:

RE: **Consent Agenda Item 9.8**

Consideration and Approval of a Resolution Approving a 2023 Extension of Raw Water Use Agreement ("Agreement') between the City of St. Helena and Spring Mountain Vineyard, Inc. for Raw (non-potable) Water from Lower Reservoir.

(A). Water Audit California (Water Audit) objects to the CEQA determination that the Agreement is exempt from the requirements of CEQA under the General Rule section 15061(b)(3), in that it could have an impact on the environment.

CEQA applies to "discretionary projects proposed to be carried out or approved by public agencies." (§ 21080, subd. (a); see CEQA Guidelines § 15002(d).) A "project" is "an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment" undertaken, assisted or authorized by a public agency. (§ 21065, subd. (a).) A "project" means "the whole of the action." (CEQA Guidelines, § 15378(a).)

A project that proposes to sell and transfer water stored by a dam that is required to keep fish in good condition is a project that could affect the environment.

A proposed activity is a CEQA project if, by its general nature, the activity is capable of causing a direct or reasonably foreseeable indirect physical change in the environment. This determination is made without considering whether, under the specific circumstances in which the proposed activity will be carried out, these potential effects will actually occur. Consistent with this standard, a 'reasonably foreseeable' indirect physical change is one that the activity is capable, at least in theory, of causing. (see Guidelines, § 15064, subd. (d)(3).)

In enacting CEQA, the Legislature declared its intention that all public agencies responsible for regulating activities affecting the environment give prime consideration to preventing environmental damage when carrying out their duties. (§ 21000, subd. (g); see generally, *Sierra Club v. State Bd. Of Forestry* (1994) 7 Cal.4th 1215, 1229; *Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 376, 390; *Concerned Citizens of Costa Mesa, Inc. v. 32ndDist. Agricultural Assn.* (1986) 42 Cal.3d 929, 935. CEQA is to be interpreted "to afford the fullest possible protection to the environment within the reasonable scope of the statutory language." (*Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal.3d 247, 259, as cited in *Mountain Lion Foundation v. Fish Game Com* (1997) 16 Cal.4th 105, 112.)

CEQA does not apply only if "it can be seen with certainty" that a project will not have a significant effect on the environment. (Guidelines, § 15061, subd. (b)(3). A "[s]ignificant effect on the environment" is a substantial or potentially substantial, adverse change in the environment. (§ 21068.) "Environment" is defined as the "physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, and objects of historic or aesthetic significance." (§ 21060.5.)" (*Mountain Lion Foundation v. Fish Game Com* (1997) 16 Cal.4th 105, 113.

Only those projects having no significant effect on the environment are categorically exempt from CEQA review. (Pub. Resources Code, §§ 21080, subd. (b)(9), 21084, subd. (a).) If a project may have a significant effect on the environment, CEQA review must occur and only then are mitigation measures relevant. (*Azusa Land Reclamation Co. v. Main San Gabriel Basin Watermaster* (1997) 52 Cal.App.4th 1165, 1199-1200. Mitigation measures may support a negative declaration but not a categorical exemption. *Salmon Pro. Watershed Net. v. County of Marin* (2004) 125 Cal.App.4th 1098, 1101.

(B.) Water Audit objects to the Agreement to the extent that the water proposed to be sold is required by the public trust and Fish and Game section 5937 to be bypassed to keep fish downstream in good condition. Water Audit has no objection to the sale of surplus water.

The City of St Helena (CSH) is in violation of its duty to first determine and then to provide the amount of bypass from the Lower York Reservoir sufficient to keep fish in the downstream reach in good condition. Fish and Game Code section 5937 states in pertinent part:

> The owner of any dam shall allow sufficient water at all times to pass through a fishway, or in the absence of a fishway, allow sufficient water to

pass over, around or through the dam, to keep in good condition any fish that may be planted or exist below the dam.

There is a full record of fish in the downstream reach below Lower York Reservoir, and of federally protected fish in the watercourse that could be unlawfully killed by allowing York Creek to dry. We urge the Agreement be delayed or amended to allow for the determination and provision of sufficient bypass. Water Audit does not object to the sale of surplus water after addressing the need of the public trust.

(1.) The Napa River and York Creek

The Napa River is a keystone watershed for native fishes and other aquatic animals. Historically and presently, the Napa River supports the greatest steelhead spawning runs of any tributary to the San Francisco Bay estuary. Chinook salmon have recently returned to the watershed, and native fishes such as Pacific, western river, and brook lamprey, hitch, and Sacramento splittail are also present. Other special status aquatic animals relying on surface water resources in Napa County are California freshwater shrimp, California giant salamander, foothill yellow-legged frog, and northwestern pond turtle.

Federally designated critical steelhead habitat[1] includes all of the Napa River reaches and estuarine areas accessible to steelhead[2]. York Creek is a tributary to of the Napa River, and is included in four of the identified salmonid habitats within the jurisdiction of the City of St. Helena ("CSH") (habitats are Bell Canyon, York, and Sulphur creeks, and their tributaries, and the proximate reach of the Napa River). The occurrence of steelhead trout (*Oncorhynchus mykiss* or O.mykiss) is well documented in York Creek (Napa RCD 2005). York Creek steelhead belong to the Central California Coast Distinct Population Segment and were federally listed as threatened in 1997 (Stillwater 2018). The Napa River watershed is considered one of the most significant anadromous fish streams within San Francisco Bay, and York Creek contains some of the highest quality steelhead habitat in the Napa River watershed (Napa RCD 2005).

O.mykiss exhibit anadromous and resident life history strategies. Steelhead is the term for the anadromous life history, and rainbow trout is the term for the resident life history. Evidence suggests that the two forms are capable of interbreeding, and that either can produce offspring that exhibit the alternate form. Both life history forms are present in York Creek. (Napa RCD, Upper York Creek Ecosystem Restoration Project 2020-21 Annual Monitoring Report, p. 2.) Under the Federal Endangered Species Act ("ESA"), steelhead found in the Napa River watershed belong to the Central California Coast evolutionarily significant unit ("ESU"). This steelhead population is reproductively isolated from other populations, represents an important component of the evolutionary legacy of the species, and has broad protections under both state and federal law.

[1] Critical habitat: Identifies specific areas occupied by threatened or endangered species at the time of their listing that contain physical or biological features essential to conservation of the species and that may require special management considerations or protection.

[2] Napa River Basin Limiting Factors Analysis, Final Technical Report (2002) https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/wq_control_plans/1995wqcp/exhibits/doi/doi-exh-45n.pdf

(2.) Lower York Reservoir

In November 2016, after unproductive discussions, Water Audit California ("Water Audit") gave CSH notice of its intention to sue regarding the York Dam, an obsolete 19th century earthen structure that had been without beneficial use for several decades. For more than a decade, CSH paid NOAA Fisheries a $70/day fine for its failure to remove the dam. A pre-litigation settlement was made with Water Audit wherein CSH committed to removing the dam by the end of 2018. CSH did not perform.

In January 2019, Water Audit gave a renewed notice of intent to sue and, in response, CSH finally contracted for removal of the structure. The dam was removed in 2020[3], opening several miles of prime fish spawning grounds.

CSH owns and operates Lower York Reservoir ("LYR")[4] that impounds runoff from the adjacent watershed and impairs the natural flow of water into lower York Creek down to the confluence with the Napa River. As stated, both York Creek and the Napa River downstream of the confluence are known to have populations of protected and unprotected fishes, including steelhead trout.

Since the multi-million-dollar removal of York Dam in 2020 to improve steelhead passage and to improve the aquatic and riparian habitat of York Creek, it continues to be critically important to maintain stream flows to effectuate remediation and restoration.

(3.) Public Trust Doctrine

A public trust trustee "**may not approve of destructive activities without giving due regard to the preservation of those [public trust] resources.**" (*Center for Biological Diversity, Inc. v. FPL Group, Inc.* (2008) 166 Cal.App.4th 1349, 1370, fn. 19, 83 Cal.Rptr.3d 588.) [Emphasis added]

In this case, the beneficiaries of the public trust are the people of California, and it is to them that the trustee owes fiduciary duties. As CSH is a legal subdivision of the state, it must deal with the trust property for the beneficiary's benefit. No trustee can properly act for only some of the beneficiaries – for example the the trustee must represent them all, taking into account any differing interests of the beneficiaries, or the trustee cannot properly represent any of them. (*Bowles v. Superior Court* (1955) 44 C2d 574.) This principle is in accord with the equal protection provisions of the Fourteenth Amendment to the US Constitution.

Furthermore, there can be no vested rights in water use that harm the public trust. Pre-1914 water rights holders are not exempt from the public trust doctrine, manifested in Fish and Game Code Section 5937. See for example *Water Audit California v. Department of State Hospitals* Napa Superior Court Case No. 34-2018-80002810). A copy of the Napa Register story on settlement of this action is attached.

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[3] Small Dam, Big Deal: York Dam Removed in Napa Valley. UC Davis California Water Blog (11-08-2020) https://californiawaterblog.com/2020/11/08/small-dam-big-deal-york-dam-removed-in-napavalley/

[4] The City fails to bypass sufficient water to keep fish downstream in good condition of the dams, in violation of Fish and Game Code, Section 5937.

Regardless of the nature of the water right in question, no water user in the State "owns" any water. Instead, a water right grants the holder thereof only the right to use water, a "usufructuary right". The owner of "legal title" to all water is the State in its capacity as a trustee for the benefit of the public. Both riparian and appropriative rights are usufructuary only and confer no right of private ownership in the watercourse, which belongs to the State. (*People v. Shirokow* (1980) 26 Cal.3d 301 at 307.)

The public trust doctrine requires the State (ie. CSH), as a trustee, to manage water so as to derive the maximum benefit for its citizenry. The benefits to be considered and balanced include economic, recreational, aesthetic and environmental, and if at any time the trustee determines that a use of water other than the then current use would better serve the public trust, the State has the power and the obligation to reallocate that water in accordance with the public's interest. Even if the water at issue has been put to beneficial use (and relied upon) for decades, it can be taken from one user in favor of another need or use. The public trust doctrine therefore means that no water rights in California are "vested" in the traditional sense of property rights.

(4.) Fish and Game Code, Section 5937

Fish and Game Code, Section 5937 provides, in relevant part: “The owner of any dam shall allow sufficient water at all times to pass through a fishway, or in the absence of a fishway, allow sufficient water to pass over, around or through the dam, to keep in good condition any fish that may be planted or exist below the dam.”

Section 5937 is a legislative expression of the public trust. (*California Trout, Inc. v. State Water Resources Control Bd.* (1989) 207 Cal.App.3d 585, 592, 630-631.)

CHS is in violation of Fish and Game Code, Section 5937, as the statute requires that every dam without a fish ladder or offsetting hatchery must bypass sufficient water to keep fish downstream in good condition. The CSH has failed to determine the amount of water that would be sufficient and has failed to provide such water.

Respectfully,

William McKinnon
General Counsel
Water Audit California

Cc:
Ethan Walsh <Ethan.Walsh@bbklaw.com>
cityclerk <cityclerk@cityofsthelena.org>

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Email: General@WaterAuditCA.org

Cindy Tzafopoulos

From: Alan Galbraith <agalbraith94574@gmail.com>
Sent: Monday, May 22, 2023 8:45 PM
To: Cindy Tzafopoulos
Subject: [External] Public Comment, Consent Agenda Item 9.8 (May 22, 2023)

My comment addresses the comment of Water Audit California. Its sole purpose is to correct the historical record. Specifically, Water Audit California had nothing — and I mean nothing — to do with the City's decision to remove Upper York Creek Dam nor the timing of its removal.

Alan Galbraith
St. Helena Mayor, 2014-18.

Sent from my iPad

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Consideration and proposed authorization of a letter of support urging immediate action on gun safety legislation**

CEQA Determination: **Not a CEQA project**

Prepared By: Anil Comelo, City Manager

Reviewed By: April Mitts, Assistant City Manager

Approved By: Anil Comelo, City Manager

BACKGROUND
Pursuant to City Council Goal #5 - Quality of Life and workplan number 5.120 - Provide Gun Safety Outreach and Education to the Community and consistent with City Council's desire to see a decrease in violence involving guns, with the attached letter of support, the City Council is urging to the United States Congress to take immediate action on gun safety legislation.

RECOMMENDED ACTION
Authorization of the attached letter of support urging immediate action on gun safety legislation.

ATTACHMENTS
Open Letter to the United States Congress Urging Immediate Action on Gun Safety Legislation

May 23, 2023

An Open Letter to the United States Congress Urging Immediate Action on Gun Safety Legislation

Dear Members of the U.S. House of Representatives and the U.S. Senate:

We have experienced enough senseless acts of violence involving guns and implore you to take meaningful action on gun safety legislation. We have had more mass shootings this year than days of the year. We are averaging 1.5 mass shootings a day. Gun violence is the leading cause of death for children. Every day 30 people are killed by someone using a gun. When you include suicides and accidental deaths, the number is over 100 people a day.

Gun violence is destroying families, causing extreme trauma to our children, and costing the American people 280 billion dollars a year. Our police officers are working to protect us each and every day, but they are being confronted increasingly by individuals who should not possess guns, yet have easy access to them.

The May 6 Allen, TX mall shooting massacre took 9 more lives. The March 27 shooting that took the lives of three nine-year-old children and three adults in a Nashville elementary school was equally horrific. It was the third school shooting in seven days, following shooting incidents in Arlington (TX) and Denver. There have been hundreds of mass shootings over the last year, including those in Louisville, at Michigan State, and in Half Moon Bay, Monterey Park, Uvalde, Highland Park, Buffalo, and many other cities.

Too many times, following each mass shooting, we all have expressed shock, grief, and dismay. More of us are now having to cope with the ongoing trauma and fear stemming from the threat of gun violence -- and even the active shooter drills and lockdowns in response to the threats are traumatizing our children, our educators and our workers.

Under these circumstances we have no choice but to call for sensible gun laws to protect the public from the carnage and the trauma. We urge our House Leaders to pass H.R.698, the Assault Weapons Ban of 2023 and our Senate Leaders to pass bipartisan gun safety legislation which has already been passed in the House: S.736, S.529, the Background Check Expansion Act and an Assault Weapons Ban.

On behalf of the thousands of citizens we represent, we implore you to immediately pass and send to the President legislation to ban assault weapons and large capacity magazines and to strengthen the background check system: These bills could have prevented what happened in Louisville and Nashville and so many other cities, and they could help prevent similar incidents from occurring in the future.

How many children must die, how many adults must die before our nation takes action to reduce gun violence? We can do more to protect our citizens from this senseless slaughter, and we must do more. Mayors, City Councilmembers, police chiefs, School Board Trustees, local government staff and community-based gun violence prevention groups are doing everything they can to prevent and reduce gun violence in their cities. However, these local ordinances are often preempted by state legislatures. The time for Congress to act is now. Our children deserve better.

Sincerely,

St. Helena City Council
Paul Dohring, Mayor
Eric Hall, Vice Mayor
Anna Chouteau, Council Member
Lester Hardy, Council Member
Billy Summers, Council Member

Report to the City Council

Regular City Council - 23 May 2023

Agenda Section: **CONSENT ITEMS**

Subject: **Consideration and proposed approval of a Resolution: (1) approving Revision No. 4 to City Council Policy P-FI-0016 Financial Policy and (2) repealing and rescinding any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0016 Financial Policy, Revision No. 4**

CEQA Determination: **Not a CEQA project**

Prepared By: April Mitts, Assistant City Manager

Reviewed By: April Mitts, Assistant City Manager

Approved By: Anil Comelo, City Manager

BACKGROUND

On November 27, 2018 City Council adopted Financial Policy P-FI-0016 which provides a structured, central repository for a variety of fiscal policies which include: General Financial Principals, Annual Operating Budget Policy, Capital Improvement Program, Revenues, Expenditures, Cash Management, Debt Management, Fund Definitions and Classifications, fund Balance Levels, Financial Reporting, and Review and Update requirements.

On February 12, 2019, City Council approved Revision No. 1 to the Policy, on September 10, 2019, City Council approved Revision No. 2, and on June 22, 2022, City Council approved Revision No. 3.

Updates to this policy requires City Council approval.

DISCUSSION

On June 22, 2022, City Council approved Revision No. 3 to Financial Policy P-FI-0016. At that meeting it was recognized there were other financial policy revision considerations expressed by Council which were not included in Revision No. 3 but would be brought back to Council at a later time for consideration and approval. Identified policies for further research and recommendations included: switching to a bi-annual budget, General Fund reserve levels, use of one-time revenues, use of fund balance in excess of established reserve levels, Capital Facilities and Improvement Policies, and Capital Improvement Program (CIP) policies. Each recommendation is explained in greater detail below.

Biennial Budget Cycle

At the conclusion of the FY 2023 budget adoption, staff presented the concept of a biennial budget cycle. Biennial budgeting is the practice of preparing and adopting budgets for two-year periods. The central rational for biennial budgeting is that it would improve the efficiency of the budget process. Frustration with the current process is high: it is time-consuming, target dates are often missed, and repetitive decisions are made. The solution to these problems is to prepare one budget instead of two over a two-year period. Having fewer budgets could reduce the delay and repetition that plague the current budget process, and could free time for other pressing financial issues.

Most governments who have enacted a biennial budget cycle pass two-year spending plans but continue to appropriate funds on an annual basis (a "rolling" biennial budget). While the proposed biennial budget would approve funds for two years, staff will provide financial reports every six months through mid-year budget reports and a mid-cycle report to update revenues and expenses as necessary. Additionally, the Annual Comprehensive Financial Reports (ACFR) will be completed on an annual basis.

Staff recommends transitioning to a biennial budget cycle as noted in Section III.B.1.a. These provisions and will later be updated in the City's Municipal Code for consistency. Section III.M.3. has been updated to reflect semi-annual and mid-cycle reporting.

General Fund Reserve Levels

The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipated revenues in order to maintain a balance budget. The Council's directed target is to maintain a balanced budget. The Council's directed target is to maintain an unassigned fund balance of 30% of annual operating expenditures. Staff recommends the following:

1. Maintaining the 30% reserve level
2. Section III.J.1.a - Add language that defines how the reserve level is computed
3. Section III.J.1.b. - Add language addressing use of unassigned fund balance, below the City's policy level, including a solid plan to replenish it.

Use of One-time Revenues

Use of one-time revenues for ongoing expenditures is discouraged. Unpredictable revenues, such as Excess ERAF, are budgeted conservatively and any amount collected in excess of the budget is generally carried forward in the fund balance.

Staff recommends this language be added as Section III.D.4. to the financial policy.

Use of Fund Balance in Excess of Established Reserve Levels
In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. It is recommended use of those funds (in excess) should be prohibited as a funding source for ongoing recurring expenditures.

Recognizing there are instances where the City does experience fund balance levels above the 30% target, staff recommends the City Council adopt a policy which directs the use of these funds. It is recommended any unbudgeted year-end fund balance be used for nonrecurring expenditures and only after the annual audit and confirmation of the General Funds' fund balance.

Staff recommends language be added as Section III.J.6.

Reserve Funds and Capital Facilities and Improvement Policies
The current fiscal policy includes setting aside funds for the following:

- Buildings, Facilities, and Infrastructure
- Equipment, Technology, & Vehicle Replacement Reserve
- Other Benefit Reserves

While the policy specifically mentions these three areas, funds have only been set aside in two of the three areas. It is staff's recommendation to add a new section in the Financial Policy specifically for Reserve Funds - Section III.K. This section will provide additional clarification in each of the three sections referenced above which can be incorporated into future budgets. While it may not be included in the FY 2024 budget presented, staff is making an additional recommendation that the use of FY 2022 fund balance in excess of the targeted 30% be used to set aside funding as appropriate and recommended by the City Manager. This will be done via resolution at a later time.

It should also be noted the Capital Reserve Fund (formally buildings, facilities, and infrastructure) will take some time to build up to appropriate levels due to the significance of this deficit.

Staff recommends adding Reserve Funds as Section III.K. to the attached policy.

Capital Improvement Program Policies
As the City is committed to its Capital Improvement Programs, additional language has been added to Section III.C. to reflect the following:

- Section III.C.1. - Clarifying the annual process authorizes spending for the upcoming fiscal year
- Section III.C.2. - Adding specific language to what descriptors are to be included in the 5-year CIP list
- Section III.C.3. - Adding language that cost and project estimates will be updated and presented to the City Council every six months
- Section III.C.4. - Adding language to include a review/revision of the 30-year CIP list

Staff is recommending Council adopt Revision No. 4 to the City's current Financial Policy as noted above and in Attachment 1 (redlined version) and Attachment 2 (clean version).

FISCAL IMPACT
None

RECOMMENDED ACTION
Staff recommends City Council adopt the attached Resolution.

ATTACHMENTS
Attachment 1 - P-FI-0016 Financial Policy Revision #4 redline
Attachment 2 - P-FI-0016 Financial Policy Revision #4 clean
Attachment 3 - Resolution Amendment No. 4 to P-FI-0016 Financial Policy

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Title: **Financial Policy**		Policy #	P-FI-0016
		Revision #	Revision #~~3~~4
		Implementation Date	2018-11-28
		Last Update Date	2022-06-28
Approval by City Council	~~June 28, 2022~~May 23, 2023	Date Approved	~~2022-06-28~~2023-06-23

I. Purpose, Overview and Scope of this Policy

This document establishes policies of overall financial management, budget development, and fiscal administration for the City of St. Helena. Included herein are statements and principles designed to guide the City in maintaining its financial stability and delivering high-quality services to the public.

Formally adopted financial policies assist elected officials and City staff in the development of fiscal management practices, save time, and provide structure for financial decisions, promote public confidence, enhance transparency, and provide continuity over time. These policies will be updated periodically, but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter. A fiscal policy supports long-term planning and enhances the City's effectiveness in implementing long-term strategies to deliver efficient public services.

This document provides a structured, central repository for a variety of fiscal policies which are organized into the following categories:

A. General Financial Principles
B. Annual Operating Budget Policy
C. Capital Improvement Program
D. Revenues
E. Expenditures
F. Cash Management
G. Debt Management
H. Fund Definitions
I. Fund Balance Classifications
J. Fund Balance Levels
~~J.~~K. Reserve Funds
~~K.~~L. Financial Reporting
~~L.~~M. Review and Update

II. Authority

Updates to this policy require City Council approval.

III. Policy

A. General Financial Principles

It is the overall policy of the City of St. Helena to build upon a sound conceptual framework to:

1. Manage its financial resources in a responsible and prudent manner.
2. Provide financial information in a relevant, thorough and timely manner, and in a format that effectively communicates financial status to the Council, citizens, and City employees.
3. Establish and maintain prudent fund balance levels.
4. Maintain financial reporting in compliance with current governmental accounting standards.
5. Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.
6. Promote constructive and proactive financial decision making that includes, and is responsive to, citizens input and guidance.
7. Integrate long-term operating and capital resources planning into the annual budget process.
8. Allow for uncertainties and maintain a posture of financial flexibility.
9. Develop programs in a manner that support the City's long-term ability to cover costs and provide the level and quality of service expected by its citizens.
10. Manage debt responsibly.
11. Establish and implement investment policies in accordance with City code and State law.

B. Annual Operating Budget Policy

1. Adoption of ~~Annual~~ Operating Budget
   a. In accordance with the St. Helena Municipal Code the operating budget is prepared on a biennial budget cycle which passes a two-year spending plan but continues to appropriate funds on an annual basis (a "rolling" biennial budget). Within this budget, City Council approves funds for two years with staff providing City Council mid-year budget reports and a mid-cycle report to update revenues and expenses as necessary.
   ~~a. Per Municipal Code 2.12.060.B.9, the City Manager supervises the preparation of a detailed, proposed municipal budget and submit the same to the Council on or before May 15th of each year, and to offer their recommendations as to such increases, decreases, cancellations, transfers, or changes in any of the items included in the proposed~~

~~budget as in their judgment should be made before the adoption of the budget.~~

b. ~~An~~ The a biennial ~~nnual~~ operating budget will be adopted by the City Council no later than June 30th of each ~~fiscal~~ budget year. The budget will include appropriations that provide expenditure authority to public officials responsible for operating their respective departments to fulfill obligations to provide public services as delegated by the City Council.

c. Funds may not be expended for a new fiscal year until the budget for that fiscal year has been adopted by City Council or special provisions have been adopted by the City Council.

d. The budget presented must be balanced, which is when total projected expenditures do not exceed total estimated revenues. If projected expenditures exceed total estimated revenues, ~~,~~ City Council may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.

~~e. The City should maintain a multi-year~~A 10-year ~~financial~~ Financial ~~forecast~~ Forecast (Long Range Financial Forecast) shall be prepared annually projecting revenues and expenditures for the General Fund. This forecast shall be used as a planning tool in developing the operating budget.~~that is updated as part of the annual budget development process.~~ .

~~f.~~e. One-time revenue sources are not to be relied upon to fund on-going operations.

2. Controlling and Adjusting the ~~Annual~~ Biennial Budget
   a. The City structures and controls its budget by use of the following funds:
      i. General Fund - is the primary operating fund of the City. It accounts for the receipt of property tax, general sales tax, transient occupancy tax, and other general revenues available to finance City operations. The General Fund accounts for all revenues and expenditures that do not fit the criteria to be accounted for in other funds with external restrictions imposed by their respective financing sources.
      ii. Special Funds - account for resources externally restricted for use by their respective funding sources, such as grant programs financed by the State and Federal governments.
      iii. Enterprise Funds - account for water and wastewater systems, and may be used for fee-based programs if the intention is to recoup almost all City costs through fees or other charges.

iv. Internal Service Funds - account for centralized service costs (such as vehicle services made available to all operating departments). Charges from the internal service funds appear as an expenditure in the user department, and as revenue in the central service department.

b. The City's budget is controlled at the fund level by the City Council.

i. The City Council, as representatives of the public, is the sole authority for creating or increasing expenditure appropriations within a fund. The City Council is also the exclusive authority for approving changes in revenue estimates with funds.

c. Department Directors will be held directly responsible and accountable for their budgets as originally adopted by the City Council or as thereafter revised in accordance with this policy. The level of expenditure control for departments is at the departmental level.

d. Departments that operate programs among different funds are limited to the appropriation levels within any one fund. This policy also describes the level of authority needed to amend the adopted budget.

3. Transfers and revisions to the adopted budget:

a. The City Council approves:

i. All increases in appropriations within a fund.

ii. All transfers of appropriations between funds.

iii. All decreases in appropriations, with the exception that the City Manager may direct Department Directors to suspend expenditures pending Council consideration of decreases in appropriations needed to respond to fiscal emergency.

b. The City Manager approves:

i. The City Manager may make budget transfers between departments or programs as long as those changes do not increase overall appropriations within any one given fund. Transfers between funds, overall increases in fund appropriations, and overall increases in project budgets can only be made through City Council action.

c. Department Directors may authorize the transfer of appropriations within a department, except transfers: (1) that would purport an increase in the number of regular personnel, and (2) that would decrease appropriations for capital outlay.

d. Finance Department:

i. The Finance Department is responsible for providing forms and instructions for requesting appropriation adjustments, and for analyzing and recommending adjustments to the City Manager.

The Finance Department will record approved budgets and adjustments into the City's financial system.

ii. The Finance Department will ensure that the City's Annual Comprehensive Financial Report (ACFR) includes a comparison of actual expenditures against the final budget, as amended and adjusted under the authorities of this policy.

4. Operating expenditure appropriations not spent during the fiscal year lapse at year-end, except for:
   a. Encumbrances or commitments, as in the form of finalized purchase orders made during the fiscal year that have not been completed at year-end.
   b. Appropriations for capital improvement projects and ongoing grants with a life-cycle beyond one year.
5. Governmental funds use the modified accrual basis of accounting while proprietary and fiduciary fund types are budgeted on a full accrual basis of accounting. The ACFR presents City's finances on a Generally Accepted Accounting Principles (GAAP) basis and the City's budget is prepared in conformance with these standards.
6. The City's budget must comply with the annual determination of the City's appropriations limit (GANN Limit) calculated in accordance with Article XIIB of the Constitution of the State of California and the City shall adopt an annual resolution to this effect.

C. Capital Improvement Program

1. The City will develop and maintain a comprehensive capital improvement project list. As part of the list, the City will develop and maintain a five-year Capital Improvement Program (CIP) to be updated annually for authorization to spend in the upcoming fiscal year. ~~in conjunction with the operating budget.~~ The CIP should reflect the current and changing needs of the community as well as enhance the community's quality of life.
   a. Note: The five-year CIP is not a budget commitment, and its acceptance by City Council does not provide officials the authority to spend. The plan is an expression of recognized needs, and a tool for use in budgeting.
2. All projects within the CIP are to be tracked systematically and reports should clearly indicate funding provided, expenditures incurred, and required future funding by project. Each project on the 5-year CIP list should include the following:
   a. Name of project
   b. Brief description of project

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c. Project Phases (e.g. design, construction, construction management, etc.)
d. CIP Category (Civic, Streets, Stormwater, Water, Wastewater)
e. CIP Number
f. Annual cost estimates
g. Source of funds
h. Unfunded CIP needs

3. CIP cost and project estimates should be updated and presented to the City Council every six months. Estimated annual costs over the lifetime of each project on the list will be refreshed every six months with this data being used as part of the Long-Range Financial Forecast.
~~2.~~4. In addition to the 5-year CIP list, the City will maintain a 30-year project list to better plan for long-term capital needs. This list will be updated on a biennial basis during odd years (opposite of the biennial budget cycle). This update will account for change in priorities based upon regulatory compliance, infrastructure needs, funding availability, and cost estimates. Updated costs over the lifetime of each project will be used as part of the Long-Range Financial Forecast.
~~3.~~5. Capital improvements that specifically benefit a select group of users and/or are fee-for-service based are to be financed/funded through user fees, service charges, special assessments and taxes, or development impact fees.
~~4.~~6. Funding and Financing
   a. Funding refers to the stream of public agency revenue that pays for or offsets the cost of an asset or service or supports repayment of debt that finances the asset.
   b. Financing refers to the method of paying for an asset or service, including debt financing.
~~5.~~7. A Capital improvement budget should systematically identify potential funding sources and financing options and match those resources to the capital needs identified in the Capital Improvement Program. It should also identify which capital needs the agency will fund, when it will fund them, and from what resource.
~~6.~~8. Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Water/Wastewater) are to be financed/funded through the service fees generated within that operation and fund, except in the event the voters of the City approve taxes or assessments for the purpose of financing and/or funding such capital improvements, in which case revenues from the voter approved taxes or assessments may also be used to finance and/or fund those capital improvements. Fees charged for enterprise operations should be supported by periodic updates to the rate study

prepared for those fees in accordance the California Constitution and all applicable laws.

a. Notwithstanding the above paragraph, the city recognizes there may be emergency situations where enterprise operation capital improvements may need additional funding outside of the service fee structure, which may include direct borrowing and issuance of revenue bonds, and outside voter authorized initiatives. For the completion of critical enterprise capital projects, City Council may authorize use of General Fund unassigned fund balance ~~(See Section III.C.7)~~ in the following situations:

i. Life and safety emergencies

ii. Project completion is required (via mandate, cease and desist order, etc) and the current rate structure does not support the full cost to complete project.

