City of St. Helena
Regular City Council Meeting
Tuesday, February 11, 2025 @ 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 Mayor may reduce the four minute time limit for all speakers in circumstances where a large number of citizens intend to make public comment.

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

***Public comment* for 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 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/.

Page

1. CALL TO ORDER

2. ROLL CALL
   Mayor: Paul Dohring, Vice Mayor Michelle Deasy, City Council Members: Aaron Barak, Kate Spadarotto, Billy Summers

3. PLEDGE OF ALLEGIANCE

4. ADOPTION OF THE AGENDA

5. APPROVAL OF THE MINUTES

   Estimated start time: 6:05 p.m.

   5.1. Consideration and proposed approval of Regular Meeting Minutes of January 28, 2025 — 7 - 15
   Regular City Council - 28 Jan 2025 - Minutes

6. 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.

Estimated start time: 6:10 p.m.

6.1. Public Comment.Mary Stephenson 17 - 20
Public Comment.Patrick Kenealy

7. 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.

Estimated start time: 6:20 p.m.

7.1. Grapevine 1 Year Update 21 - 30

8. PRESENTATIONS AND PUBLIC RECOGNITIONS

Estimated start time: 6:30 p.m.

8.1. Planning Commission Chair Report 31 - 35
Planning Commission Report Presentation

9. STAFF BRIEFING

10. CONSENT ITEMS
Members of the Council or the public (present at the meeting) 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)

Estimated start time: 6:40 p.m.

10.1. Authorization for 1) Emergency Generator Rental Services from C&D Power for the Wastewater Treatment Plant MBR Facility for an additional $87,2834 for a Not-to-Exceed cost of $238,520 and 2) A Budget increase in the amount of $37,284 utilizing Fund 571 Wastewater Operations fund balance. 37 - 40

CEQA Determination: Not a CEQA project
Prepared By: Lesley Milton, Deputy City Manager
Recommendation:
Staff recommends approval of the attached resolution.
Staff Report - Pdf

10.2. Consideration and adoption of a Resolution authorizing 1) Amendment #1 to St. Helena Contract FY2025-017 with M-Group to obtain planning expertise and consulting for an additional $50,000 for a total contract amount not to exceed $75,000; and 2) A budget increase in the amount of $5,000 using General Fund Reserves. 41 - 63

CEQA Determination: Not a CEQA project
Prepared By: Maya DeRosa, Community Development Director

Recommendation:
Staff recommends Council adopt the attached resolution.
Staff Report - Pdf

11. PUBLIC HEARINGS

None.

12. OLD BUSINESS

Estimated start time: 6:55 p.m.

12.1. Consideration and adoption of a Resolution (follows previous Council actions on water meter replacement program) to (1) Award the CIP Project W24-04 SMART Meter Deployment to Professional Meters, Inc. in the amount of $565,063; (2) Authorize the City Manager to execute the Construction Contract with Professional Meters, Inc.;(3) Authorize the Director of Public Works to approve Change Orders not to exceed 15% of the contract amount; and (4) Authorizing a project budget amendment of $333,105. 65 - 117

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA
Prepared By: Lesley Milton, Deputy City Manager
Recommendation:
Approve the attached Resolution.
Staff Report - Pdf
SMART Meter Deployment Presentation
Public Comment.Kelly Wheaton

12.2. Consideration and proposed approval of a Resolution appointing 5 Members and 1 Alternate to the Water/Wastewater Advisory Committee and 1 member to the vacant opening on the Library Board of Trustees. 119 - 122

CEQA Determination: Not a CEQA project
Prepared By: Erika Opp, Administrative Analyst
Recommendation:
Appoint one member to the Library Board of Trustees and appoint five regular members and one alternate member to the Water/Wastewater Advisory Committee.
Staff Report - Pdf

13. NEW BUSINESS

Estimated start time: 7:35 p.m.

13.1. Receive status report on Action Items detailed in the adopted 2024 Flood Project Condition Assessment Report. 123 - 228

CEQA Determination: Not a CEQA project
Prepared By: Lesley Milton, Deputy City Manager
Recommendation:

Receive the report and provide direction as necessary.

Staff Report - Pdf

Flood Protection Update Presentation

13.2. Adopt a Resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, appointing the City Manager as the City's Plan Administrator, and authorizing the City Manager to execute the documents to implement the Program to set aside funds to offset the City's pension liability. 229 - 425

CEQA Determination: Not a CEQA project

Prepared By: Mandy Kellogg, Administrative Services Director

Recommendation:

Approve the attached resolution.

Staff Report - Pdf

PARS Presentaton

14. CITY COUNCIL REPORTS:

14.1. 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. Napa County Local Agency Formation Commission (LAFCO)

H. Napa Valley Transportation Authority (NVTA)

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

J. Upper Valley Waste Management Agency

K. Napa County Groundwater Sustainability Plan Advisory Committee

L. Napa County Regional Climate Action Committee

M. Council Ad Hoc and Standing Committee Reports

15. ADJOURNMENT

The next Regular City Council meeting is scheduled for February 25, 2025 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 February 6, 2025.

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 1088 College 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.

MINUTES
City of St. Helena
Regular City Council Meeting
Tuesday, January 28, 2025 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena

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

Present: Mayor Paul Dohring, Vice Mayor Michelle Deasy, Council Member Aaron Barak, Council Member Kate Spadarotto, and Council Member Billy Summers

Absent:

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. ADOPTION OF THE AGENDA

4.1 Council Member Billy Summers moved to adopt the agenda. The motion was seconded by Council Member Michelle Deasy and on voice vote carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Aaron Barak, Council Member Michelle Deasy, Council Member Kate Spadarotto, and Council Member Billy Summers
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

5. APPROVAL OF MINUTES

5.1 Consideration and proposed approval of Regular Meeting Minutes of January 14, 2025 and the Special Meeting Minutes of January 10, 2025 and January 11, 2025.

Council Member Billy Summers moved to approve the Regular Meeting Minutes of January 14, 2025, the Special Meeting Minutes of January 10, 2025 and the Special Meeting Minutes of January 14, 2025.
The motion was seconded by Council Member Aaron Barak and on roll call

carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Kate Spadarotto, Council Member Billy Summers, Vice Mayor Michelle Deasy, and Council Member Aaron Barak
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

6. PUBLIC FORUM:

Lorraine Stuart, Jenny Ocon, Michelle Grupe and Glenn Smith addressed the City Council.

6.1

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

7.1 Deputy City Manager, Lesley Milton reported on the status of the Meily Park turf rehabilitation project and that the project is now underway.

City Council Member Aaron Barak requested two items be added to future agendas.

(1) The first proposed item is to discuss and review the current and proposed water rates with the goal of significantly reducing the financial burden on residents. Discussion should include but not be limited to:

- reviewing allocation of administrative salaries currently funded by the water and wastewater enterprise fund and consider a shift to the general fund where appropriate.
- examine the City's water and wastewater reserve policies
- evaluating current reserve levels and determining whether adjustments to the reserve targets are feasible without compromising financial stability.
- analyzing the CIP to access prioritization phasing and potential restructuring of projects to control costs and reduce ratepayer impact
- exploring immediate strategies to avoid the scheduled 8% rate increase in the physical year 2025 and assessing long-term options to lower future rate adjustments for residents

(2) The second proposed item for a future agenda would be to discuss and consider issuing a temporary freeze on all new hires, salary increases not contractually obligated, reclassifications and discretionary spending until the City's financial situation is clarified, and sustainable funding solutions are in place to address the deficits. Additionally, proposing that the City Council would retain authority to approve exceptions on a case-

by-case basis when such actions are deemed critical for public safety, legal compliance or liability or other urgent needs at the council's discretion where delaying action would result in significant harm to the City or its residents.

All Council members agreed to add items to a future agenda.

City Attorney, Ethan Walsh reported on the Special City Council Closed Session meeting of January 21, 2025 noting no reportable action.

8. PRESENTATIONS AND PUBLIC RECOGNITIONS

8.1 Swearing in of New Police Officer Angel Maldonado

CEQA Determination: Not a CEQA project
Prepared By: Chris Hartley, Chief of Police

9. STAFF BRIEFING

10. 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)

10.1 Quarterly Grant Report for FY 2024-25 Q2 for the reporting period ending December 31, 2024.

CEQA Determination: Not a CEQA project
Prepared By: Martin Beltran, Senior Management Analyst

10.2 This item was pulled.

~~Consideration and adoption of a Resolution authorizing the City Manager to execute a Professional Services Agreement with BluePoint Planning for parks and recreation master planning services~~

10.3 Adopt resolution authorizing the acceptance of the improvements at 601 and 603 Fulton Lane and filing of Notice of Acceptance and acceptance.

CEQA Determination: Exempt
Prepared By: Eric Janzen, Assistant Public Works Director
Recommendation:
Approve "Resolution Accepting the Completion of Public Improvements at 601 Fulton Lane and 603 Fulton Lane and Directing the Filing of the Notice of Acceptance for the Fulton Lane Estates Subdivision Improvement Agreement."

10.4 Water Supply and Forecasting - November 2024

CEQA Determination: Not a CEQA project
Prepared By: Ian Dale, Environmental Services Tech
Recommendation:
Receive and file.

10.5 Water Supply and Forecasting - December 2024

CEQA Determination: Not a CEQA project
Prepared By: Ian Dale, Environmental Services Tech
Recommendation:
Receive and file.

Council Member Billy Summers moved to approve item 10.1, 10.3, 10.4 and 10.5. The motion was seconded by Council Member Kate Spadarotto and on roll call carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Kate Spadarotto, Council Member Billy Summers, Vice Mayor Michelle Deasy, and Council Member Aaron Barak
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

10.2 Consideration and adoption of a Resolution authorizing the City Manager to execute a Professional Services Agreement with BluePoint Planning for parks and recreation master planning services

CEQA Determination: Not a CEQA project
Prepared By: Dave Jahns, Director of Community Services
Recommendation:
Authorize the City Manager to enter into a Professional Services Agreement with BluePoint Planning for Parks and Recreation Master Planning Services.

Community Services Director Dave Jahns provided Council with further information on the item.

Public Comment was received by Elaine de Man.

Vice Mayor Michelle Deasy moved to approve item 10.2. The motion was seconded by Council Member Billy Summers and on roll call carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Kate Spadarotto, Council

Member Billy Summers, Vice Mayor Michelle Deasy, and Council Member Aaron Barak
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

11. PUBLIC HEARINGS

12. OLD BUSINESS

12.1 Approval of a Resolution Updating the Composition of the Finance Committee Members and Appointing Applicants to the Finance Committee.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Adopt the attached resolution updating the composition of the Finance Committee as directed by City Council on January 14, 2025 and adopt a resolution appointing applicants to the Finance Committee.

Assistant City Manager, April Mitts reported on the item.

No public comment was received.

It was the consensus of Council to approve Arlene Corsetti, Chris Warner, Garry Rose and Mark Smithers to the two-year term and George Schisler, Richard Garber and Gregg Dawley to the one-year term.

Mayor Paul Dohring moved to adopt the resolution updating the composition of the Finance Committee and appointing applicants. The motion was seconded by Council Member Billy Summers and on roll call carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Kate Spadarotto, Council Member Billy Summers, Vice Mayor Michelle Deasy, and Council Member Aaron Barak
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

12.2 City Council discussion and direction on water penalty appeal by Dr. Dante Bini.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager

Recommendation:
Staff recommends City Council reduce, but not eliminate, water penalties incurred by Dr. Bini.

The recommendation made on January 14, 2025, utilized the 7-year average water use (excluding 2021) for the calculation of penalties, resulting in a penalty reduction of $35,817 with the Bini's responsible for $5,825.08 in penalties.

Assistant City Manager, April Mitts reported on the item.

No public comment was received.

It was the consensus of the Council to reduce the water penalty incurred by Dr. Bini to an amount of $20,821.04.

Council Member Billy Summers moved to approve a penalty waiver in the amount of $20,821.04 The motion was seconded by Council Member Aaron Barak and on roll call carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Kate Spadarotto, Council Member Billy Summers, Vice Mayor Michelle Deasy, and Council Member Aaron Barak
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

Mayor Dohring called for a 10-minute recess at 7:30 p.m.

12.3 Update to Sub-Committee Assignments

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Discuss and assign City Council members to the Finance Committee (liaison) and the Ad Hoc Housing and Economic Development Committee and to recognize Mayor Dohring's appointment as Alternate to the ABAG Executive Board.

City Manager, Anil Comelo reported on the item.

No public comment was received.

It was the consensus of the Council to amend the Council liaison on the Ad Hoc Housing and Economic Development Committee from Council Member

Spadarotto to Mayor Dohring and to recognize Mayor Dohring's appointment as an Alternate to the ABAG Executive Board.

Council Member Kate Spadarotto moved to accept the Committee assignments as amended. The motion was seconded by Vice Mayor Michelle Deasy and on roll call carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Kate Spadarotto, Council Member Billy Summers, Vice Mayor Michelle Deasy, and Council Member Aaron Barak
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

13. NEW BUSINESS

13.1 Provide information on the process and timeline to complete an updated analysis of the City's revenues and expenditures to determine the extent of the structural deficit.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
None, informational update only.

City Manager Comelo informed the council that work had begun on the analysis and will likely bring back the report to city council on March 11, 2025 if not February 25.

No public comment was received.

13.2 Provide information to City Council on the process and timeline to conduct a review of city processes, practices, structure, and service delivery with the goal of 5% in savings in the General Fund expenditures.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Provide direction to staff.

City Manager Comelo informed the council that work had begun on the analysis and will likely bring back the report to city council on March 11, 2025 if not February 25.

No public comment was received.

Council directed staff to continue work with Council Members Barak and Deasy on item and to develop a scope of work.

13.3 Consideration of the Vice Mayor Nomination Made by the Mayor and Requiring Council Approval.
CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Mayor nominates Vice Mayor for Council approval.

No public comment was received.

Mayor Paul Dohring moved to nominate Council Member Michelle Deasy to the role of Vice Mayor. The motion was seconded by Council Member Aaron Barak and on roll call carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Kate Spadarotto, Council Member Billy Summers, Vice Mayor Michelle Deasy, and Council Member Aaron Barak
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None

14. CITY COUNCIL REPORTS:

14.1 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. Napa County Local Agency Formation Commission (LAFCO)

H. Napa Valley Transportation Authority (NVTA)

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

J. Upper Valley Waste Management Agency

K. Napa County Groundwater Sustainability Plan Advisory Committee

L. Napa County Regional Climate Action Committee

M. Council Ad Hoc and Standing Committee Reports

15. ADJOURNMENT

Mayor Dohring adjourned the meeting at 8:08 p.m.

CHALLENGING DECISIONS OF CITY ENTITIES

APPROVED: **ATTEST:**

_____ _____

Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City Clerk

February 6, 2025

TO: The St Helena City Council
FROM: Mary Stephenson (speaking as a private citizen)

A Different Perspective on Local Housing

As you begin to develop your Strategic Plan for the coming Fiscal Year, I ask you to consider a more proactive approach to city government's involvement in developing a housing strategy that will curb our population decline and keep our town economically viable.

This is a financial issue - as the population decreases, the per capita cost of running the city increases and the economic opportunities diminished. According to US Census data, St Helena lost 394 residents between 2010 and 2020 and another 153 people between 2020 and 2023. That's about 238 households or an average of 18 households per year.

I am not asking you to form a standing Housing Committee, but I do request that a strategy be considered that lays out the City's plan to do more than "encourage" housing. For instance, what if the City would set a goal such as this:

To strengthen our economic and social environment, the City of St Helena will increase our full-time resident population of individuals and families who work locally by 20% in the next 10 years. [Numbers are for example only.] To reach such a goal, two questions would be pertinent:

- What size, type and variety of rental and for-sale housing units are needed to accommodate this goal?
- How can the City work with, and provide incentives for this type of residential development?

It has been said that we cannot address housing until we solve budget, water, infrastructure and fires issues. Instead of viewing housing as an unsurmountable challenge, what if our city viewed it as an economic tool? What if it was considered as an integral component of all our other goals?

These are the City's stated Strategic Goals:

- Financial Sustainability
- Infrastructure and Environment
- Quality of Life
- Water Security
- Community Engagement and Education
- Organizational Effectiveness & Service

A quantitative housing goal could be incorporated into the Work Plans of each of these areas without requiring substantial staff time or consultants. For instance, when the City is considering adding more Short-Term Rental permits to increase TOT revenue – how does that affect the goal of incremental housing units for working residents? What are the economic trade-offs for this strategy?

Or, as you consider the use of surplus land, as you negotiate development agreements or create a Park and Rec Master Plan, or make plans to recruit and retain city staff, what role can local workforce housing play in these strategies?

It's Time

In the 16 years since a group of residents started campaigning for a proactive city housing strategy, St Helena has had at least eight City Managers, four different Mayors and nine City Council elections. The Housing Element has been updated twice. The City has formed standing committees for Parks and Recreation and Active Transportation and has created several ad hoc committees to address finance, water, fire and other concerns. The City has also conducted numerous community surveys in which, not surprisingly, housing affordability was always one of the top concerns.

I ask that this newly seated Council and the City Staff consider how expanding housing for people making $50k to $150k annually could be a positive influence on our business sustainability, on our water rates, on our traffic congestion, on our ability to run the city in an efficient manner. Surely curtailing a further drop in our population should be a significant goal in increasing our town's economic vitality, and housing will play a major role in stabilizing our community.

One last thought. I applaud your stated goal of deep diving into the City finances to become more efficient. But I urge you not to place our very real housing challenge on the back burner yet again as you do this.

It is time to bring housing into the financial discussions.

Thank you for your consideration.

Mary Stephenson
2683 Chablis Court
St Helena, Ca 94574
707 849 2583
stepcomm@aol.com

I'm speaking to you on behalf of a group of roughly 20 neighbors near Sulphur Creek in Saint Helena and outside City Limits to the west of Saint Helena.

We are concerned that a hotel developer, David Wickline, on roughly June 17 purchased the Hoffman Institute property, at 3100 White Sulphur Springs Road, and is working on entitlements to build there a roughly 35-room resort hotel with restaurant. The idea of hundreds of guests, staff and diners deep in the woods west of Saint Helena is scary. So is the thought of 500 or more new car trips a day down narrow, curvy country roads.

The project is labeled P-24-00328 and P24-00333 in the Napa County Planning Department database, and concerned citizens should review the information available there. The developer seems to be relying on 1989 and older entitlements for the property to AVOID an environmental review -- much like the potential developer of the Krug hotel project did -- but in a much more rural, environmentally-sensitive and fire-prone location.

On November 25, 2024, the developer submitted the following applications to Napa County:

1. Product Description
2. Preliminary Maps and Plans
3. Application for a new Certificate of Legal Nonconformity
4. Application for a Use Permit Exception to Conservation Regulations
5. Conservation Regulations Exception: Additional Information

On January 17, the Napa County Planning Department asked the developer to provide further information and a revised application.

We have reviewed these materials and engaged a land use attorney to review them as well.

We have dozens of concerns about the project but the big six to share tonight are:

1. **Imminent fire danger** for the whole town of Saint Helena
2. **Traffic and pedestrian safety** on narrow, curvy parts of Spring Street and Sulphur Springs Road, where hundreds of Saint Helenans walk every week
3. **Groundwater effects** of the proposed new well, water contracts, waste water systems, fire suppression systems and parking run-off
4. **Environmental impact** on Sulphur Creek and the endangered species of fish and wildlife it supports
5. **Traffic load** on Spring Street and the entire West Side of Saint Helena
6. **Expenses to the City** to support a hotel outside of City limits, which will pay Transient Occupancy Taxes to the County, not the City

As a group of citizens, we're trying to learn more and protect our City, and we'll be organizing more and fund-raising to do so.

But we can only do so much and the time has come for us to ask for the City's help as we dig in.

We ask the City Council instruct the City Staff to get up to speed on the project, and work with our group to protect the City and surrounding natural resources we all love.

Thanks in advance. Here is a list of the currently concerned families. We're sure there will be hundreds more.

1. Asmuth, 2660 Spring Street
2. Babu, 3450 White Sulphur Springs Road
3. Bryant, 3082 White Sulphur Springs Road
4. Cartlidge/Forni, 2790 Spring Street
5. Corbett, 2959 White Sulphur Springs Road
6. Dawley, 2700 Spring Street
7. Dempsey, 2705 Spring Street
8. Hauglum, 3260 White Sulphur Springs Road
9. Green, 2955 White Sulphur Springs Road
10. Kenealy, 2995 Spring Street
11. Marston, 3600 White Sulphur Springs Road
12. Shephard, 3052 White Sulphur Springs Road
13. Skibbins, 2650 Spring Street
14. Stockton, 3042 White Sulphur Springs Road
15. Trinchero, 2929 White Sulphur Springs Road
16. Von Hessert, 3060 White Sulphur Springs Road(by telephone)

St. Helena Grapevine

Data Insights of St. Helena's Public Service Request and Management System

City Council Meeting
February 11, 2025

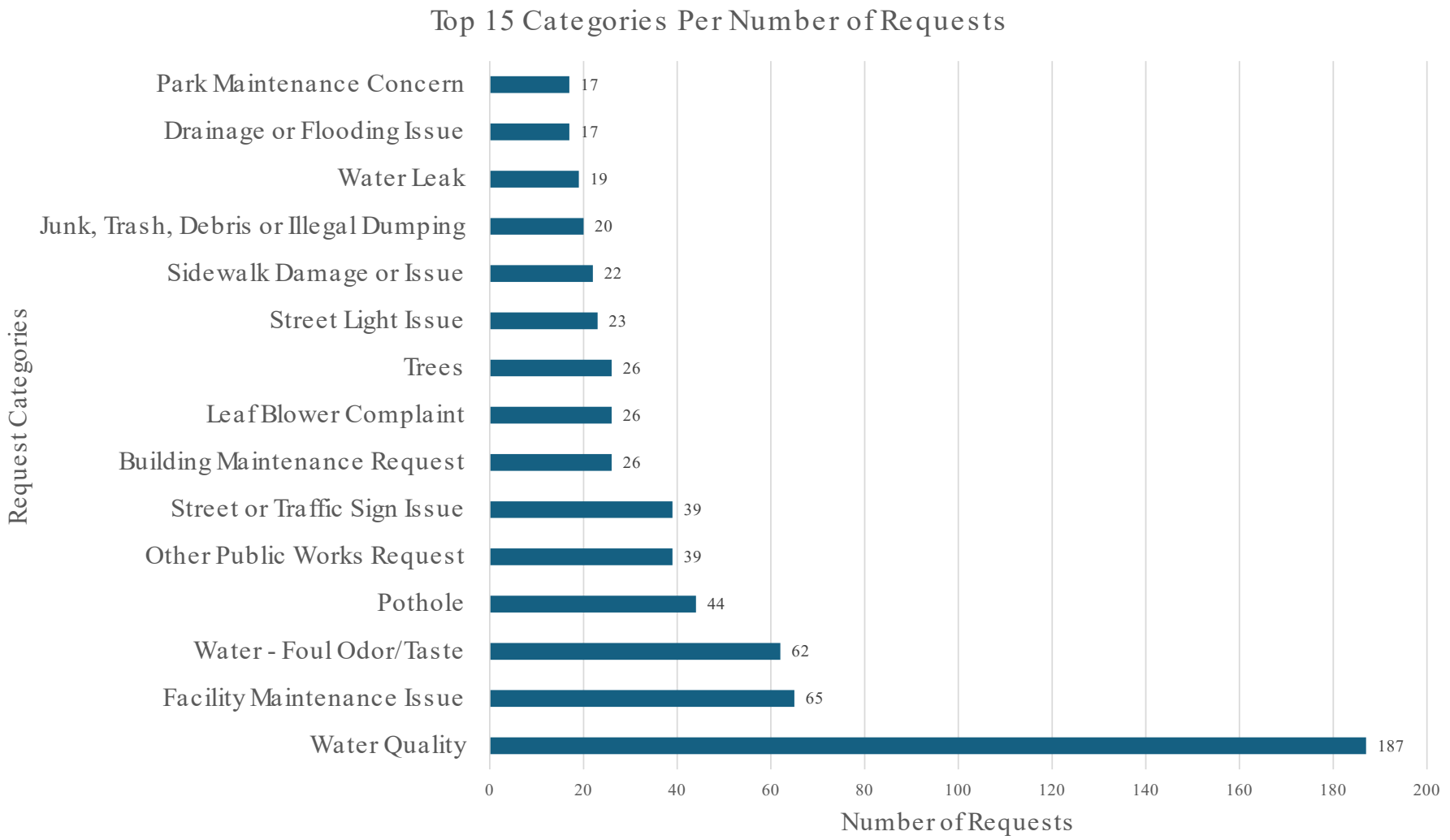
St. Helena Grapevine Overview

Purpose: A dedicated platform for reporting non-emergency city issues, designed to catalog and address necessary repairs, hazards, and other public concerns efficiently.

Vision: To create a responsive and citizen-centric city environment.

Mission: To address and resolve city complaints efficiently, fostering trust and satisfaction among residents.