~~7.~~9. The following shall be taken into consideration when using General Fund unassigned fund balance that specifically benefits a fee-for-service enterprise operation ~~(as noted in Section III.C.6.)~~:

a. The City Council shall find that an emergency or extraordinary need exists to justify the use of these funds. Funds shall be appropriated only after the City Manager and Administrative Services Director have prepared and presented to the City Council an analysis of the emergency or extraordinary need that addressed the nature of the proposed expenditure(s) and any associated revenue requirements in subsequent years.

b. Use of fund balance does not cause the General Fund to fall below the reserve level identified in Section III.J.1.

i. If situation arises where reserve level may/will fall below the level identified in Section III.J.1., the City Manager and Administrative Services Director shall provide a funding plan to the City Council, including proposed source(s) of funding and a timeline to bring the balance of the General Fund reserve to the level identified in Section III.J.1.

c. Although use of unassigned General Fund monies are considered unrestricted and may be used for any municipal purpose, the use of unassigned fund balance to an enterprise fund will normally be considered an interfund loan (see Section III.L~~K~~) unless Council otherwise finds and documents an exigent need.

~~8.~~10. Transfers of resources to the CIP fund will be evaluated on an annual basis dependent upon the existence of available surplus dollars.

~~9.~~11. The City should strive to maximize the use of capital grants and State assistance in funding capital improvements before utilizing general revenue sources.

~~10.~~12. Funding Capital Improvements
The CIP uses a variety of funding sources to support projects. This section outlines some of the more common municipal funding sources used for funding capital improvements.

a. Pay-as-you Go (Cash or Pay-Go)
Debt financing is not always the most cost-effective way to purchase assets. Many times, the costs of interest and financing outweigh the costs of paying with cash, if that is an option. Pay-GO avoids these additional costs, but the agency must pay the full cost of the asset at the outset. Improvements typically made through the Pay-Go program tend to be smaller in scale and/or short-term improvements. Additionally Pay-Go can be used to provide an additional funding source and offset long-term borrowing and used in conjunction with borrowing.

b. Long-Term Financing Methods

i. General Obligation Bonds (GO Bond)
- Permissible Projects – Acquisition and improvement of public property and facilities.
- Approval Procedure – Issuer resolution and ordinance; two-thirds voter approval.
- Source of Repayment – Ad Valorem property taxes paid by owners of taxable property in the jurisdiction.

ii. Special Assessment Bonds
- Permissible Projects – Acquisition of property and improvement of infrastructure and additional facilities of benefit to the property that is charged.
- Approval Procedure – Engineers report, weighted majority protect procedure.
- Source of Repayment – Assessments on the property/fees limited special benefit to the property that is being charged.

iii. Special Tax (e.g. Mello-Roos) Bonds
- Permissible Projects – Acquisition and improvement of public property and facilities.
- Approval Procedure – Two-thirds voter approval or – where there are fewer than 12 registered voters – by landowners in the proportion to land owned within the Community Facilities District.

- Source of Repayment – Special tax on property within community facilities district.

iv. Certificates of Participation
- Permissible Projects – Unrestricted use.
- Approval Procedure – Resolution of governing board approving lease or installment agreement.
- Source of Repayment – Lease or installment sale agreement paid from General Fund (lease) or special/enterprise (installment sale) revenues.

v. Revenue Bonds
- Permissible Projects – Acquisition and improvement of revenue-producing public property and facilities.
- Approval Procedure – Issuer resolution and in some instances public vote.
- Source of Repayment – Service charges and other fees paid by users of project or services.

vi. Mark-Roos JPA Bonds
- Permissible Projects – Acquisition and improvement of public property, facilities, and/or equipment.
- Approval Procedure – Resolution of governing boards of JPA and participating entities.
- Source of Repayment – Taxes, user fees, lease or installment payments, from local agencies to JPA.

c. Development Impact Fees
Development Impact Fees are collected to mitigate the impact of new development in the community. The amount of the impact fee collected is based on a portion of the financing needed for identified public facilities. Property being developed is assessed the fee(s) at the time the building permit is issued.

d. Donations and Developer Funding
Projects may be funded by contributions and/or donations from private sources such as residents, developers, private organizations, and businesses. Contributions by developers and vendors may be reimbursed with City funds in future years through mechanisms such as a development agreement.

e. Enterprise Funds
Enterprise Funds account for specific services that are funded directly by fees and charges to users. These funds are intended to be fully self-supporting and are not typically subsidized by any general revenue or taxes. Within each Enterprise Fund, budgets are developed which are sufficient to fund current year operations and

maintenance expense, as well as provide for current and future years' upgrade, replacement, and expansion-related capital construction requirements.

f. Grants
Some projects are entirely or partially funded by grants and reimbursements from the State and federal government and other agencies. The receipts of certain grants and reimbursements typically follow the award of contracts.

D. Revenues

1. The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.
2. The City will seek out, apply for, and effectively administer Federal, State, and other grants that address the City's current operating and capital priorities in accordance with P-FI-0007 – Grant Application and Management Policy.
3. The City will pursue revenue collection and auditing to assure that funds due to the City are accurately received in a timely manner.
~~3.~~4. Use of one-time revenues for ongoing expenditures is discouraged. Unpredictable revenues, such as excess ERAF, are budgeted conservatively and any amount collected in excess of the budget is generally carried forward in the fund balance.
~~4.~~5. The City will seek reimbursement for State mandated costs whenever possible.
~~5.~~6. The City will adopt user fees with appropriate levels of cost recovery.
~~6.~~7. User fee studies should be performed and updated every five years to ensure the proper balance of costs and service charges. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.
~~7.~~8. Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the City Council for adoption to ensure fees reflect all direct and reasonable indirect costs of providing such services.
~~8.~~9. Enterprise operations, in general, are intended to be self-supporting.

E. Expenditures

1. Expenditures are to be budgeted and controlled so as to not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years.

2. The City will conduct a mid-year financial status review to determine if projected revenues and expenditures meet target levels. If an operating deficit is projected at year-end, the City should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of essential and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.
3. The City implements a formal purchasing system, principles, and guidelines to ensure that expenditure levels are monitored throughout the course of any fiscal year.

F. Cash Management

1. Annually the City's Investment Policy P-FI-0002 is reviewed and presented to City Council for adoption.
2. Investments for the City are reported at fair value (generally based on quoted market prices). The State Treasurer's Investment Pool and California Asset Management Program (CAMP) operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. Debt Management

1. The types of debt appropriate for the City include the following: general obligation bonds, bond or grant anticipation notes, lease revenue bonds, certificates of participation and lease-purchase transactions, other revenue bonds and certificates of participation, land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes, and tax increment financing to the extent permitted under state law. The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this policy.
2. The City should plan the use of debt in a manner that sustains financial payments at manageable levels.
3. The City will strive to integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of public purposes. Normal wear and tear, upkeep and maintenance of its infrastructure and facilities should be paid from available operating revenues so as to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

4. The purposes for which long term debt may be appropriate include the following: (i) the project to be financed is necessary to provide basic services, (ii) the project to be financed will provide benefit to constituents over multiple years, (iii) total debt does not constitute an unreasonable burden to the City or its taxpayers and ratepayers, (iv) the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring. The City will not issue long-term debt to fund current operations and will seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt. Debt Financing can be used if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.
5. It is a policy goal of the Issuer to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.
6. Internal control procedures shall include monitoring all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to the City Council, to ensure that proceeds of debt will be directed to the intended use.
7. The City will diligently comply with and monitor compliance with all bond covenants.
8. The City will cause to be prepared and will timely post to the Electronic Municipal Market Access database (EMMA) all required annual continuing disclosures and, if needed, any material event notices.
9. The City will monitor all debt obligations for ongoing tax compliance and arbitrage reporting.
10. The City will not incur general obligation indebtedness for public improvements which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.
11. The City will maintain a minimum net revenue coverage ratio for the Water and Wastewater funds (all annual revenues remaining after operating and maintenance expenses, net of pass-through grants, to annual debt service requirements net of excess appropriations required for variable rate debt) as required by each funding source.

H. Fund Definitions

1. Governmental Fund Type Definitions

   Governmental fund types include the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. The Governmental Accounting Standards Board (GASB) has clarified the definitions of these funds as follows:

   a. General Fund – The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund.

   b. Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specific purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

   c. Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

   d. Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for further years' payments. Debt service funds should be used to report resources if legally mandated.

   e. Permanent Funds – Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

2. Proprietary Fund Type Definitions
   Proprietary fund types include enterprise funds and internal service funds. GASB has clarified the definitions of these funds as follows:
   a. Enterprise Funds – GAAP provide that enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Furthermore, a given activity must be accounted for in an enterprise fund if it meets any of the following criteria (in the context of its principal revenue sources):
      a. There is outstanding debt that is backed solely by fees and charges;
      b. Laws or regulations require that fees and charges be set to recover costs, including capital costs (depreciation or debt service); or
      c. There is a pricing policy that fees and charges be set to recover costs, including capital costs (depreciation or debt service).
   b. Internal Service Funds – Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

3. Fiduciary Fund Type Definitions
   Generally Accepted Accounting Principles (GAAP) require fiduciary funds to report assets held in trustee or agency capacity for others cannot be used to support the government's own programs. Fiduciary funds, as reported in GAAP financial statements, never should include resources that can be used to support the government's own programs. Within the fiduciary funds category, funds that involve a trust agreement that affects the degree of management involvement and the length of time that the resources are held are distinguished from funds that involve only the receipt, temporary investment and remittance of fiduciary resources. Fiduciary fund types include pension, investment trust funds, private-purpose trust funds, and agency funds.
   c. Pension Funds – Used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans, or other employee benefit plans.
   d. Investment Trust Funds – Used to report the external portion of investment pools reported by the sponsoring government.

e. Private-purpose Trust Funds – Used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.
f. Agency Funds – Used to report resources held by the reporting government in a purely custodial capacity.

I. Fund Balance Classifications

1. Governmental Fund Balances
   a. Fund balance is defined as the difference between assets and liabilities and in Governmental funds is reported as fund balance. GASB No. 54 classified fund balances into the following categories:
      i. Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.
      ii. Restricted: The restricted portion of fund balance is restricted to specific purposes. Examples are Gas Tax revenues and grant proceeds.
      iii. Committed: The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed account.
      iv. Assigned: The assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use. GAAP required reserves, such as the Other Post-Employment Benefits (OPEB) reserve, belong to this category.
      v. Unassigned: The unassigned portion of fund balance is that remaining after the non-spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

The City of St. Helena will use GASB's definitions of fund balance for the annual ACFR and for all other financial reporting. For all financial planning purposes, the term Net Position or Fund Balance will be used and will include any portion of the fund balance that is available for appropriation.

Preferred order of use of governmental fund balances:

The City shall strive to use the most restricted fund balances prior to utilizing those that are less restricted. The following order of use reflects this guideline:

a. Non-spendable (if funds become spendable)
b. Restricted
c. Committed
d. Assigned
e. Unassigned

2. Proprietary and Fiduciary Fund Balances (Net Position)
   a. Fund balance is defined as the difference between assets and liabilities and in Proprietary and Fiduciary fund is reported as net position. GASB No. 63 classified reporting of net position into the following categories:
      i. Net Investment in Capital Assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
      ii. Restricted for Capital Projects: The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with restricted assets reported.
      iii. Unrestricted: The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

J. Fund Balance Levels

The City of St. Helena has enacted the Fund Balance policies in an effort to ensure financial security through the maintenance of a healthy fund contingency balance that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

Balances for each of the areas below will be reported to City Council when a use of fund balance is being recommended, during mid-year and mid-cycle budget report, and on an annual basis in conjunction with the audited financials.

1. General Fund
   The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipated revenues in order to maintain a balanced budget. The Council's directed target is to maintain an unassigned fund balance of thirty percent (30%) of annual operating expenditures for the fiscal year.
   a. Computing General Fund Unassigned Fund Balance Percentage
      The City's minimum funding target for General Fund Unassigned Fund Balance is set to 30% of the General Fund annual operating expenditure, less significant one-time revenues and expenditures. Examples include, but are not limited to: strike teams (revenues and expenditures), FEMA reimbursements, grant funding, and large capital purchases. The General Fund is described as Fund 101 only. One-time revenues and expenditures will be separately identified for tracking purposes.
   b. Use of General Fund Unassigned Fund Balance
      Use of General Fund Unassigned Fund Balance will only be used in extraordinary circumstances, upon the satisfaction of one of the following "economic triggers" and with the majority vote of the City Council (via resolution and through the adopted budget and/or fiscal update):

      - State take-away of significant revenue
      - Large drop in Property Taxes
      - Major business closures (sales tax impact)
      - Large, unexpected drop in Sales or Transient Occupancy taxes or other primary revenues due to severe recession

      Use of General Fund Unassigned Fund Balance below the 30% reserve provides for a transition period, giving the City adequate time to realign its operating costs with available resources, while minimizing service impacts. In the event unassigned fund balance is used, the staff will develop a one (1) to five (5) year reserve replenishment plan to meet the minimum 30% fund balance level.

~~2. Buildings, Facilities, & Infrastructure Reserve~~
~~Building, facilities, and infrastructure replacement reserve should be established and maintained to provide for the timely replacement of City owned fixed assets. The balance is hereby defined as assigned by the City Council to allow the City to maintain an infrastructure reserve with a target balance equivalent to the projected annual cost of the first year Capital Improvement Plan fund expenditures.~~

~~3. Equipment, Technology, & Vehicle Replacement Reserve~~
~~The balance is hereby defined as assigned by the City Council to allow the City to set aside an appropriate amount of money to property fund equipment, technology, and vehicle replacement. The City shall set aside funding annually in this reserve based on the vehicle, technology, and equipment replacement schedule.~~

~~4. Other Benefit Reserves~~
~~The City's policy permits employees to accumulate earned but unused vacation and sick leave benefits which are eligible for payment upon separation from service. Retiring employees have the option of applying 100% of their unused sick leave accrued towards the payment of continuation insurance premiums, to the extent allowed by law. The City should set aside funding annually in this reserve to match the current liabilities.~~

~~5.~~2. Unassigned Operating Reserve
These balances are hereby defined as unassigned by the City Council to allow the City to weather unpredicted cyclical and rapid downturns in the economy. These funds would be available for use in such conditions to mitigate negative economic fiscal impacts or State takeaways and can be activated within any one budget cycle through Council action. An economic downturn would entail a projected and/or sudden drop in core revenues (major tax and service revenue loss) of equal to or greater than 10% (including the impact of inflation) and/or a change in economic parameters (such as interest rates, debt service rates, pension and health rates) that cause a material change in expenditures of 10% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances.

6. Use of Year-End Fund Balance in Excess of Targeted Reserves
Fund balance is a measurement of available financial resources. The Council recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the City. The City goal is to use fund balance as a source to finance one-time investments, reserves, and/or commitments. As a one-time financing source, any unbudgeted year-end fund balance will be used for nonrecurring expenditures and only after the yearly audit and confirmation of the General Fund's fund balance.

At the end of each fiscal year, the Finance Division reports on the audited year-end financial results. Should actual General Fund revenues exceed expenditures and encumbrances, a year-end operating surplus shall be reported. Any year-end surplus that results in the General Fund fund balance exceeding the 30% fund balance target required by the policy shall be available for allocation. Division of the surplus balance shall be recommended to the City Council by the City Manager or designee based on the most critical needs at that time. Priority of allocation shall be the following, subject to Council approval:

- Imminent liability
- Offset projected future deficits
- Loan repayment acceleration
- Fund PERS unfunded liabilities
- One-time funding, non-recurring needs
- Capital assets and infrastructure

~~6.~~7. Water and Wastewater Operating Fund Balances

The City should maintain balances in the Water and Wastewater Funds at a level sufficient to accommodate operating and capital needs. City Council's directed target for the Water Fund is 10-14 months (83%-106%) of annual operating expenditures in cash and the Wastewater Fund 6-8 months (50%-67%) of annual operating expenditures in cash. These amounts include cash balances in the Water and Wastewater Capital Improvement Project Funds. Multi-year fee studies for these funds should be updated periodically as a basis for defining the revenue sources necessary to maintain system infrastructure and required service levels. As a result of the periodic fee or master plan studies, adjustments to user charges may be necessary to maintain recommended fund balance levels.

K. Reserve Funds

Saving for future projects, acquisitions and other allowable purposes is an important planning consideration for local governments. Reserve funds provide a mechanism for legally saving money to finance all or part of future infrastructure, equipment, and other requirements. Reserve funds can also provide a degree of financial stability by reducing reliance on indebtedness to finance capital projects and acquisitions. In uncertain economic times, reserve funds can also provide officials with a welcomed budgetary option that can help mitigate the need to cut services or to raise taxes. In good times, money not needed for current purposes can often be set aside in reserves for future use. Expenditures from specific capital reserve funds can only be made upon authorization by the City Council.

Reserve funds may generally be funded with:

c. Budgetary appropriations
d. Revenues not required by law to be paid into any other fund or account.

1. Capital Reserve Fund
   Building, facilities, and infrastructure supported by the General Fund shall have a replacement reserve fund established and maintained to provide for the timely replacement of City owned fixed assets. The balance is hereby defined as assigned by the City Council to allow the City to maintain an infrastructure reserve with a target balance equivalent to the projected annual cost of the first year Capital Improvement Plan fund expenditures.
2. Equipment, Technology, & Vehicle Replacement Reserve Fund
   The balance is hereby defined as assigned by the City Council to allow the City to set aside an appropriate amount of money to property fund equipment, technology, and vehicle replacement. The City shall develop a vehicle, technology, and equipment replacement schedule and shall set aside funding annually in this reserve based on this schedule.
3. Employee Benefit Accrued Liability Reserve Fund
   To be used to pay for any accrued "employee benefit" due an employee on termination of the employee's service with the City. The City's policy permits employees to accumulate earned but unused vacation and sick leave benefits which are eligible for payment upon separation from service. While the sick leave benefit is no longer available to the newly hired, legacy retiring employees have the option of applying 100% of their unused sick leave accrued towards the payment of continuation insurance premiums, to the extent allowed by law. The City should set aside funding annually in this reserve to match the current liabilities.

~~K.~~L. Interfund Loans

Interfund loans are the lending of cash from one City fund to another for a specific purpose and with a requirement of repayment. Interfund loans are typically short-term in nature and constitute the allocation of cash between individual funds for working capital purposes.

Interfund loans are temporary borrowing of cash and may be made for the following reasons:

- To offset timing differences in cash flow.

- To offset timing differences between expenditures and reimbursements, typically associated with grant funding.
- To provide funds for interim financing in conjunction with obtaining long-term financing.
- For short-term borrowing in place of external financing.

Interfund loans are not to be used to solve ongoing structural budget issues or hindering the accomplishment of any function or project for which the lending fund was established. Interfund loans are not to be used from fiscal year to fiscal year as a financing strategy. If a fund has a negative cash balance, a plan for reaching positive cash balance must be presented to City Council. A negative cash balance must be addressed in the fiscal year that the fund reaches negative cash.

Interfund loan monies may only be used for the purpose identified in the authorizing resolution. Appropriate accounting records will be maintained to reflect the balance of loans in every fund affected by such transactions. A summary of all outstanding interfund loans will be included in the Annual Comprehensive Financial Report (ACFR).

1. Interfund Loan Terms
    a. Repayment of an interfund loan shall be within the same fiscal year, unless otherwise stated in the Council Resolution.
    b. When required by the lending fund's restrictions or regulations, interest will be paid by the borrowing fund to the lending fund, during the time the loan is outstanding.
    c. The Council must approve interfund loans by resolution. Council approval and the resolution will include the following terms of the loan:
        i. Purpose of Interfund Loan
        ii. Identification of the source fund
            1. Availability of unrestricted funds in the source fund
            2. Review of multi-year plans for use of source fund cash
            3. Analysis of legal or contractual restrictions
        iii. Repayment of Interfund Loan
            1. Repayment must have a payment source and funding stream
            2. Specific repayment schedule
            3. Interest imposed at a rate equal to at lease investment earnings if loan did not occur (see Section III.K.2)
        iv. Other Considerations
            1. Feasibility of repayment

2. Interfund Loan Interest
   The following guidelines should be used in establishing the rate of interest:

   a. Not lower than the "opportunity cost" if the funds were otherwise invested, such as the Local Agency Investment Fune (LAIF) or the California Asset Management Program (CAMP) pooled interest rate.
   b. Treasury yields or short-term bond yields for a similar term.
   c. Not higher than the external rate available to the City.

   Interest is not required in the following circumstances:
   a. The borrowing fund has no independent source of revenue other than the lending fund; or
   b. The borrowing fund is normally funded by the lending fund; or
   c. The lending fund is the General Fund, which, being unrestricted, can loan interest-free, except to a proprietary fund (i.e., enterprise funds such as water and wastewater).

~~L.~~M. **Financial Reporting**

Budget decisions are of primary concern for the City Council, City Management, the public, and various stakeholders. When considering the budget, staff presents updated projections for revenues and expenditures/expenses and the reports indicate whether prior estimates are tracking with the approved budget. Additionally, the external annual financial reporting for local governments involves producing the Annual Comprehensive Financial Report (ACFR) which is audited and produced by an independent, third party CPA/auditor. Throughout the year, the following reports are to be presented to City Council.

1. The City's accounting and financial reports are to be maintained in conformance with GAAP.
2. Long Range Financial Forecast
   a. A Long Range Financial Forecast (LRFF) for the City's General Fund will be presented to City Council ~~as part of the development of the annual budget~~annually.
   b. The 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.
   c. The LRFF will consist of a baseline forecast, a recession forecast, and any other forecasts deemed necessary.
   d. The LRFF is a ten-year forecast.
   e. The LRFF will be updated as necessary throughout the fiscal year.

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3. Internal Financial Reporting
   a. Internal financial reports help City Council, the public, and management to monitor budgetary compliance on a timely basis.
   b. Internal financial reports often provide more detail on individual departments than does general purpose external financial reporting (Section 4 below) and does not require an independent auditor review and audit.
   c. Internal financial reporting for all funds are to be issued on a periodic and timely basis – no less than ~~quarterly~~ semi-annually and no more than ~~30~~ 45 days after the close of the period. The report will provide detailed information for the General, Water, and Wastewater Funds and summary information for all funds will be included as attachments to the report. The report will include a summary of all checks over $50,000 issued during that ~~quarter~~interval.
   ~~c.~~d. A mid-cycle report will be provided by June of each non-biennial budget cycle. This report will provide detailed information for the General, Water, and Wastewater Funds and summary information for all funds will be included as attachments to the report. Updates to revenues and expenses will be provided and recommended to City Council as necessary.
   ~~d.~~e. An end of the fiscal year unaudited report will be issued no more than 60 days after the close of Q4 with end of year estimates for revenues and expenditures/expenses for all funds.
   ~~e.~~f. Periodic reports will compare the adopted budget (Original Budget), adjusted budget (Final Budget), and the ~~year to date~~year-to-date actuals (Actual Amounts).
4. External Financial Reporting - Annual Comprehensive Financial Report (ACFR)
   a. An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion to be included in the City's Annual Comprehensive Financial Report (ACFR). Additionally, the ACFR and Independent Auditor's Report on Internal Control over Financial Reporting and Compliance will be presented to the City Council.
   b. The ACFR is a set of financial statements for a state, municipality, or other governmental entity that comply with the accounting requirements established by the Governmental Accounting Standards Board (GASB).
   c. In addition to the General, Water, and Wastewater Funds, the City also accounts for activities in approximately 70 special revenue funds that account for monies received from external parties with

restrictions on their respective uses. The audit process ensures that the purposes of the various funds were carried out and the relative authorities to spend were honored.

d. The external auditor prepares financial reports for each fund based on the requirements of the funding source and once all funds are audited, they are accounted for in the financial statements, combining schedules, and notes to the financial statements.

e. Unless extraneous circumstances occur, the City will rotate audit service providers every five years. If an auditor is being retained for longer than five years, the reason must be included in a staff report to City Council at the time of the contract execution or renewal.

f. The ACFR will be completed no later than December 31st following the close of the fiscal year.

g. The City is encouraged to submit the Annual ACFR to State and/or national government finance professional organizations (Governmental Finance Officers' Association's Certification of Achievement for Excellence in Financial Reporting, California Society of Municipal Finance Officers ACFR Award) for independent review and evaluation.

~~M.~~N. Review and Update

This financial policy will be reviewed periodically and updated, if necessary, to reflect any changing requirements.

	City of St. Helena City Council Policy Finance	Policy **Financial Policy**
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Title: **Financial Policy**		Policy #	P-FI-0016
		Revision #	Revision #4
		Implementation Date	2018-11-28
		Last Update Date	2022-06-28
Approval by City Council	May 23, 2023	Date Approved	2023-06-23

I. Purpose, Overview and Scope of this Policy

This document establishes policies of overall financial management, budget development, and fiscal administration for the City of St. Helena. Included herein are statements and principles designed to guide the City in maintaining its financial stability and delivering high-quality services to the public.

Formally adopted financial policies assist elected officials and City staff in the development of fiscal management practices, save time, and provide structure for financial decisions, promote public confidence, enhance transparency, and provide continuity over time. These policies will be updated periodically, but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter. A fiscal policy supports long-term planning and enhances the City's effectiveness in implementing long-term strategies to deliver efficient public services.

This document provides a structured, central repository for a variety of fiscal policies which are organized into the following categories:

A. General Financial Principles
B. Annual Operating Budget Policy
C. Capital Improvement Program
D. Revenues
E. Expenditures
F. Cash Management
G. Debt Management
H. Fund Definitions
I. Fund Balance Classifications
J. Fund Balance Levels
K. Reserve Funds
L. Interfund Loans
M. Financial Reporting
N. Review and Update

II. Authority

Updates to this policy require City Council approval.

III. Policy

A. General Financial Principles

It is the overall policy of the City of St. Helena to build upon a sound conceptual framework to:

1. Manage its financial resources in a responsible and prudent manner.

2. Provide financial information in a relevant, thorough and timely manner, and in a format that effectively communicates financial status to the Council, citizens, and City employees.

3. Establish and maintain prudent fund balance levels.

4. Maintain financial reporting in compliance with current governmental accounting standards.

5. Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.

6. Promote constructive and proactive financial decision making that includes, and is responsive to, citizens input and guidance.

7. Integrate long-term operating and capital resources planning into the annual budget process.

8. Allow for uncertainties and maintain a posture of financial flexibility.

9. Develop programs in a manner that support the City's long-term ability to cover costs and provide the level and quality of service expected by its citizens.

10. Manage debt responsibly.

11. Establish and implement investment policies in accordance with City code and State law.

B. Annual Operating Budget Policy

1. Adoption of Operating Budget

a. In accordance with the St. Helena Municipal Code the operating budget is prepared on a biennial budget cycle which passes a two-year spending plan but continues to appropriate funds on an annual basis (a "rolling" biennial budget). Within this budget, City Council approves funds for two years with staff providing City Council mid-year budget reports and a mid-cycle report to update revenues and expenses as necessary.

b. The biennial operating budget will be adopted by the City Council no later than June 30th of each budget year. The budget will include appropriations that provide expenditure authority to public officials responsible for operating their respective departments to fulfill obligations to provide public services as delegated by the City Council.

c. Funds may not be expended for a new fiscal year until the budget for that fiscal year has been adopted by City Council or special provisions have been adopted by the City Council.

d. The budget presented must be balanced, which is when total projected expenditures do not exceed total estimated revenues. If projected expenditures exceed total estimated revenues, City Council may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.

e. A 10-year Financial Forecast (Long Range Financial Forecast) shall be prepared annually projecting revenues and expenditures for the General Fund. This forecast shall be used as a planning tool in developing the operating budget. One-time revenue sources are not to be relied upon to fund on-going operations.

2. Controlling and Adjusting the Biennial Budget

   a. The City structures and controls its budget by use of the following funds:

      i. General Fund - is the primary operating fund of the City. It accounts for the receipt of property tax, general sales tax, transient occupancy tax, and other general revenues available to finance City operations. The General Fund accounts for all revenues and expenditures that do not fit the criteria to be accounted for in other funds with external restrictions imposed by their respective financing sources.

      ii. Special Funds - account for resources externally restricted for use by their respective funding sources, such as grant programs financed by the State and Federal governments.

iii. Enterprise Funds - account for water and wastewater systems, and may be used for fee-based programs if the intention is to recoup almost all City costs through fees or other charges.

iv. Internal Service Funds - account for centralized service costs (such as vehicle services made available to all operating departments). Charges from the internal service funds appear as an expenditure in the user department, and as revenue in the central service department.

b. The City's budget is controlled at the fund level by the City Council.

i. The City Council, as representatives of the public, is the sole authority for creating or increasing expenditure appropriations within a fund. The City Council is also the exclusive authority for approving changes in revenue estimates with funds.

c. Department Directors will be held directly responsible and accountable for their budgets as originally adopted by the City Council or as thereafter revised in accordance with this policy. The level of expenditure control for departments is at the departmental level.

d. Departments that operate programs among different funds are limited to the appropriation levels within any one fund. This policy also describes the level of authority needed to amend the adopted budget.

3. Transfers and revisions to the adopted budget:

a. The City Council approves:

i. All increases in appropriations within a fund.

ii. All transfers of appropriations between funds.

iii. All decreases in appropriations, with the exception that the City Manager may direct Department Directors to suspend expenditures pending Council consideration of decreases in appropriations needed to respond to fiscal emergency.

b. The City Manager approves:

i. The City Manager may make budget transfers between departments or programs as long as those changes do not increase overall appropriations within any one given fund. Transfers between funds, overall increases in fund appropriations, and overall increases in project budgets can only be made through City Council action.

c. Department Directors may authorize the transfer of appropriations within a department, except transfers: (1) that would purport an increase in the number of regular personnel, and (2) that would decrease appropriations for capital outlay.

d. Finance Department:

i. The Finance Department is responsible for providing forms and instructions for requesting appropriation adjustments, and for analyzing and recommending adjustments to the City Manager. The Finance Department will record approved budgets and adjustments into the City's financial system.

ii. The Finance Department will ensure that the City's Annual Comprehensive Financial Report (ACFR) includes a comparison of actual expenditures against the final budget, as amended and adjusted under the authorities of this policy.

4. Operating expenditure appropriations not spent during the fiscal year lapse at year-end, except for:
   a. Encumbrances or commitments, as in the form of finalized purchase orders made during the fiscal year that have not been completed at year-end.
   b. Appropriations for capital improvement projects and ongoing grants with a life-cycle beyond one year.

5. Governmental funds use the modified accrual basis of accounting while proprietary and fiduciary fund types are budgeted on a full accrual basis of accounting. The ACFR presents City's finances on a Generally Accepted Accounting Principles (GAAP) basis and the City's budget is prepared in conformance with these standards.

6. The City's budget must comply with the annual determination of the City's appropriations limit (GANN Limit) calculated in accordance with Article XIIB of the Constitution of the State of California and the City shall adopt an annual resolution to this effect.

C. Capital Improvement Program

1. The City will develop and maintain a comprehensive capital improvement project list. As part of the list, the City will develop and maintain a five-year Capital Improvement Program (CIP) to be updated annually for authorization to spend in the upcoming fiscal year. The CIP should reflect the current and changing needs of the community as well as enhance the community's quality of life.
   a. Note: The five-year CIP is not a budget commitment, and its acceptance by City Council does not provide officials the authority to spend. The plan is an expression of recognized needs, and a tool for use in budgeting.

2. All projects within the CIP are to be tracked systematically and reports should clearly indicate funding provided, expenditures incurred, and required future funding by project. Each project on the 5-year CIP list should include the following:
   a. Name of project
   b. Brief description of project
   c. Project Phases (e.g. design, construction, construction management, etc.)
   d. CIP Category (Civic, Streets, Stormwater, Water, Wastewater)
   e. CIP Number
   f. Annual cost estimates
   g. Source of funds
   h. Unfunded CIP needs

3. CIP cost and project estimates should be updated and presented to the City Council every six months. Estimated annual costs over the lifetime of each project on the list will be refreshed every six months with this data being used as part of the Long-Range Financial Forecast.

4. In addition to the 5-year CIP list, the City will maintain a 30-year project list to better plan for long-term capital needs. This list will be updated on a biennial basis during odd years (opposite of the biennial budget cycle). This update will account for change in priorities based upon regulatory compliance, infrastructure needs, funding availability, and cost estimates. Updated costs over the lifetime of each project will be used as part of the Long-Range Financial Forecast

5. Capital improvements that specifically benefit a select group of users and/or are fee-for-service based are to be financed/funded through user fees, service charges, special assessments and taxes, or development impact fees.

6. Funding and Financing
   a. Funding refers to the stream of public agency revenue that pays for or offsets the cost of an asset or service or supports repayment of debt that finances the asset.
   b. Financing refers to the method of paying for an asset or service, including debt financing.

7. A Capital improvement budget should systematically identify potential funding sources and financing options and match those resources to the

capital needs identified in the Capital Improvement Program. It should also identify which capital needs the agency will fund, when it will fund them, and from what resource.

8. Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Water/Wastewater) are to be financed/funded through the service fees generated within that operation and fund, except in the event the voters of the City approve taxes or assessments for the purpose of financing and/or funding such capital improvements, in which case revenues from the voter approved taxes or assessments may also be used to finance and/or fund those capital improvements. Fees charged for enterprise operations should be supported by periodic updates to the rate study prepared for those fees in accordance the California Constitution and all applicable laws.
   a. Notwithstanding the above paragraph, the city recognizes there may be emergency situations where enterprise operation capital improvements may need additional funding outside of the service fee structure, which may include direct borrowing and issuance of revenue bonds, and outside voter authorized initiatives. For the completion of critical enterprise capital projects, City Council may authorize use of General Fund unassigned fund balance in the following situations:
      i. Life and safety emergencies
      ii. Project completion is required (via mandate, cease and desist order, etc) and the current rate structure does not support the full cost to complete project.

9. The following shall be taken into consideration when using General Fund unassigned fund balance that specifically benefits a fee-for-service enterprise operation:
   a. The City Council shall find that an emergency or extraordinary need exists to justify the use of these funds. Funds shall be appropriated only after the City Manager and Administrative Services Director have prepared and presented to the City Council an analysis of the emergency or extraordinary need that addressed the nature of the proposed expenditure(s) and any associated revenue requirements in subsequent years.
   b. Use of fund balance does not cause the General Fund to fall below the reserve level identified in Section III.J.1.
      i. If situation arises where reserve level may/will fall below the level identified in Section III.J.1., the City Manager and Administrative Services Director shall provide a funding plan to

the City Council, including proposed source(s) of funding and a timeline to bring the balance of the General Fund reserve to the level identified in Section III.J.1.

c. Although use of unassigned General Fund monies are considered unrestricted and may be used for any municipal purpose, the use of unassigned fund balance to an enterprise fund will normally be considered an interfund loan (see Section III.L) unless Council otherwise finds and documents an exigent need.

10. Transfers of resources to the CIP fund will be evaluated on an annual basis dependent upon the existence of available surplus dollars.

11. The City should strive to maximize the use of capital grants and State assistance in funding capital improvements before utilizing general revenue sources.

12. Funding Capital Improvements
The CIP uses a variety of funding sources to support projects. This section outlines some of the more common municipal funding sources used for funding capital improvements.
    a. Pay-as-you Go (Cash or Pay-Go)
    Debt financing is not always the most cost-effective way to purchase assets. Many times, the costs of interest and financing outweigh the costs of paying with cash, if that is an option. Pay-GO avoids these additional costs, but the agency must pay the full cost of the asset at the outset. Improvements typically made through the Pay-Go program tend to be smaller in scale and/or short-term improvements. Additionally Pay-Go can be used to provide an additional funding source and offset long-term borrowing and used in conjunction with borrowing.
    b. Long-Term Financing Methods
        i. General Obligation Bonds (GO Bond)
            - Permissible Projects – Acquisition and improvement of public property and facilities.
            - Approval Procedure – Issuer resolution and ordinance; two-thirds voter approval.
            - Source of Repayment – Ad Valorem property taxes paid by owners of taxable property in the jurisdiction.
        ii. Special Assessment Bonds

- Permissible Projects – Acquisition of property and improvement of infrastructure and additional facilities of benefit to the property that is charged.
- Approval Procedure – Engineers report, weighted majority protect procedure.
- Source of Repayment – Assessments on the property/fees limited special benefit to the property that is being charged.

iii. Special Tax (e.g. Mello-Roos) Bonds
- Permissible Projects – Acquisition and improvement of public property and facilities.
- Approval Procedure – Two-thirds voter approval or – where there are fewer than 12 registered voters – by landowners in the proportion to land owned within the Community Facilities District.
- Source of Repayment – Special tax on property within community facilities district.

iv. Certificates of Participation
- Permissible Projects – Unrestricted use.
- Approval Procedure – Resolution of governing board approving lease or installment agreement.
- Source of Repayment – Lease or installment sale agreement paid from General Fund (lease) or special/enterprise (installment sale) revenues.

v. Revenue Bonds
- Permissible Projects – Acquisition and improvement of revenue-producing public property and facilities.
- Approval Procedure – Issuer resolution and in some instances public vote.
- Source of Repayment – Service charges and other fees paid by users of project or services.

vi. Mark-Roos JPA Bonds
- Permissible Projects – Acquisition and improvement of public property, facilities, and/or equipment.
- Approval Procedure – Resolution of governing boards of JPA and participating entities.
- Source of Repayment – Taxes, user fees, lease or installment payments, from local agencies to JPA.

c. Development Impact Fees

Development Impact Fees are collected to mitigate the impact of new development in the community. The amount of the impact fee collected is based on a portion of the financing needed for identified public facilities. Property being developed is assessed the fee(s) at the time the building permit is issued.

d. Donations and Developer Funding
Projects may be funded by contributions and/or donations from private sources such as residents, developers, private organizations, and businesses. Contributions by developers and vendors may be reimbursed with City funds in future years through mechanisms such as a development agreement.

e. Enterprise Funds
Enterprise Funds account for specific services that are funded directly by fees and charges to users. These funds are intended to be fully self-supporting and are not typically subsidized by any general revenue or taxes. Within each Enterprise Fund, budgets are developed which are sufficient to fund current year operations and maintenance expense, as well as provide for current and future years' upgrade, replacement, and expansion-related capital construction requirements.

f. Grants
Some projects are entirely or partially funded by grants and reimbursements from the State and federal government and other agencies. The receipts of certain grants and reimbursements typically follow the award of contracts.

D. Revenues

1. The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.

2. The City will seek out, apply for, and effectively administer Federal, State, and other grants that address the City's current operating and capital priorities in accordance with P-FI-0007 – Grant Application and Management Policy.

3. The City will pursue revenue collection and auditing to assure that funds due to the City are accurately received in a timely manner.

4. Use of one-time revenues for ongoing expenditures is discouraged. Unpredictable revenues, such as excess ERAF, are budgeted conservatively and any amount collected in excess of the budget is generally carried forward in the fund balance.

5. The City will seek reimbursement for State mandated costs whenever possible.

6. The City will adopt user fees with appropriate levels of cost recovery.

7. User fee studies should be performed and updated every five years to ensure the proper balance of costs and service charges. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.

8. Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the City Council for adoption to ensure fees reflect all direct and reasonable indirect costs of providing such services.

9. Enterprise operations, in general, are intended to be self-supporting.

E. Expenditures

1. Expenditures are to be budgeted and controlled so as to not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years.

2. The City will conduct a mid-year financial status review to determine if projected revenues and expenditures meet target levels. If an operating deficit is projected at year-end, the City should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of essential and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.

3. The City implements a formal purchasing system, principles, and guidelines to ensure that expenditure levels are monitored throughout the course of any fiscal year.

F. Cash Management

1. Annually the City's Investment Policy P-FI-0002 is reviewed and presented to City Council for adoption.

2. Investments for the City are reported at fair value (generally based on quoted market prices). The State Treasurer's Investment Pool and California Asset Management Program (CAMP) operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. Debt Management

1. The types of debt appropriate for the City include the following: general obligation bonds, bond or grant anticipation notes, lease revenue bonds, certificates of participation and lease-purchase transactions, other revenue bonds and certificates of participation, land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes, and tax increment financing to the extent permitted under state law. The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this policy.

2. The City should plan the use of debt in a manner that sustains financial payments at manageable levels.

3. The City will strive to integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of public purposes. Normal wear and tear, upkeep and maintenance of its infrastructure and facilities should be paid from available operating revenues so as to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

4. The purposes for which long term debt may be appropriate include the following: (i) the project to be financed is necessary to provide basic services, (ii) the project to be financed will provide benefit to constituents over multiple years, (iii) total debt does not constitute an unreasonable burden to the City or its taxpayers and ratepayers, (iv) the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring. The City will not issue long-term debt to fund current operations and will seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt. Debt Financing can be used if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.

5. It is a policy goal of the Issuer to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.

6. Internal control procedures shall include monitoring all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to the City Council, to ensure that proceeds of debt will be directed to the intended use.

7. The City will diligently comply with and monitor compliance with all bond covenants.
8. The City will cause to be prepared and will timely post to the Electronic Municipal Market Access database (EMMA) all required annual continuing disclosures and, if needed, any material event notices.

9. The City will monitor all debt obligations for ongoing tax compliance and arbitrage reporting.

10. The City will not incur general obligation indebtedness for public improvements which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.

11. The City will maintain a minimum net revenue coverage ratio for the Water and Wastewater funds (all annual revenues remaining after operating and maintenance expenses, net of pass-through grants, to annual debt service requirements net of excess appropriations required for variable rate debt) as required by each funding source.

H. Fund Definitions

1. Governmental Fund Type Definitions

Governmental fund types include the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. The Governmental Accounting Standards Board (GASB) has clarified the definitions of these funds as follows:

a. General Fund – The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund.
b. Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specific purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.
c. Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
d. Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for further years' payments. Debt service funds should be used to report resources if legally mandated.
e. Permanent Funds – Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

2. Proprietary Fund Type Definitions
   Proprietary fund types include enterprise funds and internal service funds. GASB has clarified the definitions of these funds as follows:
   a. Enterprise Funds – GAAP provide that enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Furthermore, a given activity must be accounted for in an enterprise fund if it meets any of the following criteria (in the context of its principal revenue sources):
      i. There is outstanding debt that is backed solely by fees and charges;
      ii. Laws or regulations require that fees and charges be set to recover costs, including capital costs (depreciation or debt service); or
      iii. There is a pricing policy that fees and charges be set to recover costs, including capital costs (depreciation or debt service).
   b. Internal Service Funds – Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

3. Fiduciary Fund Type Definitions
   Generally Accepted Accounting Principles (GAAP) require fiduciary funds to report assets held in trustee or agency capacity for others cannot be used to support the government's own programs. Fiduciary funds, as reported in GAAP financial statements, never should include resources that can be used to support the government's own programs. Within the fiduciary funds category, funds that involve a trust agreement that affects the degree of management involvement and the length of time that the resources are held are distinguished from funds that involve only the receipt, temporary investment and remittance of fiduciary resources. Fiduciary fund types include pension, investment trust funds, private-purpose trust funds, and agency funds.
   a. Pension Funds – Used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans, or other employee benefit plans.
   b. Investment Trust Funds – Used to report the external portion of investment pools reported by the sponsoring government.
   c. Private-purpose Trust Funds – Used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

d. Agency Funds – Used to report resources held by the reporting government in a purely custodial capacity.

I. Fund Balance Classifications

1. Governmental Fund Balances
   a. Fund balance is defined as the difference between assets and liabilities and in Governmental funds is reported as fund balance. GASB No. 54 classified fund balances into the following categories:
      i. Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.
      ii. Restricted: The restricted portion of fund balance is restricted to specific purposes. Examples are Gas Tax revenues and grant proceeds.
      iii. Committed: The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed account.
      iv. Assigned: The assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use. GAAP required reserves, such as the Other Post-Employment Benefits (OPEB) reserve, belong to this category.
      v. Unassigned: The unassigned portion of fund balance is that remaining after the non-spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

The City of St. Helena will use GASB's definitions of fund balance for the annual ACFR and for all other financial reporting. For all financial planning purposes, the term Net Position or Fund Balance will be used and will include any portion of the fund balance that is available for appropriation.

<u>Preferred order of use of governmental fund balances:</u>

The City shall strive to use the most restricted fund balances prior to utilizing those that are less restricted. The following order of use reflects this guideline:

a. Non-spendable (if funds become spendable)
b. Restricted
c. Committed
d. Assigned
e. Unassigned

2. Proprietary and Fiduciary Fund Balances (Net Position)
   a. Fund balance is defined as the difference between assets and liabilities and in Proprietary and Fiduciary fund is reported as net position. GASB No. 63 classified reporting of net position into the following categories:
      i. Net Investment in Capital Assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
      ii. Restricted for Capital Projects: The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with restricted assets reported.
      iii. Unrestricted: The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

J. Fund Balance Levels

The City of St. Helena has enacted the Fund Balance policies in an effort to ensure financial security through the maintenance of a healthy fund contingency balance that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

Balances for each of the areas below will be reported to City Council when a use of fund balance is being recommended, during mid-year and mid-cycle budget report, and on an annual basis in conjunction with the audited financials.

1. General Fund
   The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipated revenues in order to maintain a balanced budget. The Council's directed target is to maintain an unassigned fund balance of thirty percent (30%) of annual operating expenditures for the fiscal year.
   a. Computing General Fund Unassigned Fund Balance Percentage
      The City's minimum funding target for General Fund Unassigned Fund Balance is set to 30% of the General Fund annual operating expenditure, less significant one-time revenues and expenditures. Examples include, but are not limited to: strike teams (revenues and expenditures), FEMA reimbursements, grant funding, and large capital purchases. The General Fund is described as Fund 101 only. One-time revenues and expenditures will be separately identified for tracking purposes.
   b. Use of General Fund Unassigned Fund Balance
      Use of General Fund Unassigned Fund Balance will only be used in extraordinary circumstances, upon the satisfaction of one of the following "economic triggers" and with the majority vote of the City Council (via resolution and through the adopted budget and/or fiscal update):

      - State take-away of significant revenue
      - Large drop in Property Taxes
      - Major business closures (sales tax impact)
      - Large, unexpected drop in Sales or Transient Occupancy taxes or other primary revenues due to severe recession

      Use of General Fund Unassigned Fund Balance below the 30% reserve provides for a transition period, giving the City adequate time to realign its operating costs with available resources, while minimizing service impacts. In the event unassigned fund balance is used, the staff will develop a one (1) to five (5) year reserve replenishment plan to meet the minimum 30% fund balance level.

2. Unassigned Operating Reserve

These balances are hereby defined as unassigned by the City Council to allow the City to weather unpredicted cyclical and rapid downturns in the economy. These funds would be available for use in such conditions to mitigate negative economic fiscal impacts or State takeaways and can be activated within any one budget cycle through Council action. An economic downturn would entail a projected and/or sudden drop in core revenues (major tax and service revenue loss) of equal to or greater than 10% (including the impact of inflation) and/or a change in economic parameters (such as interest rates, debt service rates, pension and health rates) that cause a material change in expenditures of 10% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances.

3. Use of Year-End Fund Balance in Excess of Targeted Reserves
   Fund balance is a measurement of available financial resources. The Council recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the City. The City goal is to use fund balance as a source to finance one-time investments, reserves, and/or commitments. As a one-time financing source, any unbudgeted year-end fund balance will be used for nonrecurring expenditures and only after the yearly audit and confirmation of the General Fund's fund balance. At the end of each fiscal year, the Finance Division reports on the audited year-end financial results. Should actual General Fund revenues exceed expenditures and encumbrances, a year-end operating surplus shall be reported. Any year-end surplus that results in the General Fund fund balance exceeding the 30% fund balance target required by the policy shall be available for allocation. Division of the surplus balance shall be recommended to the City Council by the City Manager or designee based on the most critical needs at that time. Priority of allocation shall be the following, subject to Council approval:
   - Imminent liability
   - Offset projected future deficits
   - Loan repayment acceleration
   - Fund PERS unfunded liabilities
   - One-time funding, non-recurring needs
   - Capital assets and infrastructure

4. Water and Wastewater Operating Fund Balances
   The City should maintain balances in the Water and Wastewater Funds at a level sufficient to accommodate operating and capital needs. City Council's directed target for the Water Fund is 10-14 months (83%-106%) of annual operating expenditures in cash and the Wastewater Fund 6-8 months (50%-67%) of annual operating expenditures in cash. These amounts include cash

balances in the Water and Wastewater Capital Improvement Project Funds. Multi-year fee studies for these funds should be updated periodically as a basis for defining the revenue sources necessary to maintain system infrastructure and required service levels. As a result of the periodic fee or master plan studies, adjustments to user charges may be necessary to maintain recommended fund balance levels.

K. Reserve Funds

Saving for future projects, acquisitions and other allowable purposes is an important planning consideration for local governments. Reserve funds provide a mechanism for legally saving money to finance all or part of future infrastructure, equipment, and other requirements. Reserve funds can also provide a degree of financial stability by reducing reliance on indebtedness to finance capital projects and acquisitions. In uncertain economic times, reserve funds can also provide officials with a welcomed budgetary option that can help mitigate the need to cut services or to raise taxes. In good times, money not needed for current purposes can often be set aside in reserves for future use. Expenditures from specific capital reserve funds can only be made upon authorization by the City Council.

Reserve funds may generally be funded with:

c. Budgetary appropriations
d. Revenues not required by law to be paid into any other fund or account.

1. Capital Reserve Fund
   Building, facilities, and infrastructure supported by the General Fund shall have a replacement reserve fund established and maintained to provide for the timely replacement of City owned fixed assets. The balance is hereby defined as assigned by the City Council to allow the City to maintain an infrastructure reserve with a target balance equivalent to the projected annual cost of the first year Capital Improvement Plan fund expenditures.

2. Equipment, Technology, & Vehicle Replacement Reserve Fund
   The balance is hereby defined as assigned by the City Council to allow the City to set aside an appropriate amount of money to property fund equipment, technology, and vehicle replacement. The City shall develop a vehicle, technology, and equipment replacement schedule and shall set aside funding annually in this reserve based on this schedule.

3. Employee Benefit Accrued Liability Reserve Fund
   To be used to pay for any accrued “employee benefit” due an employee on termination of the employee’s service with the City. The City’s policy permits

employees to accumulate earned but unused vacation and sick leave benefits which are eligible for payment upon separation from service. While the sick leave benefit is no longer available to the newly hired, legacy retiring employees have the option of applying 100% of their unused sick leave accrued towards the payment of continuation insurance premiums, to the extent allowed by law. The City should set aside funding annually in this reserve to match the current liabilities.

L. Interfund Loans

Interfund loans are the lending of cash from one City fund to another for a specific purpose and with a requirement of repayment. Interfund loans are typically short-term in nature and constitute the allocation of cash between individual funds for working capital purposes.

Interfund loans are temporary borrowing of cash and may be made for the following reasons:

- To offset timing differences in cash flow.
- To offset timing differences between expenditures and reimbursements, typically associated with grant funding.
- To provide funds for interim financing in conjunction with obtaining long-term financing.
- For short-term borrowing in place of external financing.

Interfund loans are not to be used to solve ongoing structural budget issues or hindering the accomplishment of any function or project for which the lending fund was established. Interfund loans are not to be used from fiscal year to fiscal year as a financing strategy. If a fund has a negative cash balance, a plan for reaching positive cash balance must be presented to City Council. A negative cash balance must be addressed in the fiscal year that the fund reaches negative cash.

Interfund loan monies may only be used for the purpose identified in the authorizing resolution. Appropriate accounting records will be maintained to reflect the balance of loans in every fund affected by such transactions. A summary of all outstanding interfund loans will be included in the Annual Comprehensive Financial Report (ACFR).

1. Interfund Loan Terms
    a. Repayment of an interfund loan shall be within the same fiscal year, unless otherwise stated in the Council Resolution.

b. When required by the lending fund's restrictions or regulations, interest will be paid by the borrowing fund to the lending fund, during the time the loan is outstanding.

c. The Council must approve interfund loans by resolution. Council approval and the resolution will include the following terms of the loan:

   i. Purpose of Interfund Loan

   ii. Identification of the source fund

      1. Availability of unrestricted funds in the source fund
      2. Review of multi-year plans for use of source fund cash
      3. Analysis of legal or contractual restrictions

   iii. Repayment of Interfund Loan

      1. Repayment must have a payment source and funding stream
      2. Specific repayment schedule
      3. Interest imposed at a rate equal to at lease investment earnings if loan did not occur (see Section III.K.2)

   iv. Other Considerations

      1. Feasibility of repayment

2. Interfund Loan Interest

The following guidelines should be used in establishing the rate of interest:

a. Not lower than the "opportunity cost" if the funds were otherwise invested, such as the Local Agency Investment Fune (LAIF) or the California Asset Management Program (CAMP) pooled interest rate.
b. Treasury yields or short-term bond yields for a similar term.
c. Not higher than the external rate available to the City.

Interest is not required in the following circumstances:

a. The borrowing fund has no independent source of revenue other than the lending fund; or
b. The borrowing fund is normally funded by the lending fund; or
c. The lending fund is the General Fund, which, being unrestricted, can loan interest-free, except to a proprietary fund (i.e., enterprise funds such as water and wastewater).

M. Financial Reporting

Budget decisions are of primary concern for the City Council, City Management, the public, and various stakeholders. When considering the budget, staff presents updated projections for revenues and expenditures/expenses and the reports indicate whether prior estimates are tracking with the approved budget. Additionally, the external annual financial reporting for local governments involves producing the Annual Comprehensive Financial Report (ACFR) which is audited and produced by an independent, third party CPA/auditor. Throughout the year, the following reports are to be presented to City Council.

1. The City's accounting and financial reports are to be maintained in conformance with GAAP.

2. Long Range Financial Forecast
   a. A Long Range Financial Forecast (LRFF) for the City's General Fund will be presented to City Council annually.
   b. The 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.
   c. The LRFF will consist of a baseline forecast, a recession forecast, and any other forecasts deemed necessary.
   d. The LRFF is a ten-year forecast.
   e. The LRFF will be updated as necessary throughout the fiscal year.

3. Internal Financial Reporting
   a. Internal financial reports help City Council, the public, and management to monitor budgetary compliance on a timely basis.
   b. Internal financial reports often provide more detail on individual departments than does general purpose external financial reporting (Section 4 below) and does not require an independent auditor review and audit.
   c. Internal financial reporting for all funds are to be issued on a periodic and timely basis – no less than semi-annually and no more than 45 days after the close of the period. The report will provide detailed information for the General, Water, and Wastewater Funds and summary information for all funds will be included as attachments to the report. The report will include a summary of all checks over $50,000 issued during that interval.
   d. A mid-cycle report will be provided by June of each non-biennial budget cycle. This report will provide detailed information for the General, Water, and Wastewater Funds and summary information for all funds will be included as attachments to the report. Updates to revenues and expenses will be provided and recommended to City Council as necessary.

e. An end of the fiscal year unaudited report will be issued no more than 60 days after the close of Q4 with end of year estimates for revenues and expenditures/expenses for all funds.

f. Periodic reports will compare the adopted budget (Original Budget), adjusted budget (Final Budget), and the year-to-date actuals (Actual Amounts).

4. External Financial Reporting - Annual Comprehensive Financial Report (ACFR)

a. An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion to be included in the City's Annual Comprehensive Financial Report (ACFR). Additionally, the ACFR and Independent Auditor's Report on Internal Control over Financial Reporting and Compliance will be presented to the City Council.

b. The ACFR is a set of financial statements for a state, municipality, or other governmental entity that comply with the accounting requirements established by the Governmental Accounting Standards Board (GASB).

c. In addition to the General, Water, and Wastewater Funds, the City also accounts for activities in approximately 70 special revenue funds that account for monies received from external parties with restrictions on their respective uses. The audit process ensures that the purposes of the various funds were carried out and the relative authorities to spend were honored.

d. The external auditor prepares financial reports for each fund based on the requirements of the funding source and once all funds are audited, they are accounted for in the financial statements, combining schedules, and notes to the financial statements.

e. Unless extraneous circumstances occur, the City will rotate audit service providers every five years. If an auditor is being retained for longer than five years, the reason must be included in a staff report to City Council at the time of the contract execution or renewal.

f. The ACFR will be completed no later than December 31st following the close of the fiscal year.

g. The City is encouraged to submit the Annual ACFR to State and/or national government finance professional organizations (Governmental Finance Officers' Association's Certification of Achievement for Excellence in Financial Reporting, California Society of Municipal Finance Officers ACFR Award) for independent review and evaluation.

N. Review and Update

This financial policy will be reviewed periodically and updated, if necessary, to reflect any changing requirements.

CITY OF ST. HELENA

RESOLUTION NO. 2023-__

Resolution approving Revision No. 4 to City of St. Helena City Council Policy P-FI-0016 Financial Policy and repealing and rescinding Resolution 2019-109 and any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0016, Revision No. 4.

RECITALS

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

B. On November 27, 2018, City Council adopted City Council Policy P-FI-0016 Financial Policy via Resolution 2018-161; and

C. On February 12, 2019, City Council adopted Policy P-FI-0016 Revision No. 1 Financial Policy via Resolution 2019-12 updating Section G. Debt Management to ensure compliance with SB 1029; and

D. On September 10, 2019, City Council adopted P-FI-0016 Revision No. 2 Financial Policy via Resolution 2019-109 updating Section B. Annual Operating Budget to add a clear definition of, "balanced budget" and Section K. Financial Reporting has been updated to include a requirement that all checks over $50,000 are report to City Council during the quarterly report; and

E. On October 19, 2021, the Governmental Accounting Standards Board (GASB) issued a pronouncement that changes the name of the most extensive report prepared following it standards to the Annual Comprehensive Financial Report, or ACFR; and

F. On June 22, 2022, City Council adopted P-FI-0016 Revision No. 3 Financial Policy via Resolution 2022-65; and

G. At this meeting, it was the consensus of Council and staff that additional language contained in the policy can be further refined; and

H. On May 23, 2023, City staff brought City Council Policy P-FI-0016 Financial Policy back to the City Council for consideration and adoption; and

I. 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-0016 Financial Policy, Revision No. 4.

RESOLUTION

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

1. Approves Revision No. 4 to City of St. Helena City Council Policy P-FI-0016 Financial Policy; and
2. Repeals and rescinds any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0016 Financial Policy, Revision No. 4.

Approved at a Regular Meeting of the St. Helena City Council on May 23, 2023, by the following vote:

Mayor Paul Dohring: _____

Vice Mayor Eric Hall: _____

Council Member Anna Chouteau: _____

Council Member Lester Hardy: _____

Council Member Billy Summers: _____

APPROVED:	ATTEST:
Paul Jaminson Dohring, Mayor	Cindy Tzafopoulos, City Clerk

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **NEW BUSINESS**

Subject: **Presentation of FY 2023-24 and FY 2024-25 Proposed Operating Budget.**

CEQA Determination: **Not a CEQA project**

Prepared By: Mandy Kellogg, Administrative Services Director

Reviewed By: April Mitts, Assistant City Manager

Approved By: Anil Comelo, City Manager

BACKGROUND

Preparation of the FY 2023-24 and FY 2024-25 Operating Budget began in January 2023 and is a culmination of input from the City Council, Executive Staff, and Department Staff.

In the upcoming budget cycle, the City has transitioned to a two-year budget cycle, also known as a biennial budget. The two-year budget cycle allows for longer-term planning and decision-making. The City can allocate resources and set goals for a two-year period, which provides more stability and enables better strategic planning by allowing a broader perspective on financial needs and priorities. In addition, there is less administrative burden associated with creating a biennial budget which will free up time and resources to allow the City to focus on progress towards City Council goals rather than continuously engaging in budget activities. Finally, a two-year budget cycle encourages a more strategic and long-term approach to budgeting by prompting the City to consider the broader implications and consequences of budgetary choices over a longer period of time. This can help with addressing complex and interconnected challenges, such as aging infrastructure, which requires sustained funding and planning. With the biennial budget, the City Council approves fund for two years with staff providing City Council mid-year budget reports and a mid-cycle report to update revenues and expenses as necessary.

The Proposed FY 2023-24 Operating Budget is being presented to City Council for review and recommendations. The FY 2024-25 proposed budget will be presented on June 13, 2023, which will take into account Council feedback from tonight's report and escalators will be added consistent with the Long Range Financial Forecast presented by Baker Tilly on February 28, 2023.

The City Council is required to adopt estimates of revenues and expenditures on a fiscal year basis and, per Municipal Code 2.12.060.B.9, the City Manager supervises the preparation of a detailed, proposed municipal budget submitted to the City Council with adoption no later than June 30th.

The following is a brief summary of the formation of the budget document.

FY 2023-24 and 2024-25 Budget Development
During budget development staff was guided by the following considerations:

- Alignment with City Council Goals:
  1. *Financial Sustainability*
  2. *Infrastructure and Environmental Sustainability*
  3. *Water Security*
  4. *Community Information & Engagement*
  5. *Quality of Life*
- Alignment with City Council Workplan tied to Goals
- Conservative Revenue Assumptions
- Health Care Cost Increases
- Change to Labor Costs, Including Additional Positions
- One-time vs. reoccurring costs

February 24, 2023 - On February 24th the Non-Profit Grant application period ended. City staff received 22 applications for a total of $239,317 in funding requests. Per the Non-Profit Grant Policy, applications were reviewed for completeness and all applications were presented for funding recommendations. The Council working group met on March 24, 2023 to review the requests and made recommendations that align with the overall allocation of $120,000, to be presented to the City Council.

February 28, 2023 - On February 28th City Council received a the Long Range Financial Forecast (LRFF) presentation from Baker Tilly. Baker Tilly reviewed the City's LRFF presented on May 22, 2022 baseline model and collaborated with City staff to revise the assumptions on which the current model is based. They then provided a revised forecast based on the new assumptions. These assumptions are being utilized in building the FY 2023-24 and FY 2024-25 budgets.

April 25, 2023 - Staff presented the FY 2021-22 Audited Financials and the FY 2022-23 Mid-Year Budget Report. The presentation focused related to the audited financials showed a gain of $5.5 million to the General Fund balance as a result of revenues received compared to actual expenditures. Based on the performance during FY 2021-22 the General Fund Reserves grew to $15 million at June 30, 2022.

Staff then presented the FY 2022-23 Mid-Year Budget which showed a revenue increase of over $700,000 from the FY 2022-23 Adopted Budget. In addition, there were several unanticipated expenses and Council goal objectives that resulted in an additional expenditure request of $1.52 million, resulting in an overall use of General Fund Reserves in the amount of $2.9 million.

May 9, 2023 - The City Council received a report from each department head on general updates and their specific budget requests for the upcoming fiscal year. General updates included: recent noteworthy accomplishments and activities, current department priorities, department challenges and opportunities, funding requests, non-funded requests, and staffing needs to meet current demands as well as community and Council expectations. Table 1 provides a summary of the total staffing and non-staffing requests presented that evening.

Table 1 - May 9, 2023 Department Head Presentation - FY 2023-24 Budget Requests

Item	# of Positions	Estimated FY 2023-24 Cost Increases
Positions	20	3,135,432
Bring Current Staff to Market		2,521,167
TOTAL ADDITIONAL ANNUAL COSTS - Staffing		*5,656,599*
TOTAL ADDITIONAL BUDGET REQUESTS - Non-Staffing		3,948,330
TOTAL FY 2024 ADDITIONAL COSTS - IF 100% FUNDED		***9,604,929***

It was noted during the presentation that all these requests would not be funded, and staff was still in the process of refining the budget document for presentation to City Council this evening.