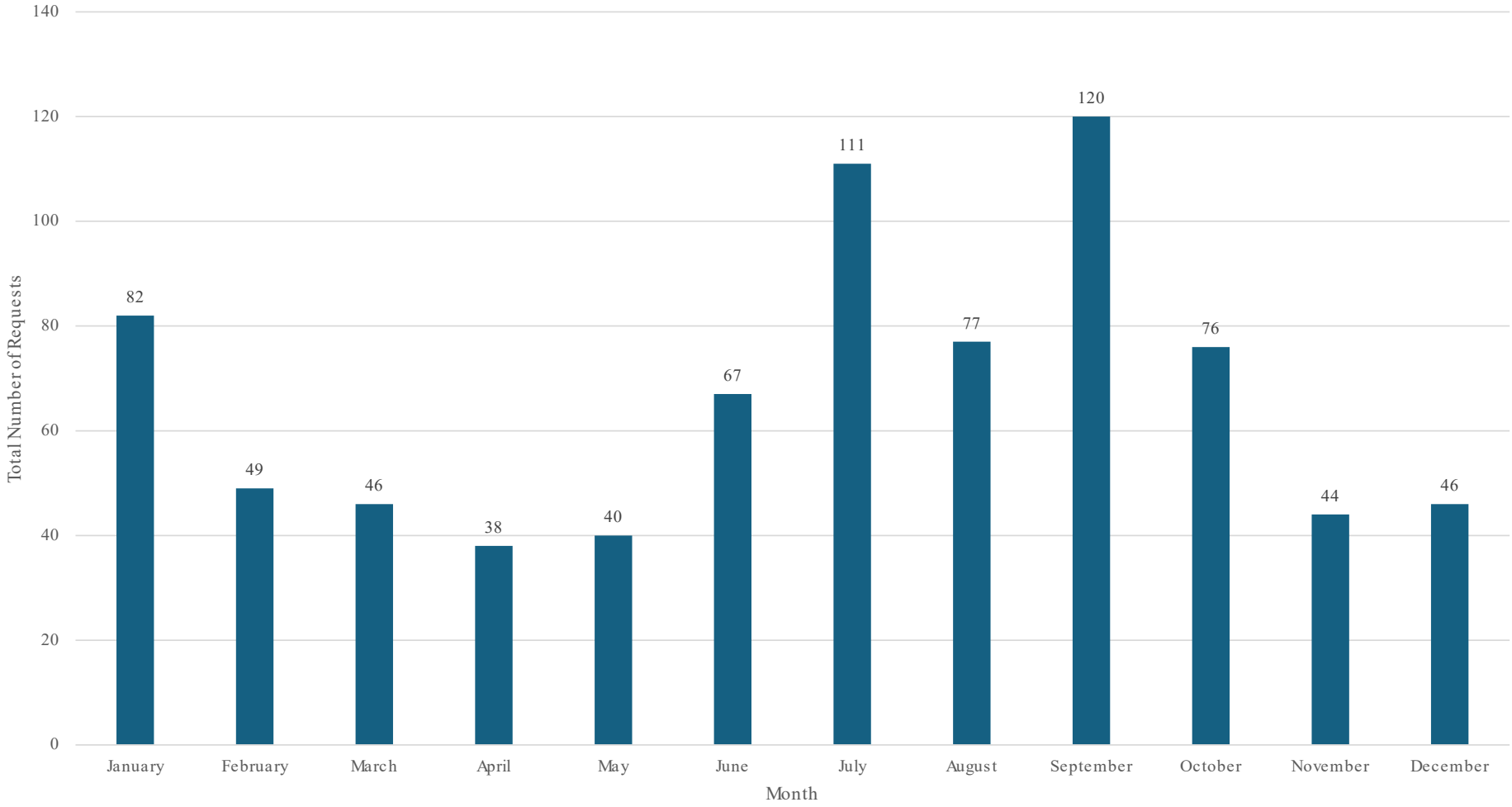
Grapevine Data Overview



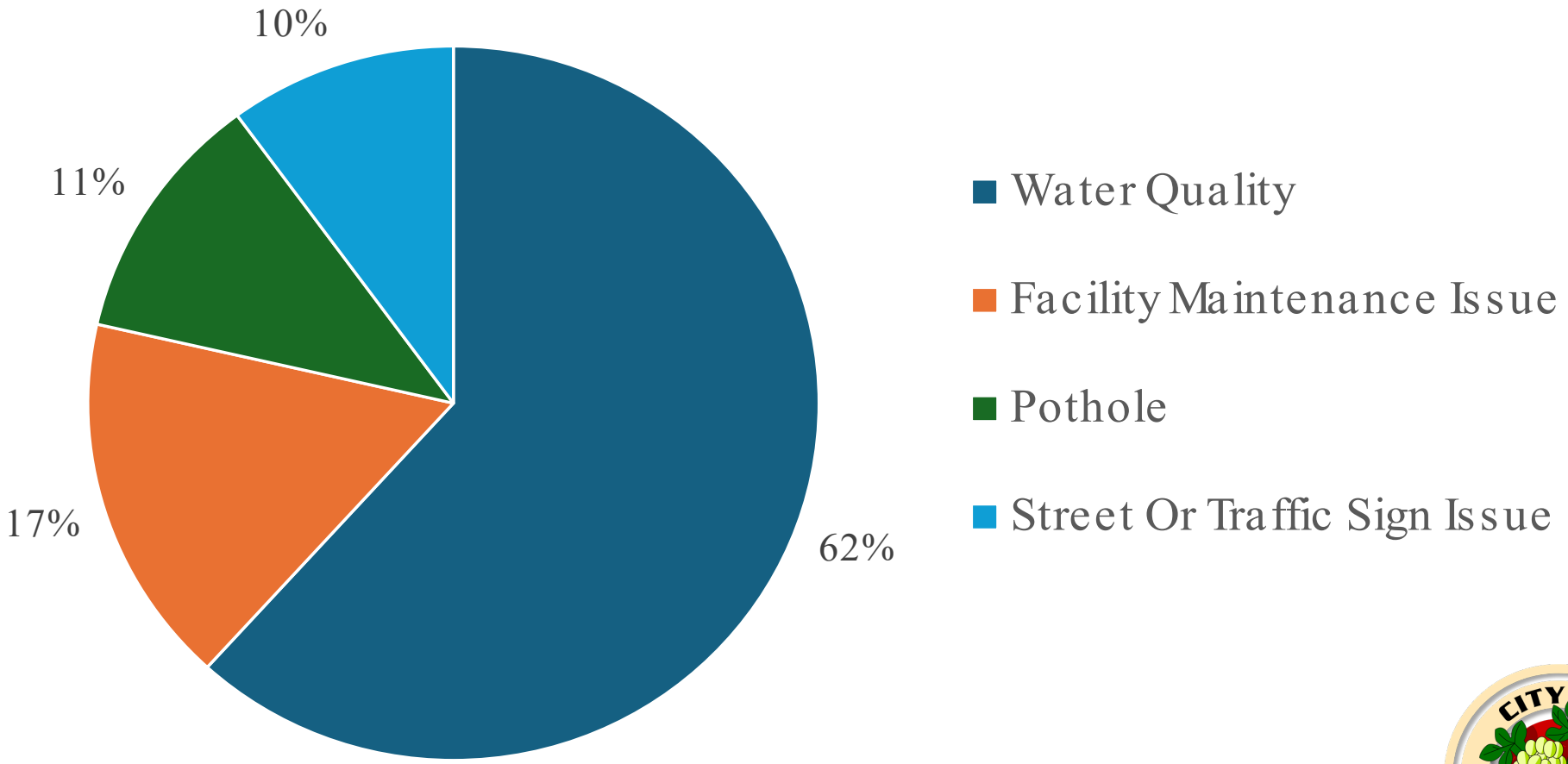
Total Number of Requests Reported (12 Months) **772**

Total Number of Closed/ Completed Requests **729**

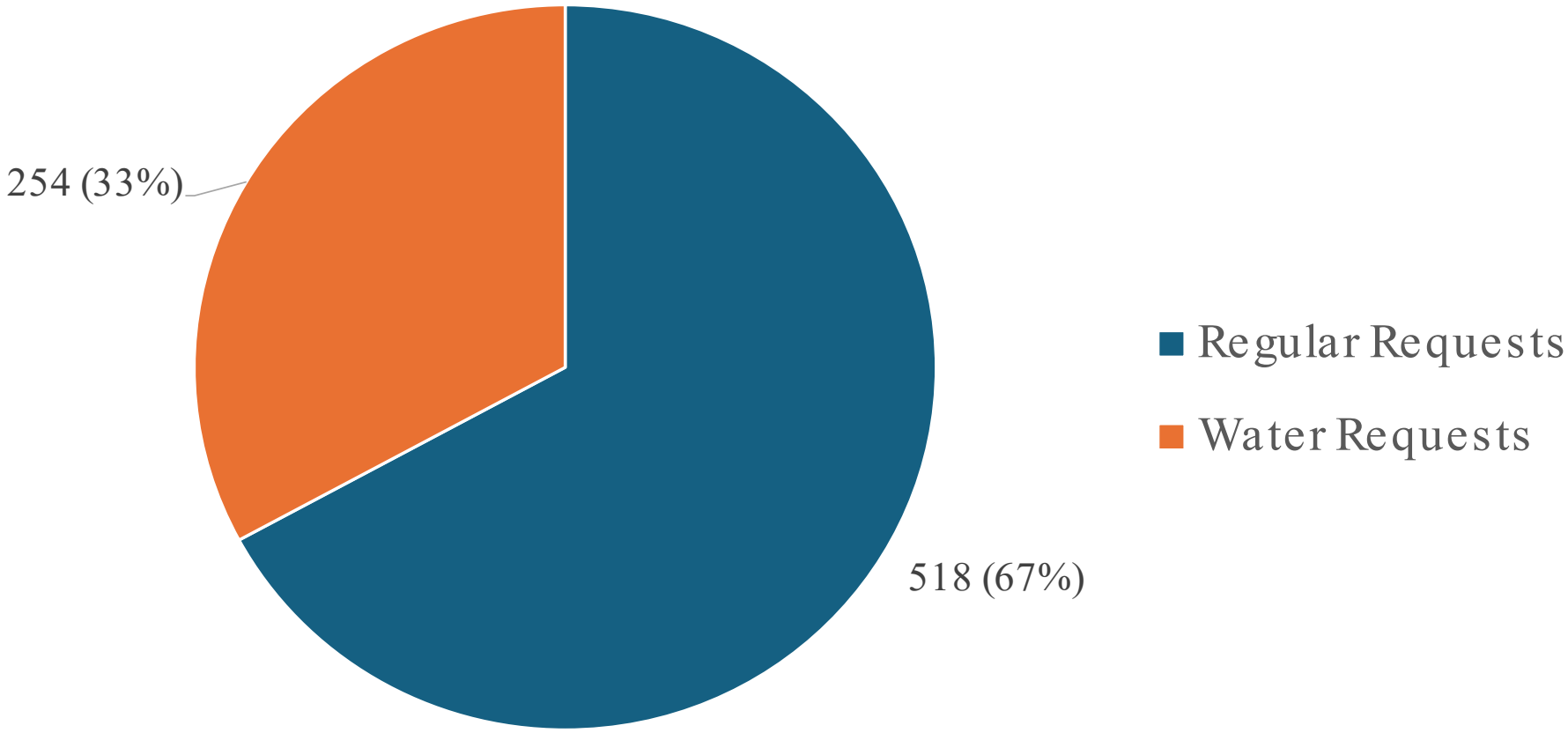
Monthly Comparison of Requests: January 1 to December 31, 2024



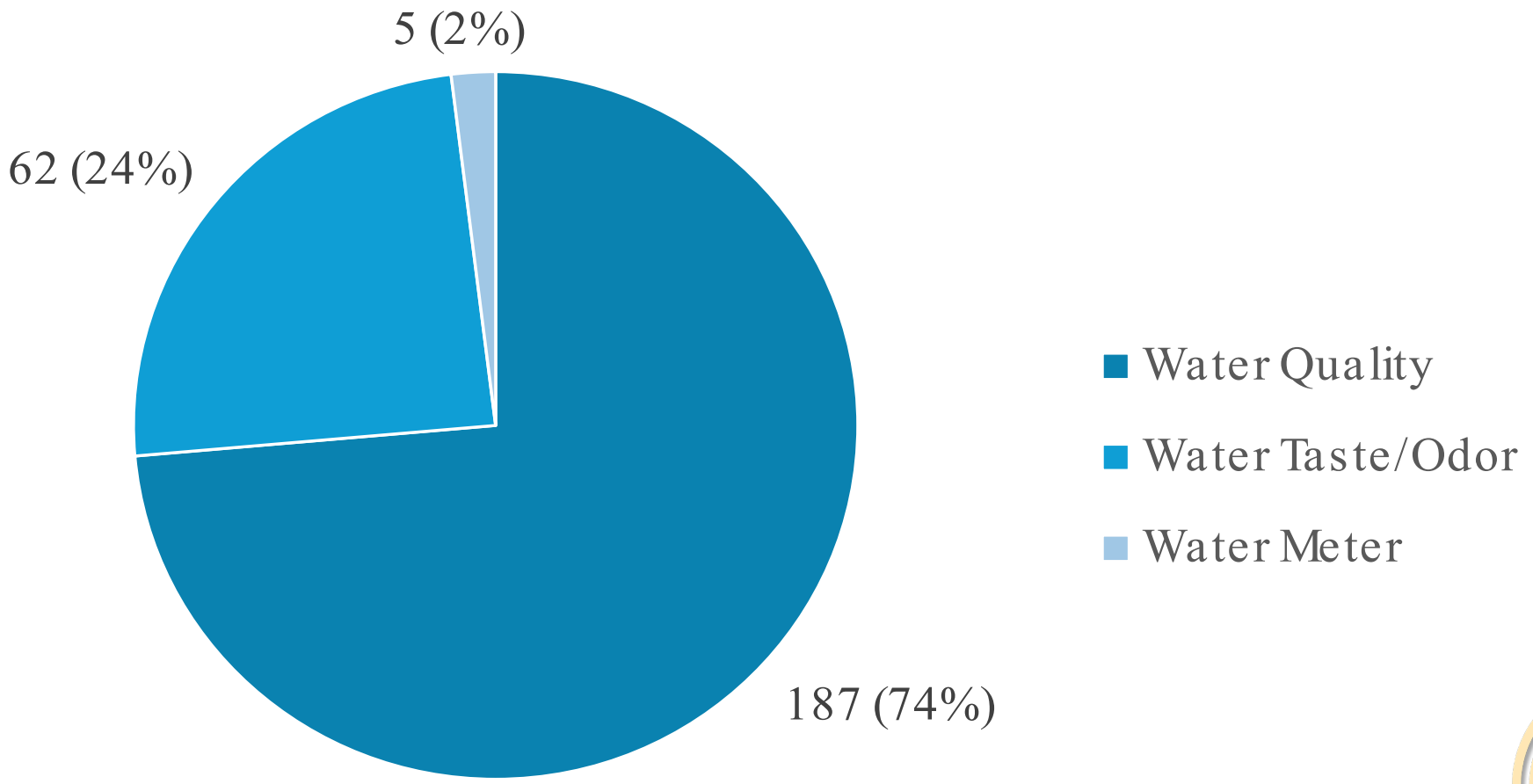
Top Request Categories Snapshot



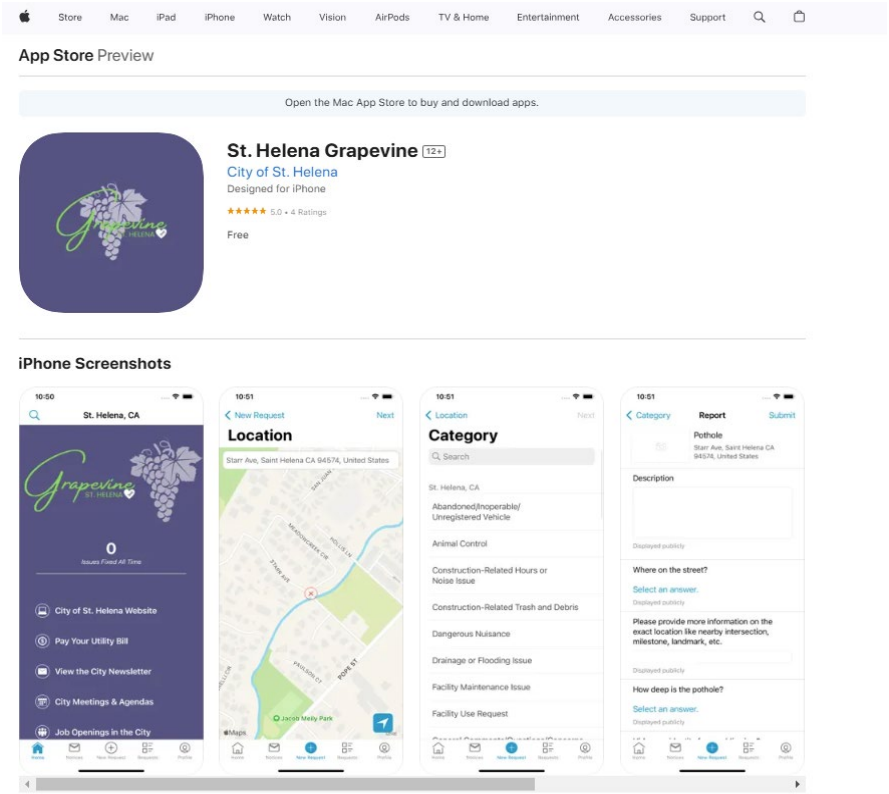
Regular Request vs Water Requests

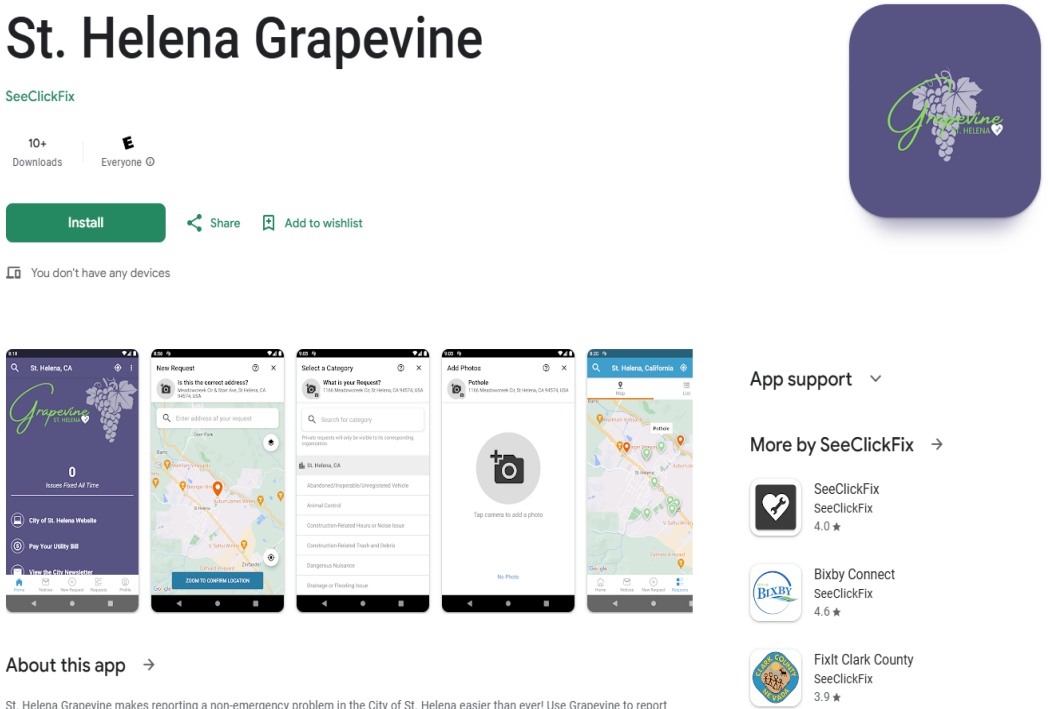


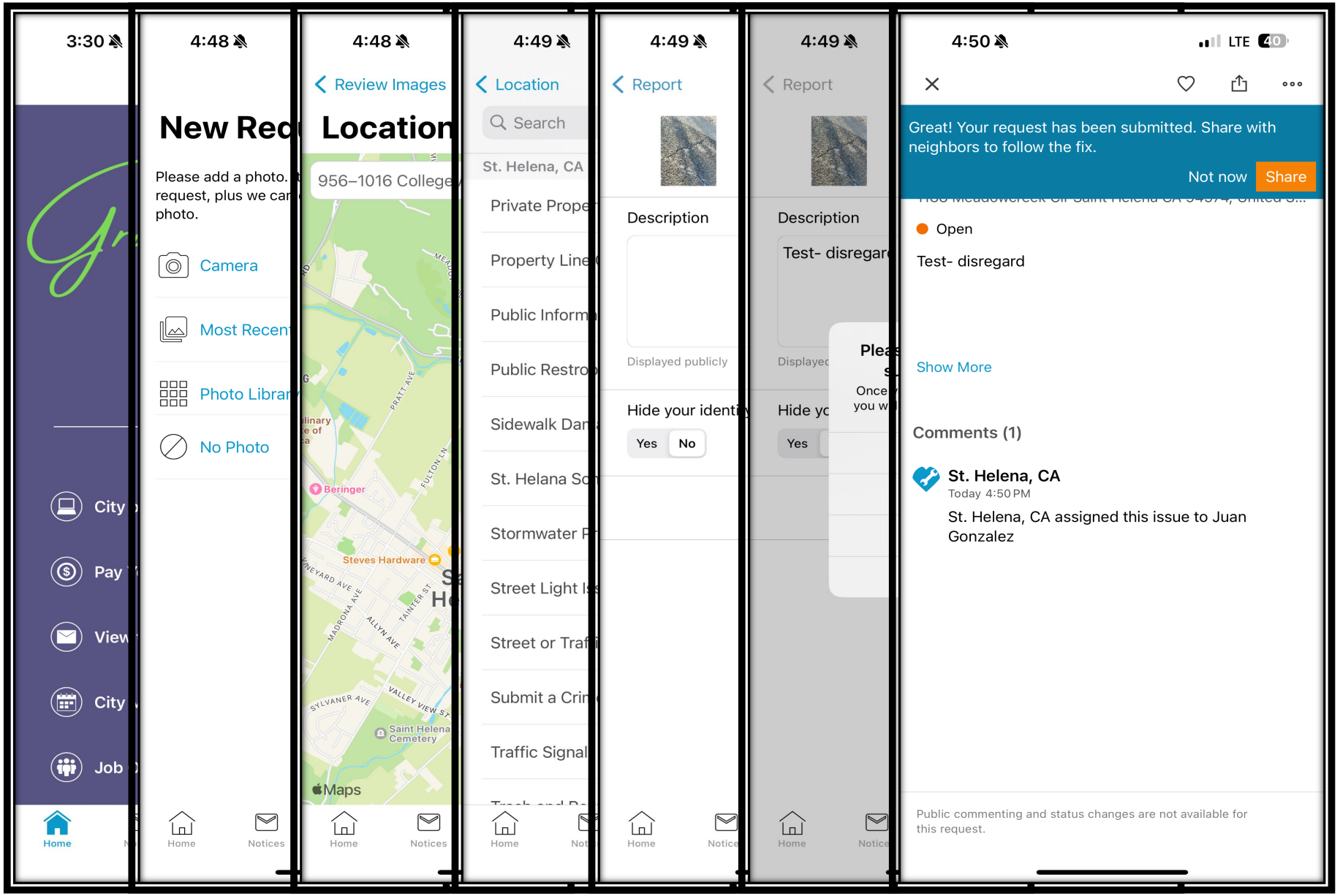
Water Quality Requests vs Water Taste/Odor Requests



How to Report






3:30
City
Pay
View
City
Job
Home
4:48
New Req
Please add a photo.
request, plus we can
photo.
Camera
Most Recent
Photo Librar
No Photo
Home
Notices
4:48
Review Images
Location
956–1016 College
Beringer
Steves Hardware
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Maps
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Notices
4:49
Location
Search
St. Helena, CA
Private Prope
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Stormwater P
Street Light Is
Street or Traf
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Description
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Hide your identity
Yes
No
Home
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4:49
Report
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Yes
Home
Notice
4:50
LTE
Great! Your request has been submitted. Share with neighbors to follow the fix.
Not now
Share
Open
Test- disregard
Show More
Comments (1)
St. Helena, CA
Today 4:50 PM
St. Helena, CA assigned this issue to Juan Gonzalez
Public commenting and status changes are not available for this request.

Thank You, Community!

- We appreciate your engagement with Grapevine.
- Your feedback helps us improve our community and services.
- Together, we can make our city a better place for everyone!