DISCUSSION

The FY 2023-24 Proposed Budget takes into consideration the City Council goals, budget priorities, and strategies as listed in the Background section of this report. The budget document provides detailed projected revenues and provides detailed projected expenditures for each department and fund. After receiving feedback from the City Council on the FY 2023-24 budget, staff will prepare the final FY 2024-25 budget utilizing the escalators outlined in Table 2.

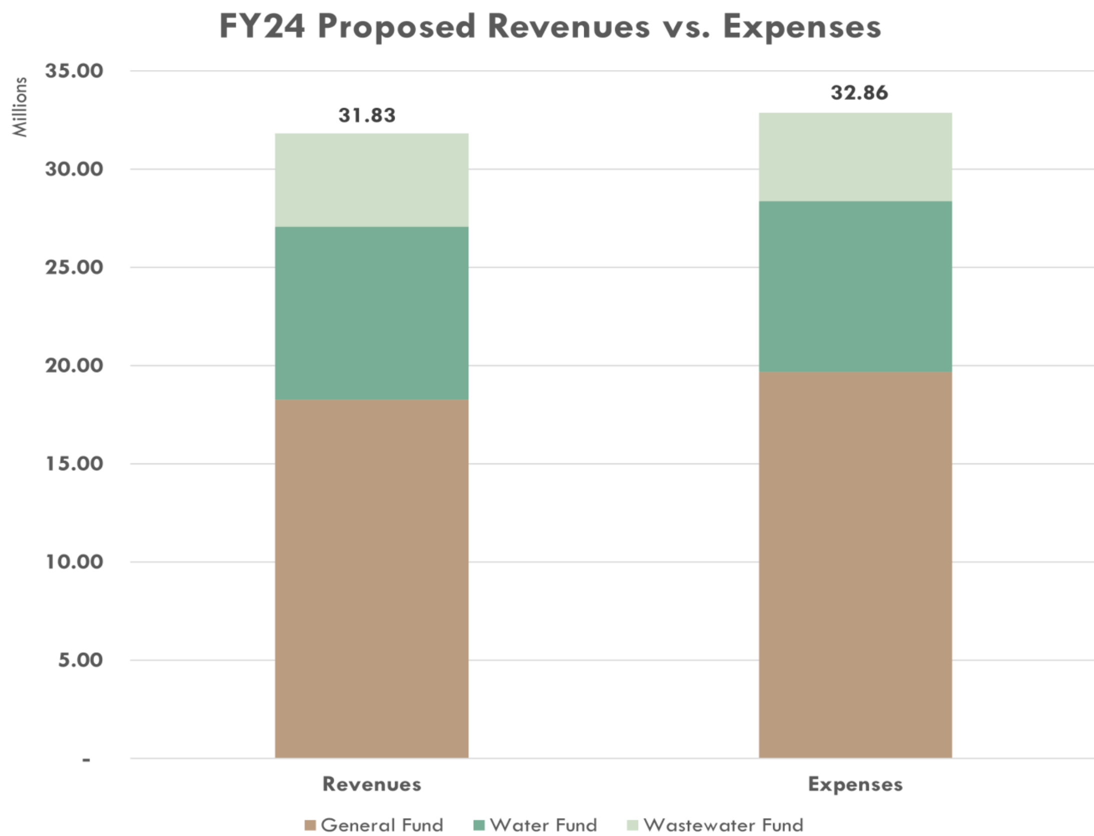
As noted in the background section, this is the first biennial budget being prepared and presented by staff to Council for consideration. In submitting budget requests, department heads have included most one-time costs in their FY 2023-24 requests and the FY 2024-25 requests were primarily based off of nominal escalators. Any additional one-time expenditure requests made by departments beyond what was requested in FY

2023-24 will be brought to City Council during either the mid-year or mid-cycle reports for consideration.

Table 2 - FY 2024-25 Escalators

Category	Escalator
REVENUES	
Property Tax	4.5%
Sales Tax	5%
Transient Occupancy Tax	5%
Other Revenues	4%
EXPENSES	
Salaries & Benefits	5%
Health Insurance	5%
CalPERS Unfunded Liability	6.1%
Services and Supplies	4%
Maintenance	4%
Taxes, insurance, and other contributions	7%
Capital Outlay	5%

The following chart shows the Fiscal Year 2023-24 Proposed Revenues and Expenses for General Fund, Water Operating Fund, and Wastewater Operating Fund:



The overall FY24 Projected Revenues for the three major funds are $31.83 million and expenses are $32.86 million.

General Fund

Revenues

Proposed FY24 General Fund Revenues is estimated at $18.27 million and is broken down as follows:

- Property Tax (35%) $6,46 million
- Sales Tax (33%) $6.07 million
- Transient Occupancy Tax (21%) $3.83 million
- Other Revenue (11%) $1.93 million

City Council and staff recognize the maintenance of a fund balance is essential to the preservation of the financial integrity of the City - unanticipated needs, demands, and opportunities will surely arise over the next 12 months, and it is prudent to program sufficient financial reserves to be available to address them. The Council has designated a fund balance (reserve) policy of 30%; however, Council has expressed interest in increasing the reserve levels. While increasing the fund balance is not being recommended at this time, staff did take this, as well as the inevitable recession, into consideration with our recommended use of a portion of the unrestricted fund balance (while still maintaining an unrestricted fund balance of 40%).

The recommendations below have taken into consideration the following:

- Council's interest in maintaining a fund balance greater than 30%;
- Continue to maintain conservative revenue and expense projections;
- Maintain sufficient cash balance for emergencies;
- Use of unrestricted fund balance generally for one-time costs and not ongoing costs; and
- Maintain sufficient cash balance for funding contingencies related to the Wastewater Treatment Plant project. Any funding for the completion of the plant would be through an interfund loan from the General Fund to the Wastewater Fund. While not known if these funds will be needed and, if so, how much will be needed for unexpected contingencies, staff has included a placeholder of $2,000,000 in the estimated net position table (Table 3 and Table 4) to not lose sight of potential, short-term, General Fund balance impacts.

FY24 Proposed Expenses included increases to the following:

- Salaries - Previously approved COLA in the amount of 4.2% and an additional 2% Equity adjustment for positions below the 95% of Market Median.
- Benefits - 10% increase in healthcare premiums.
- Public Works Positions - Freezing 1 FTE as Senior Civil Engineer, funding 1 FTE as Engineering Technician, and funding 1 FTE as Maintenance Worker.
- Contracts - Increased contract services to provide necessary engineering support for Capital Improvement projects.
- Maintenance - Increased maintenance costs related to supporting aging infrastructure.

In addition, the FY24 Proposed Budget includes the below one-time expenditures:

Table 3: FY 2023-24 One-time Staff Recommendations

Item	1x Costs	Amount
Attorney Litigation Expense	X	110,000
Planning Online Permitting Software Implementation	X	165,000
Downtown Specific Plan & EIR	X	500,000
Zoning Code Update	X	45,000
Community Engagement Contract	X	110,000
Website Hosting Transition	X	20,000
Recreation Software Implementation	X	16,000

Item	1x Costs	Amount
Landscape Architect Consultants for Hardscape & Weed Abatement	X	100,000
Towable Trash Pump for Water and Storm Water	X	40,000
Self-Propelled Electric Stump Grinder	X	11,000
Crack Sealer for Street Repairs	X	40,000
Light Tower for Night Work	X	20,000
TOTAL		**1,173,000**

The addition of the items presented in Table 3 to the Draft FY 2023-24 budget, updates the estimated expenses to $19.68 million with use of fund balance of $1.74 million. Table 4 provides the updated estimated FY 2023-24 Net Position. Table 4 also includes a line item for the WWTP contingency, if needed.

Table 4: Updated General Fund Balance with Additional Staff Recommendations

Estimated Ending Fund Balance @ 6/30/2023		$12,141,950	Fund Balance %
Estimated Revenue @ 6/30/2024	$18,274,906		
Estimated Expenses @ 6/30/2024	(19,678,627)		
Use of Fund Balance	($1,403,721)		
Estimated Fund Balance/Net Position		$10,737,869	*55%
WWTP Contingency - if needed (Interfund Loan)	($2,000,000)		
Estimated Fund Balance/Net Position		$8,737,869	*44%

*The Estimated Fund Balance percentage is based off of the Estimated Fund Balance divided by the total Expenses. The Proposed FY 2023-24 Budget includes approximately $1.2 million in one-time expenditures. For calculation purposes, if one-time expenditures are removed and the net position is calculated based off of ending fund balance divided by the non-occurring expenses, there is a shift in fund balance - this is noted in Table 4.

Table 5: Estimated General Fund Balance Removing 1x Expenditures from the Expense Line

Estimated Ending Fund Balance @ 6/30/2023		$12,141,950	Fund Balance %
Estimated Revenue @ 6/30/2024	$18,274,906		
Estimated Expenses @ 6/30/2024 (re-occurring)	($18,505,627)		
Estimated 1x Expenses @ 6/30/24	($1,173,000)		
Use of Fund Balance	($1,403,721)		
Estimated Fund Balance/Net Position		$10,737,869	**64%

WWTP Contingency - if needed (Interfund Loan)	($2,000,000)		
Estimated Fund Balance/Net Position		$8,737,869	**54%

**The estimated fund balance percentage is based off of the estimated fund balance divided by the total re-occurring expenses.

As previously stated, City Council and staff recognize the maintenance of a fund balance is essential to the preservation of the financial integrity of the City. While the proposed budget maintains a fund balance level higher than the Council reserve policy of 30%, staff desires to stress and urge a continued fiscally conservative attitude in the face of a likely recession and remain prudent in use of fund balance for one-time, non-reoccurring expenses.

Water and Wastewater Funds

Water and Wastewater FY24 Proposed Revenues are projected at $8.81 million for water and $4.74 million for wastewater. This is an overall increase of $3.53 million from the current year. The projected increase is based on an updated Water and Wastewater Rate Study that was approved by City Council on May 9, 2023. The City initiated the Proposition 218 process and if the new rates are adopted by City Council they will go into effect on September 1, 2023.

FY24 Proposed Expenses included increases to the following:

- Salaries - Previously approved COLA in the amount of 4.2% and an additional 2% Equity adjustment for positions below the 95% of Market Median.
- Benefits - 10% increase in healthcare premiums.
- Public Works Positions - Freezing 1 FTE as Senior Civil Engineer, funding 1 FTE as Engineering Technician, and funding 1 FTE as Maintenance Worker.
- Contracts - Increased contract services to provide necessary engineering support for Capital Improvement projects and Temporary Operator support at the Treatment Plants.
- Maintenance - Increased maintenance costs related to supporting aging infrastructure.
- Utilities - Increased utility costs anticipated to support the operations of the new Wastewater Treatment Plant.

Table 6 provides a summary of the Estimated Fund Balance of the Water operations fund at June 30, 2024 and Table 7 provides a summary of the estimated fund balance of the Wastewater operations fund at June 30, 2024.

Table 6: Proposed Water Estimated Fund Balance

Estimated Ending Fund Balance @ 6/30/2023		$3,453,679	Fund Balance %
Estimated Revenue @ 6/30/2024	$8,807,303		
Estimated Expenses @ 6/30/2024	($8,690,048)		

Excess for Capital Contribution	($117,255)		
Estimated Net Position		$3,453,679	39%

Table 7: Proposed Wastewater Estimated Fund Balance

Estimated Ending Fund Balance @ 6/30/2023		$2,880,654	Fund Balance %
Estimated Revenue @ 6/30/2024	$4,744,521		
Estimated Expenses @ 6/30/2024	($4,495,324)		
Excess for Capital Contribution	(249,197)		
Estimated Fund Balance*		$2,880,654	61%

* Balance includes approximately $2.70 million to be transferred to Wastewater CIP for the completion of CIP S-52 – Wastewater treatment plant upgrades.

Concluding Remarks

There are tremendous capital needs (Attachment 2 provides a summary of CIP needs updated in January 2023) and limited/insufficient funding and staffing available to immediately meet these needs. The City Council, staff, and the community are aware of the challenges ahead and recognize project management and delivery must be realistic, deliberate, and focused.

Based on direction received from City Council, staff will complete the FY 2023-24 and FY 2024-25 budget document to be presented at the June 13, 2023 City Council meeting.

Next Steps

- Provide direction to staff regarding the FY 2023-24 draft budget document
- Based on Council direction, staff will refine the FY 2023-24 budget and add escalators to FY 2024-25 budget
- Five-Year CIP presented to Planning Commission for General Plan Conformance
- June 13, 2023 - Final proposed budget and CIP presented to City Council for Consideration

FISCAL IMPACT

Fiscal impacts are described throughout the report and in Attachment 1.

RECOMMENDED ACTION

Review and provide staff with recommendations pertaining to the FY 2023-24 Proposed Operating Budget and methodology for preparing the FY 2024-25 Operating Budget.

ATTACHMENTS

Attachment 1 - FY 2023-24 and 2024-25 Preliminary Budget Forecast Presentation
Attachment 2 - 20-Year comprehensive list - Updated January 2023 for Budget

FISCAL YEAR 2023-2024 AND 2024-2025 PRELIMINARY BUDGET FORECAST

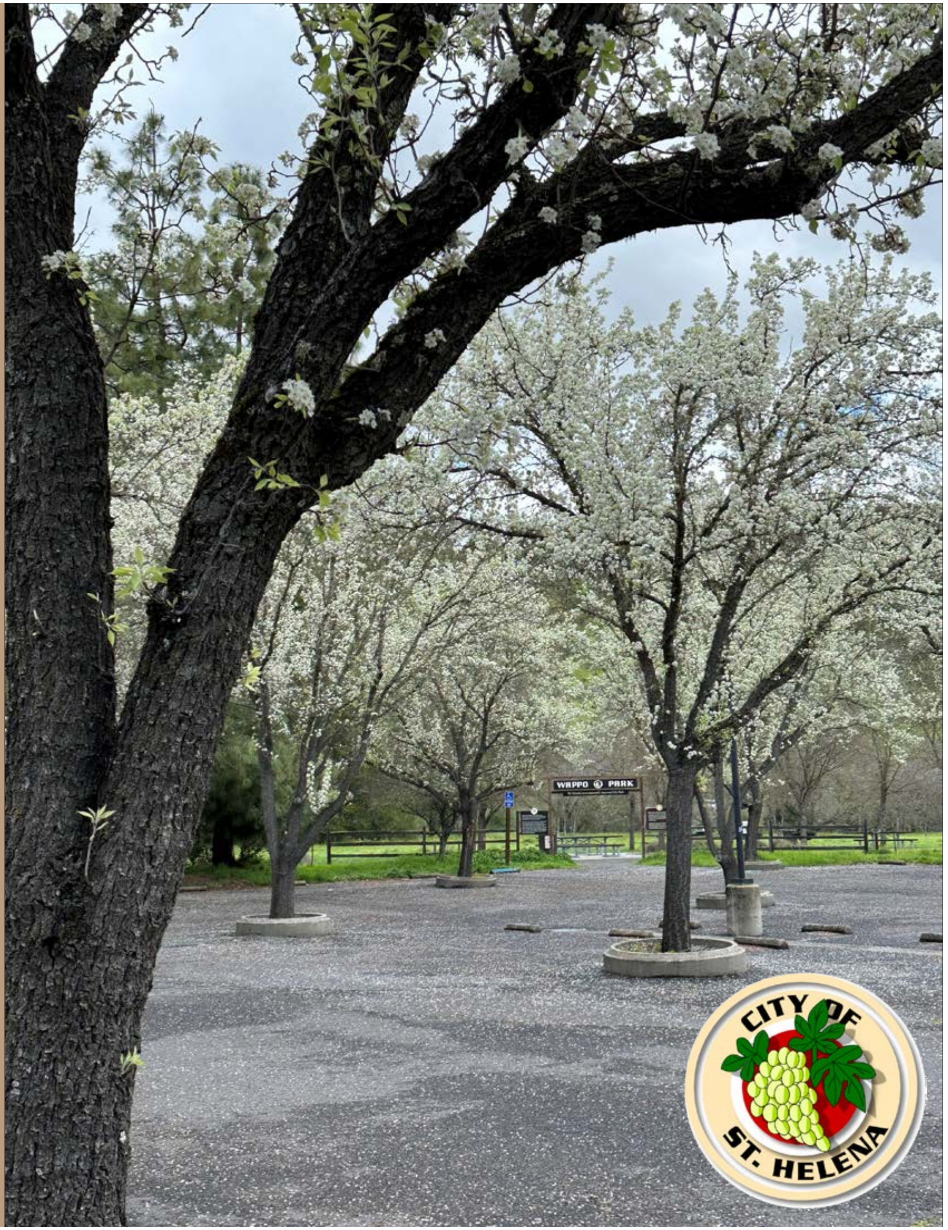
BY:

ANIL COMELO, CITY MANAGER

APRIL MITTS, ASSISTANT CITY MANAGER

MANDY KELLOGG, ADMINISTRATIVE SERVICES DIRECTOR

MAY 23, 2023



BUDGET OVERVIEW

- City is in good financial shape
- Healthy reserves & fiscal prudence needs to continue
- Revenues remain strong, expenditures increasing at a faster pace than revenues
- City is not meeting resident expectations
- Investments needed: infrastructure, parks, City facilities, roads, & amenities
- Need competent, stable staffing to achieve goals and provide quality services

CITY COUNCIL GOALS

Goal 1 – Financial Sustainability

Goal 2 – Infrastructure and Environmental Sustainability

Goal 3 – Water Security

Goal 4 – Community Information & Engagement

Goal 5 – Quality of Life

SUMMARY OF CURRENT GOALS

City Council Goals		Total Objectives	Objectives For FY 2024
Goal 1	Financial Sustainability	9	4
Goal 2	Infrastructure and Environmental Sustainability	46	27
Goal 3	Water Security	11	6
Goal 4	Community Information & Engagement	20	14
Goal 5	Quality of Life	44	22
Other Goals			
Goal 6	Employee Recruitment, Retention, & Morale	9	6
Goal 7	Organizational Effectiveness	19	13
Goal 8	CIP Projects	54	15
TOTALS		***212***	***107***

ORGANIZATIONAL PRIORITIES AND CHANGES

- Weed Abatement
- 5-Year CIP Planning - $70 Million
- Community Information
- Art & Culture
- Economic Development

DEPARTMENTAL REQUESTS

ITEM	Est. Annual Cost
Positions (9+11)	$3,135,432
Bring Current Staff to Market	$2,521,167
Total Departmental Requests - Staffing	***$5,656,599***
Total Departmental Requests - Non-Staffing	$3,948,330
Total FY 2024 Additional Requests	***$9,604,929***

TOTAL DEPARTMENTAL REQUESTS- NON-STAFFING

ITEM	Est. Annual Cost
On-Going Expenditures	$2,253,330
One-Time Expenditures	$1,695,000
Total Departmental Requests	***$3,948,330***

NON-PROFIT GRANT REQUESTS

COMMUNITY ENRICHMENT GRANTS: $20,000 CAP FOR EACH REQUEST AND TOTAL MAXIMUM ALLOCATION OF $120,000

Non-Profit	Descriptions	FY 23/24 Funding Requested
Cafeteria Kids Theater	Summer Drama in St. Helena	1,000
Festival Napa Valley	How I see Music Education Program	16,000
Friends of the Cameo	Faces of St. Helena	8,500
Music in the Vineyards	MITV Connects	3,030
Napa Valley College DAS Foundation	Viva Mariachi! St. Helena	14,353
Napa Valley Museum	Conservation & Exhibition of Sophie Alstrom Mitchell's Wildflower Watercolors	10,392
Our Town St. Helena	Our Town St. Helena Strategic Plan	20,000
Rianda House	Visit Me Today	15,000
St. Helena Cemetery Association	St. Helena Cemetery Chinese Monument Project	12,963
St. Helena Community Band	St. Helena Community Band Yearly Performances	10,000
St. Helena Community Garden	St. Helena Community Garden Supplies	2,500
St. Helena Cooperative Nursery School	St. Helena Cooperative Nursery School	12,000
St. Helena Farmers' Market	Market Match Program	12,000
St. Helena Historical Society	Educational Lecture Series and Cemetery Tour	16,479
St. Helena Housing Coalition, Inc.	Secure Conditional Lease for Housing Civic/Cultural Center on City Property	20,000
St. Helena Little League	SHLL Uniforms & Equipment	10,000
St. Helena Preschool For All	St. Helena Preschool For All Scholarships	20,000
Sustainable St. Helena	St. Helena Redwood Forest	5,000
The White Barn	Napa Valley Puppet Festival	8,000
Upstage Napa Valley	3rd Annual Upstate NV Playwright Festival (Playfest 2023)	9,350
UpValley Family Centers of Napa County	Ninos Activos / Active Kids | bilingual playgroups	7,500
Wine Country Animal Lovers	Feline Spay and Neuter Programs	5,250
	Totals	***239,317***

NON-PROFIT GRANTS RECOMMENDED

Non-Profit	Descriptions	FY 23/24 Funding Requested
Cafeteria Kids Theater	Summer Drama in St. Helena	1,000
Festival Napa Valley	How I see Music Education Program	8,000
Friends of the Cameo	Faces of St. Helena	8,500
Music in the Vineyards	MITV Connects	3,000
Napa Valley College DAS Foundation	Viva Mariachi! St. Helena	5,000
Napa Valley Museum	Conservation & Exhibition of Sophie Alstrom Mitchell's Wildflower Watercolors	-
Our Town St. Helena	Our Town St. Helena Strategic Plan	-
Rianda House	Visit Me Today	7,500
St. Helena Cemetery Association	St. Helena Cemetery Chinese Monument Project	10,000
St. Helena Community Band	St. Helena Community Band Yearly Performances	10,000
St. Helena Community Garden	St. Helena Community Garden Supplies	2,500
St. Helena Cooperative Nursery School	St. Helena Cooperative Nursery School	7,000
St. Helena Farmers' Market	Market Match Program	9,000
St. Helena Historical Society	Educational Lecture Series and Cemetery Tour	10,000
St. Helena Housing Coalition, Inc.	Secure Conditional Lease for Housing Civic/Cultural Center on City Property	-
St. Helena Little League	SHLL Uniforms & Equipment	5,000
St. Helena Preschool For All	St. Helena Preschool For All Scholarships	12,000
Sustainable St. Helena	St. Helena Redwood Forest	5,000
The White Barn	Napa Valley Puppet Festival	3,000
Upstage Napa Valley	3rd Annual Upstate NV Playwright Festival (Playfest 2023)	6,000
UpValley Family Centers of Napa County	Ninos Activos / Active Kids | bilingual playgroups	7,500
Wine Country Animal Lovers	Feline Spay and Neuter Programs	-
	Totals	***120,000***

EXISTING NON-PROFIT GRANT AGREEMENTS

Non-Profit	FY 23/24 Funding
Boys & Girls Club	30,000
Rianda House	30,000
UpValley Family Centers	30,000
Totals	***90,000***

CHAMBER OF COMMERCE GRANT AGREEMENT

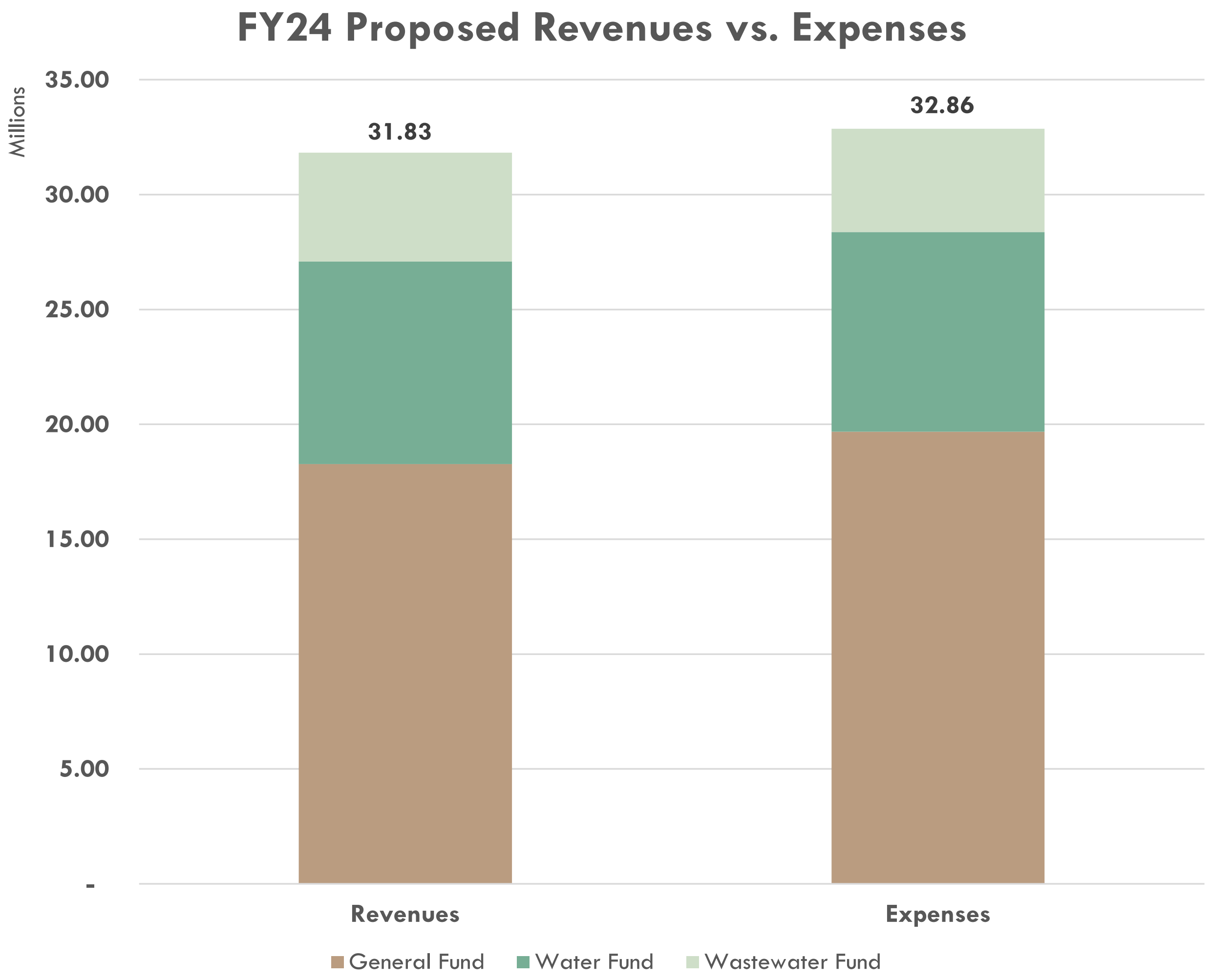
Fiscal Year	Marketing Agreement & Special Events	Holidays	Business Recovery	Total Funding
FY 2022-2023	$250,000	$25,000	$50,000	$325,000
FY 2021-2022	$220,500	$25,000	$100,000	$345,500
FY 2020-2021	$185,000	$25,000	$25,000	$235,000
FY 2019-2020	$210,000		$25,000	$235,000
FY 2018-2019	$210,000			$210,000

ST. HELENA CHAMBER OF COMMERCE - FY 2022-2023 BUDGET

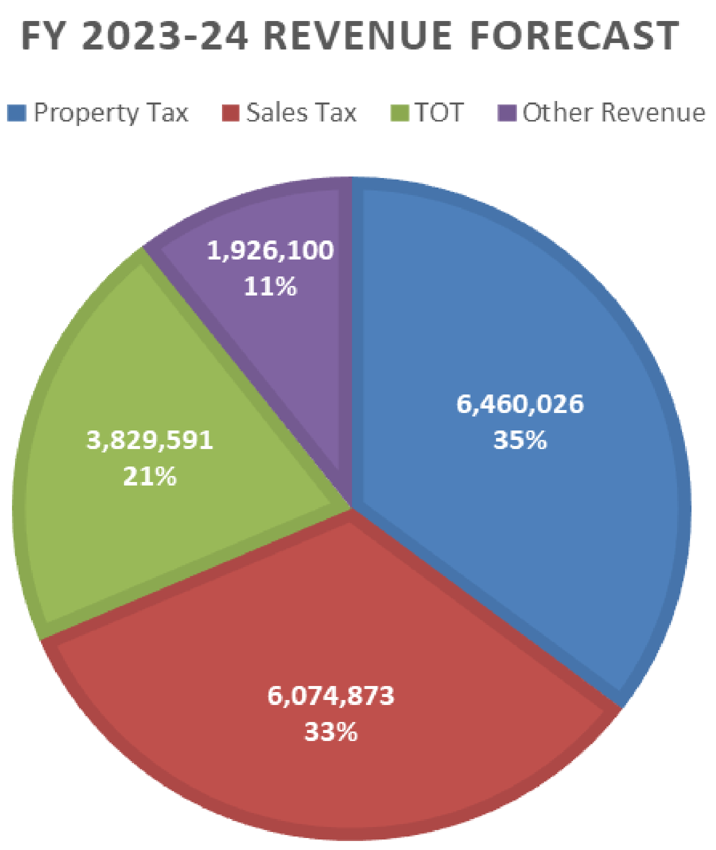
Destination Marketing Expense Itemization	City Contribution	Chamber Budget
Marketing & Promotional Agreement	$160,000	$219,000
Welcome Center	$60,000	$121,802
Subconsultant Contract (Shipyard Contract – Business Recovery)	$50,000	$100,000
Destination Marketing Operating Expenses		$57,854
Community Events :		
-Holidays St. Helena (City Contract)	$20,000	$20,000
-Holidays St. Helena (City- Additional Contribution)	$25,000	$27,836
-Celebrate St. Helena	$5,500	$11,938
-Summer Concert Series	$3,500	$6,920
-Misc. Events (Earth Day, Sidewalk Sales, Mixers, etc.)	$1,000	$262
FY 2023 Total Destination Marketing Budget	***$325,000***	***$565,612***
Percentage of City Contribution vs. Chamber Actuals to-date:	57%	

Expenses itemized does not reflect total Chamber of Commerce budget and reflects Destination Marketing only.

FY24 PROPOSED OPERATING FUND REVENUE AND EXPENSES

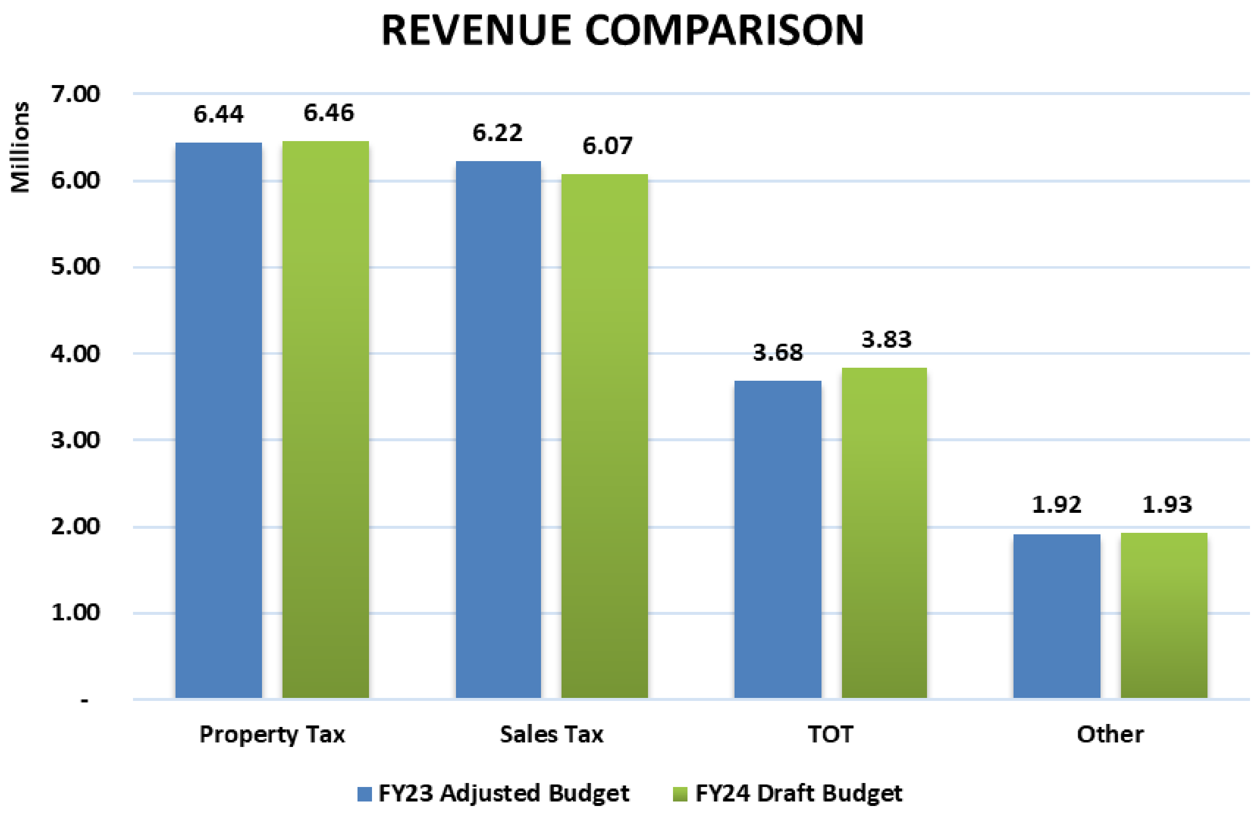


FY 2023-24 GENERAL FUND REVENUES



Total Revenues $18,274,906

GENERAL FUND REVENUES



GENERAL FUND EXPENSES BY DEPARTMENT

Department	FY 23 Adjusted	FY 24 Proposed	% of Budget
Administration	1,040,738	1,111,319	5.6%
Administrative Services	1,242,911	1,048,611	5.3%
Attorney	386,000	496,000	2.5%
Planning/Building	1,285,201	2,031,193	10.3%
Library	954,708	998,629	5.1%
Parks & Recreation	881,774	1,109,257	5.6%
Fire	2,068,443	2,520,980	12.8%
Police	3,639,929	4,106,272	20.9%
Public Works	3,583,969	4,323,849	22.0%
Non-Department*	5,552,915	1,494,344	7.6%
Council	421,144	438,173	2.2%
TOTAL	***21,057,732***	***19,678,627***	

GENERAL FUND EXPENSES BY OBJECT CODE

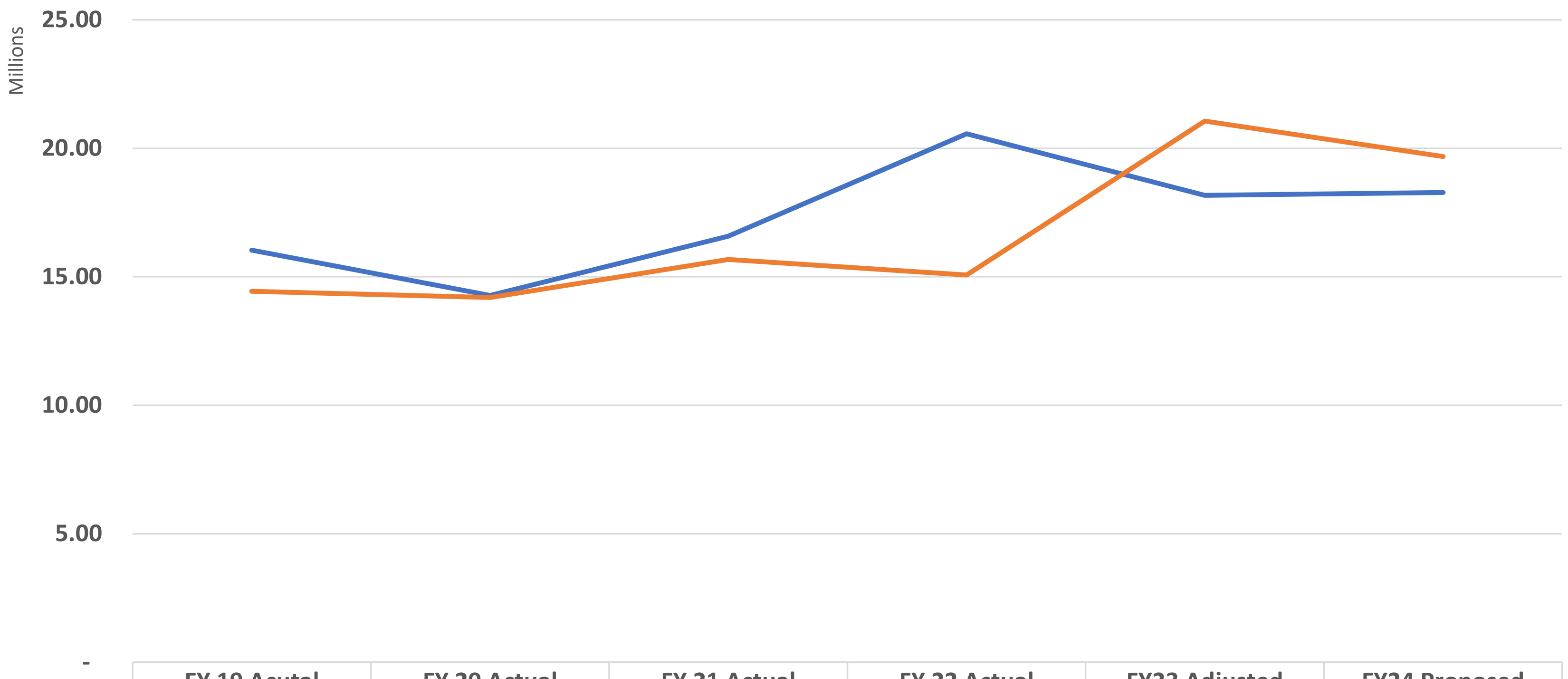
Category	FY 23 Adjusted	FY 24 Proposed	% of Budget
Salary and Benefits	10,591,346	11,339,229	57.6%
Services	6,371,607	5,053,866	25.7%
Supplies	801,628	622,331	3.2%
Maintenance	707,977	980,058	5.0%
Taxes, Ins., & Contrib.	1,312,272	860,216	4.4%
Capital	156,786	121,185	0.6%
Transfers	1,052,939	638,564	3.2%
Debt	63,177	63,178	0.3%
TOTAL	***21,057,732***	***19,678,627***	

GENERAL FUND EXPENDITURES VS. REVENUES

FY24 General Fund Budget	Amount
Proposed Revenues	18,274,906
Proposed Expenses	19,678,627
Difference*	(1,403,721)

- Use of Reserves to Balance the Budget

GENERAL FUND REVENUES/EXPENSES



	FY 19 Acutal	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY23 Adjusted	FY24 Proposed
Revenues	16,032,990	14,270,828	16,579,357	20,561,585	18,168,514	18,274,906
Expenses	14,430,875	14,191,158	15,675,449	15,071,875	21,057,732	19,678,627

FY24 UNFUNDED NEEDS

- Corp Yard Flood Hazard Mitigation
- New roadways and bridges
- Walking trails
- Trailer for Water Treatment Plant
- Competitive compensation
- Cost of permanent City Hall

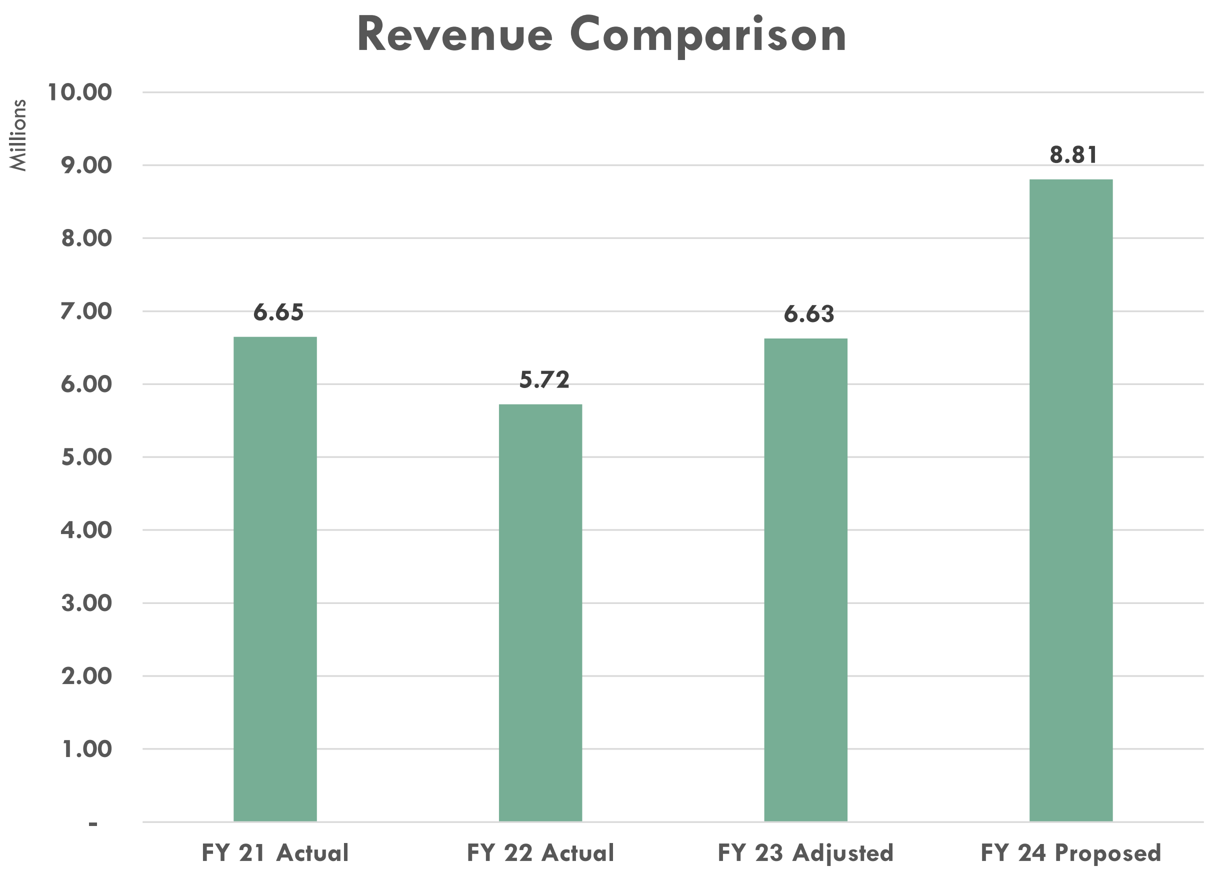
GENERAL FUND BUDGET REDUCTIONS

Description	Budget Impact
Expense Reduction - 5% Vacancy Factor	(480,000)
Expense Reduction - CalPERS Additional Discretionary Payment	(154,253)
Expense Reduction - Reduce Chamber Contribution	(250,000)
Revenue Reduction - FY24 Excess ERAF Reduction	200,000
Total Budget Reductions	**(684,253)**

GENERAL FUND ESTIMATED NET POSITION

Description	FY24	Fund Balance	Reserve %
Estimated Unassigned Fund Balance @ 6/20/23		12,141,590	
Estimated Revenues @ 6/30/24	18,274,906		
Estimated Expenses @ 6/30/24	(19,678,627)		
Use of Fund Balance		(1,403,721)	
Net Difference		0	
Estimated Unassigned Fund Balance @ 6/30/24		10,737,869	55%
WWTP Contingency If Needed (Interfund Loan)	(2,000,000)		
Estimated Unassigned Fund Balance/Net Position		8,737,869	44%

WATER OPERATING FUND



WATER FUND REVENUES

WATER OPERATING FUND EXPENSES BY DEPARTMENT

Department	FY 23 Adjusted	FY 24 Proposed	% of Budget
Administration	305,242	341,258	3.9%
Administrative Services	723,326	605,055	7.0%
Attorney	159,500	159,500	1.8%
Public Works	5,569,632	6,474,425	74.5%
Non-Department*	1,253,312	1,084,234	12.5%
Council	21,927	25,576	0.3%
TOTAL	***8,032,939***	***8,690,048***	

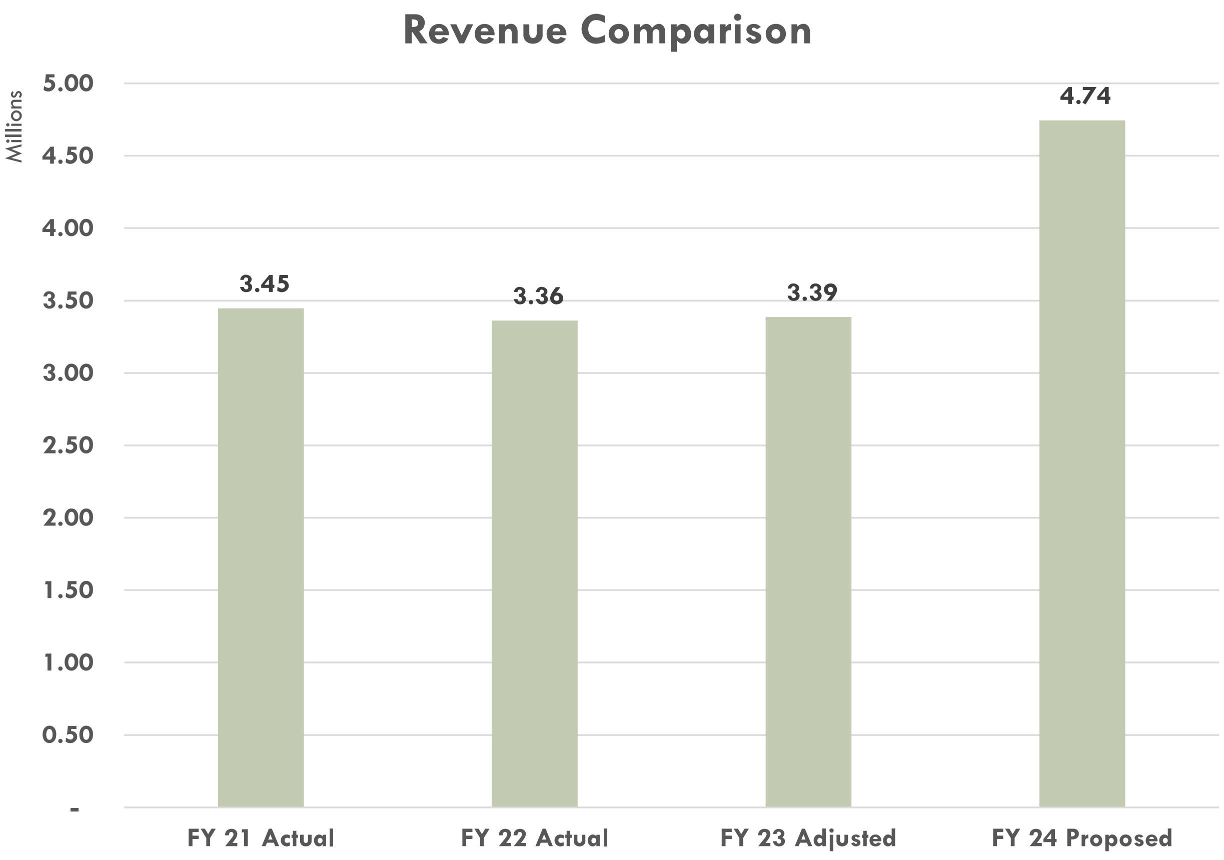
WATER OPERATING FUND EXPENSES BY OBJECT CODE

Category	FY 23 Adjusted	FY 24 Proposed	% of Budget
Salary and Benefits	2,139,507	2,302,521	25.7%
Services	2,310,671	2,691,284	31.0%
Supplies	1,944,989	2,002,970	23.0%
Maintenance	317,575	342,683	3.9%
Taxes, Ins., & Contrib.	239,877	239,877	2.8%
Capital	140,350	240,600	2.8%
Debt	939,970	940,439	10.8%
TOTAL	***8,032,939***	***8,690,048***	

WATER OPERATIONS FUND ESTIMATED NET POSITION

Description	FY24	Fund Balance	Net Position
Estimated Unassigned Fund Balance @ 6/20/23		3,453,679	
Estimated Revenues @ 6/30/24	8,807,303		
Estimated Expenses @ 6/30/24	(8,690,048)		
Excess for Capital Contribution	(117,255)		
Net Difference		0	
Estimated Unassigned Fund Balance @ 6/30/24		3,453,679	39%


WASTEWATER OPERATING FUND



WASTEWATER FUND REVENUES

WASTEWATER OPERATING FUND EXPENSES BY DEPARTMENT

Department	FY 23 Adjusted	FY 24 Proposed	% of Budget
Administration	206,029	229,866	5.1%
Administrative Services	584,438	470,143	10.5%
Attorney	26,500	126,500	2.8%
Public Works	2,898,526	3,236,953	72.0%
Non-Department*	538,689	458,717	9.0%
Council	21,927	25,576	0.6%
TOTAL	***4,276,109***	***4,495,324***	

WASTEWATER OPERATING FUND EXPENSES BY OBJECT CODE

Category	FY 23 Adjusted	FY 24 Proposed	% of Budget
Salary and Benefits	1,587,777	1,664,201	37.0%
Services	1,581,933	1,576,998	35.1%
Supplies	264,912	334,802	7.4%
Maintenance	278,262	316,336	7.0%
Taxes, Ins., & Contrib.	205,877	205,877	4.6%
Capital	105,300	144,300	3.2%
Debt	252,047	252,810	5.6%
TOTAL	***4,276,108***	***4,495,324***	

WASTEWATER OPERATIONS FUND ESTIMATED NET POSITION

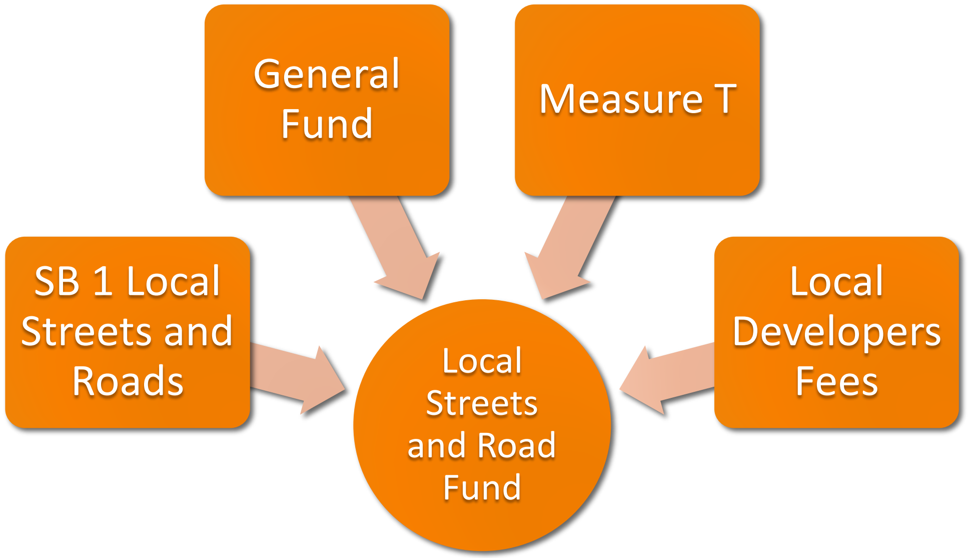
Description	FY24	Fund Balance	Net Position
Estimated Unassigned Fund Balance @ 6/20/23		2,880,654	
Estimated Revenues @ 6/30/24	4,744,521		
Estimated Expenses @ 6/30/24	(4,495,324)		
Excess for Capital Contribution	(249,197)		
Net Difference		0	
Estimated Unassigned Fund Balance @ 6/30/24		2,880,654	61%

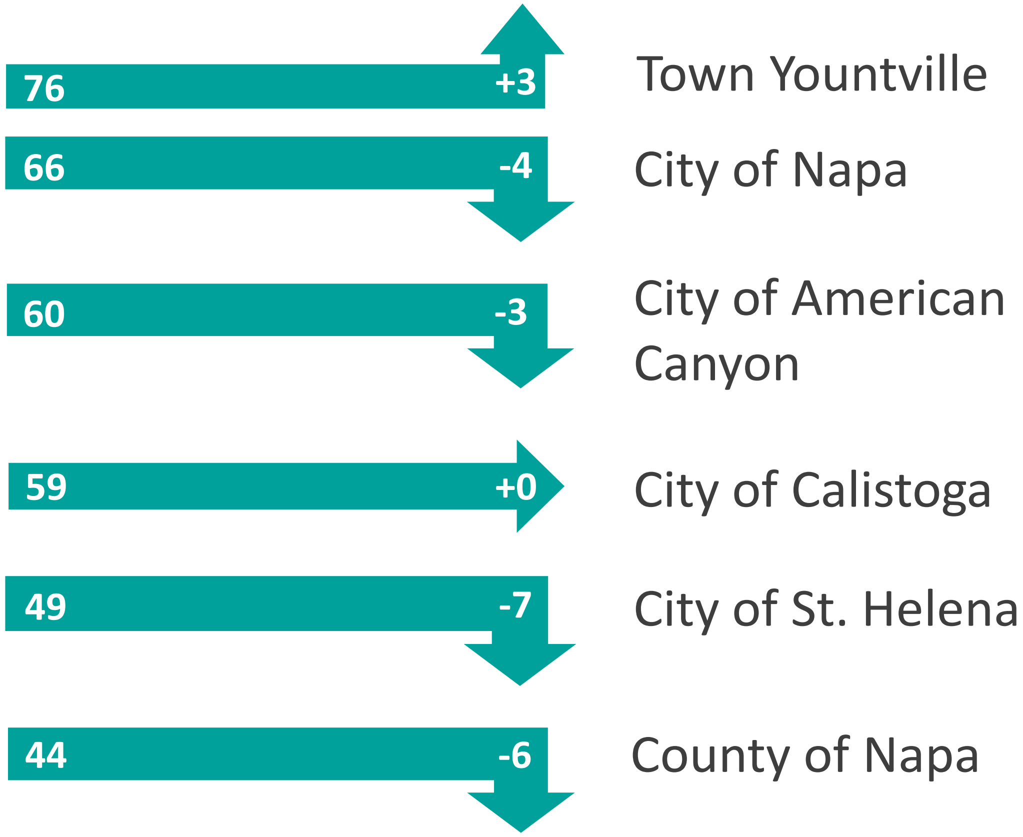
CAPITAL IMPROVEMENT PROGRAMS

CIP SUMMARY CHART (20 YEARS)

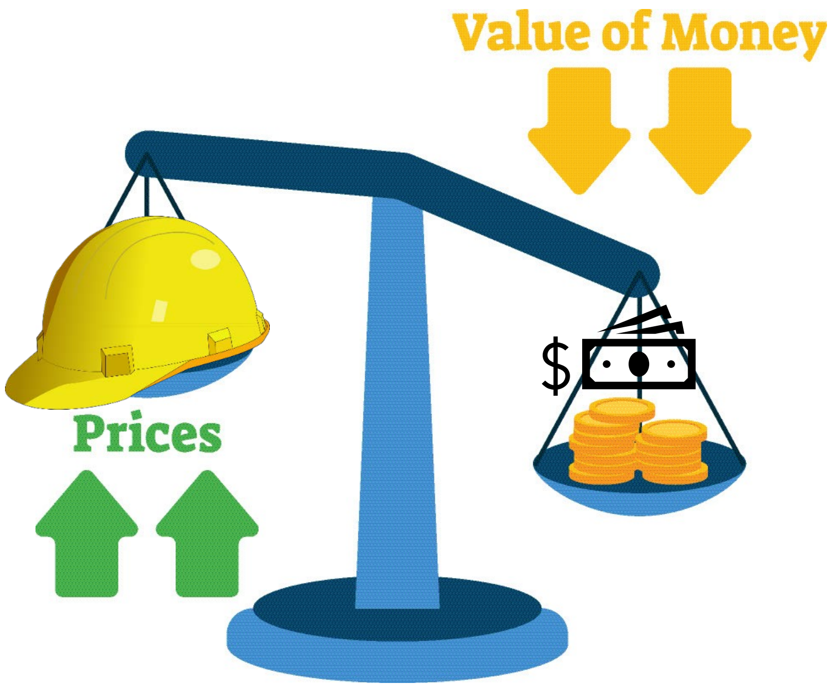
CIP	**Total Estimated CIP Years 1-5**	**Total Estimated CIP 20-year**	**Estimated Shortfall 20-year**
Streets	7,228,420	62,840,013	(28,335,847)
Stormwater	1,465,584	17,318,584	(6,477,001)
Civic	4,765,183	11,154,793	(8,245,280)
Water	32,480,867	57,819,117	(500,000)
Wastewater	23,004,000	28,663,900	(222,000)
TOTAL	***68,944,054***	***177,796,407***	***(43,780,128)***

II. Defining the Need- PCI from 2018 to 2020

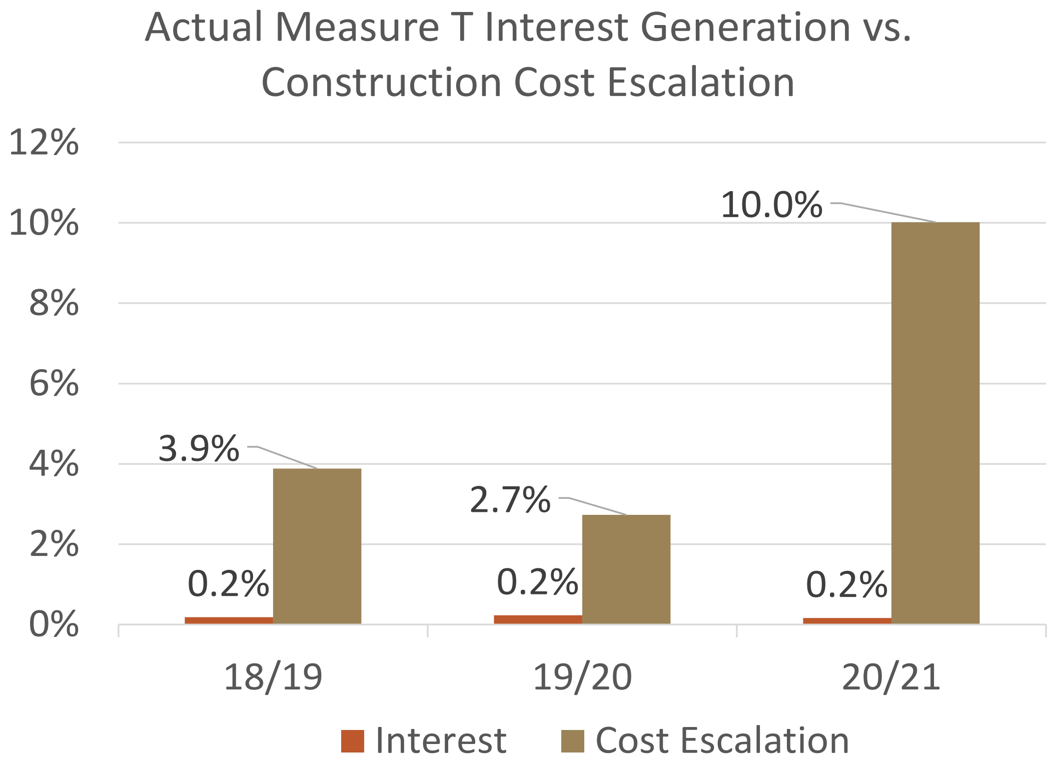




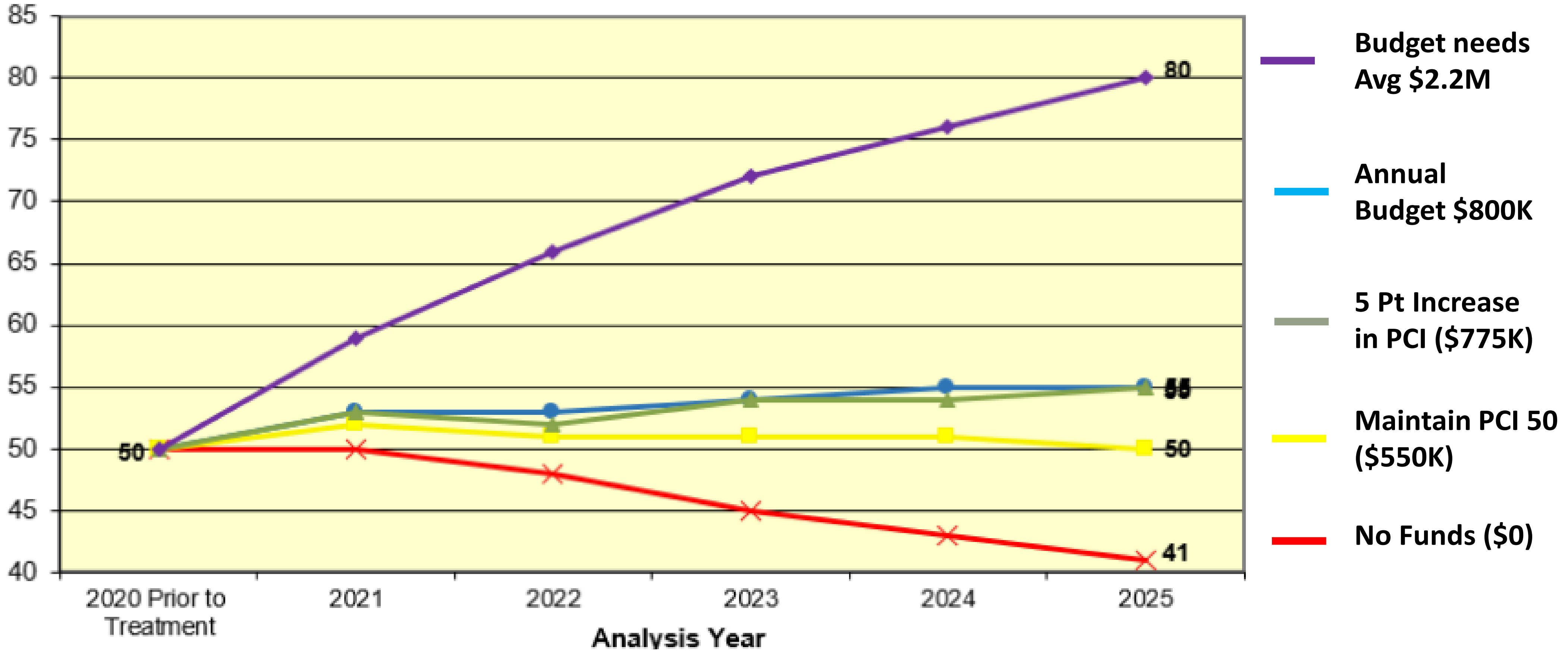
II. Defining the Need- Cost Escalation



= Negative Return on Investment



Streets – Annual Funding Level



BUDGET SHORTFALL MITIGATION STRATEGIES

- Cost containment
  - keep employee compensation below market
  - avoid investing in equipment, technology, & maintenance of assets

- Grants
- Shared Services
- Technology and Process Improvement

- Expectations adjustment?
- Reserves?
- New revenues?