City of St. Helena Planning Commission
City Council Yearly Report

2024 Accomplishments and Permit Report

Community Development Department

February 11, 2025

Key 2024 Planning Commission Accomplishments

Housing Element recertification

Housing Element required zoning map amendments adoption

Annual Governance Training completed

February 11 City Council Meeting

2024 Planning Department Statistics

(January 1, 2024 - December 31, 2024)

Total Number of Applications Approved:	**55***
PC Applications Approved	13**
Major Design Review	*2*
Demolition	*1*
Conditional Use Permit	*3*
Use Permit Amendment	*1*
Tent. Parcel Map	*1*
HP Overlay Removal	*1*
Lot Line Adjustment	*1*
Pre-Application	*1*
Major Sign	*2*
Administrative Approved Projects	42
Projects Withdrawn/ Closed	5

**Note: Many of the applications submitted in 2024 are still in the review process and therefore are not included in the total number of applications approved.*
***Note: Most Planning Commission applications approved were submitted in 2023.*

84 Planning Applications Submitted in 2024

Applications Submitted:	
Administrative Determination	1
Appeal	
Conditional Use Permit	3
Design Review (Major)	8
Design Review (Minor)	
Demolition	3
Demolition (Historic)	1
Density Bonus	2
Development Agreement	1
Final Subdivision Map	1
General Plan Amendment	3
Historic Overlay (Removal)	1
Lot Line Adjustment	
Lot Line Merger	
Minor Use Permit	1
Mural Application	1
Planned Development	1
Preliminary Housing Development	1
Pre-Application Review	1
Pre-Submittal Application	1
SB 330 Application	2
Sign Permit (Major)	2
Sign Permit (Minor)	13
Short-Term Rentals (New)	
Short-Term Rental (Renewal)	14
Sidewalk Dining Permit	3
Temporary Use Permit	14
Tentative Subdivision Map	1
Tentative Parcel Map	2
Use Permit Amendment	2
Urban Lot Split	
Variance	
Williamson Act	
Zoning Ordinance Text Amendment	1
Zoning Compliance Letter	
TOTAL Number of Applications:	**84**

Thank You

Agenda Report to the City Council

Agenda Section: CONSENT ITEMS

Department: Public Works

DATE:	February 11, 2025
FROM:	Lesley Milton, Deputy City Manager
SUBJECT:	Authorization for 1) Emergency Generator Rental Services from C&D Power for the Wastewater Treatment Plant MBR Facility for an additional $87,2834 for a Not-to-Exceed cost of $238,520 and 2) A Budget increase in the amount of $37,284 utilizing Fund 571 Wastewater Operations fund balance.
RECOMMENDED ACTION:	Staff recommends approval of the attached resolution.
PREVIOUS COUNCIL ACTION:	On July 23, 2024 the Council authorized expenditures for a not to exceed amount of $150,000 for rental of the generator.
STATEMENT OF THE PURPOSE:	Authorize additional funds for rental of a temporary emergency generator at the Wastewater Treatment Plant.
FINANCIAL IMPACT:	Generator rental costs are $21,184 per month. Total fiscal impact for additional 3 months of generator rental expenditures is $79,349 plus a 10% contingency for service and maintenance for a total cost of $87,284. This expenditure will transfer $50,000 from unspent accounts in the 571 Wastewater Operating Budget, with the remaining $37,284 covered by the Wastewater Enterprise Fund balance.

BACKGROUND:

The City Council authorized Capital Improvement Project S-52 upgrading the wastewater treatment plant to a Membrane Bioreactor Facility which requires a higher quantity of energy to operate.

On July 25, 2023, the City Council approved the Emergency Back-Up Power Project. The order was placed for the generator in August 2023, however the generator had a 12- to 18-month lead time and has not yet been received. To ensure continuity of essential services during a disaster without interruption, staff has been renting a generator. The FY 24 and FY 25 budget included funds for rental of an emergency generator at the Wastewater Treatment Plant through July of 2024.

On July 23, 2024 the City Council approved additional funding due to the delay of the generator arrival to December 2024 and the start of commissioning of the new

Wastewater Treatment Facility which required a larger generator. Monthly rental costs of the larger 1,000KW generator is $21,578 per month including taxes and fees.

DISCUSSION:
Procurement delays have again revised delivery with a new installation date of March 2025. Therefore, additional funds are needed for rental service. This piece of equipment is required as part of the commissioning and operations of the new MBR facility.

Staff is requesting authorization to transfer $50,000 from unspent accounts in the 571 Wastewater Operating Budget for Fiscal Year 2024-25 and asks that the remaining $37,284 be covered by Wastewater Enterprise Fund balance 571, to include the cost of generator rentals and routine maintenance through March 2025 for a total additional cost of $87,284 which includes a 10% contingency.

ENVIRONMENTAL REVIEW: This is not a project that requires review under CEQA.

GOAL:

Goal 3: Pursue Water Security & Sustainable Management of Water Resources
Goal 8: Implement Capital Improvement Plans (CIP) Projects Miscellaneous/Other

DOCUMENTS ATTACHMENTS:

20240326 Generator Rental Resolution (1)

CITY OF ST. HELENA

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA AUTHORIZING AUTHORIZATION FOR 1) EMERGENCY GENERATOR RENTAL SERVICES FROM C&D POWER FOR THE WASTEWATER TREATMENT PLANT MBR FACILITY FOR AN ADDITIONAL $87,283.90 NOT-TO-EXCEED COST OF $238,519.90 AND 2) A BUDGET INCREASE IN THE AMOUNT OF $37,283.90 UTILIZING FUND 571 WASTEWATER OPERATIONS FUND BALANCE.

RECITALS

A. **WHEREAS**, On July 25, 2023, the City Council approved the Emergency Back-Up Power Project which included the purchase of a permanent generator for the Wastewater Treatment Plant; and
B. **WHEREAS,** The order was placed for the generators in August of 2023, however due to procurement issues, the generators have not yet been received; and
C. **WHEREAS,** to ensure continuity of essential services during a disaster without interruption, a rental generator is required.
D. **WHEREAS,** due to the delay of the generator arrival and the delay of the MBR Treatment Facility commissioning, additional funds are needed to for rental services for continuity of operations; and
E. **WHEREAS,** The monthly cost to rent a generator for the WTP is $21,184 per month and staff had retained the services through the appropriate procurement process.

RESOLUTION

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

1. Approval Rental Agreement with CD Power for emergency generator rental services for a not-to-exceed cost of $238,519
2. Funding is provided as follows:

Funding Details	Fund	GL Account	Amount
Budget Increase using Fund Balance	Wastewater Operations Fund	571-50-29-21-45	$37,284

Budget Transfer From	Wastewater Operations Fund	571-50-29-21-25	($40,000)
Budget Transfer From	Wastewater Operations Fund	571-50-29-23-12	($10,000)
Budget Transfer To	Wastewater Operations Fund	571-50-29-21-45	$50,000
Total			**$87,284**

Approved at a Regular Meeting of the St. Helena City Council on February 11, 2025, by the following vote:

Mayor Dohring: _____

Vice Mayor Deasy: _____

Council Member Barak: _____

Council Member Spadarotto: _____

Council Member Summers: _____

APPROVED: ATTEST:

_____ _____

Paul Jamison Dohring, Mayor City Clerk

Agenda Report to the City Council

Agenda Section: CONSENT ITEMS

Department: Planning

DATE:	February 11, 2025
FROM:	Maya DeRosa, Community Development Director
SUBJECT:	Consideration and adoption of a Resolution authorizing 1) Amendment #1 to St. Helena Contract FY2025-017 with M-Group to obtain planning expertise and consulting for an additional $50,000 for a total contract amount not to exceed $75,000; and 2) A budget increase in the amount of $5,000 using General Fund Reserves.
RECOMMENDED ACTION:	Staff recommends Council adopt the attached resolution.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE PURPOSE:	To continue to provide planning support services to the City primarily for development projects and entitlement applications with a developer funded deposit account.
FINANCIAL IMPACT:	The financial impact to the General Fund is $5,000. The additional authorization of $50,000 is being requested for a total contract not-to-exceed $75,000,. However $45,000 is anticipated to reimbursed through developer deposit accounts. Therefore, the only additional funding required from the General Fund is the remaining $5,000 related to ministerial SB 330 affordable housing project noted below to complete that project through to building permit submittal. This will require a budget increase to GL Account 101-45-00-21-45 using General Fund Reserves.

BACKGROUND:

On September 30, 2024, the City entered into a PSA with M-Group for $25,000 to provide professional services in connection with on call planning consulting services. Since the time of authorization of that PSA, M-Group has assisted with four planning applications as well as provided a part time Associate Planner to support the daily operations of the Planning Division due to the vacant Senior Planner position. The PSA amount has now been reached however there still remains additional work to be done with the current submittals that will extend into 2025 which is the basis for this PSA amendment.

DISCUSSION:

M-Group consultants are currently assisting the City of St. Helena with processing of two SB 330 applications for multi-family housing projects as well as other applications including Design Review and a pending application for a CUP amendment and zoning ordinance amendment. With the exception of an infill rental affordable housing SB 330 submittal which requires no discretionary approvals, all of the projects that M-Group is assisting with are more complex and require a more involved entitlement process and have or will have a reimbursement agreements in place with the developer prior to any invoices are paid which will help offset direct costs for staff time. The City intends to continue to use M-Group to maintain continuity in staffing the projects currently under review and also because their staff have expertise in processing SB 330 applications in other jurisdictions.

ENVIRONMENTAL REVIEW: Not a CEQA project

GOAL:

Goal 7: Enhance Organizational Effectiveness

DOCUMENTS ATTACHMENTS:

Executed STH Contract FY2025-017
STH Contract FY2025-17 M Group with Exhibit A
Attachment 1 Resolution m Group PSA amendment _1

STHContract FY2025-017

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, made and entered into on September 30, 2024 by and between the City of St. Helena, located in the County of Napa, State of California (City), and M-Group(Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as on call planning consulting services.

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 A, "Compensation" attached hereto and made a part hereof. Total compensation shall not exceed $25,000 unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. 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 1964. 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
1088 College Avenue
St. Helena, California 94574

To Consultant:
M-Group c/o Olivia Ervin
51 East Campbell Ave
#1247
Campbell, CA 95009

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:

By: _____
Name: Heather Hines
Title: Principal

City:

By: _____
Name: Anil Comelo
Title: City Manager

Approved as to Form:

By: _____
Name: Ethan Walsh
Title: City Attorney

m-group *a new design on urban planning*

policy planning • urban design • environmental review • historic preservation • community engagement • staffing solutions

EXHIBIT A

September 25, 2024

Maya DeRosa, AICP
Community Development Director
City of St. Helena

Subject: M-Group On-Call Planning Services Contract

Maya,

I am pleased to submit this letter proposal for M-Group to provide on-call planning services for the City of St. Helena. M-Group will provide on-call professional planning services for projects assigned by the City and agreed to by M-Group, with the understanding that a majority of the wok will occur remotely with occasional in person meetings for site visits, major milestone review meetings, and for public hearing(s). Based on our understanding of the City's current needs, Senior Planner Mike Janusek will be available on a project-by-project basis to assist the Planning Division. Additionally, as requested by the City, other M-Group planners (Assistants, Associates, Seniors, and Principals) and Specialists (Environmental, Historic Preservation, and Public Art Specialists) can be available on an on-call basis.

Planning services to be provided by M-Group may include but are not limited to the following:

- Process Development Review Applications
- Prepare Staff Reports
- Maintain Administrative Files
- Assist with city led advanced planning and policy efforts
- Manage/Assist with various Community Development Department priorities
- Attend/present at Board, Committee, Commission, and Council Meetings remotely or in person, as requested
- Other planning and environmental tasks requested by the City

To accommodate the range of work listed above and to ensure flexibility based on specific city needs, M-Group will provide on-call professional planning services for projects assigned by the City and under the City's cost recovery agreement with developers. M-Group will bill on-call services on a time and materials basis consistent with M-Group's 2024/2025 billing rates (attached), with a not to exceed budget of $25,000. On call services, under this contract will extend through June 30, 2025, with an option for time and budget extensions upon request.

I trust that this proposal to provide on-call planning services meets the City of St. Helena's immediate needs. Please do not hesitate to contact me to discuss any revisions or refinements.

Thank you,

Olivia Ervin, Principal-In-Charge
oervin@m-group.us
707.540.0723 x 202

M-GROUP | 2024-2025 RATE SHEET

M-GROUP STAFF	HOURLY RATES 2024	2025
Admin Analyst Planning Tech	$95	$95
Assistant Planner Assistant Urban Designer Social Media Coordinator	$115	$120
Associate Planner Associate Urban Designer GIS Services	$145	$150
Environmental Planner Historic Preservation Specialist Public Art Specialist	$160	$165
Senior Planner Senior Urban Designer Senior Environmental Planner	$175	$180
Principal Planner Principal Environmental Planner Principal Policy Planner Director of Urban Design	$195	$200
Principal Interim CDD	$280-$300	$230-$350

* M-Group will invoice the client by billable hours per month or percentage of task completed.
* Hourly rates are subject to annual adjustment on January 1st.
* M-Group adds a 10% administration fee to Subconsultant rates.

AMENDMENT #1
FOR PROFESSIONAL SERVICES AGREEMENT WITH M-GROUP; STH CONTRACT NO: 2025-17 PERTAINING TO ON CALL PLANNING SERVICES TO CITY FOR AN ADDITIONAL $50,000 FOR A TOTAL AMOUNT NOT-TO-EXCEED $75,000.

This First Amendment to Professional Services Agreement with M-Group STH Contract: FY 2025-017 dated September 30, 2024 ("Agreement") is made as of this ____ day of _____, 2025 by and between the City of St. Helena and M-Group, Inc.

RECITALS

A. On September 30, 2024, the city entered into an agreement with M-Group for planning related support services for a not to exceed cost of $25,000; and

B. M-Group has provided planning support to the Community Development Department since September 2024 and the City desires to continue this support through 2025 with a number of entitlement applications under review; and

C. The City has expended the budget from the current PSA and in order to have M-Group continue to assist the City, a budget amendment is necessary; and

D. The City of St. Helena and M-Group now desire to amend the Agreement for an additional $50,000 for a total not-to-exceed contract amount of $75,000.

.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, for good and valuable consideration, the adequacy of which is hereby acknowledged, the parties agree to amend the Agreement as follows:

1. Section 4.A. The total compensation that may be paid under the Agreement as set forth in Section 4.A is hereby amended to an amount that shall not exceed $75,000.

2. Scope of Services. The Scope of Services as set forth in the Agreement is hereby amended to include the additional scope of work attached hereto and incorporated herein as Exhibit A.

3. All other terms of the Agreement shall remain in full force and effect.

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.

M-GROUP

By: _____

Print Name:_____

Title: _____

APPROVED AS TO FORM:

_____
Ethan Walsh, City Attorney, St. Helena

CITY OF ST. HELENA
a Municipal Corporation

By:_____
Print Name: Anil Comelo
Title: City Manager

ATTEST:

_____
City of St. Helena City Clerk
Cindy Tzafopolous

EXHIBIT A

m-group *a new design on urban planning*

policy planning • urban design • environmental review • historic preservation • community engagement • staffing solutions

December 12, 2024

Maya DeRosa, AICP
Community Development Director
City of St. Helena

Subject: M-Group On-Call Planning Services Contract (Augment #1)

Maya,

As requested, M-Group is submitting this Augment #1 to our On-Call Planning Services Contract to increase the not to exceed budget from $25,000 to $75,000. Under Augment #1, M-Group will continue to provide on-call professional planning services for projects assigned by the City and agreed to by M-Group, in accordance with our Planning Services Contract.

M-Group will bill on-call services on a time and materials basis consistent with M-Group's 2024/2025 billing rates, with a not to exceed budget of $75,000. On call services, under this Augment #1 to the Planning Services contract will extend through June 30, 2025, with an option for time and budget extensions upon request.

I trust that this proposes Augment #1 meets the City of St. Helena's needs. Please do not hesitate to contact me to discuss any revisions or refinements.

Thank you,

Olivia Ervin, Principal-In-Charge
oervin@m-group.us
707.540.0723 x 202

M-GROUP | 2024-2025 RATE SHEET

M-GROUP STAFF	HOURLY RATES 2024	2025
Admin Analyst Planning Tech	$95	$95
Assistant Planner Assistant Urban Designer Social Media Coordinator	$115	$120
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Environmental Planner Historic Preservation Specialist Public Art Specialist	$160	$165
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Principal Planner Principal Environmental Planner Principal Policy Planner Director of Urban Design	$195	$200
Principal Interim CDD	$280-$300	$230-$350

* M-Group will invoice the client by billable hours per month or percentage of task completed.
* Hourly rates are subject to annual adjustment on January 1st.
* M-Group adds a 10% administration fee to Subconsultant rates.

CITY OF ST. HELENA

RESOLUTION NO 2025-

AUTHORIZING 1) AMENDMENT #1 FOR PROFESSIONAL SERVICES AGREEMENT WITH M-GROUP CONSULTANTS FOR CONTINUED PLANNING ENTITLEMENT SUPPORT SERVICES FOR AN ADDITIONAL $50,000 FOR A TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF $75,000; AND 2) A BUDGET INCREASE IN THE AMOUNT OF $5,000 USING GENERAL FUND RESERVES.

RECITALS

A. On September 30, 2024, the city entered into an agreement with M-Group for planning related support services for a not to exceed cost of $25,000; and

B. M-Group has provided planning support to the Community Development Department since September 2024 and the City desires to continue this support through 2025 with a number of entitlement applications under review; and

C. The City has expended the budget from the current PSA and in order to have M-Group continue to assist the City, a budget amendment is necessary; and

D. The City of St. Helena and M-Group now desire to amend the Agreement for an additional $50,000 for a total not-to-exceed contract amount of $75,000.

RESOLUTION

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

1. The City Council hereby authorizes the City Manager to execute Amendment No. 1 to STH Contract FY2025-017 with M-Group in the amount of $50,000 for a total contract amount not-to-exceed $75,000.

2. Funding is as follows:

Funding Details	Fund	GL Account	Amount
Reimbursed through Developer Accounts	General Fund	101-23-55-00-00	$45,000
Budget Increase Using Fund Balance	General Fund	101-45-00-21-45	$5,000
TOTAL			**$50,000**

Approved at a Regular Meeting of the St. Helena City Council on February 11, 2025, by the following vote:

Mayor Dohring: _____

Vice Mayor Deasy: _____

Council Member Barak: _____

Council Member Spadarotto: _____

Council Member Summers: _____

APPROVED: ATTEST:

_____ _____

Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City Clerk

Agenda Report to the City Council

Agenda Section: OLD BUSINESS

Department: Public Works

DATE:	February 11, 2025
FROM:	Lesley Milton, Deputy City Manager
SUBJECT:	Consideration and adoption of a Resolution (follows previous Council actions on water meter replacement program) to (1) Award the CIP Project W24-04 SMART Meter Deployment to Professional Meters, Inc. in the amount of $565,063; (2) Authorize the City Manager to execute the Construction Contract with Professional Meters, Inc.;(3) Authorize the Director of Public Works to approve Change Orders not to exceed 15% of the contract amount; and (4) Authorizing a project budget amendment of $333,105.
RECOMMENDED ACTION:	Approve the attached Resolution.
PREVIOUS COUNCIL ACTION:	City Council previously approved the following actions related to project W24-04: 1. Resolution 2023-067 on June 13, 2023, Adopting the Five-Year CIP Program for Fiscal Years 2023-24 to 2027-28 including Project W24-04 2. Resolution 2023-81 on June 27, 2023, Approving revised water rate schedules, of which this project was included. 3. Resolution 2024-056 on May 14, 2024, Approving Professional Services Agreement (PSA) with Haley and Aldrich for engineering and construction management services for this project. 4. Resolution 2024-067 and 2024-068 on May 28, 2024, Approving installment sale of bonds, of which this project was included. 5. Resolution 2024-101 on June 25, 2024, Authorizing bid advertisement for Project W24-04. 6. Resolution 2024-100 on June 25, 2024, Authorizing the purchase of water meters from Badger Meter. 7. Resolution 2024-145 on October 22, 2024, Authorizing the purchase of meter box lids from PACE Supply. 8. Resolution 2024-146 on October 22, 2024, Approving and authorizing contractor pre-qualification of bidders for this Project.
STATEMENT OF THE	Award a contract to Professional Meters, Inc. to perform

PURPOSE:	the water meter installation work for W24-04 SMART Meter Deployment Project.
FINANCIAL IMPACT:	CIP Project W24-04 has been approved with a funding allocation of $1.97 million, secured through bond proceeds. The construction contract awarded to Professional Meters Inc. totals $491,359, with an additional 15% contingency of $73,704, resulting in a total construction contract authorization of $565,063. Resolution 2024-145 previously approved the initial purchase of water meter lids. To complete the procurement of the remaining meter box lids, an additional $132,600, along with a 15% contingency of $18,890, is required, bringing the total cost to $151,490. This action requires a project budget amendment in the amount of $333,105 in Fund 763 to be funded with Water Revenue Bonds.

BACKGROUND:

The City of St. Helena provides essential drinking water services to over 2,600 residents and businesses within its service area (i.e. within city limits and various locations outside city limits). Drinking water is sourced and treated by the City's Water Treatment Division and distributed by the Water Distribution Division of the Public Works Department. These services are operated under the City's Water Enterprise Fund, a "business-like" fund that ensures water services are self-sustaining through user fees, separate from general government funds.

Enterprise funds operate like private sector businesses in that they must cover their costs through fees charged for services provided. For St. Helena's water system, these fees are collected from water system customers. The City Council regulates and establishes the water rates, ensuring that the system is financially stable and able to meet operational and capital needs.

The City's water enterprise has recently faced challenges with revenue generation due to non-revenue water loss, where approximately 30% of water produced is unaccounted for. This loss is attributed to aging infrastructure, including outdated water meters that fail to accurately track water consumption. These meters, some of which are over 16 years old, lead to lost revenue, increased operational costs, and inefficiencies in water resource management.

Modernizing the water infrastructure, including upgrading or replacing outdated meters with SMART technology, is crucial for the long-term fiscal health of the Water Enterprise Fund. This modernization will reduce non-revenue water, improve accuracy in billing, and allow for better management of water resources, including real time customer monitoring of their consumption.

PROJECT NEED AND BENEFITS:
To address these issues, the City has included Project W24-04, the SMART Meter Deployment Project, in its current 5-Year Capital Improvement Program (CIP). This project involves replacing existing disc technology water meters with state-of-the-art ultrasonic meters that utilize Advanced Metering Infrastructure (AMI). AMI technology captures data every 15 minutes, enabling real-time reporting through cellular communication. This system will provide more accurate data on water usage, improve billing accuracy, reduce operational costs, and minimize water loss from leaks or faulty meters.

Replacing and upgrading these meters will bring several benefits:

- **EyeOnWater Web Portal:** The EyeOnWater platform enables utility customers to proactively manage their water consumption through user-friendly graphs and customizable leak alerts, providing timely and clear insights into usage patterns. Additional details about the platform can be found in Attachment D.
- **Accurate Billing**: New meters will eliminate discrepancies caused by aging equipment and provide more reliable data for billing purposes.
- **Water Loss Reduction**: The new system will help identify leaks and water losses for customers in real-time, reducing waste and ensuring that the city's water resources are used efficiently.
- **Operational Efficiency**: Automated data reporting reduces the need for manual readings/re-readings and enhances staff efficiency, allowing resources to be directed to other important areas of water system maintenance.
- **Improved Water Quality Management**: Over the past two years, the City has taken significant steps to address water discoloration issues by improving its water treatment processes, which are funded through the Water Enterprise Fund. The SMART metering system will support continued improvements by offering better monitoring and management over water consumption patterns.

This SMART Meter Deployment Project is a critical step needed to implement a modern, efficient, and sustainable water management system. Once completed, the City will be poised to improve customer service, increase operational efficiency, and further protect its water resources for the future.

PREVIOUS STEPS TAKEN:
Several important steps have already been completed to prepare for the implementation of the SMART Meter Deployment Project:

- **Bond Financing**: On June 28, 2024, the City Council and the St. Helena Financing Authority approved the installment sale of bonds, with the first series allocated to funding the SMART Meter Deployment Project.
- **Professional Services Agreement**: On May 14, 2024, the City Council authorized a professional services agreement with Haley & Aldrich, Inc., a consulting firm, to assist with project implementation.

- **Meter Procurement**: On June 25, 2024, the City Council approved the procurement of advanced SMART metering infrastructure from Badger Meter, Inc. In addition, water meter lids were purchased from Pace Supply Inc. to mitigate any potential delays due to shipping issues. The meters have already been received and are on site ready for deployment.
- **Prequalification Process**: In October 2024, a prequalification process was conducted to identify qualified contractors capable of delivering the project. Two firms, Concord Utility Services and Professional Meters Inc., were selected as eligible to bid.

DISCUSSION:
Concern has been raised regarding what would occur if a new ultrasonic water meter were to fail. Since the ultrasonic meter is designed with literally zero internal moving parts, if it were to completely fail, it would stop reading the volume of water passing through the meter body and the customer's water consumption would not be accounted for until the meter was repaired. There was an assumption proposed that a failed ultrasonic meter would stop water flow to the customer. This is untrue. Water would remain flowing freely to the customer through a failed water meter.

To ensure that contractors bidding on the CIP W24-04 SMART Water Meter Deployment Project possessed the necessary qualifications and expertise to successfully execute all components of the project, the City implemented a comprehensive prequalification process. This initiative was designed to identify contractors with the skills, experience, and resources needed to meet the project's specific requirements, ensuring a high standard of execution and timely completion. The process was conducted in accordance with procedures formally adopted by the City Council on October 22, 2024.