GRANT AWARDS IN THE LAST 3 YEARS - $5,713,330

Fiscal Year	Grants Received
2020-21	$1,588,844
2021-22	$962,435
2022-23	$3,162,051

SHARED SERVICES

Service	American Canyon	City of Napa	County of Napa	Yountville	St. Helena	Calistoga
Police						
Dispatch						
Fire Protection						
Fire (Planned)						
Admin/IT						
Library						
Water						
Sewer						
Stormwater						
Animal Control						
Animal Shelter						
Housing						

BUDGET SHORTFALL MITIGATION STRATEGIES

- Expectations adjustment?
- Reserves?
- New revenues?
  - Expansion of existing hotels
  - Building of new hotels
  - Taxes

Compensation Market Analysis

	% +/- Median	% +/- 75th %tile
SHEA	-12.2%	-19.2%
POA	-21.0%	-30.1%
Mid-Managers/Exec.	-12.4%	-19.4%

Workforce Challenges

- Compensation below market
- Under-staffed
  - Not enough positions to accommodate workload
  - Positions not being able to be filled
- Turnover and workload
- Example:

GENERAL FUND EXPENDITURES VS. REVENUES

FY24 General Fund Budget	Amount
Proposed Revenues	18,274,906
Proposed Expenses	19,678,627
Difference*	(1,403,721)

* Use of Reserves to Balance the Budget

SUMMARY

- Strong reserves and stable revenues
- Zoning Update in final stages
- Wastewater treatment plant almost built
- Completion of Water/Wastewater Rate Study
- Significant investment in road pavement
- Important choices need to be made as a community

CITY COUNCIL GOALS

Goal 1 – Financial Sustainability

Goal 2 – Infrastructure and Environmental Sustainability

Goal 3 – Water Security

Goal 4 – Community Information & Engagement

Goal 5 – Quality of Life

QUESTIONS?

20-Year CIP Project Summary - January 2023

STORMDRAIN

	20-Year Project Summary	0-5 Year Total Est. Costs	0-20 Year Total Est. Costs
1	R20-01 Mitchell Drive to Sulphur Creek Storm Drain	190,200	190,200
2	R20-02 Mills Lane Strom Drain Project - costs are for design only	121,384	121,384
3	Stormwater Systems Improvements	1,154,000	9,580,000
4	Stormwater Systems Rehabilitation and Replacement		950,000
5	SDRR-1 Storm Drain Rehabilitation and Replacement*		6,477,000
	TOTALS	***1,465,584***	***17,318,584***

**** Unfunded***

CIVIC*

	20-Year Project Summary	0-5 Year Total Est. Costs	0-20 Year Total Est. Costs
1	C19-03 Crane Park Lighting Improvements	354,509	354,509
2	C20-02 Repaint Fire Station #1	100,000	100,000
3	C20-04 Baldwin Park Fence and Pathway Repair	81,350	81,350
4	C21-01 LSWTP and Mobile Generator	350,000	350,000
5	C22-01 Napa Valley College Move	1,648,156	1,648,156
6	C22-02 Replace Playground Equipment and Fence at Crane Park	250,000	250,000
7	C22-03 Jacob Meily Park Drainage Site Survey and Installation of new Turf and Upgrade Irrigation	125,500	125,500
8	Carnegie Building - 20 year costs *	124,189	891,144
9	Fire Station - 20 year costs *	507,162	3,073,678
10	Head Start Building - 20 year costs *	243,914	593,726
11	Lyman Park - 20 year costs *	118,568	385,945
12	Public Works Corporation Yard - 20 year costs *	284,109	892,995
13	Signorelli Barn - 20 year costs *	96,020	142,823
14	Library - 20 year costs *	399,152	1,798,793
15	Teen Center - 20 year costs *	82,554	466,174
	TOTALS	***4,765,183***	***11,154,793***

**** Unfunded***
***** Exlcuded: Demo 1480 Main Street, Permanent City Hall***

STREETS

	20-Year Project Summary	0-5 Year Total Est. Costs	0-20 Year Total Est. Costs
1	R18-81 Downtown Sidewalk Improvements - Phase I	2,003,314	2,003,314
2	R19-03 Sulphur Creek Erosion Repair	70,555	70,555
3	R19-05 Grayson and South Crane Rehab	75,000	75,000
4	R19-07 Silverado Trail Guardrail Replacement	524,860	524,860
5	R21-02 Pratt & Elmhurst Crosswalk Improvements on Main Street/Hwy 29	259,286	259,286
6	R21-04 Pope Street Crosswalk Improvements at College	244,405	244,405
7	R22-01 Spring Street Bike Lane Striping	31,000	31,000
8	R22-79 Pavement Restoration FY 22 Design/FY 23 Constructioon	1,120,000	1,120,000
9	R23-01 Signalization Dowdell Lane and Hwy 29	200,000	200,000
10	R23-02 "HAWK" Pedestrian Hybrid Flashing Beacon for Hwy 29 @ Charter Oak	200,000	200,000
11	Pavement Restoration to a PCI of 80 (currently at 50) - years 1-5	200,000	12,156,389
12	Pavement Restoration to a PCI of 80 (currently at 50) - years 6-20 ***	2,300,000	34,455,205
13	Downtown Sidewalk Improvements - Phase II, Phase III *	-	11,500,000
	TOTALS	***7,228,420***	***62,840,013***

**** Unfunded***
****** Partially Unfunded***

20-Year CIP Project Summary - January 2023

WATER ****			
20-Year Project Summary		0-5 Year Total Est. Costs	0-20 Year Total Est. Costs
1	W-109 Bell Canyon Intake Tower Replacement	3,293,227	3,293,227
2	W-80 Dwyer Road Booster Pump Station	900,000	900,000
3	W18-113 SCADA Improvements - Offsite Communications	800,000	800,000
4	W-86 Spring Mountain Pressure Zone Improvements (Holmes Tank Upgrade)	3,044,935	3,044,935
5	PWTM-1 Napa Intertie Pipeline Replacement	5,715,000	5,715,000
6	Smart Water Meters	1,970,000	1,970,000
7	W21-01 Kearney & Andrea Water Main Replacement	875,705	875,705
8	W-101 Rehabilitate Tank 2 at Lower Reservoir	940,000	940,000
9	W18-111 WTP Condition Assessment	200,000	200,000
10	Napa Intertie Pump Station Replacement (Construction)	800,000	10,800,000
11	Napa Intertie Pump Station Replacement (DESIGN)	2,300,000	2,300,000
12	Water Treatment Plant (Water Treatment Plant Rehabilitation)	-	8,400,000
13	PWTM-2 Water Treatment Plant Transmission Main Replacement	7,954,000	7,954,000
14	W18-118 Water Main Annual Replacement Program Allowance	1,440,000	1,440,000
15	PWRR-1 Yr 6-10 - Water Main Annual Replacement Program allowance	-	986,750
16	PWRR-1 Future Allowance for Pipeline R/R (Years11-15)	-	4,243,500
17	PFAS Sampling Project	25,000	25,000
18	Disinfection By Products Project	696,000	696,000
19	Risk and Resilience Assessment Report dated January 2022 - Add'tl recommended items	150,000	150,000
20	Cyber-Security Implementation	50,000	50,000
21	Asset Management Program Development	50,000	50,000
22	Asset Management Software Assessment & Optimization planning	15,000	15,000
23	CMMS Purchase & Setup	50,000	50,000
24	ArCommercialIS Purchase & Setup	50,000	50,000
25	Allocated RW CIP	250,000	250,000
26	W-85 Bell House Valve Replacement	-	520,000
27	W18-120 Bell Canyon Phreatic Surface Monitoring	100,000	100,000
28	Water Distribution Fire Flow Improvements	312,000	1,500,000
29	Replace WTP Residence	500,000	500,000
	TOTALS	***32,480,867***	***57,819,117***

WASTEWATER ****			
20-Year Project Summary		0-5 Year Total Est. Costs	0-20 Year Total Est. Costs
1	S-52 WWTP Phase I Upgrades	13,402,000	13,402,000
2	S23-01 Recycled Water - Deliver Recycled Water to Crane Park's Irrigation (Design)	50,000	50,000
3	WWTP Pond Cleaning, Decommissioning, and Repurpose	1,000,000	1,000,000
4	S18-70 Sewer Replacement Program	1,240,000	1,240,000
5	S18-71 Crinella Lift Station Improvements	1,140,000	1,140,000
6	WWGM-6 Del Campo Curt	608,000	608,000
7	WWRR-1CCTV Inspection Program, Phase 1	222,000	222,000
8	WWRR-2 Flow Monitoring Program	60,000	60,000
9	WWRR-3 High Priority Pipeline Replacement	3,348,000	3,348,000
10	WWRR-4 Model Update and System Analysis	50,000	50,000
11	WWRR-5 CCTV Inspection Phase 2	-	657,000
12	WWRR-6 Address R/R needs from Phase 1 CCTV Program Years 6-10 & 11-20	-	5,002,900
13	Asset Management Program Development	50,000	50,000
14	Asset Management Software Assessment & Optimization planning	15,000	15,000
15	CMMS Purchase & Setup	50,000	50,000
16	ArcGIS Purchase & Setup	50,000	50,000
17	S21-01 WWTP Recycled Pipeline and Pump Station (design only)	250,000	250,000
18	S21-01 WWTP Recycled Pipeline and Pump Station (Construction)	1,469,000	1,469,000
		-	
	TOTALS	***23,004,000***	***28,663,900***

Cindy Tzafopoulos

From:	Annette Shafer <annette@crispkitchenandjuice.com>
Sent:	Monday, May 22, 2023 4:23 PM
To:	Public Comment
Cc:	Amy Carabba-Salazar; Stephanie Iacobacci
Subject:	[External] Item 12.1

Dear Council Members,

It is vital that the city continue to support the Chamber's efforts to attract visitors to our vibrant town at the current level. The businesses have seen the benefits from their increased efforts and we strongly urge you to continue your support so that they can build on the fantastic momentum that they've created. The visitors create much needed revenue for the city in TOT and we want our local businesses to thrive. We, as local businesses, are grateful for any and all support we can get! It all works together to reinforce a healthy, dynamic community.
steph
Seeking your support,

Annette

Annette Shafer
Crisp Kitchen & Juice
p:707-738-6500 | e:annette@crispkitchenandjuice.com |
w:www.crispkitchenandjuice.com | a:PO Box 1224, St. Helena,
CA 94574

Cindy Tzafopoulos

From: Pam Starr <pam@crockerstarr.com>
Sent: Monday, May 22, 2023 3:38 PM
To: Public Comment; Contact City Council; Anil Comelo; April Mitts; Paul Dohring; Anna Chouteau; Billy Summers; Eric Hall; Lester Hardy
Subject: [External] budget funding St Helena Chamber

Importance: High

Please confirm that the following will be read at tomorrow council meeting

To City Council and Members of our Community,

The St Helena Chamber partnership with the City of St Helena is an important collaboration for the health and growth of this town. I was surprised to hear the City manager would make a recommendation to not partner with the Chamber. When I joined the Chamber Board in 2019, there was very little community support for community located at the entrance to our town. Today, the awareness of business activity to the south and north of old town Main Street has grown to both visitors and locals. The business area on the southern entrance to St Helena is growing in large part because of the promotion provided by the St Helena Chamber. We all wine with the increasing tax revenue generated. The Welcome Center has become key to the promotion and success of many of our businesses throughout the entire town. I'm certain that all of you have seen the successful impact numbers provided by our Chamber President. Or better yet, look at the City TOT/Occupancy numbers for reference. If the Chamber loses funding from the City then the Welcome Center would most-likely shut down, critical communications to our community will cease and we will take a huge step backwards as a community. And as a side note, Chambers of Commerce very rarely run welcome centers so thank you to our Chamber President for understanding its value.

The City Manager just hired two assistants which were unnecessary to our previous city managers. With this extra help to the city manager I am certain they can collaborate on where else to cut funds. While I am sympathetic to the City Manager's budget challenges, it's shortsighted to eliminate any of the funding to the Chamber as the Chamber has been the glue through fires, covid, water shortages and the recovery of our town businesses. I urge all of the City Council members to reject the City Managers proposal of cutting any funds to the Chamber. The City and the Chamber need to continue working together in unity, because that is what makes a community stronger. The Chamber spends a lot of its own money to help fund and enhance the destination marketing contract the City provides to make our dollars go farther. The Chamber should be looked at as a partner, who is equally invested in the destination marketing efforts that help support businesses and tourism. Please work with the Chamber CEO to have a meeting of the minds and collaborate the continuation of the contract.

Respectfully,
Pam Starr

Pam Starr
Owner/Founding Winemaker
700 Dowdell Lane Saint Helena CA 94574
707-333-9111 cell

From: Kristine Waldenburg
To: Public Comment
Subject: [External] Item 12.1
Date: Tuesday, May 23, 2023 10:08:53 AM

Hello!

As a 26 year business owner in St. Helena (and a former Chamber Board member), I feel qualified to speak on the proposal to pull the contract with the City of St. Helena.

Please, what a mistake this would be!

I know that visitors to St. Helena can be a sore subject! However, the outreach and destination marketing that this current Chamber leadership and staff have implemented has been invaluable over the years. Amy and company have been great and I, for one , have benefitted from their insights and instincts.

Keeping in mind that the merchants in town have gone through A LOT over the last few years, the Chamber has been laser focused on keeping St. Helena a destination which keeps people coming, which keeps people spending, which translates to tax money for St. Helena. To short circuit this seems very short sighted.

Please keep this relationship with the business community funded!

Thank you,
Kristine Waldenburg
Lolo's
1120 Main Street

From: Laura Rombauer
To: Public Comment
Subject: [External] Tuesday May 23rd Item 12.1
Date: Tuesday, May 23, 2023 10:16:21 AM
Importance: High

To all those in position of governance for the City of St. Helena,

As a long-time resident of the Napa Valley and a small business owner on Main Street for over 20 years, I find it profoundly disappointing and quite frankly shocking that the City of St. Helena is considering defunding or at least reducing the funding directed to our town's Chamber of Commerce. Given the size of our town, I am impressed with what our Chamber has been able to do in an effort steer visitor traffic to St. Helena. Our town's holiday decorations (including the now ICONIC BARREL TREE), social media outreach and data analytics have proven to support local businesses such as mine.

Unfortunately, the governance of our town has a long history and reputation of anti-business, anti-development and NIMBY attitudes that have put St. Helena in a tight spot regarding revenue streams that compare to our close neighbors in Calistoga and Yountville. The multitude of long-term vacant spaces on Main Street is a clear result of these attitudes. Those of us working (and providing good and steady jobs to locals) need all the help we can get to get the word out that St. Helena is worth stopping by for a visit.

I strongly recommend that the Chamber continue to be fully funded as it moves forward to put St. Helena back on the map of our Napa Valley visitor's itineraries.

Best regards,
Laura Rombauer, Proprietor
Napa Valley Vintage Home
1201 Main Street
St. Helena, CA 94574
(707) 963-7423

May 23, 2023

Mayor Paul Dohring
St. Helena City Council
Submitted Electronically

Re: St. Helena Chamber of Commerce FY24 Marketing Budget

Dear Mayor Dohring and St. Helena City Council,

On behalf of Napa Valley's tourism and hospitality industry, I am writing in support of the St. Helena Chamber of Commerce's request to maintain their FY23 marketing budget for upcoming FY24. In addition to Visit Napa Valley's county-wide destination marketing efforts, the budget invested in FY23 for localized St. Helena programming proved invaluable to your Chamber's strategic destination marketing plan, allowing the team to gain significant momentum in another challenging year for our hospitality industry and our Napa Valley cities' general plan funding. Many destinations were not as fortunate in their recovery trajectory.

Napa Valley and our towns won back more than our fair share of visitors in 2021 and 2022, but now is not the time to become complacent. Competition for visitor eyes and dollars is fierce. Other California destination are now recovering and have the resources to compete. Your investment in destination marketing is an investment in your St. Helena businesses and local economy.

At Visit Napa Valley, we appreciate the positive working relationship we have with the St. Helena Chamber of Commerce and applaud their creative and collaborative approach to promoting and supporting your St. Helena businesses. By maintainingthe FY23 budget for the upcoming fiscal year, your Chamber will continue the hard work to bring both the local and visitor dollars to Main Street, St. Helena.

Regards,

Linsey Gallagher

Linsey Gallagher
President & CEO

1001 SECOND STREET, SUITE 330 • NAPA, CA 94559 • VisitNapaValley.com • 707-226-5813

From: Mark Hoffmeister
To: Public Comment
Subject: [External] Chamber of Commerce and City of St. Helena Partnership
Date: Tuesday, May 23, 2023 10:30:04 AM

All:

My name is Mark Hoffmeister and I am the owner of Wydown Hotel and building located at 1422-1428 Main Street. I am also a board member for the St. Helena Chamber of Commerce, Chair of the St. Helena Tourism Improvement District board and resident of St. Helena. I am writing to express my support for the continued financial partnership between the St. Helena Chamber of Commerce and the City of St. Helena . As a business owner and operator, as well and Main Street retail landlord, I feel the elimination or reduction of City support would be detrimental to the businesses and residents of our town. The Chamber plays a vital role in marketing our businesses, hosting local events and keeping the town informed. I ask that you please continue to support the Chamber, our business owners and local citizens.

Thanks,

-Mark

From: Michelle Dondero
To: Public Comment; Contact City Council
Subject: [External] The Impact of Chamber Efforts on Brasswood and the Importance of Tourism Marketing
Date: Tuesday, May 23, 2023 11:49:27 AM

Hello,

I hope this email finds you well. As the Director of Marketing at Brasswood Winery Estate, I am reaching out to provide important insights into the positive impact of the Chamber's efforts on our business and to emphasize the crucial role of tourism marketing in driving St. Helena's business commerce.

Firstly, I would like to express our appreciation for the Chamber's ongoing support in promoting local businesses like Brasswood. From working directly with Amy and her team over the past few years, we have witnessed the significant benefits of their initiatives. Some of these include:

- Invaluable opportunities for collaboration and networking among our local businesses. Through events, workshops, and mixers, we have established meaningful connections with fellow business owners.
- Promotional initiatives have played a pivotal role in raising awareness for the Brasswood brand. The Chamber has featured us in blog posts, brochures, and social media, increasing our visibility and opportunity for customer acquisition.
- Consistent marketing tourism efforts have attracted visitors and fueled the growth of our business. These efforts have proven to strengthen St. Helena's brand and reputation as a desirable destination for travelers.

I believe it is important that we continue our strong partnership with the City and Chamber to sustain the growth and prosperity of our local businesses. By working together, we can ensure that St. Helena remains an attractive destination for tourists, which in turn supports our economy and benefits the entire community.

Thank you for your attention to this matter.

Regards,

Michelle Dondero

--

Michelle Dondero
Marketing Director

707-968-5434 x 312
3111 St. Helena Hwy, N., St. Helena, CA 94574
brasswood.com | @brasswoodnapavalley

From: Mike Larson
To: Public Comment
Subject: [External] Distinguished Council Members
Date: Monday, May 22, 2023 6:43:16 PM
Attachments: image002.png

Dear Council members,

Hello and good day!

Our world is run by storytelling, culture is defined by It's stories as well as explored by those who are captivated by those stories. Show me the best stories and I will show you the world and all it has to offer. The Chamber plays an integral role in helping curate, organize, broadcast and track the stories and how well they are, fine tuning them to continually be exactly what will bring those captivated minds and souls to the upper Napa Valley.

It's disheartening to hear St. Helena's City Manager would like to eliminate a partnership with the St. Helena Chamber of Commerce and does not see value in destination marketing efforts. As a local photographer I can assure you marketing efforts with a well-established brand the Chamber has built for the City is vital to get tourists to visit the area and spend money. The Chamber has done an incredible job working to promote St. Helena and put it at the forefront on all areas of destination marketing efforts.

How can a City not want to partner with a local Chamber? That seems like it's sending the wrong message. Local businesses have seen the benefits from their increased efforts and we strongly urge you to continue your support so that they can build on the fantastic momentum that they've created. Destination marketing is vital for a city and most towns work closely with their Chambers to strategically promote its assets. The Chamber has done this well in the last 5 years. Many business have seen tremendous growth and it seems disconnected to even make such a recommendation.

Recessions bring about a natural experiment to pull back on spending. Some can be good and others can be detrimental. Pulling back the storytelling and buzz about what we have here naturally would reduce the exposure our community has to the traveling world. Out of all experiments to reduce budgetary needs this seems the least efficient.

I highly urge you to learn what the Chamber does. Ask questions and understand how DM marketing works. There are more traveling in than those who own second homes by a large factor. Let's help continue telling the story and support local businesses by supporting the Chamber!

- Mike Larson
St. Helena Business & Resident

MIKE LARSON
mikelarson.com

M 805-549-0199
O 707-690-1611

mikelarson

From: Nicole Dale
To: Public Comment
Subject: [External] Public Comment Item 12.1 – Chamber Partnership
Date: Tuesday, May 23, 2023 1:03:13 PM

Dear City Council and City Manager,

As a Chamber member, business owner, and resident of St. Helena I am writing to express my concern over the City Manager's recommendation to end the City's partnership and funding with the Chamber of Commerce.

If anything, there needs to be MORE funding allocated to the Chamber for their efforts in marketing and promoting St. Helena to visitors. They are doing an amazing job and are seasoned professionals. They know our city and its people very well and are champions of us.

It is extremely obvious when you visit the other towns nearby- namely Napa and Yountville- that St. Helena is lagging behind. The City should be focusing on the infrastructure of welcoming visitors to town- more parking, better aesthetics, art, maintaining spaces, signage, etc. Walking up Main Street most late afternoons I notice few visitors, but tons of weeds along our extremely uneven and unsafe sidewalks. There are many areas of improvement the City should be focusing on to better St. Helena for both residents and tourists alike. The suggestion of cutting funding in any area of tourism is the exact opposite of what we need.

I urge you to respectfully oppose the City Manager’s recommendation and keep the existing partnership with the St. Helena Chamber of Commerce.

Regards,
Nicole Dale
Wild Vine Tours
707-287-5417
nicole@wildvinanapa.com

From: Scott Mangelson
To: Public Comment
Cc: Contact City Council
Subject: [External] City Funding for Tourism and Event Marketing with Chamber of Commerce
Date: Tuesday, May 23, 2023 11:46:15 AM

Dear City Manager and City Council,

I am writing to you as a concerned citizen and a small business owner in Saint Helena. I recently became aware of a proposal to terminate the contract with the Chamber, which plays a crucial role in promoting Saint Helena as a destination and organizing community events, among other important activities. As I see it, our city is in dire straits. Businesses are closing down, there is a significant number of vacant properties downtown, our neighborhoods are becoming vacation homes for the wealthy, and local businesses are struggling to find employees willing to commute to Saint Helena for work.

The primary reason behind this issue is that other cities offer more favorable business conditions. When hiring employees, they would rather stay in Napa or commute to the nearby Yountville, while those living in Santa Rosa or Lake County consider Calistoga a superior option with its downtown parking and shopping options and several world-class hotels. Saint Helena is unable to attract Uber/Lyft drivers beyond Yountville after 8:00 pm due to insufficient demand. When I relocated here 25 years ago, Saint Helena was a charming gem in the Napa Valley, boasting the finest restaurants, an exceptional shopping district, thriving wine tourism, and highly desirable housing. However, if you ask any local Napa Valley resident, the common water cooler conversation is “what has happened to Saint Helena.”

While we collaborate on finding solutions to our infrastructure, affordable housing challenges, downtown vacancies, and economic revitalization, severing ties with the very engine that drives this revitalization is undoubtedly the wrong approach. Any business owner or household budget manager understands the importance of managing finances, but quitting a job, firing sales and marketing personnel, or neglecting to promote a store amounts to a death sentence.

The Chamber's efforts are yielding results, with tourism on the rise and our holiday celebrations and lighting surpassing previous years. Therefore, let us continue investing in Saint Helena and provide our Chamber of Commerce with the necessary marketing and event support to sustain their commendable work.

Regards,

Scott Mangleson
NIGHT Wines
Vintner/Winemaker
M 707.337.304

May 22, 2023

For the attention of:
Mayor Paul Dohring
Vice Mayor Eric Hall
Council Member Anna Chouteau
Council Member Lester Hardy
Council Member Billy Summers
City Manager Anil Comelo

Letter in support of the Chamber of Commerce receiving Destination Marketing Funding

Dear Members of the St. Helena City Council and City Manager:

Since its inception, the St. Helena Tourism Improvement District (SHTID) has proudly partnered with the Chamber of Commerce in supporting St. Helena to become a desirable city to eat, play, stay and shop.

Each year we have awarded the Chamber with a grant to do Destination Management on behalf of the SHTID. Not only does this grant help to drive visitors to our city who stay with our local lodging partners, but these visitors also frequent wineries, restaurants, specialty stores and local and state parks.

Visitors and their revenue spend, support the town of St Helena, a feat which cannot be accomplished by residents alone.

Imagine this scenario.

> If you create the most beautiful city, in a sought-after destination, offering: delectable restaurants, wineries, hotels for every occasion, retail experiences and unrelenting scenery …. But, you don't tell anyone about it, NO ONE WILL VISIT. Not for the day, not for overnight stays or multi-day excursions.
> No money will be spent to support local and family-owned ventures, more stores will close creating additional empty storefronts, employment opportunities will greatly decrease and ultimately our working residents and available workforce will be forced to find an income elsewhere.

This is the point of Destination Marketing. The City of St Helena HAS to invest in capturing our fair market share of visitors who would like to explore a charming Napa Valley City. Visitors have options. Those who are looking for their "bucket list" vacation or a place to celebrate their milestone occasion, could easily choose other neighboring Napa Valley towns. Do we really want to be a "drive through" city?

Destination Marketing is the tool which helps convince potential visitors to choose us, to choose St. Helena.

Chamber Membership does not capture enough revenue to support funding for Destination Marketing in addition to the other projects and roles that the Chamber currently fulfills. The City is estimated to receive roughly 21% of its revenue from Transient Occupancy Tax (TOT) from the next fiscal year. This revenue is captured solely from hotel occupancy, from guests who chose us, through Destination Marketing. It is only reasonable to ask that the City maintains its support of the Chamber and Destination Marketing efforts. The SHTID has already confirmed its support of the Chamber for the next fiscal year.

There is a direct correlation between the value of Destination Marketing and the amount of revenue that visitors bring to this community. This is reflected in $3.8M TOT *estimated* revenue contribution to the City's General Fund. Should the Chamber not receive any funds for Destination Marketing in the next Fiscal year, then the TOT revenue contribution to the City will be directly impacted.

The St. Helena TID Board of Directors urge you to consider continuing your support of the Chamber and contributing to the funding for the Chamber's Destination Marketing for the next fiscal year.

Sincerely,

2023/2024 St. Helena TID Board of Directors

Mark Hoffmeister, Wydown Hotel, Chair	Lodging Representative
Vern Lakusta, Harvest Inn, Vice Chair	Lodging Representative
Marcelle Adderley, Southbridge Napa Valley, Secretary/Treasurer	Lodging Representative
Mitchell Warren, El Bonita Motel	Lodging Representative
Cynthia Cohen, Meadowood	Chamber Representative

From: Carole Castell
To: Public Comment
Subject: [External] Chamber of Commerce Funding
Date: Tuesday, May 23, 2023 9:27:56 AM

Hi there,

A continued partnership with The Chamber of Commerce is absolutely essential in keeping our community growing and thriving. Their staff has done such a wonderful job encouraging visitation and making this town a place that people want to stay in and not just drive through to get to Calistoga or Yountville. I live and work here and over the past several years have seen a dramatic improvement through the Chamber's efforts and know it would a great loss if they were unable to continue without City funding.

Thank you,

Carole Castell

From:	Casey Miller
To:	Public Comment
Subject:	[External] Item 12.1
Date:	Tuesday, May 23, 2023 10:08:28 AM

Dear City Council,

I encourage you to carefully consider the recommendation that the city manager is making in regards to the partnership with the St. Helena Chamber of Commerce. As a small business owner in Saint Helena, I believe the decision to lose the partnership and cut funding would greatly impact my business and other businesses around me in a negative way. St Helena needs to continue to push its marketing for all businesses and The Chamber is the best and most established way to do so. Please do not accept this recommendation. Thank you!

Casey Miller
Owner/Founder of FitNV
Personal Trainer
Cell: (707) 331-0209
Instagram: getfitwcasey and fitnvonmain
Website: www.getfitwcasey.com

From:	Wilkins, Claire
To:	Public Comment; Contact City Council; Anil Comelo; April Mitts; Paul Dohring; Anna Chouteau; Billy Summers; Eric Hall; Lester Hardy
Subject:	[External] IMPORTANT: Item 12.1 : Letter to be read at City Council Meeting 5.23.2023 for public comment
Date:	Tuesday, May 23, 2023 10:40:40 AM
Attachments:	image001.png Letter to City Council 23 May 2023, Item 12.1.pdf

Please see the below letter to be read for public comment at the City Council Meeting May 23 2023 in regards to Item 12.1

Dear City Council and Members of our Community

I am writing as a Member of the Board of Directors of the St. Helena Chamber of Commerce, as the Director of Hospitality at Beringer Vineyards and as a resident of St. Helena for the past 10 years.

I am extremely concerned to hear that the City Manager is recommending to the City Council that they cut the contract with the St. Helena Chamber of Commerce and cancel funding. In a small community likes ours, it is imperative to our success that there is a collaborative partnership between the City and the Chamber – the success of our businesses in this tourist destination, is also a success for our City - and we must not forget this.

Collaborative efforts to fund and support the promotion of Saint Helena is key, especially at a time where we face increased local competition from Calistoga and downtown Napa, and further afield from Paso Robles and Santa Barbara, not to mention risk from an economic downturn during the next six months. More than ever, we need to continue to focus on two key factors to attract the tourist to our City to spend tax dollars – through a strong destination marketing campaign, and by offering the Welcome Center on Main Street. To date, the Chamber of Commerce has delivered on these two factors to great success and delivered impressive results, and this is not the time to stop these two key initiatives. We need to stay relevant, seen and competitive to ensure we are continuing to support our business community as best as we can – cutting funding and going significantly backwards is not an option for our business community and our City. Stopping our destination marketing campaign is not an option. Closing the Welcome Center is not an option.

As I have previously communicated back in June 2022, as a local business, we have been positively impacted by the improved marketing campaign delivered by the Chamber and spend of marketing dollars as a result of the City's funding – our traffic increased YOY, +21.4%, and our sales have increased by +47% YOY. We want this growth to continue. With more tasting rooms opening in Napa, as a local business, we need more support now to market the benefits of travelling up valley and visiting St. Helena.

The Chamber plays a vital role in the business community and is continuing to grow the programming it offers with this key funding, providing a strong return on this key investment from the City,

• Operating a Visitor Center/staffing/public restrooms 7 days a week 9-5pm, with nearly 20K visitors annually
• Community events: Summer Concerts for the city, Celebrate Community Awards, + Holiday's in St.

Helena featuring the Barrel Tree, which Beringer Vineyards is a key Sponsor and supporter.
• Providing scholarships to St. Helena's students
• All the destination marketing efforts, this includes, managing all social channels, sthelena.com, influencer visits, press visits, paid strategic media, ads, branding exposure, photography, video content, marketing assets, & more. We had 34 Media placements this year, including TV live shots and over 27 influencer visits.
• Providing business resources to all Chamber partners, newsletters, informational communication efforts, business response recovery resource center, member minute, & more, and was a key driver in supporting the business community through the hard impacts from the fires, and from COVID. The Chamber was the "glue" in our community.
• Providing free business workshops/ job fairs/ educational seminars and mixers
• Aid in disseminating CITY communications such as: Napa Valley Vine Trail, non-profit grant applications, reminders about building codes, construction projects such as PGE gas line repair, city surveys, etc

It is vital now that the Chamber's funding and partnership with the City remains "as is" to continue the tremendous momentum the Chamber has built for destination marketing for St. Helena, and this important investment of support for the business community continues.

I appeal to you, our members of the City Council, to reject the City Manager's proposal and continue to support and fund the key efforts of the Chamber in driving business to our City and supporting our business community. I have full confidence in the dedicated efforts and work of our Chamber President & CEO, Amy Carabba, and I hope the City Manager will once again resume a collaborative working partnership with Amy and the Chamber, as has been previously enjoyed.

Thank you for your kind attention.

Yours sincerely

Claire Wilkins

TREASURY AMERICAS
A DIVISION OF TREASURY WINE ESTATES

CLAIRE WILKINS
Director of Hospitality
Beringer Vineyards | Beaulieu Vineyard | Etude Wines

T (707) 302 7566
M (707) 363 8087
E claire.wilkins@tweglobal.com

www.tweglobal.com

From: Felicia Chan
To: Public Comment
Subject: [External] Item 12.1
Date: Tuesday, May 23, 2023 10:46:17 AM

To the City of St. Helena,

I am writing to respectfully protest the cutting of funds (Item 12.1) to the St. Helena Chamber of Commerce. This organization is a key marketing partner of Gott's Roadside, and this reduction of funds would negatively impact our local store marketing and regional brand-building efforts. They are both an effective and forward-thinking organization. In fact, the funding should be moving in the opposite direction toward more support versus less.

Kind regards,
Felicia

FELICIA CHAN
Director of Marketing & Communications

GOTT'S ROADSIDE
P.O. Box 1226 | St. Helena, California 94574
M — 415.314.4929
http://www.gotts.com

From: Heidi Bamburg
To: Contact City Council
Cc: Amy Carabba
Subject: [External] Please Maintain Funding for Chamber of Commerce
Date: Tuesday, May 23, 2023 10:05:23 AM
Attachments: image001.png
image002.png

To the St. Helena City Council:

I'm writing to express my strong encouragement for the City to maintain financial support for the St. Helena Chamber of Commerce. As a Main Street business, we depend heavily on the marketing efforts of the Chamber of Commerce to make St. Helena businesses attractive for locals and tourists. More than 95% of our revenue comes from tourism, and the Chamber provides greatly needed promotion and events to encourage tourists to make their way up valley and spend money. Without that support, we would have closed our doors years ago, like so many other restaurants in St. Helena.

While we depend upon tourism to survive, since we opened in 2017, we have also tried to create a space that caters specifically to St. Helena residents with many events and offerings:

- The Saint Social Club (locals monthly event club)
- Women & Wine Wednesdays
- Live music from St. Helena musicians
- Partnership with Market to expand St. Helena fine-dining options
- Co-sponsorship of The Cameo
- Complementary tasting space for small SH vintners
- Use of local catering from Oak Avenue, Sunshine, and Model Bakery
- Discounts for local guests
- SH Merchant Happy Hour
- Tuesday Bunko Night

Yet despite all these efforts, still 95% of our business comes from tourists. It's very hard to run a business in St. Helena with minimal support from the people who live here. Why do have so many empty storefronts? Why have we lost so many restaurants in the last 5 years? We've seen Napa, Yountville, and Calistoga support hotel developments, parks, tasting rooms, events, festivals, and social media to create a vibrant business climate and greatly increased street traffic.

We NEED to support the Chamber more, not less!

The St. Helena Chamber is the only effective force driving business growth in St. Helena. Their marketing and social media generate significant awareness to get visitors to venture up valley. They understand the needs of the business community in St. Helena and create a centralized voice for business interests.

Amy and her team have done an incredible job. We are grateful to have them and their tenure in St. Helena. I urge you to continue funding for the Chamber of Commerce and to find **more ways** to support the local business that are still open in our town.

Cheers,

Heidi

Heidi Bamburg, Owner
The Saint
1351 Main St., St. Helena, CA 94574 | 425.449.1530

From: John Skupny
To: Public Comment
Subject: [External] "Item 12.1"
Date: Tuesday, May 23, 2023 11:24:02 AM
Attachments: image001.png

Regarding Item 12.1 on 5/23/23 City Council meeting.

After having to endure the past three years of a pandemic, rising rents and a slow recovery of visitors to St. Helena it would seem counter productive to end the funding that helps to promote visitors to St. Helena. Seems like backing off on the gas that generates such a major portion of our City's revenue through taxes and the ALMIGHTY **TOT**!

I think the possible defunding for Destination Marketing, community events including the holiday décor that specifically promotes commerce for businesses, as well as help fund a portion of the Welcome Center that provides public restrooms on Main Street is a mistake.

Thank you,

John Skupny
Proprietor and Winemaker

Lang & Reed Napa Valley
1244 Spring Street
St. Helena, CA 94574
Office: (707) 963-7547
Cell: (707) 695-2537

Crafting Napa Valley Cabernet Franc since 1996!

From:	Kate Hamlin
To:	Public Comment; Contact City Council; Anil Comelo; April Mitts; Paul Dohring; Anna Chouteau; Billy Summers; Eric Hall; Lester Hardy
Subject:	[External] St Helena Chamber support
Date:	Tuesday, May 23, 2023 10:44:42 AM

I am writing in support of our hard working Chamber. It would be a very very poor decision to cut funding to them.
As a small business in town we rely on the tireless efforts the Chamber provides for us. Please reconsider this ridiculous idea.
Thank you for giving this your upmost attention and support the Chamber of Commerce and Visitors Center.

Kate Hamlin
khamlin@bespokenapavalley.com
bespoke
Napa Valley

From: Katherine Bull
To: Public Comment; Contact City Council
Subject: [External] URGENT- Continued partnership with the Chamber of Commerce
Date: Tuesday, May 23, 2023 9:33:56 AM
Attachments: image001.png

Dear Saint Helena City Council Members-

As both a resident of Saint Helena and a business owner within our city, I am writing to express the importance of our continued partnership with the Chamber of Commerce - item 12.1.

The Chamber of Commerce has consistently demonstrated its commitment to fostering a thriving business community. Their tireless efforts in promoting economic development and advocating for the needs of local businesses have been instrumental in driving our city's prosperity, especially in a post Covid-19 world. Many businesses on Main St. would not have been able to reopen as soon as they did after the first phase of "shut-downs' without the assistance of the Chamber, which could have had catastrophic affects on countless business in this town.

By continuing our partnership with the Chamber of Commerce, we can ensure the continuation of essential programs and initiatives that directly benefit us as business owners. The chamber's networking opportunities, educational resources, and business support services have played a significant role in our growth and sustainability.

Additionally, the Chamber of Commerce serves as a powerful advocate for our collective interests. Their representation at various levels of government helps shape policies that are favorable to local businesses and enables us to navigate regulatory challenges more effectively. The chamber's voice is instrumental in ensuring that our concerns are heard and addressed by decision-makers.

I urge you to consider the immense value that the Chamber of Commerce brings to our local economy and the livelihoods of countless business owners. By continuing your partnership, you will demonstrate your commitment to supporting small businesses, fostering economic growth, and creating an environment where entrepreneurship can flourish.

Thank you for your attention to this matter. I kindly request that you prioritize the renewal of the contract with the Chamber of Commerce. Your support will have a lasting positive impact on our business community and our city as a whole.

Sincerely,

Katherine Salinas
CEO

Meuse Gallery
1331 Main Street,
St. Helena, CA 94574

d-707-968-5942
c-831-224-3717
kat@meusegallery.com
www.meusegallery.com

MEUSE

SIMON BULL

From: Meagan Rounds
To: Public Comment; Contact City Council; Anil Comelo; April Mitts; Paul Dohring; Anna Chouteau; Billy Summers; Eric Hall; Lester Hardy
Subject: [External] Item 12.1
Date: Tuesday, May 23, 2023 2:20:44 PM

Dear Councilmembers,

RE: Item 12.1

While we understand the need to reduce costs to reallocate funds for much-needed projects, cutting the Chamber of Commerce's destination marketing efforts would significantly impact area businesses and slow tourism efforts at a time when St. Helena is already at a disadvantage compared to Napa, Yountville, and Calistoga.

Only after the addition of much-needed lodging in the City of St. Helena will the current businesses have any hope of survival without the Chamber's efforts. Continuing to add new retail and dining as currently approved without the Chamber's efforts to increase foot traffic, you risk crippling existing businesses even further.

We have benefitted greatly from the Chamber's support and economic recovery post-pandemic. We must keep momentum with destination marketing, putting St. Helena at the forefront of visitors' minds.

Sincerely,

Jude Wilmoth & Meagan Rounds
Cook St. Helena

May 23, 2023

To The City Council of St. Helena,

I am writing in today to express my concern to remove the Destination Marketing contract that you have with the St. Helena Chamber of Commerce. As a Chamber President/CEO in American Canyon I understand the value of the work that is being done through the marketing efforts at the St. Helena Chamber of Commerce. We in American Canyon have a very small marketing budget and because of that we struggle to increase tourism into American Canyon. I always reference the ability that the upper valley chambers have to draw in tourism and to do promotions for their towns. This is a huge reason why there is such a draw to your region. This is only possible with the funding they receive from their towns.

Amy Carabba-Salazar, is extremely skilled in DM work and she brings so much value to your community with her and the teams marketing efforts. I truly believe that St. Helena's economy would drastically take a hit if her efforts were discontinued. With already declining tourism numbers in our region, this is truly a decision that needs to be thought out carefully and not made on a whim. I hope to see the council take the right action on this agenda item tonight by continuing to support the St. Helena's Chamber of Commerce Destination Marketing Contract.

Thank you for your consideration.

Sincerely,
Valerie Zizak-Morais
President/CEO
American Canyon Chamber of Commerce

Cindy Tzafopoulos

From: Linzi Gay <lgay@cliffamily.com>
Sent: Tuesday, May 23, 2023 4:43 PM
To: Public Comment
Subject: RE: [External] The Vital Role of the St. Helena Chamber of Commerce in Supporting Local Businesses through Destination Marketing

Hello,

I sent this yesterday to be included in the public comments for the City Council meeting today. I do not see it listed and just wanted to confirm it was received.
This is in response to Item 12.1 under New Business.

Thank you,

Linzi Gay
President
Clif Family Winery & Farm
Office: 1334 Vidovich Lane, St. Helena, CA 94574
Tasting Room: 709 Main Street, St. Helena, CA 94574
p 707.968.0625 | **m** 707.486.7072
www.cliffamily.com
A Certified B Corp Company

From: Linzi Gay
Sent: Monday, May 22, 2023 2:29 PM
To: publiccomment@cityofsthelena.org
Subject: The Vital Role of the St. Helena Chamber of Commerce in Supporting Local Businesses through Destination Marketing

Dear Members of the St. Helena City Council,

I am writing to express support for the St. Helena Chamber of Commerce and its significant contribution to the vitality of local businesses in our community through their destination marketing efforts.

As the President of Clif Family Winery & Farm in St. Helena, I have personally witnessed the positive impact of the Chamber's initiatives on our business and on the local economy. The Chamber of Commerce serves as a catalyst for growth, collaboration, and innovation, creating a thriving business environment that benefits not only the businesses themselves but also the entire community.

One of the key reasons why the St. Helena Chamber of Commerce is vital to the success of our local businesses is its exceptional destination marketing initiatives. The Chamber has consistently demonstrated its commitment to promoting St. Helena as a desirable tourist destination, attracting visitors from far and wide. By effectively showcasing the unique qualities, rich heritage, and diverse offerings of our city, the Chamber's marketing campaigns have played a pivotal role in driving foot traffic, enhancing customer engagement, and increasing sales for local businesses. This increased visibility not only helps to drive tourist visits but also encourages locals and neighboring communities to explore and support St. Helena businesses.

Furthermore, the Chamber of Commerce fosters collaboration among our local businesses and community members through community events, holiday decorations, and a beautifully designed Main Street Welcome Center, which also offers convenient public restrooms.

I urge the City Council to recognize the invaluable contribution of the St. Helena Chamber of Commerce and continue to support their efforts. By investing in the Chamber's destination marketing initiatives, community events and the Welcome Center, we can create an even more prosperous future for our community, where our businesses and community thrive and St. Helena remains a sought-after destination for visitors from near and far.

Thank you for your time, attention, and ongoing commitment to the health and vitality of local St. Helena businesses.

Best,

Linzi Gay
President
Clif Family Winery & Farm
Office: 1334 Vidovich Lane, St. Helena, CA 94574
Tasting Room: 709 Main Street, St. Helena, CA 94574
p 707.968.0625 | **m** 707.486.7072
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Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **NEW BUSINESS**

Subject: **Receive information about potential revenue options and provide direction to staff.**

CEQA Determination: **Not a CEQA project**

Prepared By: Anil Comelo, City Manager

Reviewed By: April Mitts, Assistant City Manager

Approved By: April Mitts, Assistant City Manager

BACKGROUND
On February 28, 2023, the City Council received a presentation from BakerTilly which provided financial projections and warned about the need to increase revenues and/or further adjust service levels. The presentation (click here for link) provided several ways of dealing with the financial situation including reducing expenditures, engaging more aggressively in shared services, and increasing various types of fees and taxes. The key conclusion was that if community expectations are to be met, simply addressing the fiscal gap by only reducing expenditures will not work in the long run and new revenue stream(s) would need to be considered.

The financial outlook shows short-term stability; however, there are significant long-term challenges to address including unfunded needs consistent with Council Goals and community expectations that include repair of major streets and sidewalk improvements, infrastructure and environmental sustainability, quality of life, and overall staffing.

As noted in the Baker Tilly report, the updated Long Range Financial Forecast (LRFF), which includes revised forecast assumptions, shows a General Fund annual deficit starting in FY 2023 and continuing through FY 2028 (Figure 1 and Figure 2).

Figure 1 - Updated Baseline Forecast Surplus (Deficit)

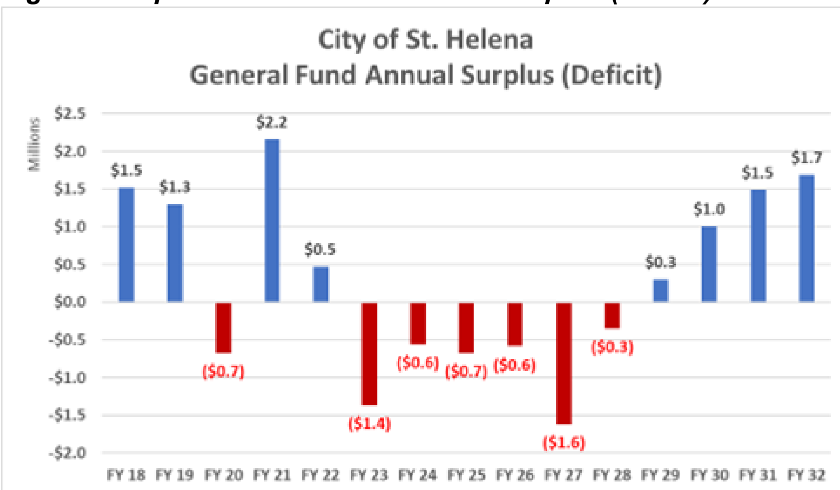
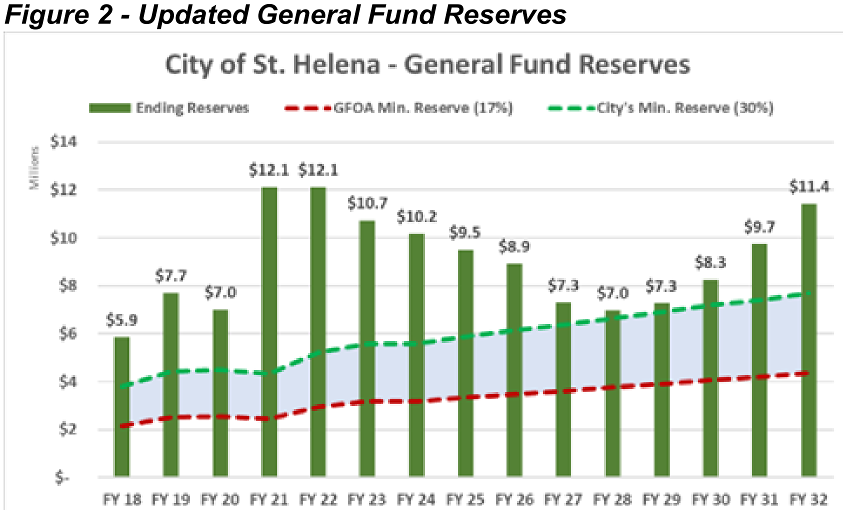


Figure 2 - Updated General Fund Reserves



As seen in Figures 1 and 2 the City is anticipated to have positive cash flow by FY 2029 which relies on the opening of the Farmstead hotel and the associated revenues.

With the baseline forecast updated, Baker Tilly reviewed the City's identified unfunded or underfunded needs and capacity to meet the service delivery expectations of the community. These needs are identified as: compensation adjustments to bring current staff to 75% of market, having optimal staffing levels, and funding critical capital projects. Together, these needs equate to an additional $6.5 million annually. If these needs were addressed in FY 2024, the impact to the General Fund is profound, increasing the City's annual deficit to $5.8 million in FY 24 with the annual deficit reducing to $4.4 million per year by FY 2032 as noted in Figures 3 and 4.

Figure 3 - General Fund Annual Surplus (Deficit)

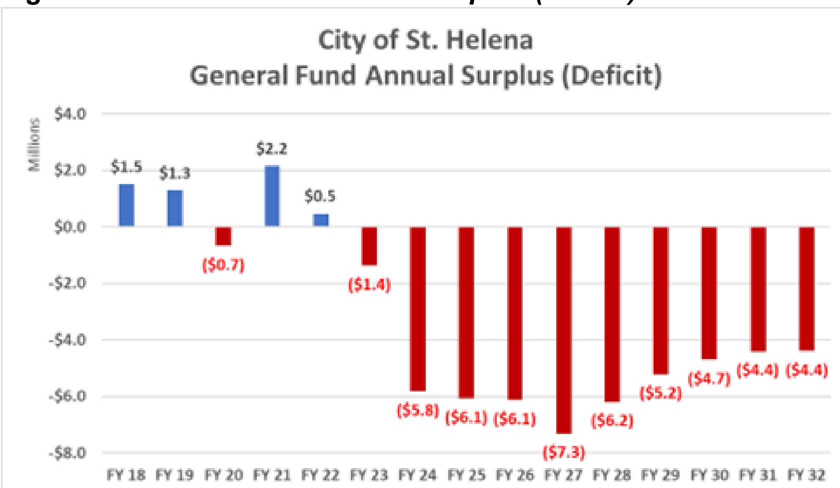
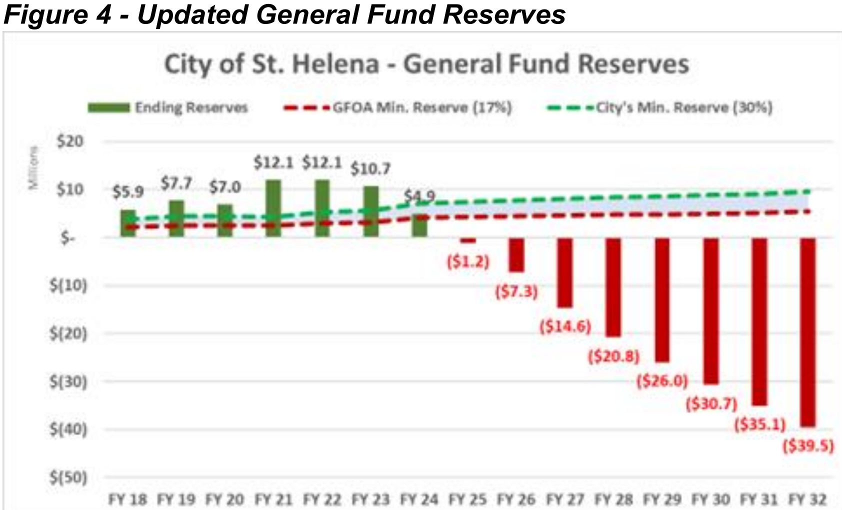


Figure 4 - Updated General Fund Reserves



<u>**DISCUSSION**</u>

As mentioned above there are many unfunded needs facing the City and, as seen in Figures 1-4, the current revenues do not sustain the needs. Over the years, the City has adjusted its expenditures in a number of ways to maintain its reserve level and stay within the revenues generated; however, this is not enough for many reasons, two of which are noted below:

- Increased costs of goods, services, and utilities. While the City can reduce expenditures, if the costs of goods and services continue to increase the result is paying more and getting less, which ultimately leads to diminished services to the community both from the service and capital improvement standpoint.
- Increased Fire Department salary and benefits costs over the last nine years primarily due to transition from a part-time staffing model to a full-time staffing model. For example: FY 2015 salary and benefit costs were $379,743 compared to estimated FY 2023 costs of $1,705,804 is a 349% increase over 9 years. The increase in staffing costs exclude costs associated with strike teams.

Recognizing the imbalance of revenues vs. expenses and as a starting point to offset increasing costs, the City has, more recently, taken the following steps:

- Embarked on efficiency initiatives including implementation of technology and process improvement efforts
- Partnered more frequently for regional grants
- Increased grant applications
- Explored Shared Services
- Sought funding through state and federal representatives
- Taken an overt pro-economic development stance

In addition, staff will bring to City Council a proposal to incentivize the expansion of existing hotels which will generate additional revenue. Additionally, later this year staff will be bringing to City Council revisions the City's User Fee and Impact Fee Schedules which will seek to recover a portion of the cost-of-service delivery. Items covered in the fee schedules include fees related to recreation activities, development activity, and various types of permits. We hope that all these efforts will bear fruit; however, they do not change the fundamental fiscal situation.

The cost of addressing unfunded needs and the cost of regular ongoing services is considerable and growing - they will therefore need to come from new revenue streams. The most stable and on-going new revenue sources as suggested in the BakerTilly report are:

- Hotels
- Taxes

The City is in an enviable position of being a desired vacation destination. It is for this reason there is a pent-up demand for hotel development – enough to make other communities around the state envious. Historically, the concern to increase hotel development has been the potential of eroding the small town feel and the loss of local-serving businesses. Sadly, local-serving businesses are being eliminated around the world for a variety of reasons that have nothing to do with tourism and more to do with the growth of e-commerce and big-box stores, which are fueled by our collective desire to enjoy lower prices. The fear of being over-run by tourists is understandable but should be evaluated on a case-by-case basis by carefully considering the impact of each potential development. Thirty-five years ago, there was a concerted effort to stop the Wine Train from operating in St. Helena because of fears of the arrival of thousands of tourists. Those fears have not materialized, and today, local businesses and residents look fondly at the train and even wish it would disembark tourists downtown to generate economic activity.

Hotels take many years to be built and are notoriously complex developments. However, once built, they generate three types of General Fund revenue: Sales taxes, property taxes, and Transient Occupancy Taxes (TOT). Compared to our neighbors, the City of St. Helena has not taken full advantage of the tourist-oriented revenue generating potential. For example, the City of Calistoga and the Town of Yountville generate approximately 60% and 55% of their budget respectively from TOT compared to only 30% for the City of St. Helena. Because of the lengthy process for hotel developments, the fact is that any new hotel development will not generate tax revenue until at least Fiscal Year 2028. This means that the City will need to explore the possibility of implementing one or more taxes to generate sufficient revenues to fund City services.

The Community Survey conducted in December 2022 and shared with the City Council on February 14, 2023, indicated understanding about the need for additional revenues and the potential sources of those new funds. Since that survey was not specifically designed to determine support for a ballot measure, a different poll would need to be conducted to make this determination.

All taxes imposed by local governments are classified as either general or special taxes.

General Tax - is any tax levied to fund general government purposes and which goes into the local government entity's general fund. General taxes imposed by local governments must be approved by voters and, moreover, they must be put before voters during regularly scheduled general elections. General taxes require approval from a simple majority of voters—50 percent + one vote.

Special Tax - is any tax levied for a specific purpose. If revenue from a tax is earmarked in a legally binding way for a service such as infrastructure, transportation, fire or police safety, or parks and recreational facilities, it is a special tax. Special taxes imposed by local governments require a two thirds (66.67 percent) supermajority vote at the ballot box for approval. Special taxes passed via voter initiatives require a 50 percent + one vote at the ballot box for approval.

The following is a summary of the various types of taxes that can be implemented.

Sales Tax:
The City can increase the sales tax collected for purchases within their jurisdiction. California’s sales tax rate varies across cities and counties, with the average rate of 8.5%.

Table 1 provides a summary of the 2023 Sales and Use Tax Rate distribution for St. Helena and Table 2 provides a comparison of local sales tax rates for Napa County.

Table 1 - 2023 Sales and Use Tax Rates

TAX	HOW THE FUNDS ARE ALLOCATED	RATE
STATE SALES AND USE TAX	State General Fund	3.9375%
	Local Public Safety Fund	0.50%
	Local Revenue Fund	1.5625%
	TOTAL STATE SALES AND USE TAX RATE	***6.00%***
BRADLEY-BURNS LOCAL SALES TAX	County Transportation Budgets	0.25%
	City/County General Operations	1.00%
	TOTAL LOCAL SALES AND USE TAX	***1.25%***
CITY AND COUNTY TRANSACTIONS AND USE TAX	City of St. Helena Measure D	0.50%
	Napa County District Tax	0.50%
	CITY & COUNTY TRANSACTIONS & USE TAX	***1.00%***
COMBINED STATE AND LOCAL SALES AND USE TAX RATE		***8.25%***

Table 2 - Comparison of Local Sales Tax Rates

Jurisdiction	Total Current Sales Tax Rate
City of American Canyon	7.75%
City of Napa	7.75%
Town of Yountville	7.75%
City of St. Helena	8.25%
City of Calistoga	7.75%

Local governments (cities and counties) are permitted to levy additional sales and use taxes with the combined rate not exceeding 2%. As noted in Table 1, 1% (of the maximum 2%) is currently being assessed for Measure D (St. Helena’s ½ cent sales tax approved by voters in 2016) and Measure T (Countywide ½ cent sales tax approved by voters in 2012). This allows for up to another 1% sales tax that can be assessed, or approximately $4.6 million annually, if approved by the voters. As you may recall, the June 2022 Countywide election included Measure L which, if passed, would have imposed a 0.25% sales tax for Fire Protection. Ultimately this ballot measure failed; however, if it, or another Countywide sales tax, were to be passed, it would decrease the total percentage available to St. Helena if a sales tax increase is desired by the community.

Business License Tax:

Business license taxes are imposed on all businesses that operate within the City limits, including home-based businesses. While most business license taxes are imposed at a flat rate, others may be based on gross receipts and may also be differentiated by business type. Unlike sales taxes, which are automatically collected at the point of sale and distributed back to the City by the State, business license taxes would likely require potentially significant additional staff time and resources to track and enforce. Therefore, the revenue generated by the tax would be offset by the cost to administer the program. The amount of revenue that could be generated by a business license tax would depend on the amount of the tax and the number of businesses, which is not known with certainty at this time. For example, the City currently imposes a flat rate based on the type of business and number of employees. It is anticipated that in FY 2023 the City will collect $180,000 in business license taxes. If the City were to implement a gross receipts-based business license tax at 0.8%, it is estimated an additional $2.5 million annually would be generated.

Real Property Transfer Tax/Documentary Transfer Tax
Currently, there is a property tax transfer rate of $1.10 per $1,000 of property value levied when properties are sold. These taxes are either paid by the buyer, the seller or both and the revenue is split by the City and the County. Only charter cities can increase this rate via a ballot measure. Since St. Helena is currently a general law city, increasing the property tax transfer rate would require the City to become a charter city, which is also something that would need to be approved by the voters. At the current rate St. Helena receives ($0.55/$1000), the City collects between $100,000-$200,000 annually in property transfer taxes.

Utility Users Tax
The utility users' tax (UUT), first imposed in California in 1967, can be imposed on utility services including electricity, gas, water, sewer, telephone (including cell phones and long-distance calling), sanitation, and cable television. Recently, local governments have expanded their UUTs to tax internet, streaming, and video-conferencing services. The amount of revenue that could be raised from a UUT would depend on the utilities being taxed and the rate. Table 3 provides examples of annual UUT raised for cities with populations between 5,000-10,000. The taxes are collected by the utilities and paid directly to cities. St. Helena does not currently impose any UUT.

Table 3 - Examples of Annual UUT for Comparable Cities

County	City	Population	UUT Tax Rate	UUT Collected FY 2021
Fresno	Firebaugh	6676	10%	1,004,161
Fresno	Fowler	8108	5%	429,638
Fresno	Huron	6934	4%	183,496
Fresno	Orange Cove	6222	7%	561,421
Imperial	Holtville	5502	5%	433,750
Marin	Fairfax	7521	4%	342,333
Merced	Gustine	6091	2.50%	291,967
Mono	Mammoth Lakes	7271	3.50%	856,613
Monterey	Gonzales	8576	4%	233,913
Santa Barbara	Guadalupe	8546	5%	480,619
Sonoma	Cloverdale	8954	3%	478,432
Sonoma	Sebastopol	7448	3.75%	697,571
Stanislaus	Waterford	9158	6%	616,559
Tulare	Woodlake	7577	6%	371,637
Yolo	Winters	7305	9.50%	762,107

Assessment Districts

Assessment Districts are a "property tax" mechanism used by local governmental agencies in California to fund public improvements and services. Assessment Districts are established for a specific geographical area that receives a special benefit from specific public improvements and services. In other words, the charge only applies to properties receiving a benefit instead of being applied against all properties within a governmental jurisdiction, as is the case with regular property taxes. Special benefits are defined as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." General enhancement of property value does not constitute a special benefit. For example, street lighting is an improvement, not a special benefit. However, street lighting confers a "safety" benefit to properties nearby and to non-residents driving through. In this case, the safety benefit conferred to properties nearby is a special benefit, but the safety conferred on pass-through drivers is a general benefit. The local agency is required to separate and quantify special and general benefits so that properties nearby the street lighting (in this example) are charged for just the special benefit portion. The general benefit portion must be paid from other sources and cannot be charged against the properties within the Assessment District. Revenues collected through an Assessment District are strictly limited for the improvements and services for which the Assessment District was formed. Furthermore, a district cannot be formed without the participation of the property owners through a ballot procedure. Only those property owners that receive the special benefit are allowed to vote and votes may be weighted, with property owners receiving more of the special benefits getting more weight, and those with less special benefits getting less weight. Assessment district taxes can be passed based on a majority vote of the affected property owners. Assessment is charged via property tax bills. Some assessments have a term and others can go on in perpetuity and most assessments provide for an inflation factor.

Property Taxes
Property tax is imposed on real property (land and permanently attached improvements) and tangible personal property (moveable property) located within the state. The California property tax is ad valorem meaning it is based on the value of property rather than on a fixed amount or benefit to the property or persons.

Proposition 13 limits the real property tax rate to 1% of a property's assessed value, plus rates previously imposed to fund indebtedness approved by the voters. Local governments have the ability to issue general obligation bonded debt backed by an increase in the ad valorem property tax rate (as discussed further in this report).