H&A initiated the advertisement for the prequalification process on Monday, October 28. This step was carried out as outlined in the *Resolution Authorizing the Solicitation of Requests for Prequalification of Bidders for CIP Project W24-04 SMART Meter Deployment*. Interested contractors were invited to submit detailed applications demonstrating their qualifications, capabilities, and relevant experience.

Following a thorough review and evaluation of the submitted applications, H&A determined that two firms, Concord Utility Services and Professional Meters Inc., met the established prequalification criteria. Both companies were deemed eligible to proceed to the bidding phase, having demonstrated the requisite technical expertise and operational capacity to successfully undertake the project.

Subsequently, formal bid invitations were issued to the prequalified contractors on November 25.

The bid results are as follows:

Company	Base Bid
Concord Utility Services	$894,210.00
Professional Meters Inc.	$491,359.23

City staff, in collaboration with H&A, conducted a review of the submitted bids. After careful evaluation, Professional Meters Inc. was identified as the lowest responsive and responsible prequalified bidder. This determination was based on several factors, including Professional Meters Inc. valid Class A Contractor's license (License No. 1019233), issued by the California Contractors State License Board and expiring on October 31st, 2026. Additionally, Professional Meters Inc. has successfully completed three or more comparable projects within the last five years, showcasing its ability to manage projects with similar scopes and complexities effectively.

Given Professional Meters Inc. demonstrated qualifications, relevant experience, and adherence to all bidding requirements, City staff have determined that Professional Meters Inc. is well-suited to undertake and complete the CIP W24-04 SMART Water Meter Deployment Project. Their expertise and proven track record provide confidence in their ability to deliver a high-quality outcome aligned with the City's expectations and objectives.

The SMART Meter Deployment Project is being funded through bond proceeds authorized by Resolution 2024-067 and 2024-068 on June 28, 2024. To complete the project, an amendment to the Council-approved budget will be necessary. The current budget, expenditures, and necessary budget amendment are outlined in the following tables.

Adopted Capital Improvement Project Budget Table

Expenditures	Project Total
3110 – Design	$150,000
3150 – Construction Management	$150,000
3160 – Construction Contract	$1,500,000
3170 – Contingency	$170,000
Expenditures Totals	$1,970,000
Funding Source: 763 – Water Revenue Bonds	$1,970,000
Funding Totals	**$1,970,000**

Project Expenditure Table

Project Expenditure	Total Cost	Date Approved
Project Management Professional Services	$406,000	May 14, 2024

Project Expenditure	Total Cost	Date Approved
Badger Meter Purchase	$1,056,966	July 15, 2024
Initial Pace Lid Purchase	$123,586	October 22, 2024
Construction for Meter Replacement Base Bid	$491,359	Recommended Approval on February 11, 2025
15% Contruction Contingency	$73,704	-
Remain Lid Purchase	$132,600	-
15% Materials Contingency	$18,890	-
Total Cost of Project	$2,303,105	
Funding approved in the 2025 Adopted Capital Improvement Project Budget:	$1,970,000	
Project Shortfall:	($333,105.11)	

There will be one additional Council action coming forward to complete the materials purchases for this project. In an effort to reduce contractor overhead and profit, while proactively managing material order lead times, City Council approved the direct purchase of the first tranche of 1,791 replacement meter lids by Resolution 2024-145. The second tranche of meter lids still is required to be purchased and will be brought to Council for approval after the contractor has completed their initial priority to survey the outstanding meters, boxes, meter lids to determine the numbers and dimensions of the outstanding lids. Once the contractor survey has been completed, staff will return to Council seeking authorization to proceed with placing the order. An estimated cost of the additional meter lids is included in the proposed budget amendment.

The construction phase of the project is projected to take approximately six months, with full implementation slated to begin in Spring 2025. During this phase, meters across the city will be replaced and upgraded, paving the way for the new system to become fully operational.

With the budget amendment in place and the prequalification/contracting process complete, this project is now ready to move forward to the implementation phase. The construction phase will take less than six months, and upon completion, the City will have a modernized water metering system that will provide long-term benefits for both residents and the City’s water enterprise fund.

ENVIRONMENTAL REVIEW:
Class 1 Categorical Exemption per CEQA.

GOAL:

Goal 2: Improve Infrastructure & Further Environmental Sustainability
Goal 3: Pursue Water Security & Sustainable Management of Water Resources
Goal 7: Enhance Organizational Effectiveness
Goal 8: Implement Capital Improvement Plans (CIP) Projects Miscellaneous/Other

DOCUMENTS ATTACHMENTS:

2025-01-23.Resolution_AwardContract_H_A
Attachment_D_EyeOnWater
Attachment_C_SpecificationSheets
Contract_ProMeters - PMI SIGNED 2025-01-29

CITY OF ST. HELENA

RESOLUTION NO. 2025-

APPROVAL OF A RESOLUTION (1) AWARDING THE CIP PROJECT W24-04 SMART METER DEPLOYMENT TO PROFESSIONAL METERS, INC. IN THE AMOUNT OF $565,063; (2) AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSTRUCTION CONTRACT WITH PROFESSIONAL METERS, INC.;(3) AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO APPROVE CHANGE ORDERS NOT TO EXCEED 15% OF THE CONTRACT AMOUNT; AND (4) AUTHORIZING A PROJECT BUDGET AMENDMENT OF $333,105.

RECITALS

A. On June 13, 2023, the City adopted the comprehensive Five-Year Capital Improvement Plan (CIP), which includes Project W24-04: SMART Meter Deployment (the “Project”). This initiative aims to enhance the accuracy and efficiency of the City’s water monitoring and billing systems through advanced metering technology; and

B. On June 27, 2023, the City Council approved updates to water base rates, water use rates, fire line rates, and the overall rate structure to align with system improvements; and

C. On May 28, 2024, the City Council approved installment sale financing to support water system enhancements. The initial bond series will fund $10.5 million in capital improvements, including the Bell Canyon Intake Tower Replacement, Kearney and Andrea Water Main Replacement, and the SMART Meter Deployment Project; and

D. To facilitate timely implementation of the Project, the City entered into a contract with the on-call engineering firm Haley and Aldrich on May 14, 2024, for engineering and construction management services related to Project W24-04; and

E. On June 25, 2024, the City Council adopted a resolution authorizing the bid advertisement for CIP Project W24-04: SMART Meter Deployment; and

F. At the same meeting on June 25, 2024, the City Council approved a sole-source purchase of SMART Advanced Meter Infrastructure from Badger Meter, Inc. for retrofitting or replacing existing utility meter infrastructure. This purchase was approved for a total cost not to exceed $1,056,966, as budgeted under CIP Project W24-04; and

G. On October 22, 2024, the City Council authorized the purchase of 1,791-meter box lids for the Project at a cost of $123,586; and

H. During the same meeting, the City Council approved a solicitation request to prequalify bidders for the Project to ensure qualified contractors were identified; and

I. The City issued a Request for Bids for the Project on December 23, 2024; and
J. On January 17, 2025, two bids were received and evaluated by Haley and Aldrich and City Staff based on the criteria outlined in the bid documents, including cost, timeline, and prior experience; and

K. Following the evaluation process, Professional Meters Inc. was identified as the lowest responsive and responsible prequalified bidder for the Project, with a total bid amount of $491,359.

RESOLUTION

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

1. The CIP Project W24-04 SMART Meter Deployment is hereby awarded to Professional Meter Inc. in the amount of $565,063.

2. Professional Meter Inc. is authorized to proceed with the Project in accordance with the terms and conditions outlined in their proposal and the bid documents.

3. The City Manager of the City of St. Helena is hereby authorized to execute the Construction Contract with Professional Meters Inc.

4. The Director of Public Works is authorized to approve Change Orders not to exceed 15% of the Contract amount.

5. The Project budget is amended to include an additional $333,105, bringing the total project cost to $2,303,105.

6. A budget amendment of $333,105 to be added to the Water Capital Improvement Fund 261 and to project W24-04 as follows:

Funding Details	Fund	Project	GL Account	Amount
Water Revenue Bonds	Water Capital Improvement	W24-04	763-50-30-31-60	$283,140
Water Revenue Bonds	Water Capital Improvement	W24-04	763-50-30-31-70	$49,965
TOTAL				**$333,105**

7. This resolution shall take effect immediately upon its adoption.

Approved at a Regular Meeting of the St. Helena City Council on February 11, 2025, by the following vote:

Mayor Dohring: _____
Vice Mayor Deasy: _____
Council Member Barak: _____
Council Member Spadarotto: _____
Council Member Summers: _____

APPROVED: ATTEST:

_____ _____
Paul Jamison Dohring, Mayor City Clerk

EyeOnWater (EOW) Overview

The EyeOnWater (EOW) web portal and mobile applications offer customers convenient access to their water consumption data, empowering them to create custom alerts for potential leaks without waiting for notifications from the City of St. Helena or an unexpectedly high-water bill. EOW provides detailed water usage information at 15-minute, hourly, daily, monthly, and yearly intervals, enabling customers to monitor and manage their consumption effectively.

By promoting awareness of water usage patterns and potential leaks, EOW encourages proactive engagement in water conservation and leak prevention efforts. Customers receive timely leak alerts and usage trends through their preferred communication method, including email, text messages, or notifications on smart devices.

EOW enhances transparency by delivering real-time consumption data and early leak alerts, improving the customer experience while reducing service calls to the City of St. Helena, resolving issues more quickly, and minimizing high-bill adjustments. The platform's intuitive graphs and configurable notifications offer customers a clear and actionable view of their water usage, empowering them to manage it more effectively.

City of St. Helena Implementation

Currently, the City of St. Helena has eleven (11) water meters across city facilities connected to the EyeOnWater web portal. The attached exhibits provide screenshots demonstrating the information available through the EOW portal for one of these meters.

Figure 1- EOW Online Portal

EOW offers a user-friendly interface organized into four distinct modules: Leaks, At a Glance, Your Meter, and Historical Consumption Graphs.

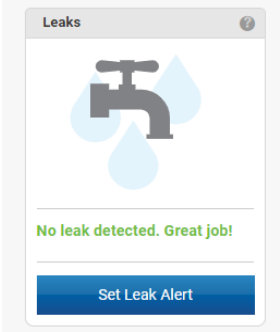


Figure 2 - Leaks

By clicking on the blue “Set Leak Alert”, the alter configuration wizard appears. This wizard simplifies the process, making it convenient for users to set up alerts according to user’s preferences. For residential users, where continuous flow is not expected, the flow type should be set to intermittent flow. Users will then need to enter a flow threshold value. Badger recommends setting this value between 1 to 5 gallons per hour. Once the threshold is set, an alert will be sent if the flow exceeds the threshold for 24 consecutive hours, indicating a potential leak. This proactive approach empowers users to take prompt action and mitigate any water-related issues effectively.

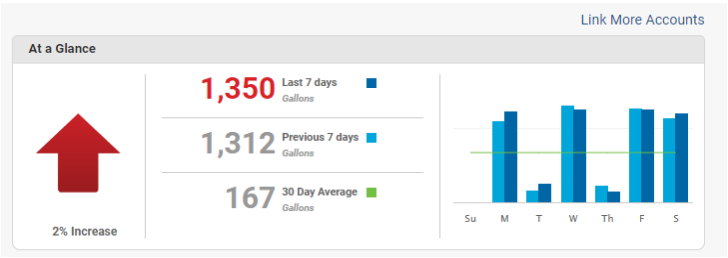


Figure 3 - At a Glance

The At a Glance module allows users to quickly assess their water consumption trends. With just a glance, users can see whether they’re using more water than in the previous seven days.

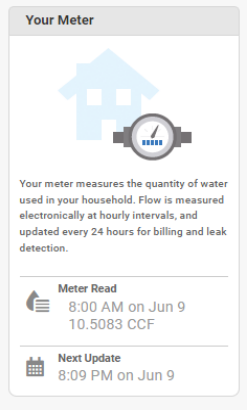


Figure 4 - Your Meter

In the Your Meter module users can see how often their meter is read, the last time it was read and when the next reading is scheduled.

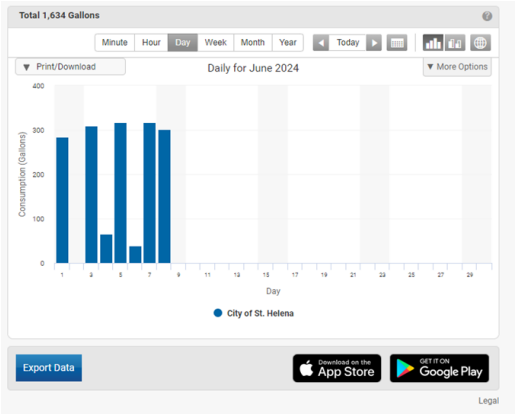


Figure 5 – Historical Consumption Graphs

The Historical Consumption Module allows users to see their water usage for specific period of time.

Encoders
High Resolution Encoders

HR-E® LCD Encoder

DESCRIPTION

Applications: The High Resolution encoder (HR-E LCD) is a fully electronic, solid-state encoder with no moving parts. It is designed for use with all current Badger Meter Recordall® Disc, Turbo Series, Compound Series, Combo Series and Fire Service meters and assemblies. The HR-E LCD provides connectivity with Badger Meter ORION® and GALAXY® AMR/AMI endpoints and other AMR/AMI technology solutions approved by Badger Meter.

NOTE: For more detailed information, refer to the document *HR-E LCD Encoder User Manual*, available at *www.badgermeter.com*.

Field Programmable: The HR-E LCD encoder comes standard as factory programmed to customer specifications, with the option for field programming the unit of measure, meter type, meter model, digit resolution from the encoder, billing units, and rate-of-flow time and units. Programming is performed through the IR port via a computer.

Electronic Resolution: Standard encoded output from the HR-E LCD is nine digits.

Status Indicators: Status indicators are sent as part of the encoder extended message to AMR/AMI systems such as ORION Cellular, Fixed Network and Migratable endpoints that are capable of receiving an extended message. The details can also be read through an IR interface.

Mounting: Icons on the HR-E LCD encoder face indicate encoder status and alarm conditions. The fully potted encoder assembly has a bayonet mount compatible with all Recordall Disc, Turbo Series, Compound Series, Combo Series and Fire Series meters and assemblies. The bayonet mount positions the encoder in any of four orientations for visual reading convenience. The HR-E LCD encoder can be removed from the meter without disrupting water service.

Magnetic Drive Communication: The HR-E LCD encoder detects movement of the wet side meter magnet with magnetic sensors to provide reliable and dependable encoded communication.

Tamper-resistant Features:
Unauthorized removal of the HR-E LCD encoder is inhibited by a tamper-resistant Torx® seal screw. Torx seal screws are provided as standard accessories. Optional proprietary tamper-proof screws are also available.

Magnetic sensors detect and report an attempted encoder removal. In addition, the HR-E LCD encoder is resistant to magnetic tampering. The encoder detects an attempted tamper—as well as encoder removal—and sends a tamper alarm in either situation. Approved endpoints capable of receiving the alarms, such as ORION Cellular, Fixed Network and Migratable endpoints, can then report the tamper condition to the meter reading software.

SPECIFICATIONS

Encoder type	Straight reading, permanently sealed, electronic LCD absolute encoder with field-programmable option
Encoder display	Status indicators, unit of measure, billing units, automatic toggle between 9-digit and 6-digit consumption (segmented leak detector in this mode), rate of flow, meter model
Unit of measure	U.S. gallons, Imperial gallons, cubic feet, cubic meters, and liters clearly identified on register face
Flow rate	Seconds, minutes, and hours
Numerals	7 mm (0.28 in.) high
Weight	11 ounces
Humidity	0…100% condensing
Temperature	Storage: – 40…60° C (– 40…140° F) Max. ambient for 1 hr: 70° C (158° F) Electronics & Display: –10…60° C (14…140° F)
Status indicators	Electronic and visual icons for: meter functioning correctly, meter alarm (indicates temperature limits exceeded, magnetic tamper or encoder removal), reverse flow, suspected leak, 30-day no usage, end of battery life
Signal output	Industry standard ASCII format
Signal type	Three-wire synchronous for AMR/AMI solutions Red = clock/power; Black = ground; Green = data
Battery	Lithium thionyl chloride AA cell, fully encapsulated within encoder housing
Battery Life	20 years (calculated)

Badger Meter

ENC-DS-01763-EN-06 (January 2021)

Product Data Sheet

Construction: The housing of the HR-E LCD encoder is constructed of an engineered polymer enclosure and a polycarbonate lens. For long-term performance, the enclosure is fully encapsulated, weatherproof, and UV-resistant to withstand harsh environments and to protect the electronics in flooded or submerged pit applications. An epoxy potting (patented design - 8,482,908) comprises the encoder bottom. Due to this unique sealing, the HR-E LCD exceeds all applicable requirements of AWWA Standard C706 and C707.

Wire Connections: The HR-E LCD encoder is available with an in-line connector for easy connection and installation to AMR/AMI endpoints. It is also available with a flying lead for a field splice connection, or fully prewired to an AMR/AMI endpoint.

Operating Characteristics: The HR-E LCD encoder is shipped in storage mode so a meter status alarm is not triggered. In storage mode, the meter model screen is displayed. Upon sensing two revolutions of the meter magnet, the encoder goes into normal operation mode. The display then automatically toggles between these four modes:

- 9-digit consumption displays for 45 seconds.
- 6-digit consumption (segmented leak detector in this mode) displays for 5 seconds.
- Rate of flow displays for 5 seconds.
- Meter model displays for 5 seconds.

DIMENSIONAL DRAWINGS

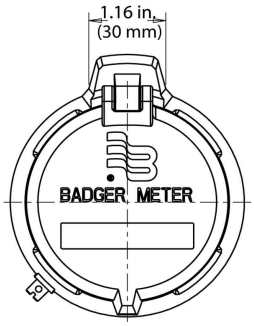


Figure 1: Top view

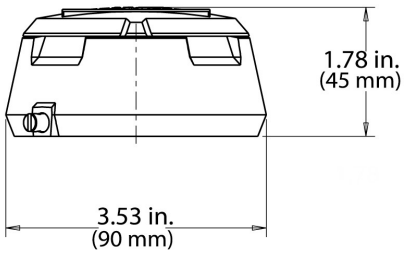


Figure 2: Front view

MEASUREMENT RESOLUTION

The electronic encoder output resolution of the HR-E LCD is as noted below.

Recordall Disc Series	Size (in.)	9-dial encoder output (gal)	9-dial encoder output (ft³)	9-dial encoder output (m³)
LP	5/8, 5/8 x 3/4	0.01	0.001	0.0001
M25	5/8 , 5/8 x 3/4	0.01	0.001	0.0001
M35	3/4	0.01	0.001	0.0001
M40	1	0.01	0.001	0.0001
M55	1	0.01	0.001	0.0001
M70	1	0.01	0.001	0.0001
M120	1-1/2	0.1	0.01	0.001
M170	2	0.1	0.01	0.001

Recordall Turbo Series	Size (in.)	9-dial encoder output (gal)	9-dial encoder output (ft³)	9-dial encoder output (m³)
T160	1-1/2	0.1	0.01	0.001
T200	2	0.1	0.01	0.001
T450	3	0.1	0.01	0.001
T1000	4	0.1	0.01	0.001
T2000	6	1	0.1	0.01
T3500	8	1	0.1	0.01
T5500	10	1	0.1	0.01
T6200	12	10	1	0.01
T6600	16	10	1	0.01
T10000	20	10	1	0.01

Recordall Compound Series	Size (in.)	9-dial encoder output (gal)	9-dial encoder output (ft³)	9-dial encoder output (m³)
High Side T200	2	0.1	0.01	0.001
Low Side M25	2	0.01	0.001	0.0001
High Side T450	3	0.1	0.01	0.001
Low Side M25	3	0.01	0.001	0.0001
High Side T1000	4	0.1	0.01	0.001
Low side M35	4	0.01	0.001	0.0001
High Side T2000	6	1	0.1	0.01
Low Side M35	6	0.01	0.001	0.0001
High Side T3500	8	1	0.1	0.01
Low side M120	8	0.1	0.01	0.001

NOTE: For Fire Service Meters and Assemblies, please refer to appropriate Disc and TSM information provided above.

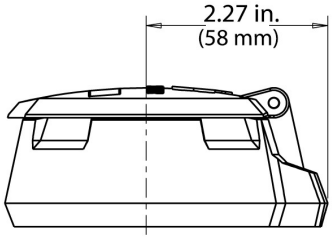


Figure 3: Left side view

SMART WATER IS *BADGER METER*

GALAXY, ORION and Recordall are registered trademarks of Badger Meter, Inc. Other trademarks appearing in this document are the property of their respective entities. Due to continuous research, product improvements and enhancements, Badger Meter reserves the right to change product or system specifications without notice, except to the extent an outstanding contractual obligation exists. © 2021 Badger Meter, Inc. All rights reserved.

www.badgermeter.com

Legacy Document Number: LCD-T-01

E-Series®
Ultrasonic Flow Meters

E-Series G2® Ultrasonic Meters

Lead-Free Bronze Alloy, 5/8, 5/8 x 3/4, 3/4, 1 inch

DESCRIPTION

The next generation E-Series G2® Ultrasonic meter uses solid-state technology in a compact, tamper protected, weatherproof and UV-resistant housing, suitable for residential applications. Electronic metering provides information—such as rate of flow and status and alarm indication—and data not typically available through traditional, mechanical meters and registers. Electronic metering minimizes measurement errors due to sand, suspended particles and pressure fluctuations.

Ultrasonic Meter Features

- Flow tube design prevents obstruction of flow, and provides greater turn-down ratio for extended flow ranges and increased revenue
- No moving parts for increased performance and maximized revenue
- Easy-to-read, 9-digit LCD display for consumption, rate of flow, unit of measure, pressure, temperature, alarm conditions (reverse-flow, no usage, empty pipe, exceeding max flow, suspected leak, pressure*, temperature, end of life and measurement error) and firmware version
- High resolution industry standard ASCII encoder protocol sends alarms and data to ORION® endpoints and BEACON® Software as a Service (SaaS) suite to establish a smart water solution for better visibility and management
- Pressure* and temperature data and alarms reported at meter and through ORION endpoints and BEACON SaaS
- Field programmable registration and maintains an hourly internal logging capacity of 160 days of data
- Maximum flow reporting analytics available to improve meter right sizing and monitor irrigation events
- Single and dual outputs include encoder, scaled/unscaled and 4-20 mA

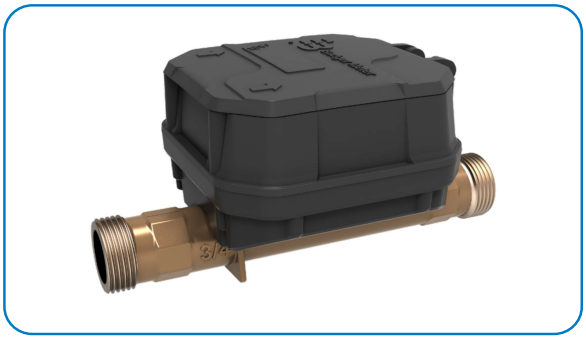
**available with optional integrated pressure sensor*

OPERATION AND PERFORMANCE

As water flows into the measuring tube, ultrasonic signals are sent consecutively in forward and reverse directions of flow. Velocity is then determined by measuring the time difference between the measurement in the forward and reverse directions. Total volume is calculated from the measured flow velocity using water temperature and pipe diameter.

The LCD screen toggles to total volume, unit of measure, rate of flow, pressure*, temperature, firmware and alarm conditions (reverse-flow, no usage, empty pipe, exceeding max flow, suspected leak, pressure*, temperature, end of life and measurement error).

When connected to ORION endpoints, both the pressure and temperature information are communicated to and presented in BEACON, helping utilities understand and proactively manage their water systems faster and more efficiently.



In the normal temperature range of 45…122° F (7…50° C), the "new meter" consumption measurement is accurate to:

- ±1.5% over the normal flow range
- ±3.0% from the extended low flow range to the minimum flow value

**available with optional integrated pressure sensor*

APPLICATIONS

Use the E-Series Ultrasonic meter for measuring potable cold water in residential applications. The meter is also ideal for non-potable, reclaimed irrigation water applications, or less than optimum water conditions where small particles exist.

E-Series Ultrasonic meters meet and exceed ANSI/AWWA C715 Standards. The lead-free bronze alloy meters comply with the lead-free provisions of the Safe Drinking Water Act and NSF/ANSI/CAN Standards 61 and 372.

The 3/4 and 1 inch Ultrasonic meters are UL Listed under UL Subject 327B, inferential type water meters used in residential fire service applications. These applications are regulated by local codes and requirements established by the Authority Having Jurisdiction (AHJ). Additional application information is provided in NFPA 13D, one- and two-family residences.

CONSTRUCTION

The E-Series Ultrasonic meter features lead-free bronze alloy meter housing, ultrasonic transducers, a meter-control circuit board with associated wiring, LCD, and battery. Wetted elements are limited to the pressure vessel and transducers. The electronic components are housed and fully potted within a molded, engineered polymer enclosure, which is attached to the meter housing. The transducers extend through the housing and are sealed by O-rings, enabling turbulence-free water flow through the tube. The flow tube is designed to reduce pressure loss and provide long-term accuracy.

Badger Meter

ESM-DS-03096-EN-10 (May 2024)

UL LISTED

Product Data Sheet

METER INSTALLATION

For long-term performance the meter is weatherproof, UV-resistant, fully submersible and can be installed using horizontal or vertical piping. The registration electronics and battery are encapsulated to withstand harsh environments and protect the electronics in flooded or submerged pit applications. The meter will not measure flow when an "empty pipe" condition is experienced.

NOTE: An empty pipe is defined as a condition that occurs when the flow sensors are not fully submerged.

The meter is available with an inline connector for easy installation and connection to ORION endpoints. It is also available with a flying lead for field splice connection.

SPECIFICATIONS

E-Series G2 Ultrasonic Meter Size	5/8 in.	5/8 x 3/4 in.	3/4 in. (7-1/2 in.)	3/4 in. (9 in.)	1 in.
Normal Test Flow Limits	0.08…30 gpm (0.02…6.81 m^3/hr)	0.08…30 gpm (0.02…6.81 m^3/hr)	0.1…35 gpm (0.02…7.95 m^3/hr)	0.1…35 gpm (0.02…7.95 m^3/hr)	0.16…62 gpm (0.04…14.08 m^3/hr)
Minimum Test Flow Limits	0.04 gpm (0.009 m^3/hr)	0.04 gpm (0.009 m^3/hr)	0.04 gpm (0.009 m^3/hr)	0.04 gpm (0.009 m^3/hr)	0.075 gpm (0.017 m^3/hr)
Safe Maximum Operating Condition (SMOC)	30 gpm (6.81 m^3/hr)	30 gpm (6.81 m^3/hr)	35 gpm (7.95 m^3/hr)	35 gpm (7.95 m^3/hr)	62 gpm (14.08 m^3/hr)
Typical Pressure Loss	TBD	2.6 psi @ 15 gpm (0.18 bar @ 3.4 m^3/hr)	4.2 psi @ 25 gpm (0.29 bar @ 5.7 m^3/hr)	4.2 psi @ 25 gpm (0.29 bar @ 5.7 m^3/hr)	4.1 psi @ 40 gpm (0.28 bar @ 9.1 m^3/hr)
UL Approval for Residential Fire Service Meters - File No. EX15653	NA	NA	UL 327B	UL 327B	UL 327B
UL Test Flow Limits (at ±1.5% accuracy)	NA	NA	2…30 gpm (0.45...6.81 m^3/hr)	2…30 gpm (0.45...6.81 m^3/hr)	2…50 gpm (0.45...11.36 m^3/hr)
Typical UL Pressure Loss	NA	NA	4.2 psi @ 25 gpm (0.29 bar @ 5.7 m^3/hr)	4.2 psi @ 25 gpm (0.29 bar @ 5.7 m^3/hr)	4.1 psi @ 40 gpm (0.28 bar @ 9.1 m^3/hr)
Operating Performance	In the normal temperature range of 45…122 °F (7…50 °C), new meter consumption measurement is accurate to: 100% ±1.5% over the normal test flow limits, 100% ±3.0% for the minimum test flow limits				
Storage Temperature	– 40…140° F (– 40…60° C)				
Maximum Ambient Storage (Storage for One Hour)	150° F (66° C)				
Measured Fluid Temperature Range	34…140° F (1…60° C)				
Humidity	0…100% condensing; meter is capable of operating in fully submerged environments				
Maximum Working Pressure of Meter Housing	175 psi (12 bar)				
Maximum Operating Pressure of Pressure Sensor	175 psi (12 bar)				
Pressure Sensor Accuracy	±2% of full scale pressure, up to 175 psi (12 bar)				
Register Type	Straight reading, permanently sealed electronic LCD; digits are 0.28 in. (7 mm) high				
Register Display	• Total consumption (nine digits) • Rate of flow • Temperature • Pressure *(Optional: for meters ordered with integrated pressure sensor)*		• Alarm and operating mode • Firmware version • Alarm indicators • Unit of measure (factory programmed for gallons, cubic feet and cubic meters)		
Totalization Display Resolution	• Gallons: 0.01	• Cubic feet: 0.001	• Cubic meters: 0.0001		
Scaled/Unscaled Output*	Solid-state relay and Open Collector				
Max. Voltage	30V DC				
Current	10 mA				
Pulse Width	50 ms (programmable 25…100 ms)				
Analog 4-20 mA Output*	Two-wire/passive flow rate measurement				
Input Voltage Range	9…50V DC supply				
Current	4…20 mA				
Max. Load Resistance (Ohms)	(50 Ohms + 50 Ohms) × (Supply Voltage - 9V)				
Battery	3.6-volt lithium thionyl chloride; battery is fully encapsulated within the register housing and is not replaceable; 20-year battery life				

*Applicable to meters with dual output options

MATERIALS

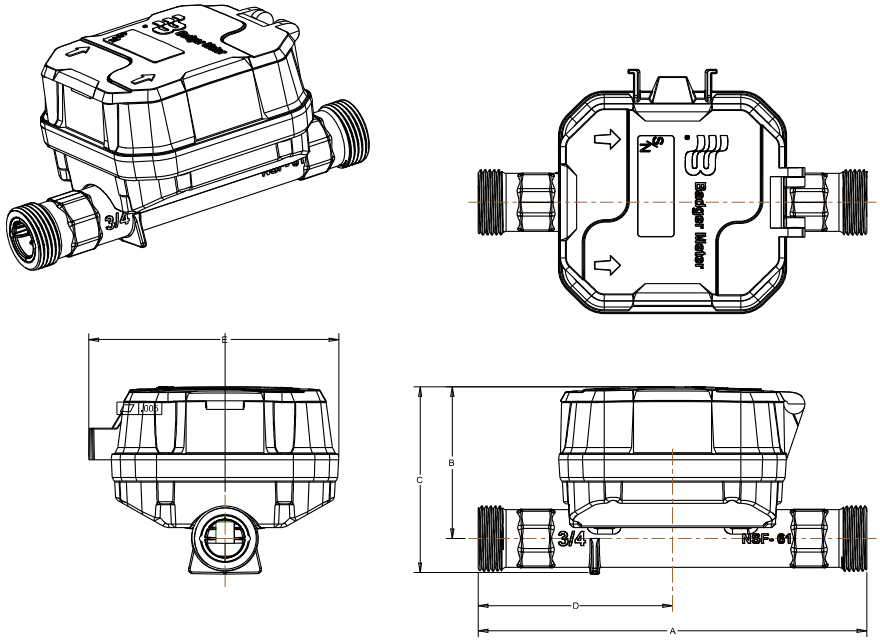
Meter Housing	Lead-free bronze alloy
Measuring Section	Ultrasonic sensors located in the flow tube
Register Housing and Lid	Engineered polymer
Strainer*	Engineered composite

* *Fire Service meters do not have a Strainer*

PHYSICAL DIMENSIONS

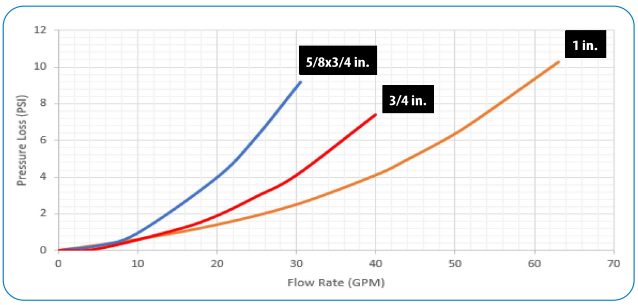
E-Series G2 Ultrasonic Meter Size	5/8 in.	5/8 x 3/4 in.	3/4 in. (7-1/2 in.)	3/4 in. (9 in.)	1 in.
Size Designation X Lay Length	5/8 × 7-1/2 in. (16 × 191 mm)	5/8 × 3/4 × 7-1/2 in. (16 × 19 × 191 mm)	3/4 × 7-1/2 in. (19 × 191 mm)	3/4 × 9 in. (19 × 229 mm)	1 × 10-3/4 in. (25 × 273 mm)
Bore Size	5/8 in. (16 mm)	3/4 in. (19 mm)	3/4 in. (19 mm)	3/4 in. (19 mm)	1 in. (25 mm)
Coupling Nut & Spud Thread (NPSM)	3/4 in. (19 mm) × 14 NPSM	1 in. (25 mm) × 11-1/2 NPSM	1 in. (25 mm) × 11-1/2 NPSM	1 in. (25 mm) × 11-1/2 NPSM	1-1/4 in. (32 mm) × 11-1/2 NPSM
Service Pipe Thread (NPSM)	1/2 in. (13 mm)	3/4 in. (19 mm)	3/4 in. (19 mm)	3/4 in. (19 mm)	1 in. (25 mm)
Tailpiece Pipe Thread (NPSM)	1/2 in. (13 mm)	3/4 in. (19 mm)	3/4 in. (19 mm)	3/4 in. (19 mm)	1 in. (25 mm)
Weight (without AMR)	TBD	2.7 lb (1.23 kg)	2.62 lb (1.19 kg)	2.86 lb (1.30 kg)	4.02 lb (1.82 kg)
See illustration below for Measurement Designations					
Length (A)	7.49 in. (190 mm)	7.46 in. (189 mm)	7.46 in. (189 mm)	8.93 in. (227 mm)	10.75 in. (273 mm)
Height (B)	2.95 in. (75 mm)	2.99 in. (76 mm)	2.99 in. (76 mm)	2.99 in. (76 mm)	3.19 in. (81 mm)
Height (C)	3.55 in. (90 mm)	3.66 in. (93 mm)	3.66 in. (93 mm)	3.69 in. (94 mm)	4.06 (103 mm)
Length (D)	3.74 in. (95 mm)	3.74 in. (95 mm)	3.74 in. (95 mm)	3.77 in. (96 mm)	3.94 (100 mm)
Width (E)	4.82 in. (122 mm)				

Measurement Designations



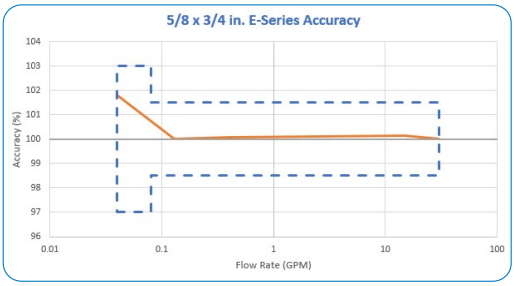
PRESSURE LOSS CHART

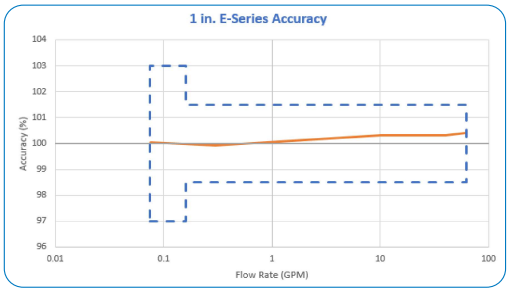
Chart represents typical meter performance. Rate of flow in gallons per minute (gpm).



ACCURACY CHARTS

Chart represents typical meter performance. Rate of flow in gallons per minute (gpm).





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E-Series® Ultrasonic Flow Meters

E-Series® Ultrasonic Meter

Cold Water Stainless Steel Meter, 1-1/2 and 2 inch

DESCRIPTION

The E-Series® Ultrasonic meter uses solid-state technology in a compact, totally encapsulated, weatherproof, and UV-resistant housing, suitable for residential and commercial applications. Electronic metering provides information—such as rate of flow and reverse flow indication—and data not typically available through traditional, mechanical meters and registers. Electronic metering eliminates measurement errors due to sand, suspended particles and pressure fluctuations.

The Ultrasonic 1-1/2 and 2 inch meters feature:

- Minimum extended low-flow rate lower than typical positive displacement meters.
- Simplified one-piece electronic meter and register that are integral to the meter body and virtually maintenance free.
- Sealed, non-removable, tamper-protected meter and register.
- Easy-to-read, 9-digit LCD display presents consumption, rate of flow, reverse-flow indication, and alarms (empty pipe, temperature, exceeding max flow, sensor error, reverse flow, suspected leak, 30 day no usage, end of life).
- High resolution industry standard ASCII encoder protocol sends alarms and data to ORION® Cellular endpoints and BEACON® SaaS* suite to establish a smart water solution.

The Ultrasonic meter is available with an in-line connector for easy connection and installation to AMR/AMI endpoints. It is also available with a flying lead for field splice connection.

* Software as a Service

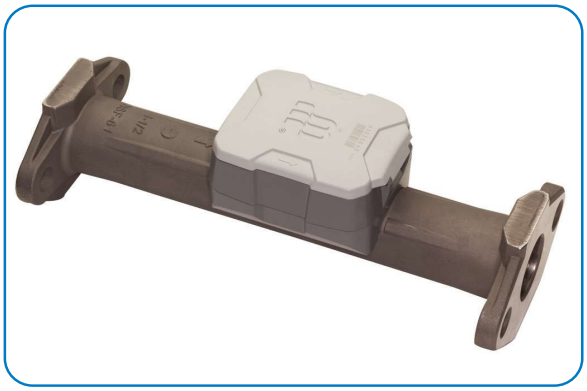
APPLICATIONS

Use the Ultrasonic meter for measuring potable cold water in residential, commercial and industrial services. The meter is also ideal for non-potable, reclaimed irrigation water applications or less than optimum water conditions where small particles exist.

E-Series Ultrasonic meters meet and exceed ANSI/AWWA C715 standards. The meters comply with the lead-free provisions of the Safe Drinking Water Act, are certified to NSF/ANSI/CAN Standards 61 and 372 and carry the NSF-61 mark on the housing.

OPERATION & PERFORMANCE

As water flows into the measuring tube, ultrasonic signals are sent consecutively in forward and reverse directions of flow. Velocity is then determined by measuring the time difference between the measurement in the forward and reverse directions. Total volume is calculated from the measured flow velocity using water temperature and pipe diameter. The LCD display shows total volume and alarm conditions and can toggle to display rate of flow.



In the normal temperature range of 45…122° F (7…50° C), the Ultrasonic "new meter" consumption measurement is accurate to:

- ±1.5% over the normal flow range
- ±3.0% from the extended low flow range to the minimum flow value

CONSTRUCTION

E-Series Ultrasonic meters feature a stainless steel, lead-free meter housing, an engineered polymer and stainless steel metering insert, a meter-control circuit board with associated wiring, LCD, and battery. Wetted elements are limited to the pressure vessel, the polymer/stainless steel metering insert and the transducers. The electronic components are housed and fully potted within a molded, engineered polymer enclosure, which is permanently attached to the meter housing. The transducers extend through the stainless steel housing and are sealed by O-rings.

The metering insert holds the stainless steel ultrasonic reflectors in the center of the flow area, enabling turbulence-free water flow through the tube and around the ultrasonic signal reflectors. The metering insert's patented design virtually eliminates chemical buildup on the reflectors, ensuring long-term metering accuracy.

METER INSTALLATION

The meter is completely submersible and can be installed using horizontal or vertical piping, with flow in the up direction. The meter will not measure flow when an "empty pipe" condition is experienced. An empty pipe is defined as a condition that occurs when the flow sensors are not fully submerged.

Badger Meter

ESM-DS-00672-EN-11 (November 2022)

Product Data Sheet

SPECIFICATIONS

E-Series Ultrasonic Meter Size	1-1/2 in. (40 mm)	2 in. (50 mm)
Normal Test Flow Limits	1.25…100 gpm (0.28…22.7 m^3/hr)	1.5…160 gpm (0.34…36.3 m^3/hr)
Minimum Test Flow Limits	0.40 gpm (0.09 m^3/hr)	0.50 gpm (0.11 m^3/hr)
Safe Maximum Operating Condition (SMOC)	100 gpm (22.7 m^3/hr)	160 gpm (36.3 m^3/hr)
Typical Pressure Loss	3.8 psi (0.26 bar)	5.2 psi (0.36 bar)
Reverse Flow – Maximum Rate	12 gpm (2.73 m^3/hr)	18 gpm (4.09 m^3/hr)
Operating Performance	In the normal temperature range of 45…122° F (7…50° C), new meter consumption measurement is accurate to: • ±1.5% over the normal flow range • ±3.0% from the extended low flow range to the minimum flow value	
Storage Temperature	– 40…140° F (– 40…60° C)	
Maximum Ambient Storage (Storage for One Hour)	150° F (66° C)	
Measured-Fluid Temperature Range	34…140° F (1…60° C)	
Humidity	0…100% condensing; meter is capable of operating in fully submerged environments	
Maximum Operating Pressure of Meter Housing	175 psi (12 bar)	
Register Type	Straight reading, permanently sealed electronic LCD; digits are 0.28 in. (7 mm) high	
Register Display	• Consumption (up to nine digits) • Rate of flow • Alarms (empty pipe, temperature, exceeding max flow, sensor error, reverse flow, suspected leak, 30 day no usage, end of life) • Unit of measure factory programmed for gallons, cubic feet and cubic meters	
Register Capacity	• 100,000,000 gallons • 10,000,000 cubic feet • 1,000,000 cubic meters	
Totalization Display Resolution	• Gallons: 0.X • Cubic feet: 0.XX • Cubic meters: 0.XXX	
Battery	3.6-volt lithium thionyl chloride; battery is fully encapsulated within the register housing and is not replaceable; 20-year battery life	

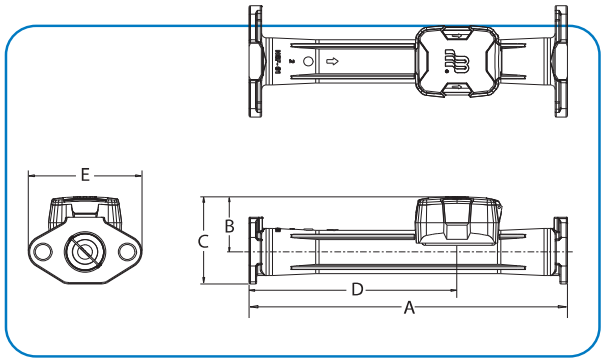
MATERIALS

Meter Housing	316 stainless steel
Measuring Element	Pair of ultrasonic sensors located in the flow tube
Register Housing & Lid	Engineered polymer
Metering Insert	Engineered polymer & stainless steel
Transducers	Piezo-ceramic device with wetted surface of stainless CrNiMo

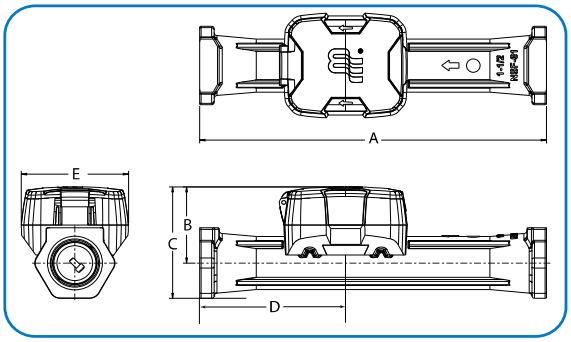
PHYSICAL DIMENSIONS

E-Series Ultrasonic Meter Size	1-1/2 in. (40 mm)	1-1/2 in. (40 mm)	2 in. (50 mm)	2 in. (50 mm)
Housing	**Elliptical**	**HEX**	**Elliptical**	**HEX**
Size Designation X Lay Length	1-1/2 x 13 in. (38 x 330 mm)	1-1/2 x 12.62 in. (38 x 321 mm)	2 x 17 in. (51 x 432 mm)	2 x 15.25 in. (51 x 387 mm)
Weight (without AMR)	8.2 lb (3.7 kg)	6.5 lb (2.9 kg)	11.9 lb (5.4 kg)	8.9 lb (4.0 kg)
See illustration below for Measurement Designations.				
Length (A)	13 in. (330 mm)	12.62 in. (321 mm)	17 in. (432 mm)	15.25 in. (387 mm)
Height (B)	2.80 in. (71 mm)	2.84 in. (72 mm)	3.01 in. (77 mm)	3.06 in. (78 mm)
Height (C)	4.55 in. (116 mm)	4.15 in. (105 mm)	4.76 in. (121 mm)	4.68 in. (119 mm)
Length (D)	7.10 in. (180 mm)	5.31 in. (135 mm)	11.10 in. (282 mm)	5.05 in. (128 mm)
Width (E)	5.50 in. (140 mm)	3.90 in. (99 mm)	6.08 in. (154 mm)	3.90 in. (99 mm)
Bore Size	1-1/2 in. (40 mm)	1-1/2 in. (40 mm)	2 in. (51 mm)	2 in. (51 mm)
Two-Bolt Elliptical Flange (AWWA)	1-1/2 in. (40 mm)	—	2 in. (51 mm)	—
Bolt Hole Diameter	0.69 in. (17.53 mm)	—	0.81 in. (20.57 mm)	—
Companion Flange	1-1/2 in. (40 mm)	—	2 in. (51 mm)	—
Internal Thread Size	—	1-1/2 in. NPT	—	2 in. NPT

Elliptical Measurement Designations

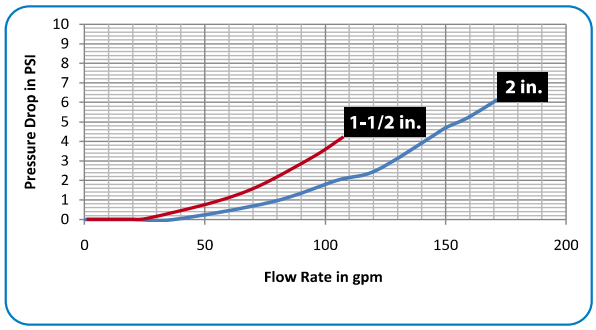


HEX Measurement Designations



PRESSURE LOSS CHART

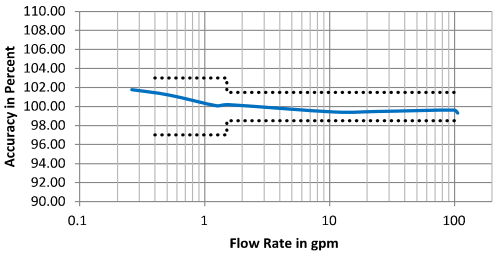
Flow rate in Gallons Per Minute (gpm)



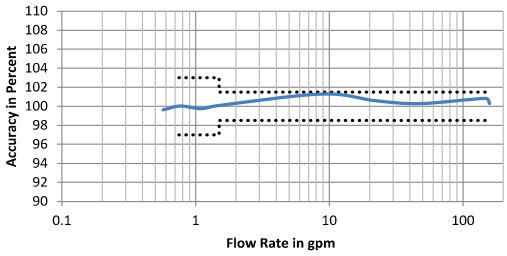
ACCURACY CHARTS

Rate of Flow in gallons per minute (gpm)

1-1/2 in. Meter



2 in. Meter



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Legacy Document Number: ESM-T-10-EN

E-Series®
Ultrasonic Flow Meters

E-Series G2® Ultrasonic Meter

Lead-Free Bronze Alloy, 3, 4, 6 and 8 inch

DESCRIPTION

The next generation E-Series G2® Ultrasonic meter uses solid-state technology in a compact, tamper protected, weatherproof and UV-resistant housing, suitable for commercial applications. Electronic metering provides information—such as rate of flow and status and alarm indication—and data not typically available through traditional, mechanical meters and registers. Electronic metering minimizes measurement errors due to sand, suspended particles and pressure fluctuations.

Ultrasonic 3, 4, 6 and 8 inch Meter Features

- Open flow tube design prevents flow obstruction to reduce pressure loss
- Greater turn-down ratio for extended flow ranges and increased revenue
- Easy-to-read, 9-digit LCD display, which presents consumption, rate of flow, unit of measure, pressure, temperature, alarm conditions and firmware version
- Pressure alarm and pressure and temperature data reported through ORION Cellular endpoints and BEACON®
- Field programmable registration and maintains an hourly internal logging capacity of 160 days of data
- Single and dual outputs include high resolution industry standard ASCII encoder protocol, scaled/unscaled and 4-20 mA

The meter is available with an inline connector for easy connection and installation to ORION endpoints. It is also available with a flying lead for field splice connection.

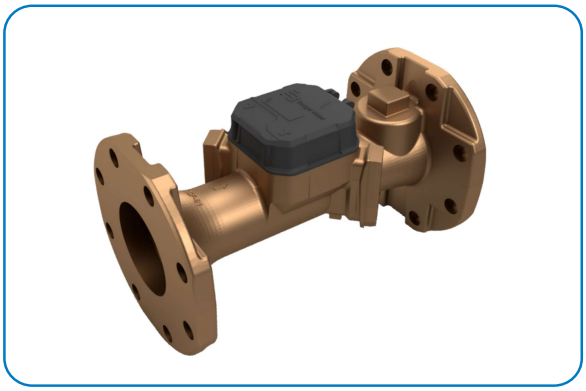
APPLICATIONS

Use the E-Series Ultrasonic meter for measuring potable cold water in commercial and industrial services. The meter is also ideal for non-potable, reclaimed irrigation water applications or less than optimum water conditions where small particles exist.