Parcel Tax
A Parcel tax requires two-thirds voter approval and is not an ad valorem property tax. A parcel tax is a particular type of excise that is based on either a flat per-parcel rate or a rate that varies depending on use, size, and/or number of units on each parcel. A parcel tax measure is generally put before the voters to support various city services and may be levied for general purposes or restricted to a particular purpose. For instance, a flat parcel tax of $50 per parcel per year would increase revenues by approximately $123,550 annually (based on 2,471 parcels).

Unlike ad valorem property taxes specifically passed by the voters to support the issuance of general obligation bonds, a public agency cannot issue bonds directly backed by the parcel tax. If the intention is to utilize a parcel tax for debt repayment, the City would need to issue lease revenue bonds requiring the City to lease an essential City asset and lease it back. The internal source of repayment for the lease revenue bonds can be the parcel tax but it cannot be specifically pledged to the repayment.

Municipal Bonds
Municipal bonds are sold by local and state governments to help fund public projects. In this way, the City is able to initiate projects immediately without having to "save up" for years to accumulate enough money. Bonds are very similar to a mortgage in that the City receives funds in a lump sum to build a project and then pays it back to bondholders over a period of time – usually 30 years – with interest. There are various types of bonds that can be sold by the City without voter approval. These include lease revenue bonds, water revenue bonds and sewer revenue bonds as restricted by the "Debt Limit". The cost of the bonds will depend on the market interest rates in place at the time the bonds are sold as well as the overall creditworthiness of the City (general fund lease revenue) or the available revenue stream (water / sewer enterprise fund revenues).

General Obligation Bonds
General Obligation Bonds generally have the lowest cost of borrowing since they are not an obligation of the City but rather are repaid solely by the ad valorem tax on real property. The credit is based upon the quality and diversity of the local property tax base. Given that St. Helena recently received an AA+ S&P rating for the 2022 General Obligation Bonds, exploring another general obligation bond measure might be a cost-effective and efficient way for the City to leverage this lower borrowing cost to initiate large infrastructure projects sooner.

As an example: A $10M bond over 30 years at a 4% interest rate will have annual debt service payment of $579,000. To fund this amount, St. Helena property owners would pay approximately $13.71 per $100,000 in assessed value. As assessed values increase each year, the tax levy decreases.

Lease Revenue Bonds
If the City does not wish to pursue another general obligation bond measure, the City can still issue bonds to initiate large infrastructure projects sooner but would need to lease essential City assets. The internal source of repayment can be a sales tax or parcel tax but would require a lease revenue bond structure. The limitations here are the quality, availability and dollar value of essential City assets. Essential City assets include such things as city hall, fire stations, police stations and a corporation yard. Less essential assets would include community/senior centers, a library, or other City buildings of an older nature. The insured value of the leased assets must be at least equal to or exceed the amount of bonds being sold. For example, a $10 million bond would require $10 million of leased assets. Unlike general obligation bonds, the lease payments are paid by the general fund and the credit worthiness of the City is directly linked to the repayment. A general fund rating is generally a notch or two lower than the rating on a general obligation bond. The lower the rating, the higher the interest rate on the bonds.

Voter-Initiated Taxes
While the California Constitution prohibits local governments from imposing a special tax without two-thirds voter approval, the approval threshold for special taxes proposed by a citizen initiative is a simple majority, according to a recent California appellate court decision. In order for the measure to qualify for the ballot:

- Tax ordinance/measure written by residents/initiative proponents proposing special tax to fund specific purposes.
- City Staff does not write the tax ordinance/measure and the Council does not propose it to the voters.
- Proponents circulate measures and petition to voters for signatures; proponents have 180 days from document filing to gather signatures.
- If the petition has enough signatures, the measure qualifies (goes on ballot).

There are two options for election dates:

- On the date of the next regular Council election that is not less than 88 days after the Council meeting at which the petition is certified, or
- On a special election date that is between 88 and 103 days after the Council meeting at which the petition is certified.

Transient Occupancy & Cannabis Taxes
There are two other common types of taxes that can be proposed by municipalities to fund services:

- *Transient Occupancy Tax*, also known as the TOT or hotel tax, is imposed on occupants of rooms or living spaces at hotels, inns, motels, etc. Cities may impose hotel taxes for stays lasting 30 days or less, with taxes based on the cost of the room. In St. Helena, the total hotel tax is 15% and is summarized in Table 4.

Table 4 - Summary of St. Helena Hotel Taxes

Tax	Assessed On:	Purpose	Rate
Transient Occupancy Tax (TOT)	Hotels, Bed & Breakfasts, and Short-Term Rentals	General Fund	12%
Measure E		Increase, improve, and preserve the City's supply of rental and for-sale housing for households earning up to 120% of area median income.	1%
Tourism Improvement District (TID)	Hotels	Support local activities and products thath promote, support, and enhance locally based tourism and hospitality efforts	2%
		TOTAL LOCAL HOTEL TAXES	***15%***

Approximately 90% of all TOT is collected through the City's six hotels. Given the limited number of hotels subject to TOT, and because the TOT has already suffered immensely due to the pandemic, raising this tax is not recommended at this time.

- *Cannabis taxes* can be based on a multitude of factors. Generally, the tax may be based on the gross receipts of a cannabis business, and the tax rate may differ depending on the stage of production (growing, cultivation, manufacturing, delivery, etc.), or sale to consumers. Alternatively, several tax measures proposed to tax cannabis businesses based on the square footage of a property, with different rates for cultivators, nurseries, "canopy space," manufacturers, or retailers. Given that the City does not currently allow cannabis dispensaries or production facilities, this type of tax is not relevant to the current discussion but could be imposed in the future should the City Council allow Cannabis businesses.

Development Impact Fees

A development impact fee is charged by a local governmental agency to an applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project. A development impact fee is not a tax or special assessment. By its definition, a fee is voluntary and must be reasonably related to the cost of the service provided by the local agency. If a development impact fee does not relate to the impact created by development or exceeds the reasonable cost of providing the public service, then the fee may be declared a special tax and must then be subject to a two-thirds voter approval. While this may be an option the City can consider, levying these type of fees must be approached carefully and with a great deal of analysis and study. Both the political and legal implications of having a development impact fee declared to be a special tax can be exceedingly grim. The best defense against such an outcome is careful construction of the development impact fee program and scrupulous attention to substantive and procedural requirements of the Mitigation Fee Act. The City Attorney must play an active role in this process. Furthermore, since development impact fees need to be tied to specific capital improvements that are necessary due to increased development, use of funds generated by these fees is not as flexible as proceeds from the various taxes discussed above.

Long Range Financial Plan - Baker Tilly Report

As mentioned at the beginning of this report, on February 28, 2023, Baker Tilly presented many viable options to the City Council for revenue enhancement strategies which have been discussed above and as noted in Attachment 1.

SUMMARY

There are several choices facing the City Council ranging from adjusting expectations and service levels, engage in shared service model(s) to reduce costs, implement efficiency initiatives (technology & process improvements), increase revenues via new hotel development (5-10 years for revenue generation), or increase revenues via taxes.

As noted in the discussion section, there are several ways that the City can raise additional, steady streams of revenue to accomplish the Council’s stated goals. Almost all of them require voter approval. There are also myriad options as to how these various taxes could be structured depending on how much annual revenue the Council would like to generate. One example of a way to reach a revenue goal of $6 million annually would be to implement the following tax options:

- Property Transfer Tax of 1.5% = $2.2 million
- Gross Receipts Tax of 1% = $3.2 million
- Parcel Tax of $1,000 = $3.8 million

It is important to note that the above is only an example and would require voter approval on three separate tax measures.

This was intended to be a general presentation and deeper dive of revenue options available to the City. Depending upon the City Council's preference, staff can take a range of further actions including returning it at a future date with a more specific recommendation for a tax measure.

Please note that if the Council wishes to place a measure on the November 2024 ballot, a ballot resolution needs to be filed with the election's office no later than August 11, 2024. Voter initiated taxes have a different set of deadlines given that signatures must be collected and verified.

FISCAL IMPACT

Dependent on City Council direction.

RECOMMENDED ACTION

Discuss and direct staff.

ATTACHMENTS

Attachment 1 - Revenue Enhancements Strategies
Attachment 2 - Revenue Enhancement Options Presentation

Attachment 2 - Long Range Financial Plan - Baker Tilly Report

Revenue Enhancement Strategies from Baker Tilly Report

Budget Strategy	Estimated Fiscal Impact	Implementation Considerations
Allow development of new hotels to increase transient occupancy tax (TOT) revenue	$1,300,000 annually	• Developers may seek tax incentives for building a new hotel • Would also increase sales and property taxes
Increase TOT rate by 1%	$450,000 annually	• A general purpose TOT increase requires majority voter approval at an election where Council seats are on the ballot unless a fiscal emergency is declared whereby the measure can proceed during a non-election season • Pushback from local hotels • TOT rate increases are generally supported by voters
Establish a Parks Maintenance District	$300,000 - $500,000 annually	• Requires approval of property owners to be assessed. • May take a year or more to implement. • City would still be required to provide "general benefit" financial contributions
Increase local transactions and use (sales) tax by 0.5%	$2,300,000 annually	• A general purpose sales tax increase requires majority voter approval at an election where Council seats are on the ballot unless a fiscal emergency is declared whereby the measure can proceed during a non-election season. A specific purpose sales tax increase requires two-thirds voter approval and may be taken to voters at any time. • City leadership will need to act before other overlapping jurisdictions add additional local sales taxes that would reach the cap of 2% of local sales taxes in any one jurisdiction. Otherwise, the City might be required to seek legislative relief to be allowed to exceed the cap.
Implement a Utility User Tax	Varies as noted in Table 3	• A general purpose UUT requires majority voter approval at an election where Council seats are on the ballot unless a fiscal emergency is declared whereby the measure can proceed during a non-election season.
Implement a Library Parcel Tax	$1,200,000 annually	• A parcel tax would need to be approved by two-thirds of voters and may be taken to voters at any time. • To generate $1.2 million would require a $313 parcel tax assessed annually

Budget Strategy	Estimated Fiscal Impact	Implementation Considerations
Review and Update Business License Tax	$3,200,000 annually	• Based on 1% tax rate (net of annual enforcement costs) • Modeling the tax to generate the appropriate revenues and to address equity and fairness across business sizes and sectors will be important. • Changes in the BLT model require a majority vote where Council seats are on the ballot unless a fiscal emergency is declared whereby the measure can proceed during a non-election season. • City would need to consider administrative support to assist with public information and education during the transition, and enforcement, the latter of which can be outsourced through a tax consulting firm that might cost $50,000 per year for enforcement costs.
Implement Real Property Transfer Tax	$2,250,000 annually	• Annual estimate is based on a 1.5% tax rate • Requires an election and majority vote to change from a general law city to a Charter city. This would be taken to voters during a general election where Council seats are also up for election. • Charter measure would be accompanied by a real property transfer tax measure, that is a general law tax subject to majority voter approval. • May incur one-time costs approaching $500,000 to draft a Charter and accompanying ballot measures for voter consideration.
Sell Surplus Property	Dependent on property One time revenue source	• Sale of surplus property must fulfill the provisions required under the Surplus Land Act. • This is a one-time revenue source that should only be used to restore General Fund reserves until which time ongoing revenues sources are found to address the gap. • Future decisions could be made to use the funds for one-time needs.

REVENUE ENHANCEMENT OPTIONS

May 23, 2023, City Council Meeting

Anil Comelo, City Manager

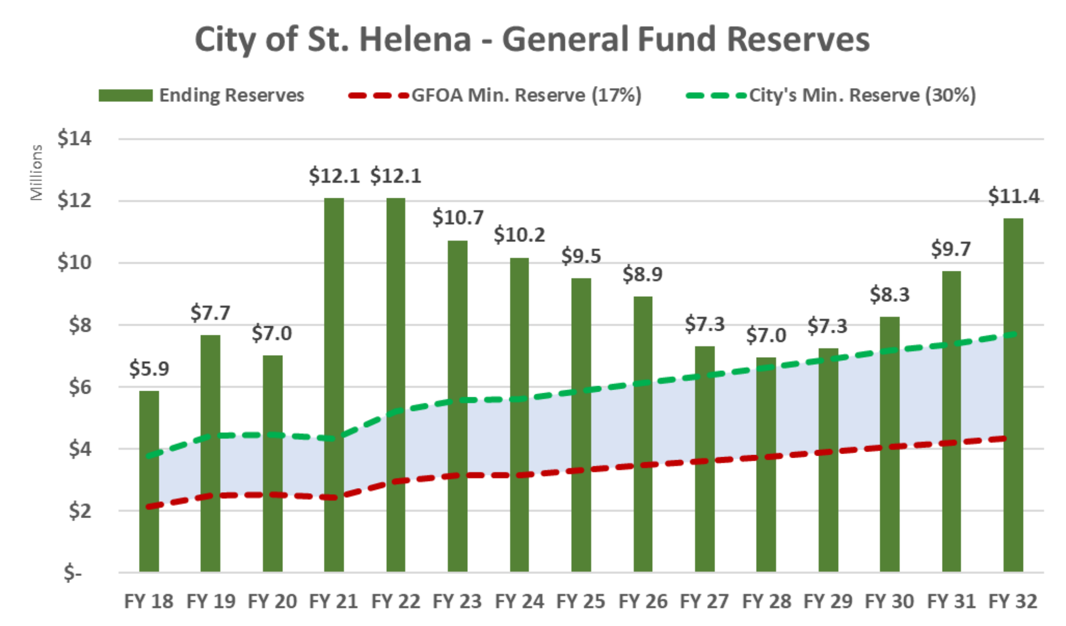
April Mitts, Assistant City Manager

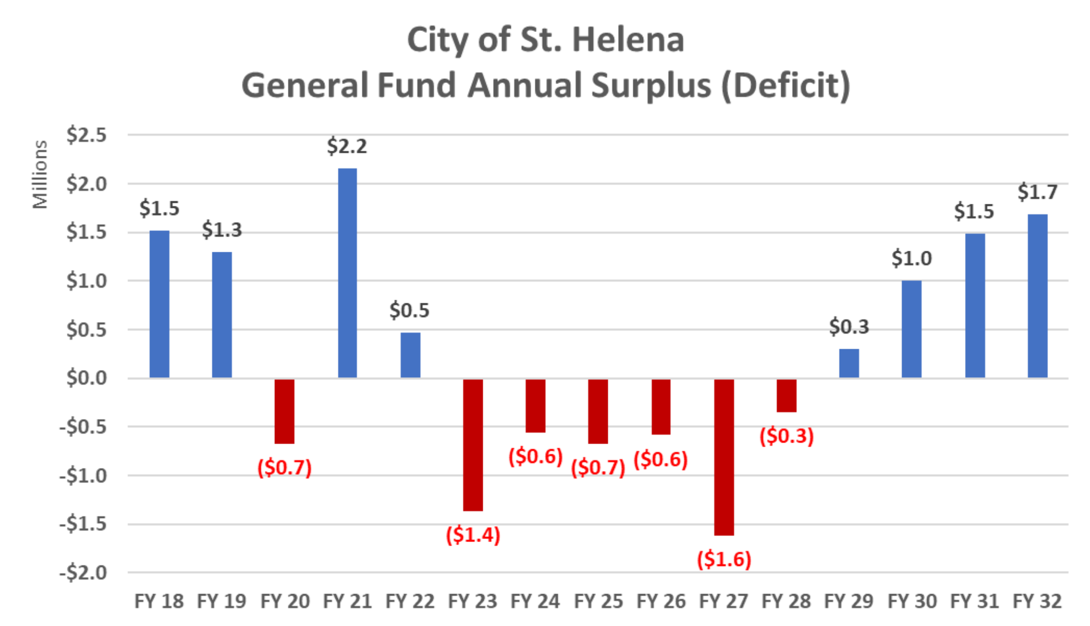
AGENDA

- Review of Long-Range Financial Forecast
- City's Fiscal Needs
- Revenue Options
- Questions for Council
- Discussion and Direction

LONG RANGE FINANCIAL FORECAST – BAKER TILLY

UPDATED BASELINE FORECAST, FEBRUARY 24, 2023





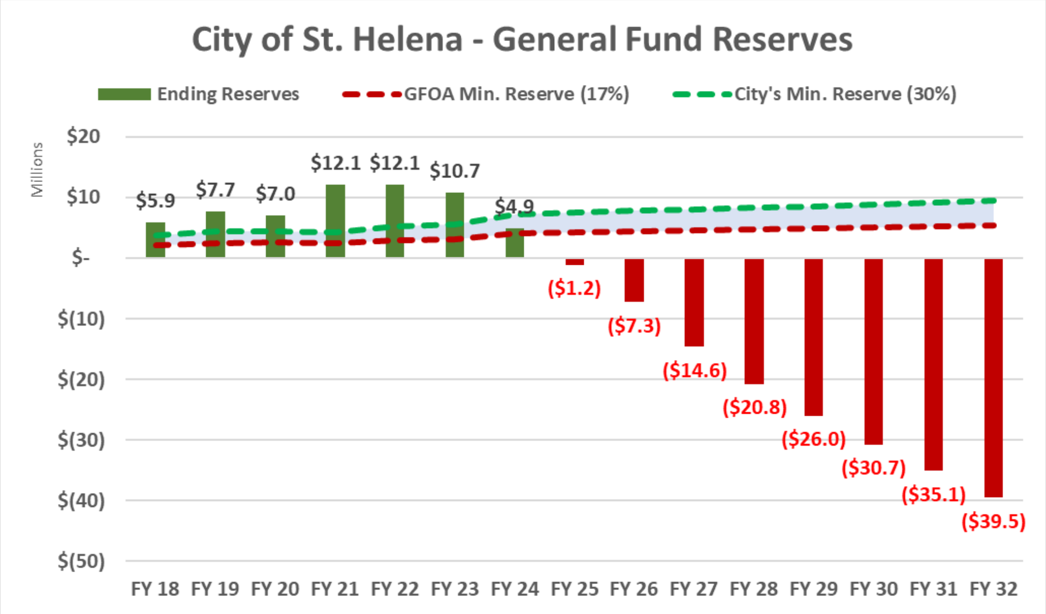
CITY NEEDS

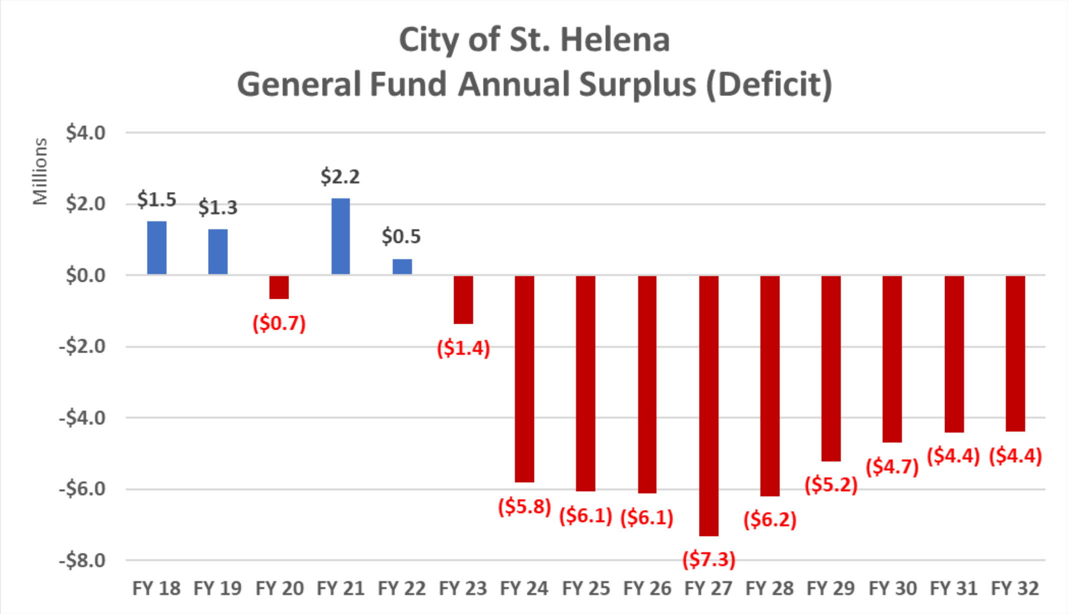
Category	Estimated Annual Shortfall
CIP – Streets	$1,786,338
CIP – Stormwater	$ 323,850
CIP – Civic*	$ 412,264
CIP – Water	$ 25,000
CIP – Wastewater	$ 11,100
Staffing**	$3,929,199
TOTAL ESTIMATED ANNUAL SHORTFALL	*$6,487,751*

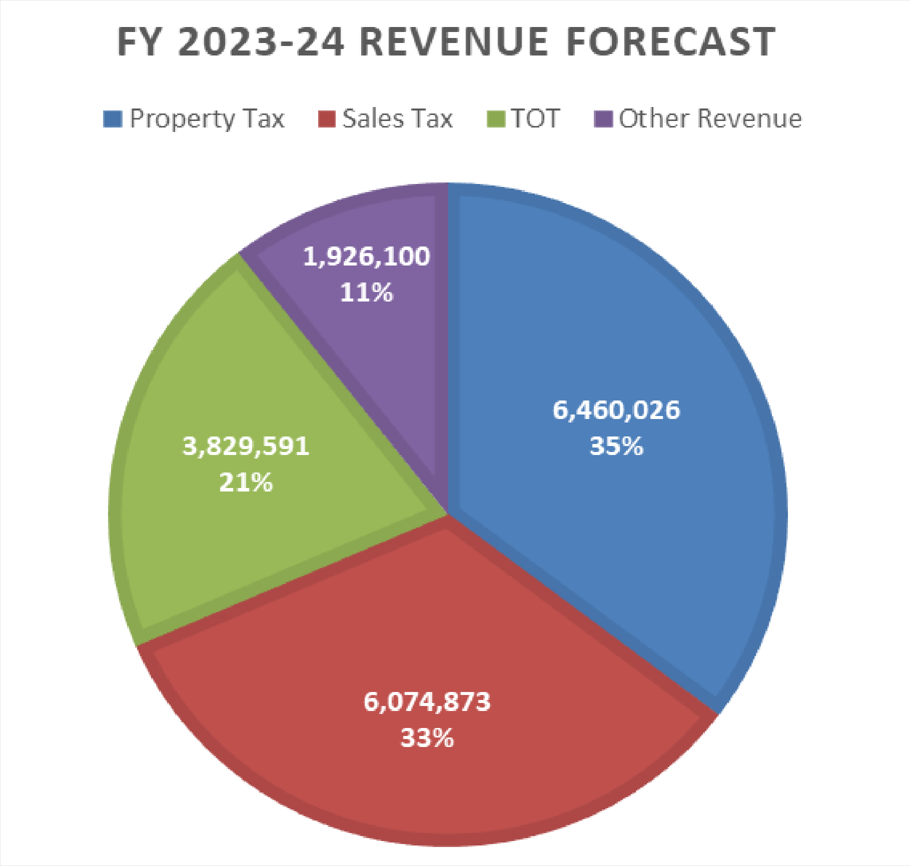
* Facilities only; excludes Parks and purchase/building of new City Hall
** Optimal staffing at market, estimated annual shortfall Year 1 – General Fund Only

LONG RANGE FINANCIAL FORECAST – BAKER TILLY

UPDATED BASELINE FORECAST, ADDRESSING CITY NEEDS







GENERAL FUND REVENUES

REVENUE OPTIONS - SUMMARY

Revenue Strategy	Authority	Estimated Annual Impact
1. Allow development of new hotels (estimated annual TOT)	City Council	$1,300,000
2. Increase TOT rate by 1%	Voter Approval	$450,000
3. Increase local transactions and use (sales) tax by 0.5%	Voter Approval	$2,300,000
4. Implement a utility user tax	Voter Approval	$200k-$600k
5. Implement a $313 Library parcel tax	Voter Approval	$1,200,000
6. Establish a Parks Maintenance District	Voter Approval	$400,000
7. Review and update business license tax (BLT) to 1% of gross receipts	Voter Approval	$3,200,000
8. Implement a 1.5% real property transfer tax	Voter Approval	$2,250,000
9. Sell surplus property (one-time funds)	City Council	Dependent
10. General Obligation Bonds to Fund Infrastructure	Voter Approval	Dependent

CHOICES AND OPTIONS

- Adjust expectations and service levels
- Engage in Shared Service model(s) to reduce costs
- Seek grants
- Implement Efficiency Initiatives
  - Technology & Process improvements
- Increase revenues
    - Incentivize expansion of current hotels
    - New Hotels
  - Implement a new tax

COST OF STAFFING – BY CLASSIFICATION

Position	Cost*	Impact
Maintenance Worker	68,479	Maintainance of streets, parks, etc.
Police Officer	112,346	Investigations and traffic
Project Manager	129,950	CIP management
Assistant To CM	134,687	Key initiatives, CIP, & Econ. Dev.
Accounting Tech	72,970	Handle support functions
Assistant Planner	96,507	Support Planning/Econ Dev.

**Annual Salary Only Not Including Benefits*

EXTRA $200,000

- Hire of 2 Public Workers Maintenance Workers
- Give all classifications a 2% salary increase
- Pay down liability – CalPERS
- Purchase Bucket Truck
- Replace 2 very old (1990s) Public Works trucks
- Hire Police Officer and an Accounting Assistant
- Purchase a Permit Application software

FUNDING IMPACTS

- Faster responses to citizen requests
- Community wide public safety enhancements
- Increased maintenance of parks and other public spaces
- Investments into infrastructure: parks, sidewalks, & streets.
- Increased programming for Recreation, Library
- Forward Progress toward sustainable initiatives

QUESTIONS FOR COUNCIL AND DISCUSSION POINTS

- Does the Council want to change community expectations?
- Does Council see a need for an increase in revenues?
  - If yes, what is the desired target?
- What measure(s) does the Council want to explore?
- What are the directed next steps?

EXAMPLE OF TAX OPTIONS TO MEET GOAL

• Goal	$6M
• Property transfer tax (1.5%)	$2.2M
• Gross receipts tax (1%)	$3.2M
• Parcel tax ($1,000)	$3.8M

Questions?

Cindy Tzafopoulos

From:	TOM BELT <tmbelt@comcast.net>
Sent:	Monday, May 22, 2023 5:02 PM
To:	Public Comment
Subject:	[External] Please Include the Following Public Comment to City Council Agenda Item 12.2

Good evening Mayor Dohring and City Council Members Hall, Hardy, Chouteau, and Summers,

City staff claims our city employees are under compensated and understaffed. To this end, I believe more specific information is needed for our community to better understand city staffs' report for Agenda Item 12.2 that reads: *"With the baseline forecast updated, Baker Tilly reviewed the City's identified unfunded or underfunded needs and capacity to meet the service delivery expectations of the community. These needs are identified as: compensation adjustments to bring current staff to 75% of market, having optimal staffing levels, and funding critical capital projects. Together, these needs equate to an additional $6.5 million annually".*

First, In light of this agenda item, it would be beneficial for our community to have a list of the St. Helena City Employees' salaries that need compensation adjustments to bring those salaries within 75% of the Market?

Secondly, what cities and populations did Baker Tilly use to define "market"?

Third, the City's staff report refers to St. Helena having less than optimal staffing levels and salaries. In the Utility Uses Tax section of the staff report there is a table, (Table 3), that lists 15 California cities with comparable population sizes to St. Helena. Can we use that same list of 15 cities to compare the number of city employees in each department and those employee salaries to what St. Helena offers?

Thank you for addressing these questions.

Tom Belt

Cindy Tzafopoulos

From: Alan Galbraith <agalbraith94574@gmail.com>
Sent: Saturday, May 20, 2023 9:43 AM
To: Cindy Tzafopoulos
Subject: [External] Public Comment, Agenda 12.2, Regular City Council Meeting, May 23, 2023

City staff in its report (agenda item 12.2, May 23 Council Meeting) presents a list of revenue options not dissimilar to the list presented by staff to the Council in 2015. The leading candidates back then were a local sales tax increase and a real property transfer tax. At that time the Council realistically recognized that it could ask voters to approve only one of the several presented options. It chose to pursue a local sales tax increase. The Council led a significant campaign resulting in its adoption by St. Helena voters. (Voters had rejected a similar proposal in 2010.).

I think it remains true that the Council must settle on one — and only one — revenue proposal for voter adoption. More than one risks ballot rejection of all. With the local sales tax now in place, the logical next step is a real property transfer tax. This can be no surprise to St. Helena voters. Both the mayor and the vice-mayor in their campaign platforms strongly supported enactment of a real property transfer tax in the last election.

Enactment of such a tax requires that St. Helena become a charter city. I would urge following the Emeryville model. The charter should do no more than adopt the relevant general laws of California. This continues current governance structure. It obviates distracting debate over charter particulars.

As for the real property transfer tax itself, I strongly urge adoption of a graduated tax. The key word is “graduated.” (I believe the City of Los Angeles has done so; it is colloquially known as “the mansion tax.”). There are two policy reasons for doing so: first, it would be a progressive tax, which is plainly in the public interest; second, it would mitigate to some extent the pernicious impact of Proposition 13, whereby homeowners who have held their homes for a longtime, with large increases in property value, have not been paying for the timely rehabilitation of public infrastructure.

My purpose here is to promote a “graduated” property tax transfer. The progressive transfer rates should be designed to assist the City in addressing its well-documented infrastructure needs.

Respectfully submitted,

Alan Galbraith
St. Helena Mayor, 2014-18

Sent from my iPad

Report to the City Council
Regular City Council - 23 May 2023

Agenda Section: **NEW BUSINESS**

Subject: **Designating one (1) Councilmember as Liaison to the Groundwater Sustainability Agency and Associated Technical Advisory Group.**

CEQA Determination: **Not a CEQA project**

Prepared By: Anil Comelo, City Manager

Reviewed By: April Mitts, Assistant City Manager

Approved By: Anil Comelo, City Manager

BACKGROUND
In 2014, the State of California passed the Sustainable Groundwater Management Act (SGMA), which required the County of Napa to form a Groundwater Sustainability Plan and a Groundwater Sustainable Agency (GSA) to manage and protect groundwater for future generations. In late December 2019, the Napa County Board of Supervisors named themselves to constitute the newly formed Groundwater Sustainability Agency for Napa County. A key element of the preparation of a sustainability plan is to ensure that all relevant stakeholders have input to the plan. Meetings typically occur in conjunction with the Napa County Board of Supervisors meetings held at 1195 Third St., Suite 305, Napa, CA 94559.

A Technical Advisory Group (TAG) was formed as a group of independent experts to make technical recommendations on the various projects and workplans to help implement the Groundwater Sustainability Plan. TAG meetings typically occur the second Thursday of each month at 1:30 p.m. at 1195 Third St., Suite 305, Napa, CA 94559 with the first meeting held on May 11, 2023.

DISCUSSION
A legislative intent of SGMA is to recognize and preserve the authority of cities and counties to manage groundwater according to their existing powers. As a result, local

governments play an important land-use and water-management role in California. To ensure the City has representation in Napa County at both the GSA and TAG meetings, staff recommends City Council designate one (1) Councilmember as liaison.

The City liaison will provide input to the GSA and TAG as an official representative of the City of St. Helena and will report to City Council any topics of interest.

The 2022 St. Helena Intergovernmental City Council Assignments names Mayor Dohring and Councilmember Hardy as assigned to the Napa County Groundwater Sustainability Plan Advisory Committee. To maintain consistency, staff recommends City Council designate Councilmember Hardy as the liaison to the Groundwater Sustainability Agency and associated Technical Advisory Group.

FISCAL IMPACT
None

RECOMMENDED ACTION
Designate one (1) Councilmember as Liaison to the Groundwater Sustainability Agency and associated Technical Advisory Group.