E-Series Ultrasonic meters meet and exceed the most recent version of AWWA C715 Standards. The lead-free bronze alloy meters comply with the lead-free provisions of the Safe Drinking Water Act and NSF/ANSI/CAN Standards 61 and 372. E-Series Ultrasonic meters also conform to UL 327B and FM 1044 for fire service applications.

OPERATION & PERFORMANCE

As water flows into the measuring tube, ultrasonic signals are sent consecutively in forward and reverse directions of flow. Velocity is then determined by measuring the time difference between the measurement in the forward and reverse directions. Total volume is calculated from the measured flow velocity using water temperature and pipe diameter. The LCD shows total volume, unit of measure, rate of flow, pressure, temperature, firmware and



alarm conditions (reverse-flow, no usage, empty pipe, exceeding max flow, suspected leak, pressure, temperature, end of life and measurement error).

In normal temperature range of 45…122° F (7…50° C), the Ultrasonic "new meter" consumption measurement is accurate to:

- ±1.5% over the normal flow range
- ±3.0% from the extended low flow range to the minimum flow value

CONSTRUCTION

The E-Series Ultrasonic meter features lead-free bronze alloy meter housing, ultrasonic transducers, a meter-control circuit board with associated wiring, LCD and battery. Wetted elements are limited to the pressure vessel and transducers. The electronic components are housed and fully potted within a molded, engineered polymer enclosure, which is attached to the meter housing. The transducers extend through the housing and are sealed by O-rings, enabling turbulence-free water flow through the tube. The open flow tube design prevents obstruction of flow to reduce pressure loss and provide long-term accuracy.

METER INSTALLATION

For long-term performance the meter is weatherproof, UV-resistant, fully submersible and can be installed using horizontal or vertical piping. The registration electronics and battery are encapsulated to withstand harsh environments and protect the electronics in flooded or submerged pit applications. The meter will not measure flow when an "empty pipe" condition is experienced. An empty pipe is defined as a condition that occurs when the flow sensors are not fully submerged.

FM APPROVED

UL LISTED

Badger Meter

ESM-DS-02781-EN-20 (May 2024)

Product Data Sheet

SPECIFICATIONS

E-Series G2 Ultrasonic Meter Size	3 in.		4 in.		6 in.		8 in.
	3 × 12 in. (76 × 305 mm)	3 × 17 in. (76 × 432 mm)	4 × 14 in. (102 × 356 mm)	4 × 20 in. (102 × 508 mm)	6 × 18 in. (152 × 457 mm)	6 × 24 in. (152 × 610 mm)	8 × 20 in. (203 × 508 mm)
Normal Test Flow Limits	0.75…560 gpm		1.5…1100 gpm		2.2…2000 gpm		4…3500 gpm
Minimum Test Flow Limits	0.37 gpm		0.75 gpm		1.1 gpm		2.0 gpm
Safe Maximum Operating Condition (SMOC)	560 gpm		1100 gpm		2000 gpm		3500 gpm
Typical Pressure Loss	2.6 psi @ 350 gpm		2.1 psi @ 630 gpm		1.5 psi @ 1400 gpm	1.8 psi @ 1400 gpm	2.4 psi @ 2800 gpm
Totalization Display Resolution	*3 inch and 4 inch meters* • Gallons: 0.1 • Cubic feet: 0.01 • Cubic meters: 0.001				*6 inch and 8 inch meters* • Gallons: 1.0 • Cubic feet: 0.1 • Cubic meters: 0.01		
Operating Performance	In normal temperature range of 45…122° F (7…50° C), new meter consumption measurement is accurate to: • 100% ±1.5% over the normal test flow limits • 100% ±3.0% for the minimum test flow limits						
Storage Temperature	– 40…140° F (– 40…60° C)						
Maximum Ambient Storage (Storage for One Hour)	150° F (66° C)						
Measured Fluid Temperature Range	34…140° F (1…60° C) .						
Humidity	0…100% condensing; meter is capable of operating in fully submerged environments						
Maximum Working Pressure of Meter Housing	175 psi (12 bar)						
Maximum Operating Pressure of Pressure Sensor	175 psi (12 bar)						
Pressure Sensor Accuracy	±2% of full scale pressure, up to 175 psi (12 bar)						
Register Type	Straight reading, permanently sealed electronic LCD; digits are 0.28 in. (7 mm) high						
Register Display	• Consumption (up to nine digits) • Rate of flow • Alarms • Pressure				• Temperature • Firmware version • Unit of measure factory programmed for gallons, cubic feet and cubic meters		
Scaled/Unscaled Output*	Solid-state relay with 4-20mA output; open drain MOSFET with encoder output						
Max. Voltage	30V DC						
Current	100 mA						
Pulse Width	50 ms (programmable 25…100 ms)						
Analog 4-20 mA Output*	Two-wire/passive						
Input Voltage Range	9…50V DC supply						
Current	4…20 mA						
Max. Load Resistance (Ohms)	50 Ohms + 50 Ohms (supply voltage - 9V)						
Battery	3.6-volt lithium thionyl chloride battery is fully encapsulated within the register housing and is not replaceable. 20-year battery life; 15-year battery life for dual output meters						

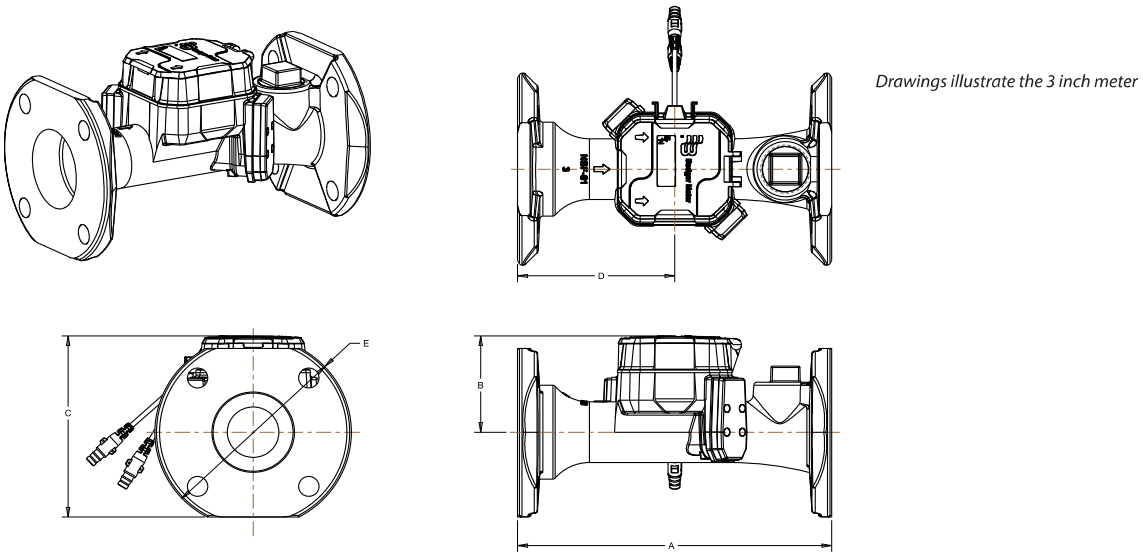
NOTE: See Pressure Loss Chart on *page 4* for typical pressure loss over complete UL 327B flow range.

* Applicable to meters with dual output options

PHYSICAL DIMENSIONS

E-Series G2 Ultrasonic Meter Size	3 in.		4 in.		6 in.		8 in.
Housing	**Round**	**Round**	**Round**	**Round**	**Round**	**Round**	**Round**
Size Designation X Lay Length	3 × 12 in. (76 × 305 mm)	3 × 17 in. (76 × 432 mm)	4 × 14 in. (102 × 356 mm)	4 × 20 in. (102 × 508 mm)	6 × 18 in. (152 × 457 mm)	6 × 24 in. (152 × 610 mm)	8 × 20 in. (203 × 508 mm)
Weight (without AMR)	26 lb (11.8 kg)	28.5 lb (12.9 kg)	38 lb (17.2 kg)	42 lb (19.1 kg)	59 lb (26.8 kg)	66 lb (29.9 kg)	96 lb (43.5 kg)
See illustration below for Measurement Designations							
Length (A)	12 in. (305 mm)	17 in. (432 mm)	14 in. (356 mm)	20 in. (508 mm)	18 in. (457 mm)	24 in. (610 mm)	20 in. (508 mm)
Height (B)	3.76 in. (95 mm)	3.76 in. (95 mm)	3.99 in. (101 mm)	3.99 in. (101 mm)	5.15 in. (131 mm)	5.15 in. (131 mm)	6.49 in. (165 mm)
Height (C)	7.08 in. (180 mm)	7.08 in. (180 mm)	8.5 in. (216 mm)	8.5 in. (216 mm)	10.36 in. (263 mm)	10.36 in. (263 mm)	13.05 in. (331 mm)
Height with Lifting Ring	NA	NA	NA	NA	12.96 in. (329 mm)	12.96 in. (329 mm)	15.65 in. (398 mm)
Length (D)	6 in. (152 mm)	8.5 in. (216 mm)	7 in. (178 mm)	10 in. (254 mm)	8 in. (203 mm)	8 in. (203 mm)	9 in. (229 mm)
Width (E)	7.5 in. (191 mm)	7.5 in. (191 mm)	9 in. (229 mm)	9 in. (229 mm)	11 in. (279 mm)	11 in. (279 mm)	13.50 in. (343 mm)
Number of Bolts	4	4	8	8	8	8	8
Bolt Hole Diameter	0.781 in. (19.84 mm)						
Companion Flange	3 in. (76 mm)	3 in. (76 mm)	4 in. (102 mm)	4 in. (102 mm)	6 in. (152 mm)	6 in. (152 mm)	8 in. (203 mm)
NPT Test Port	1.5 in. (38 mm)	1.5 in. (38 mm)	2 in. (51 mm)	2 in. (51 mm)	2 in. (51 mm)	2 in. (51 mm)	2 in. (51 mm)

Measurement Designations



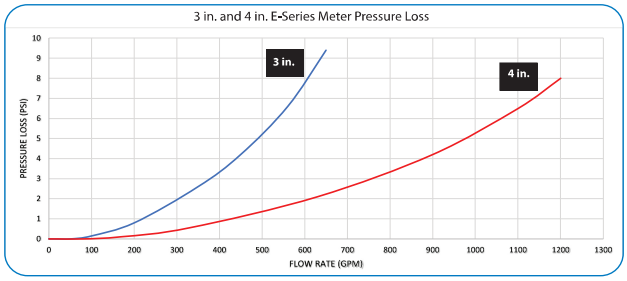
Drawings illustrate the 3 inch meter

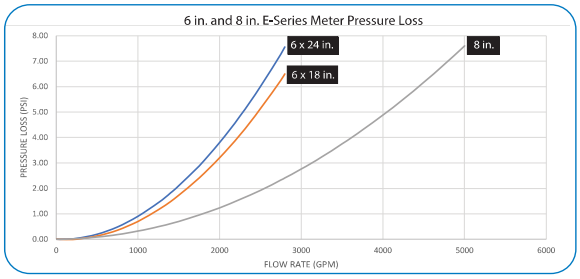
MATERIALS

Meter Housing	Lead-free bronze alloy
Measuring Section	Ultrasonic sensors located in the flow tube
Register Housing & Lid	Engineered polymer
Transducer Port Covers 3 in., 4 in.	Lead-free bronze alloy
Transducer Port Covers 6 in., 8 in.	Engineered polymer

PRESSURE LOSS CHARTS

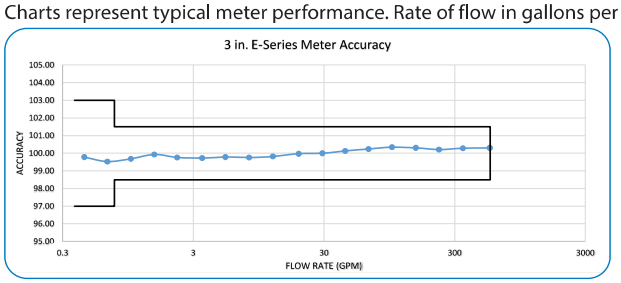
Charts represent typical meter performance. Rate of flow in gallons per minute (gpm).

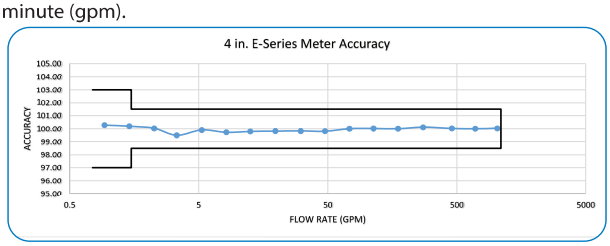


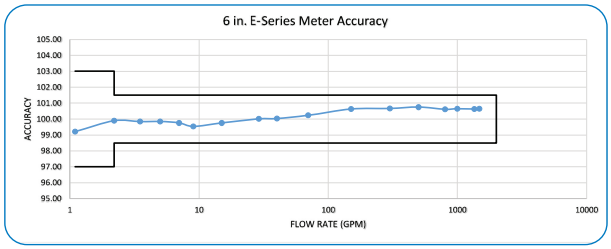


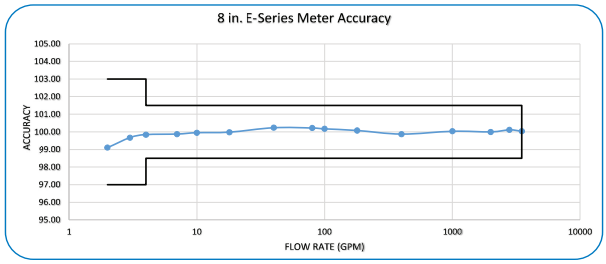
ACCURACY CHARTS

Charts represent typical meter performance. Rate of flow in gallons per minute (gpm).









SMART WATER IS *BADGER METER*

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www.badgermeter.com

ORION® Cellular Water Endpoints

DESCRIPTION

ORION® Cellular water endpoints are innovative, two-way endpoints for smart water applications. The endpoints utilize existing IoT (Internet of Things) cellular infrastructure to efficiently and securely deliver meter reading data to the utility in a Network as a Service (NaaS) approach. Leveraging existing cellular infrastructure, the NaaS solution offers all the performance benefits of AMI, while eliminating network-related maintenance and technology concerns and enhancing deployment flexibility.

Cellular endpoints are members of the time-tested ORION family of products from Badger Meter, designed for maximum flexibility. Since 2002, the ORION product family has provided comprehensive Advanced Metering Analytics (AMA) for interval meter reading and data capture using both one-way and two-way communications.

FUNCTIONALITY

Operation: ORION Cellular water endpoints communicate with the encoder and capture 15-minute interval read data and meter status information. The endpoints then automatically broadcast the information, including endpoint status information, via the cellular network to BEACON® Software as a Service (SaaS). ORION NaaS is powered by the proven ORION system for interval data capture and two-way communication. The solution employs cellular endpoints which, as they leverage the public cellular network and require no proprietary gateways to operate, dramatically reduce infrastructure requirements compared to a traditional fixed network. This speeds installations and simplifies expansion as a system evolves.

The endpoints are designed to call in four times each workday and feature a configurable schedule that enables utility customers to select call-in times that best support their processes.

Activation: ORION Cellular water endpoints are shipped in an inactive, non-transmitting state. The Badger Meter IR Communication Device can be used to activate the endpoints and verify the encoder connection. Successful endpoint function can be confirmed through a web app demonstrating that communication has been verified to both the encoder and the network.

Alternatively, the endpoints offer a Smart Activation feature. After installation, the endpoints begin broadcasting data when the encoder senses the first usage of water. No field programming or special tools are required.

Broadcast Mode: ORION Cellular water endpoints broadcast fixed network reading data through the secure cellular network within the service area.

Specific configurations also transmit a radio frequency (RF) message to facilitate troubleshooting in the field. See *"Configurations" on page 2.*

Data Storage: The endpoints store 42 days of 15-minute data.

ORION Cellular C endpoint (pictured)

Output Message: ORION Cellular water endpoints broadcast a unique serial number, meter reading data, and applicable status indicators. As an advanced data security measure, each message is securely transported to BEACON SaaS only via private network and never over the public internet.

APPLICATION

Configurations: ORION Cellular water endpoints are multi-purpose endpoints that can be deployed in indoor, outdoor and pit (non-metal pit lid) applications. The electronics and battery assembly are fully encapsulated in epoxy for environmental integrity. The endpoint is available with a connector assembly for ease of installation.

Meter Compatibility: When attached to a Badger Meter High Resolution Encoder, the ORION Cellular water endpoint is compatible with all current Badger Meter Recordall® Disc, Turbo Series, Compound Series, Combo Series and Fire Service meters and assemblies, and with E-Series G2® Ultrasonic, E-Series® Ultrasonic, E-Series® Ultrasonic Plus, and ModMAG® electromagnetic flow meters.

Encoder Compatibility: The ORION Cellular water endpoint is suitable for use with a Badger Meter High Resolution Encoder as well as the following Badger Meter approved three-wire encoder registers that have a manufacture date within 10 years of the current date as long as the encoder has three wires connected to it and is programmed into the three-wire output mode for AMR/AMI: Honeywell® (Elster/ABB) ScanCoder, evoQ4 meter with Sensus® protocol module; Master Meter® Octave® Ultrasonic meter encoder output; Metron-Farnier Hawkeye; Mueller Systems 420 Solid State Register (SSR) LCD; Neptune® ProRead, E-Coder®, ARB-V®, and ProCoder; and Sensus iPerl®.

Badger Meter

ORI-DS-02957-EN-11 (October 2023)

Product Data Sheet

SPECIFICATIONS

Dimensions	5.125 in. (130 mm) (H) 1.75 in. (44 mm) Diameter at top 2.625 in. (W) x 2.875 in. (D) at base (67 mm (W) x 73 mm (D) at base)
Broadcast Network	LTE-M cellular network (primary communication technology)
	NB-IoT (secondary communication technology for certain variants)
RF Message for Troubleshooting	Where available (see table below) frequency is FCC-regulated 902…928 MHz frequency hopping modulation
Operating Temperature Range • Storage, Meter Reading and RF Message (for troubleshooting) • Cellular Communications	 –40…60° C (–40…140° F) –20…60° C (–4…140° F)
Humidity	0%…100% condensing
Battery	One (1) lithium thionyl chloride D cell (nonreplaceable)

Construction: All ORION Cellular water endpoints are housed in an engineered polymer enclosure with an ORION RF board, battery and antenna. For long-term performance, the enclosure is fully potted to withstand harsh environments and to protect the electronics in flooded or submerged pit applications.

Wire Connections: ORION Cellular water endpoints are available with inline connectors (Twist Tight® or Nicor®) for easy installation and connection to compatible encoders/meters. The endpoints are also available with flying leads for field splice connections. Other wire connection configurations may be available upon request.

FEATURES

Smart City Ready	Future-proof technology
Communication Type	Two-way
Application Type	Control/Monitor
Endpoint Communication	Configurable call-in schedule, up to four times each workday
Reading Interval Type	15-minute
Encoder Compatibility	Absolute
Fixed Network Reading	✓
Cut-Wire Indication	✓
Encoder Error	✓
Low Battery Indication	✓
Remote Clock Synchronization	✓
Firmware Upgrades	✓

CONFIGURATIONS

Endpoint	Notes
ORION Cellular C	Includes RF and IR messages for troubleshooting
ORION Cellular HLD	Includes RF and IR messages for troubleshooting
ORION Cellular LTE-M	Includes RF and IR messages for troubleshooting

NOTE: For the ORION Cellular LTE-MP endpoint, see the *ORION Cellular LTE-MP Endpoint product data sheet*, available at *www.badgermeter.com*.

License Requirements: ORION Cellular water endpoints comply with Part 15, Part 22, Part 24, and Part 27 of the FCC Rules. No license is required by the utility to operate an ORION meter reading system. This device complies with Industry Canada license-exempt RSS standard(s).

Transportation: **WARNING**: The operation of transmitters and receivers on airlines is strictly prohibited by the Federal Aviation Administration. As such, the shipping of radios and endpoints via air is prohibited. Please follow all Badger Meter return and/or shipping procedures to prevent exposure to liability.

Warning: To reduce the possibility of electrical fire and shock hazards, never connect the cable from the endpoint to any electrical supply source. The endpoint cable provides SELV low voltage limited energy power to the load and should only be connected to passive elements of a water meter register.

Caution: Endpoint batteries are *not* replaceable. Users should make no attempt to replace the batteries.
Changes or modifications to the equipment that are not expressly approved by Badger Meter could void the user's authority to operate the equipment.

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www.badgermeter.com

00 52 13 – CONTRACT

This CONTRACT, No. _____ is made and entered into this 11 day of February 2025, by and between City of St. Helena, sometimes hereinafter called "City," and Professional Meters Inc., sometimes hereinafter called "Contractor."

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

a. **SCOPE OF WORK.** The Contractor shall perform all Work within the time stipulated in the Contract, and shall provide all labor, materials, equipment, tools, utility services, and transportation to complete all of the Work required in strict compliance with the Contract Documents as specified in Section (e), below, for the following Project:

W24-04 SMART Meter Deployment

The Contractor and its surety shall be liable to the City for any damages arising as a result of the Contractor's failure to comply with this obligation.

b. **TIME FOR COMPLETION.** Time is of the essence in the performance of the Work. The Work shall be commenced on the date stated in the City's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within eighty (80) working days from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.

c. **CONTRACT PRICE.** The City shall pay to the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of four hundred ninety one thousand five hundred fifty nine dollars and twenty three cents ($491,359.23). Payment shall be made as set forth in the General Conditions.

d. **LIQUIDATED DAMAGES.** In accordance with Government Code section 53069.85, it is agreed that the Contractor shall pay the City the sum set forth in Section 00 73 13, Article 1.11 for each and every calendar day of delay beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event this is not paid, the Contractor agrees the City may deduct that amount from any money due or that may become due the Contractor under the Contract. This Article does not exclude recovery of other damages specified in the Contract Documents.

e. **COMPONENT PARTS OF THE CONTRACT.** The "Contract Documents" include the following:

Notice Inviting Bids
Instructions to Bidders
Bid Form
Bid Bond
Designation of Subcontractors
Information Required of Bidders
Non-Collusion Declaration Form
Iran Contracting Act Certification

Public Works Contractor Registration Certification
Fleet Compliance Certification
Performance Bond
Payment (Labor and Materials) Bond
General Conditions
Special Conditions
Technical Specifications
Addenda
Plans and Drawings
Standard Specifications for Public Works Construction "Greenbook", latest edition, Except Sections 1-9
Applicable Local Agency Standards and Specifications, as last revised
Approved and fully executed change orders
Any other documents contained in or incorporated into the Contract

The Contractor shall complete the Work in strict accordance with all of the Contract Documents.

All of the Contract Documents are intended to be complementary. Work required by one of the Contract Documents and not by others shall be done as if required by all. This Contract shall supersede any prior agreement of the parties.

f. **PROVISIONS REQUIRED BY LAW AND CONTRACTOR COMPLIANCE.** Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Work.

g. **INDEMNIFICATION.** Contractor shall provide indemnification and defense as set forth in the General Conditions.

h. **PREVAILING WAGES.** Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at the City's Administrative Office or may be obtained online at http://www.dir.ca.gov and which must be posted at the job site.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Contract has been duly executed by the above-named parties, on the day and year above written.

CITY OF ST. HELENA
Approved By:

Anil Comelo, City Manager

Date

Attested By:

City Clerk

Approved As To Form:

City Attorney

Professional Meters Inc.

Signature

JOHN R. CUMMINGS
Name

VICE PRESIDENT
Title

01/29/2025
Date

(CONTRACTOR'S SIGNATURE MUST BE NOTARIZED AND CORPORATE SEAL AFFIXED, IF APPLICABLE)

END OF CONTRACT

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF ~~CALIFORNIA~~ ILLINOIS
COUNTY OF GRUNDY

On JANUARY 29 (Date), 2025, before me, KAILEEN CUMMINGS (Name And Title Of Officer (e.g. "Jane Doe, Notary Public")), Notary Public, personally appeared JOHN CUMMINGS (Name(s) of Signer(s)), who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

KAILEEN CJ CUMMINGS
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
Placed Notary Seal Above 2025

WITNESS my hand and official seal.

Kaileen C J Cummings
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
- ☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited ☐ General
- ☐ Attorney-In-Fact
- ☐ Trustee(s)
- ☐ Guardian/Conservator
- ☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

SMART Meter Replacement Project
CIP Project W24-04

City Council Meeting

February 11, 2025

Purpose of W24-04

City provides water to 2,600+ residents and businesses

30% non-revenue water loss due to aging infrastructure

Meters over 16 years old, causing revenue loss and inefficiencies

Enterprise Fund model requires accurate billing

Benefits

Water Loss Reduction: Identifies leaks early

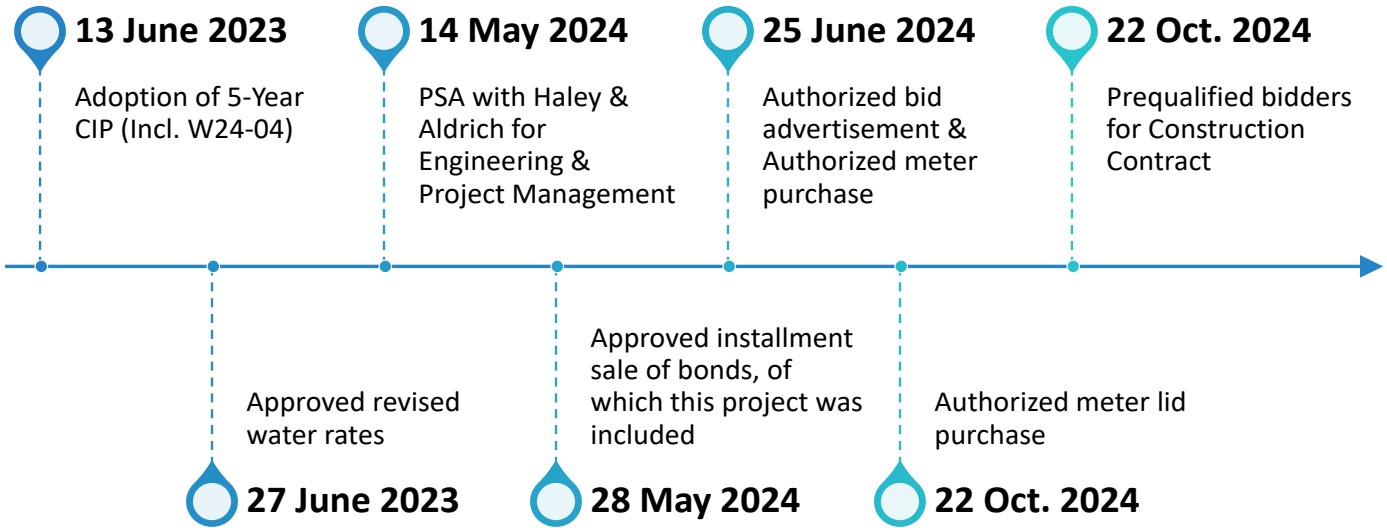
Operational Efficiency: Eliminates manual readings

Accurate Billing: Reduces errors from aging meters

EyeOnWater Portal: Real-time monitoring for customers

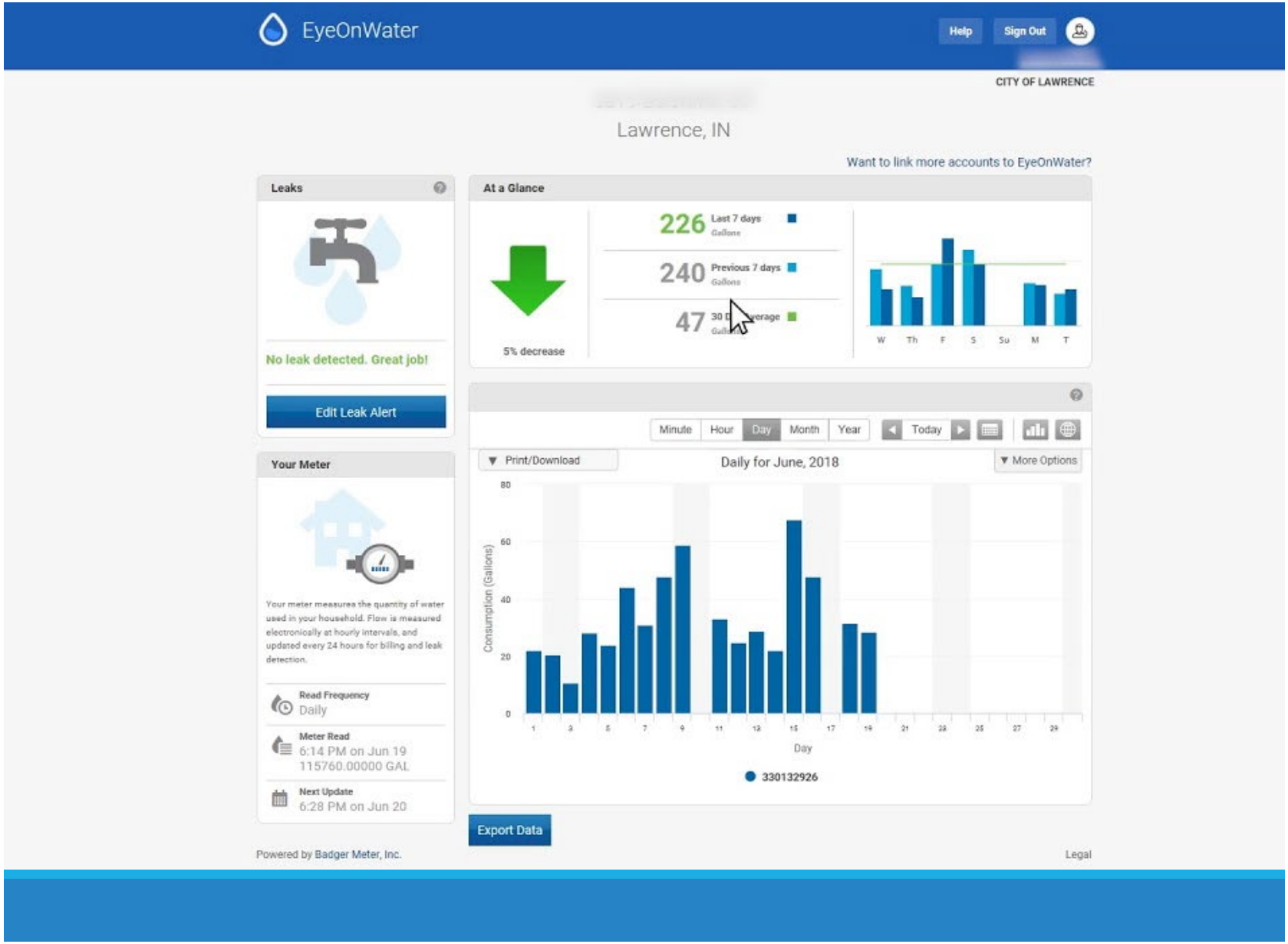
Water Quality Management: Supports system improvements

Previous Council Actions

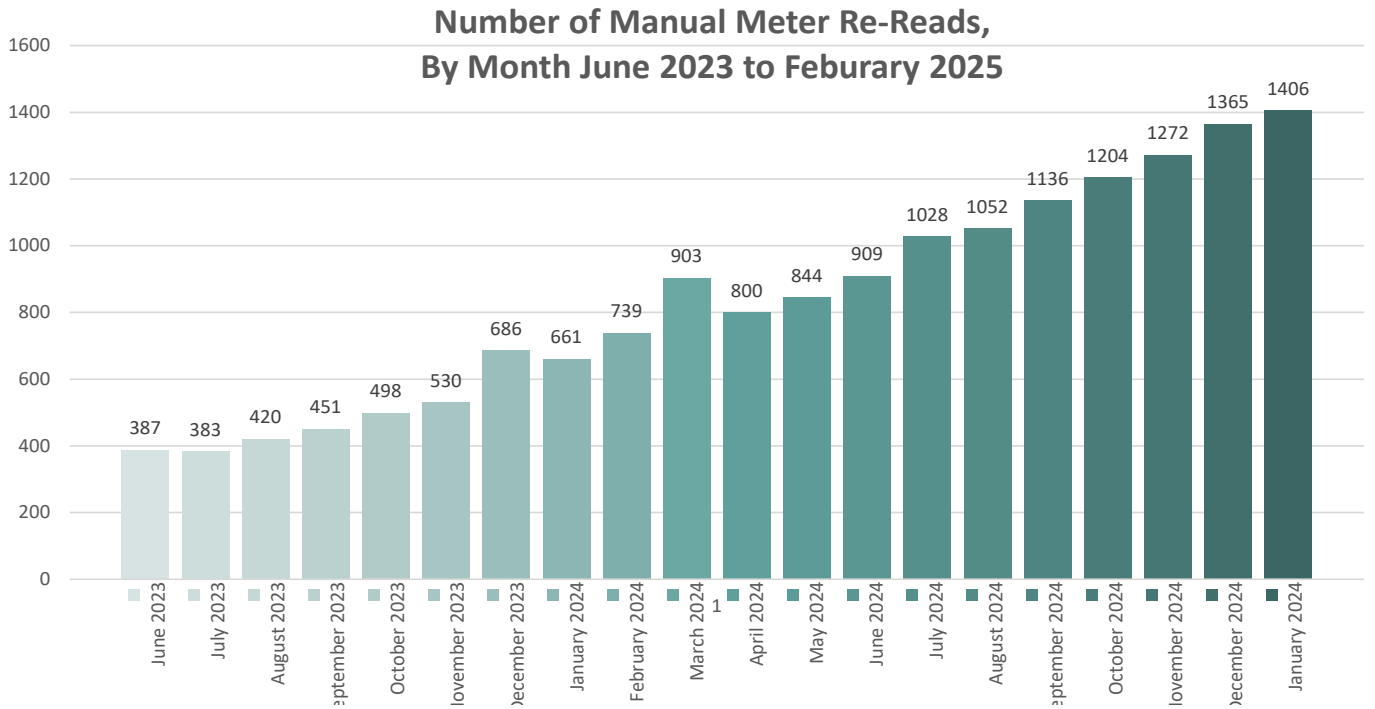


EyeOnWater®

- ✓Real-Time Monitoring
- ✓Alerts & Notifications
- ✓Usage Trends
- ✓Conservation Tools
- ✓Accessible Phone, Tablet, PC


EyeOnWater
Help
Sign Out
CITY OF LAWRENCE
Lawrence, IN
Want to link more accounts to EyeOnWater?
Leaks
No leak detected. Great job!
Edit Leak Alert
Your Meter
Your meter measures the quantity of water used in your household. Flow is measured electronically at hourly intervals, and updated every 24 hours for billing and leak detection.
Read Frequency
Daily
Meter Read
6:14 PM on Jun 19
115760.00000 GAL
Next Update
6:28 PM on Jun 20
At a Glance
226 Last 7 days
Gallons
240 Previous 7 days
Gallons
47 30 D verage
5% decrease
W Th F S Su M T
Minute Hour Day Month Year
Today
Print/Download
Daily for June, 2018
More Options
Consumption (Gallons)
80
60
40
20
0
Day
330132926
Export Data
Powered by Badger Meter, Inc.
Legal

Impacts


Number of Manual Meter Re-Reads,
By Month June 2023 to Feburary 2025
1600
1400
1200
1000
800
600
400
200
0
387
383
420
451
498
530
686
661
739
903
800
844
909
1028
1052
1136
1204
1272
1365
1406
June 2023
July 2023
August 2023
October 2023
December 2023
January 2024
February 2024
March 2024
April 2024
May 2024
June 2024
July 2024
August 2024
October 2024
January 2024

Financial Summary (as proposed)

Total Project Cost: $2.3 million

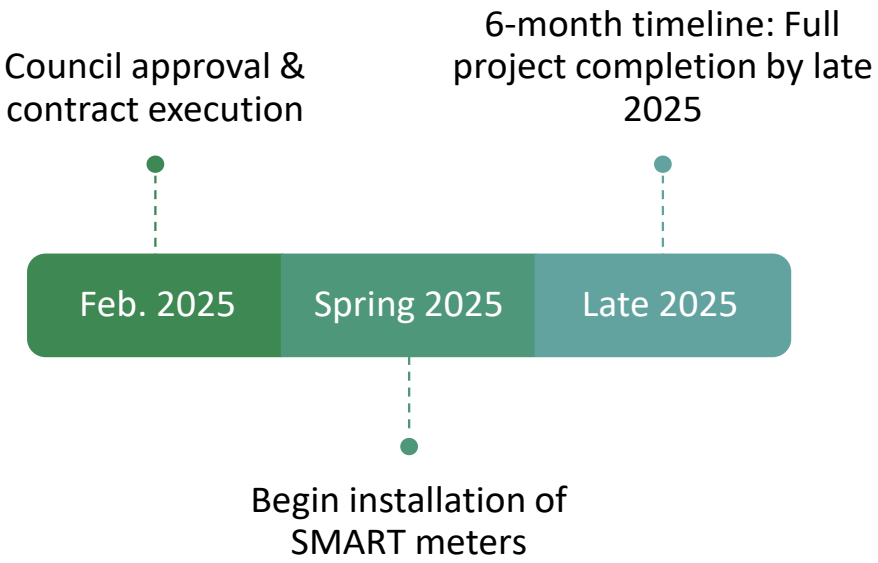
Funding secured through Water Revenue Bonds

Project Expenditure Total	Cost	Date Approved
Project Management Professional Services	$406,000	May 14, 2024
Badger Meter Purchase	$1,056,966	July 15, 2024
Initial Pace Lid Purchase	$123,586	October 22, 2024
Total Spent to date:	**$1,586,552**	
Construction for Meter Replacement Base Bid	$491,359	Proposed Tonight
Construction Contingency 15%	$73,704	Proposed Tonight
Remaining Lid Purchase	$132,600	TBD
Lid contingency 15%	$18,890	TBD
Total Cost of Project	**$2,303,105**	
Funding Approved 2025 CIP Budget	$1,970,000	
Project Shortfall	($333,105.11)	

**Project Savings:*

- *Staff Coordinated inventory*
- *Purchase of lids and meters outside of construction contract*

Implementation Timeline



Bid Results & Contractor Selection

Concord Utility Services: $894,210

Professional Meters Inc.: $491,359
(Lowest Responsive Bidder)

Meets all prequalification requirements & has proven experience

Council Options:

The Council Could Choose to:

1) Approve Staff Recommendation, awarding contract & modifying project budget

2) Deny recommendation and direct staff to implement meter project internally, extend timeline & approve additional material cost impacts

3) Status Quo (No Action) – Keep the existing meters and system in place, continue unbilled water and maintain staff time for manual reads.

Option 1: Approve Project As recommended

Benefits

Purchased meters/lids outside of construction contract to save 5%-15% mark up

6-month implementation removes manual reads and inaccurate reads (aka water loss)

Staff regain time (100+ hours/mo) for preventative maintenance and water quality improvements

Trade Offs

Cost overruns will impact other project budgets

Working with outside contractor

Option 2: Deny Contractor, Inhouse Completion

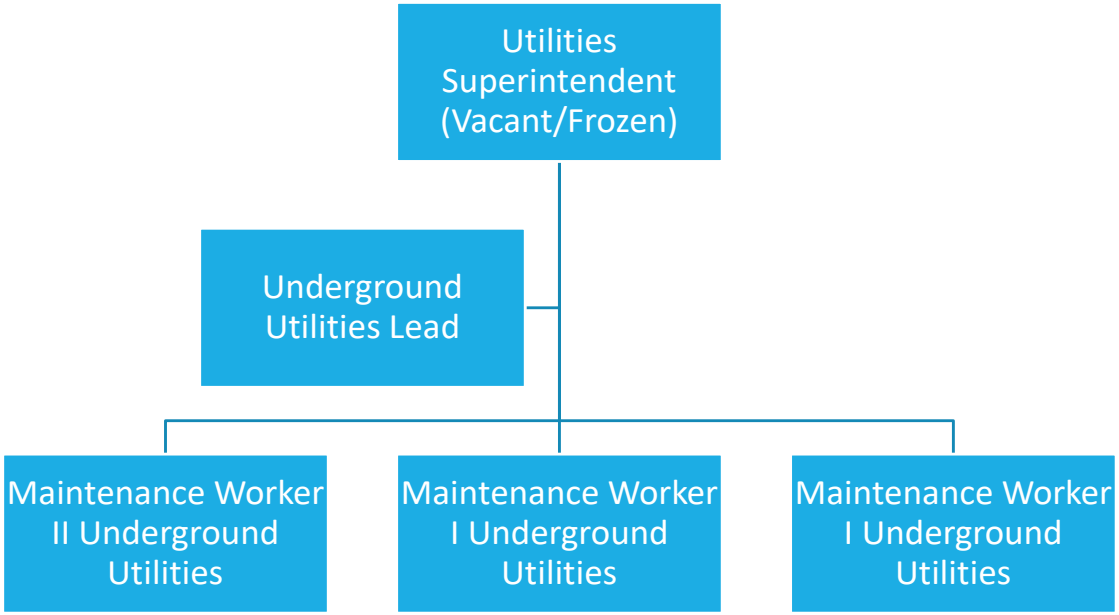
Benefits

- Meters and first portion of lids are purchased and on site
- Install meters as staff available
- Other project budgets are not impacted by project overrun
- Replace meters as they die, Prioritize with those already not reading digitally

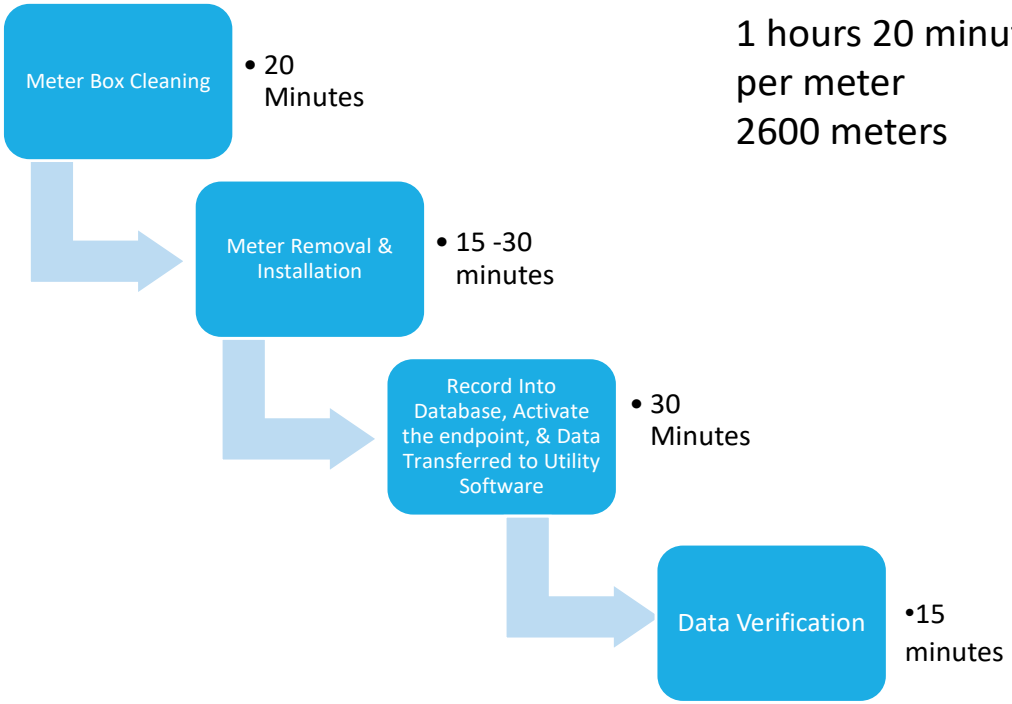
Trade Offs

- Still need to purchase lids
- Could take 24-36 additional months
- Revenue loss until meter replacement complete
- Continued manual re-reads every month until complete
- Manual reads have higher error rates
- Storage of all products on site create space issues for operations
- Meters are different styles, and additional data entry is needed until full system conversion
- Limited Staff time will impact ability to complete other necessary tasks (preventative and routine maintenance)

Utilities Current Staffing

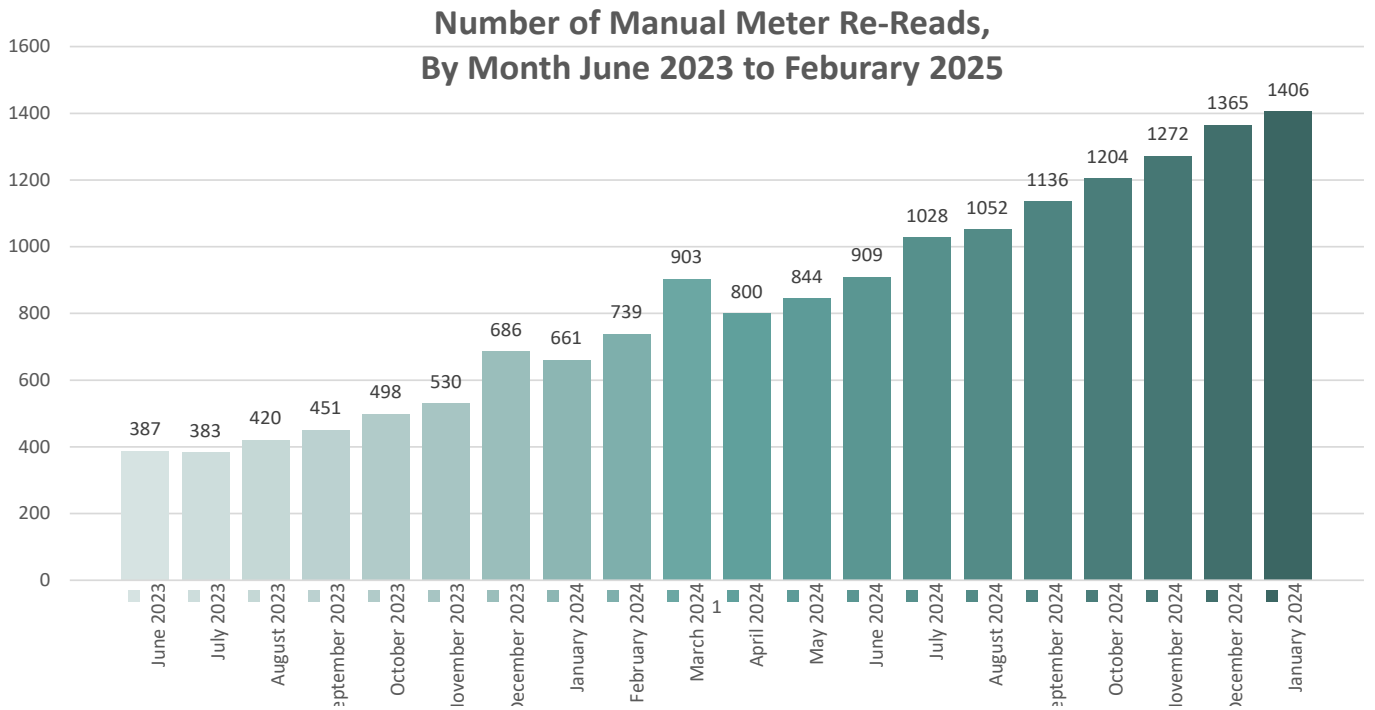


Meter Installation Process



1 hours 20 minutes per meter
2600 meters

Impacts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September 2024
October 2024
November 2024
December 2024
January 2024

Option 3: Status Quo – Deny Project

Benefits

Other project budgets are not impacted by project overrun

Trade Offs

Manual Reads increase by ~ 8% per month, Currently 54% manual

Meters will continue to die

Manual reads have higher error rates

Continued increase in unbilled water

Not sure if we can return meters, likely at a cost to the City

Meters are different styles, and additional data entry is needed until full system conversion

From: Kelly Wheaton
To: City Clerk
Subject: [External] Item 12.1 public Comment
Date: Monday, February 10, 2025 2:20:36 PM

Mayor Dohring and City Councilmembers,

I wish to put on the record my opposition to an increased expenditure of $333,105 for SMART METERS. I spoke out against this when it was originally proposed. This was misrepresented to the council and the public as a needed fix for leaks. It was not ever intended to fix any leaks. It is intended to increase the mesurement of flows over that of old meters. The previous council never asked critical issues about ongoing costs or why we were spending $1.9 on something we didn't need rather on critical infrastructure we do.

This is one of those difficult situations where the council has to decide to keep spending bad after bad in a never ending spiral. Other recent examples are the less than 1 million (original estimate) for City Hall renovations that ballooned to 3 Million. Or the Vine trail at $300+k that is reaching a million shortly. Or the epoxy coating of a concreye tank that then needs to be recoated every 7 years or so. Ongoing costs should be calculated into the real cost of these items. The failure of the staff to highlight only posituves and not ongoing costs needs to ve underlined. And who approves SMART Meters without Lids?

The City cannot afford these squishy agreements and cost overruns. At some point you just need to say NO. With the dumb decision on SMART Meters this was an expenditure in search of a problem. And it was misrepresented in actual Cost and Benefit.

Sincerely,
Kelly Wheaton
1335 Inglewood Ave

Agenda Report to the City Council

Agenda Section: OLD BUSINESS

Department: Administration

DATE:	February 11, 2025
FROM:	Erika Opp, Administrative Analyst
SUBJECT:	Consideration and proposed approval of a Resolution appointing 5 Members and 1 Alternate to the Water/Wastewater Advisory Committee and 1 member to the vacant opening on the Library Board of Trustees.
RECOMMENDED ACTION:	Appoint one member to the Library Board of Trustees and appoint five regular members and one alternate member to the Water/Wastewater Advisory Committee.
PREVIOUS COUNCIL ACTION:	1/14/25 - City Council Approved the Formation of Water/Wastewater Advisory Committee and Began Recruitment Process.
STATEMENT OF THE PURPOSE:	Appoint one member to the vacant position on the Library Board of Trustees. Appoint five regular voting members and one alternate to the Water/Wastewater Advisory Committee.
FINANCIAL IMPACT:	No direct impact.

BACKGROUND:
The City Clerk advertised a recruitment seeking applicants from the community to fill vacant Board, Committee and Commission terms of office. The Boards, Committees, and Commissions that have vacancies include the Library Board of Trustees and the newly formed Water/Wastewater Advisory Committee.

DISCUSSION:
The recruitment for the Water/Wastewater Advisory Committee was advertised seeking applicants from the community to fill five regular seats and 1 alternate seat. The City received a total of 6 applications.

The Library Board of Trustees had an ongoing recruitment and received 1 application.

Per City Council Rules of Procedure appointments shall be made by interview and the Mayor shall nominate applicants with the appointments subject to approval by the majority of Council. The City Council will convene an applicant interview special City Council meeting on February 11, 2025 at 5:00 pm.

The following lists the vacancies, expiring terms, and names of applicants.

Library Board of Trustees

One Library Board of Trustees vacancy with the term of office expiring June 30, 2025.

One application was received from Juana Navarro.

Water/Wastewater Advisory Committee

The committee will consist of five members and one alternate. One member may be a ratepayer residing outside City limits. The Committee will operation on a 24-month trial period starting in March of 2025, meeting every two months (minimum of 10 meetings) with more frequent meeting initially. If committee is extended beyond the 24-month trial period, it is anticipated committee members will serve four-year staggered terms.

Six applications were received from: Jay Kouba, Brent Randol, Mario Trinchero, Peter White, Garry Rose and Carl Myers.

Should Council decide not to appoint someone from the current applicants, staff would re-advertise for the position to fill the vacancy.

ENVIRONMENTAL REVIEW: N/A

GOAL:

Goal 1: Strengthen Financial Sustainability
Goal 2: Improve Infrastructure & Further Environmental Sustainability
Goal 3: Pursue Water Security & Sustainable Management of Water Resources
Goal 4: Provide Effective Community Information & Opportunities for Engagement
Goal 7: Enhance Organizational Effectiveness
Goal 8: Implement Capital Improvement Plans (CIP) Projects Miscellaneous/Other

DOCUMENTS ATTACHMENTS:

Water Wastewater Committee Library Board Appointments Resolution

CITY OF ST. HELENA

RESOLUTION NO. 2025-

Appointing applicants to the Library Board of Trustees and the Water/Wastewater Advisory Committee

RECITALS

A. There are vacant positions on the Library Board of Trustees and the newly formed Water/Wastewater Advisory Committee; and

B. Applications have been received from community members; and

C. Per City Council Rules of Procedure appointments shall be made by interview and the Mayor shall nominate applicants with the appointments subject to approval by the majority of Council; and

D. An applicant interview meeting is scheduled to be held on February 11, 2025 at 5:00 p.m.

RESOLUTION

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

Library Board of Trustees

1. _____ is appointed to the St. Helena Library Board of Trustees to fill vacant position that expires on June 30, 2025.

Water/Wastewater Advisory Committee

2. _____, _____, _____, _____, _____ are appointed as regular members of the Water/Wastewater Advisory Committee and _____ as an alternate member. This committee will operate on a 24-month trial period starting in March 2025 and ending in March 2027, unless continued by City Council.

Approved at a Regular Meeting of the St. Helena City Council on February 11, 2025, by the following vote:

Mayor Dohring: _____

Vice Mayor Deasy: _____

Council Member Barak: _____

Council Member Spadarotto: _____

Council Member Summers: _____

APPROVED: ATTEST:

_____ _____

Paul Jamison Dohring, Mayor Cindy Tzafopoulos, City Clerk

Agenda Report to the City Council

Agenda Section: NEW BUSINESS

Department: Public Works

DATE:	February 11, 2025
FROM:	Lesley Milton, Deputy City Manager
SUBJECT:	Receive status report on Action Items detailed in the adopted 2024 Flood Project Condition Assessment Report.
RECOMMENDED ACTION:	Receive the report and provide direction as necessary.
PREVIOUS COUNCIL ACTION:	June 11, 2024 the City Council received the final report and adopted Resolution 2024-093 accepting the St. Helena Flood Project Condition Assessment Report.
STATEMENT OF THE PURPOSE:	Receive report and provide direction as necessary.
FINANCIAL IMPACT:	While routine maintenance is covered under the current Public Works budget, specific projects such as geotechnical assessments and caulking replacements will require additional funding. Staff will pursue cost estimates and, if necessary, request budget allocations in the upcoming fiscal cycle.

BACKGROUND:

The St. Helena Flood Protection Project has been a critical component of the city's infrastructure since its completion in 2011. The project consists of multiple systems, including the levee embankment, floodwall, interior drainage, pump stations, and flood damage reduction channels. In October 2023, the City engaged Mead & Hunt to conduct a comprehensive condition assessment of the system. On June 11, 2024 the City Council received and accepted the final report. This report provides an update on the findings, inspections, and actions taken to address concerns recently raised by community members.

DISCUSSION:

Findings from Mead & Hunt Condition Assessment

The Mead & Hunt assessment, based on a November 13, 2023, field inspection, evaluated key components of the flood protection system:

- **Levee Embankment System**: Rated **Acceptable** with no immediate structural concerns.
- **Floodwall System**: Rated **Minimally Acceptable** due to minor vegetation growth and settlement at the transition between "T" and "I" walls.

- **Interior Drainage System**: Rated **Minimally Acceptable**, with culverts and discharge pipes requiring CCTV inspection.
- **Pump Station System**: Rated **Minimally Acceptable** due to tilting in CMU perimeter walls requiring monitoring.
- **Flood Damage Reduction Channels System**: Rated **Acceptable** with no corrective action required.

Actions Taken and Scheduled Work

The following actions have been implemented or are scheduled to be performed:

1. Levee Embankment System
   - Coordination with NapaRCD to install owl boxes for rodent management (Installation: March 2025).
   - Filling of rodent burrows with gravel (March 2025).
2. Floodwall System
   - Vegetation within 15 feet of the water side was removed in late 2023 and another round in October 2024. Additional work will occur upon completion of seasonal rains.
   - Public Works staff started joint caulking replacement in January 2025. Full Completion scheduled by May 2025 or earlier as weather permits.
   - Concrete spalling at handrails is being remedied as an amendment to the Downtown Paver Rehab project. Work was started in January 2025. Expected completion in February 2025.
   - Engineering staff is monitoring wall settlement at the T-wall/I-wall transition, with a geotechnical consultant assessment planned for March 2025.
3. Interior Drainage System
   - Inspection of discharge pipes (i.e. 48-inch reinforced concrete gravity pipe inspected via staff walking in pipe and 12-inch steel "forcemain" was partially inspected via CCTV) was completed in October 2024. No significant defects were initially observed. Completion of evaluation scheduled by March 2025.
4. Pump Station System
   - Electrical testing of motors and power cables was completed in October 2024.
   - Staff is collaborating with geotechnical consultant on agreement language and should have an assessment of masonry wall settlement completed by May 2025.

Public Engagement and Transparency

In response to concerns regarding accessibility of reports and updates, the Public Works Department is implementing the following improvements:

- Ensuring inspection reports are uploaded to the City's website within 30 days of completion. Reports are located here: https://www.cityofsthelena.gov/326/Flood-Control-River-Restoration-Project
- Providing quarterly updates to the City Council on flood protection system maintenance.

- Enhancing coordination with community members to address concerns in a timely manner.

Conclusion

The City remains committed to maintaining the integrity of the Flood Protection Project and addressing public concerns proactively. Staff will continue executing the scheduled maintenance activities and provide regular updates to the Council and community.

ENVIRONMENTAL REVIEW: This not a CEQA project.

GOAL:

Goal 2: Improve Infrastructure & Further Environmental Sustainability
Goal 3: Pursue Water Security & Sustainable Management of Water Resources
Goal 4: Provide Effective Community Information & Opportunities for Engagement
Goal 5: Enhance Quality of Life
Goal 8: Implement Capital Improvement Plans (CIP) Projects Miscellaneous/Other

DOCUMENTS ATTACHMENTS:

2024 Levee condition assessment Staff Report

Agenda Report to the City Council

Agenda Section: NEW BUSINESS

Department: Public Works

DATE:	June 11, 2024
FROM:	Joseph Leach, Public Works Director and City Engineer
SUBJECT:	Receive report and adopt a Resolution accepting the St. Helena Flood Project Condition Assessment Report.
RECOMMENDED ACTION:	Receive report and adopt associated Resolution.
PREVIOUS COUNCIL ACTION:	Reso 2004-015 adopted on 2/24/04: Council certified Final Environmental Impact Report for the Comprehensive Flood Protection Project. Reso 2004-016 adopted on 2/24/04: Council selected the Flood Control Project, adopted the Mitigation & Monitoring Reporting Plan, etc. and directed staff to commence funding and permitting of the preferred project. Reso 2006-071 adopted on 6/27/06: Council adopted an amendment to the CEQA document. Reso 2006-091 adopted on 7/11/06: Council authorized execution of a professional services agreement with Mead & Hunt. Reso 2007-007 adopted on 1/9/07: Council authorized execution of Amendment 1 of the professional services agreement with Mead & Hunt. Reso 2023-132 adopted on 10/10/23: Council authorized execution of professional services agreement with Mead & Hunt to perform a Condition Assessment.
STATEMENT OF THE PURPOSE:	Accept a Report documenting the condition of the St Helena Flood Project as evaluated professional engineering firm Mead & Hunt.
FINANCIAL IMPACT:	Beyond the continued monthly inspection by staff, monthly pest management services and seasonal maintenance of the facility/systems, staff has not determined the fiscal impacts to address the various recommended actions associated with this report.

BACKGROUND:

The St. Helena Flood Project has extensive history dating back to 1998. During the approval of the Hunter Subdivision in Fall 2023, a number of community members expressed concern over the integrity of the Flood Project. As noted above, at the October 10, 2023 Council meeting, the City Council authorized the execution of a professional services agreement with Mead & Hunt (MH), the original Engineer of

Record for the Flood Project. The Presentation (***Attachment 2***) includes a brief summary of the actions taken to develop this critical piece infrastructure that greatly benefits the community.

DISCUSSION:
The St Helena Flood Project Condition Assessment (***Attachment 1***) was based upon the following:

Pre-Inspection Document Review:

- Record Drawings
- Operations and Maintenance Manual
- City's Periodic Inspection Reports (10/30/2015 – 10/31/2023)
- Conservation Easement Monitoring Report (dated 11/12/2023)
- Pest Control Inspection and Treatment Reports

Field Inspection/Coordination with St Helena Public Works Staff:

- November 13, 2023

Consistent with the form utilized by City Staff to conduct the monthly inspection reports, MH followed the United States Army Corps of Engineers (USACE) Guidance for Periodic Inspection Procedures, including the systems and number of detailed items evaluated:

- Levee Embankment Systems (15 items)
- Floodwall Systems (9 items)
- Interior Drainage Systems (15 items)
- Pump Station Systems (21 items)
- Flood Damage Reduction Channels Systems (11 items)

The presentation and report provide details on the evaluation process and the rating system outcomes (i.e. "Acceptable", "Minimally Acceptable", "Unacceptable" or "Not Applicable") for the systems and the items that comprise that system. Other than the items noted below, the items for the various systems received either "Acceptable" or "Not Applicable" rankings.

The items below received a "***Minimally Acceptable***" ranking:

- Floodwall System, Component Item 1. Unwanted Vegetation Growth
- Floodwall System, Component Item 5. Tilting, Sliding or Settlement of Concrete Structures
- Floodwall System, Component Item 7. Monolith Joints
- Pump Station System, Component Item 6. Fencing and Gates

The following item received an "***Unacceptable***" ranking:

- Interior Drainage System, Component Item 9. Culverts/Discharge Pipes

Below represents the System, Component Item number, and proposed action from staff consistent with the recommendations in the Report.

- Floodwall System, Component Item 1. Unwanted Vegetation Growth. Staff will remove waterside vegetation within fifteen feet of the waterside face of the floodwall.
- Floodwall System, Component Item 5. Tilting, Sliding or Settlement of Concrete Structures. Staff will closely monitor this area during and directly after high-water events and document conditions. Additionally, staff will initiate a detailed study of this area to evaluate the need and extent of bank stabilization required.
- Floodwall System, Component Item 7. Monolith Joints. Staff will put into place a repair/replacement program for the monolith joints in the floodwall. Additionally, Staff will regularly inspect the joints for continued deterioration. Specifically, where the handrail anchors were installed close to a floodwall joint, staff will pursue repairs to remove the spalled concrete, coat any exposed reinforcement to prevent reinforcement corrosion, patch the concrete, and re-secure the handrail.
- Pump Station System, Component Item 6. Fencing and Gates. Staff will monitor the walls on the south side of the pump station on an annual basis for further tilting of the walls towards the inlet. If the cracks at the southeast and southwest corners continue to open further, staff will retain a consultant to perform a more detailed study to determine an appropriate course of action.
- Interior Drainage System, Component Item 9. Culverts/Discharge Pipes. Staff will pursue CCTV of the outfall/discharge pipes/culverts and provide the report to Mead & Hunt for review.

As noted under Fiscal Impacts, staff does not know the costs associated with the various mitigation measures but will follow city procedures to retain vendors (contractors or consultants) to remedy the items consistent with the recommendations.

ENVIRONMENTAL REVIEW:
The original development of the Flood Control Project was subject to CEQA and was approved by Council with associated amendments. The acceptance of the report is not subject to CEQA action.

GOAL:

Goal 1: Strengthen Financial Sustainability
Goal 2: Improve Infrastructure & Further Environmental Sustainability
Goal 5: Enhance Quality of Life

DOCUMENTS ATTACHMENTS:

Resolution - Accepting St Helena Flood Project Condition Assessment Report
01 - St Helena FPP - Assessment Report_041224
02 - St Helena Flood Project Assessment Presentation_050624

CITY OF ST. HELENA

RESOLUTION NO. 2024-

ACCEPTING THE 2024 CITY OF ST. HELENA FLOOD PROJECT CONDITION ASSESSMENT REPORT

RECITALS

A. With history dating back to 1998, the St. Helena Flood Project has extensive history from preliminary development, CEQA certification, permitting and funding processing and flood plain modification processing through the Federal Emergency Management Agency, etc.; and

B. On October 10, 2023, the City Council adopted Resolution No. 2023-132 authorizing the execution of a professional services agreement with Mead & Hunt, the original Engineer of Record for the Flood Project, to perform a Condition Assessment; and

C. On November 13, 2023, representatives from Mead & Hunt and the City of St Helena Underground Utilities Division of the Public Works Department conducted a field inspection of the project; and

D. Utilizing inspection and evaluation criteria established by the United States Army Corps of Engineers (USACE) Guidance for Periodic Inspection Procedures, Mead & Hunt evaluated five project systems with a number of items within each system; and

E. Pages 1 and 2 of the Report delineate recommended actions.

RESOLUTION

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

The City Council accepts the 2024 City of St. Helena Flood Project Condition Assessment (***Attachment 1***) as a final document.

Approved at a Regular Meeting of the St. Helena City Council on June 11, 2024, by the following vote:

Mayor Paul Dohring: _____

Vice Mayor Eric Hall: _____

Council Member Anna Chouteau: _____

Council Member Patrick Kenealy: _____

Council Member Billy Summers: _____

APPROVED: ATTEST:

_____	_____
Paul Jamison Dohring, Mayor	Cindy Tzafopoulos, City Clerk

PREPARED BY

Mead & Hunt

FINAL REPORT

Project Assessment Report

ST HELENA FLOOD PROTECTION PROJECT
CITY OF ST HELENA

PROJECT NUMBER 1950000-232215.01

April 12, 2024

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APPENDICES

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LIST OF CONTRIBUTORS

The following individuals contributed to the development of this document and assessment presented herein:

Jeff Kashiwada, PE
Todd Petrik, PE
Stephen Sullivan, PE

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1. Executive Summary

The Comprehensive Flood Protection Project (Project) is located within the City of St. Helena in Napa County. The Project is divided into five Systems, including the Levee Embankment, Floodwall, Interior Drainage, Pump Station, and Flood Damage Reduction Channel. Construction of the Project was completed in 2011, and the Project is operated and maintained by the City.

A visual field inspection was performed by Mead & Hunt engineers to evaluate the physical condition of the five Project Systems. In order to determine the rating of each Project System, the individual Components of each System were rated in accordance with the Project's Flood Damage Reduction Segment/System Inspection Forms.

- Acceptable System: All Components are rated as Acceptable.
- Minimally Acceptable System: If one or more Components are rated as Minimally Acceptable or one or more Components are rated as Unacceptable, and an engineering determination concludes that the Unacceptable items would not prevent the System from performing as intended during the next flood event.
- Unacceptable System: If one or more Components are rated as Unacceptable and would prevent the System from performing as intended, or a serious deficiency noted in past inspections (which had previously resulted in a minimally acceptable System rating) has not been corrected within the established timeframe, not to exceed two years.

The **Levee Embankment System** received an **Acceptable** rating because all system Components received an Acceptable rating.

The **Floodwall System** received a **Minimally Acceptable** rating because the system had Components that received Minimally Acceptable ratings. The Components that received less than acceptable ratings during the visual inspection are:

- **Floodwall System, Component Item 1. Unwanted Vegetation Growth – Minimally Acceptable**
  Minimal vegetation growth was observed on the waterside of the floodwall, within fifteen feet of the floodwall.
  Recommendation: Remove waterside vegetation within fifteen feet of the waterside face of the floodwall.

- **Floodwall System, Component Item 5. Tilting, Sliding or Settlement of Concrete Structures – Minimally Acceptable**
  The tilting, sliding, and settlement of the "T" wall section at the interface with the "I" wall section just upstream of STA 37+23.50 was observed to be Minimally Acceptable. The tilting, sliding, and settlement of this "T" wall section is evidence that this section of wall has rotated towards Sulphur Creek in relation to the adjacent "I" wall section.
  Recommendation: It is recommended that City staff closely monitor this area during and directly after a highwater events and document conditions. It is further recommended that a detailed study of this area be initiated in the near-term to evaluate the need and extent of bank stabilization required.

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- **Floodwall System, Component Item 7. Monolith Joints – Minimally Acceptable**
  There are sixty-six joints from the start to the end of the floodwall. Thirty-seven of the sixty-six joints showed a slight widening of the joint and had some type of repair or addition of the sealant at the surface of the joint. Of those thirty-seven joints, about half have some type of sealant repair completed by adding additional sealant. Many of these sealant repairs were completed in a way that did not result the joint sealant being put back to its original condition and still leaving the sealant with cracks. In addition, a single location was identified where the top handrail anchors of the baseplate were installed close to a joint in the concrete wall. The movement of the joint in the plane of the wall in combination with the stiff handrailing has caused the concrete to pop and spall off the top corner of the joint.
  Recommendation: It is recommended that City staff put in place a repair/replacement program for the monolith joints in the floodwall. Further, City staff should regularly inspect the joints for continued deterioration. At the location where the handrail anchors were installed close to a floodwall joint, it is recommended to remove the spalled concrete, coat any exposed reinforcement to prevent reinforcement corrosion, patch the concrete, and re-secure the handrail.

The **Interior Drainage System** received a **Minimally Acceptable** rating because the system had a Component that received an Unacceptable rating, but it was determined this Component would not prevent the System from performing as intended.

- **Interior Drainage System, Component Item 9. Culverts/Discharge Pipes – Unacceptable**
  The interior of the drainage culvert that passes through the levee embankment has not been visually inspected or inspected by video recording equipment within the past five years.
  Recommendation: Perform a visual inspection and provide the report to the inspector for review.

The **Pump Station System** received a **Minimally Acceptable** rating because the system had a Component that received Minimally Acceptable rating. The Component that received a less than acceptable rating during the visual inspection is:

- **Pump Station System, Component Item 6. Fencing and Gates – Minimally Acceptable**
  The Concrete Masonry Unit (CMU) perimeter wall (fence) is a Proto II wall system. Most of the wall is in good condition except for the short wall sections on the inlet (south) side of the pump station. The CMU Proto II walls on the south side of the pump station were tilting away from the interior of the compound and resulted in a crack at the top of the wall at each of the southeast and southwest corners.
  Recommendation: The City staff should monitor the walls on the south side of the pump station on an annual basis for further tilting of the walls towards the inlet. If the cracks at the southeast and southwest corners continue to open further, a more detailed study is recommended.

The **Flood Damage Reduction Channels System** received an **Acceptable** rating because all system Components received an Acceptable rating.

Based on the results of the Project System ratings, our opinion is that the Project is in sound condition. The minimally acceptable Systems were found to not pose a significant risk to the integrity of the flood protection facilities.

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2. Inspection Team and Date of Inspection

A. System Assessment

Due to heavy rainfall events since the Comprehensive Flood Protection Project's (Project) completion and the age of the facility, the City requested an assessment of the Project's flood protection features. To complete the Project assessment, Mead & Hunt, Inc. (Mead & Hunt) performed a visual inspection of the Project features. This inspection included the levee, floodwall, bank protection, detention basin, outlet culvert, pump station, and related drainage features.

B. Pre-Inspection

Pre-inspection documents of the Project were compiled and reviewed by the inspection team prior to the visual inspection. The documents included design documents, the operations and maintenance manual, previous periodic inspection reports (10/30/2015 to 10/31/2023), Conservation Easement Monitoring Report (dated 11/12/2023), Pest Control inspection and treatment reports, and record drawings.

C. Field Inspection

A visual field inspection was performed to evaluate the physical condition of the Project features. This inspection was performed by a multidisciplinary team of engineers. City maintenance crews were present during the field inspection to provide access to the stormwater pump station facility and answer questions during the inspection of the levee and floodwall.

D. Inspection Team

Jeff Kashiwada, PE – Civil Engineer, Mead & Hunt
Stephen Sullivan, PE – Senior Civil Engineer, Mead & Hunt
Todd Petrik, PE – Senior Engineer, Mead & Hunt
Brian Arroyo – City of St. Helena Operations
Dave Valerga – City of St. Helena Operations

E. Date of Inspection

November 13, 2023

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3. System Background Information

A. Project Background and Purpose

Floods in 1986 and 1995 overtopped existing flood control structures along the Napa River, causing significant damage to the Vineyard Valley Mobile Home Park (VVMHP) and Hunts Grove Apartments, ultimately resulting in over $50 million in damages to the City. In March 1998, with the passage of Measure A, a countywide 0.5 cent flood protection sales tax initiative, the City had the resources necessary to effectively study and implement a flood protection strategy. In October 1998, the City joined in a collaborative effort with the Napa County Board of Supervisors and the Napa County Flood Control District (NCFCD) to perform a joint study of the Napa River to better understand the hydraulics of flood flows in the Napa River from Deer Park Road to below Pope Street. The study's conclusions indicated a more serious flood hazard to the community than previously established by the Federal Emergency Management Agency (FEMA) and resulted in the enlargement of the 100-year flood plain.

Subsequently, the City received a grant from FEMA to further study potential ways to reduce flood damages, which the City used to conduct the Comprehensive Flood Protection Study (Study). The Study evaluated over 20 project elements and combinations of project elements involving the entire Napa River reach within the City's jurisdictional boundaries. The results of the Study led the City to focus on the most vulnerable reach, located between Pratt Avenue and the Pope Street Bridge.

The City conducted three years of consultations with the community and developed several possible alternatives. In January 2003, the City released a Draft Environmental Impact Report (EIR) analyzing three flood protection plans. Based on the comments received on the Draft EIR, the City decided to release a revised Draft EIR in August 2003, which analyzed the potential impacts of one of the plans. The City adopted the Final EIR in February 2004 with a preferred plan called the Enhanced Minimum Plan Modification A (EMP A), which involved:

- relocation of mobile homes,
- construction of a floodwall and levee system,
- excavation of flood overflow channels to increase flood conveyance,
- removal of hard bank protection structures and replacement with natural shoreline and aquatic/riparian habitat,
- planting of native riparian plant communities, and
- installation of bioengineered bank stabilization.

Shortly following the City Council's approval of the 2004 Plan, an environmental advocacy organization called Living Rivers Council (LRC) filed litigation against the City, alleging that the EIR certified by the City Council prior to project approval failed to satisfy the mandates of CEQA. Pursuant to settlement negotiations in 2005 between the City and LRC, a series of project refinements, proposed by LRC as part of a proposed Settlement Agreement between the parties, were considered and ultimately adopted by the City Council. These refinements were studied in an Addendum, which was considered by the City Council, along with the original EIR, prior to adopting the changes. The Addendum found, and the City Council concurred, that the refinements did not result in any new significant impacts nor any substantially more severe significant impacts than those disclosed in the original EIR, referred to as the "2005 Plan".

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In 2006, the City identified a funding shortfall that would make the full implementation of the 2005 Plan impossible for the foreseeable future. As a result of this fiscal reality, and because of the pressing need to obtain improved flood control for St. Helena, the City out of necessity examined design alternatives that could substantially reduce project costs. A revised plan, referred to as the "2006 Plan," embodied the project refinements adopted by the City in response to these changed circumstances. Notably, the City developed these refinements to be fully consistent with the express terms of the Settlement Agreement reached between the City and LRC to settle the CEQA litigation filed by LRC.

The 2006 Plan became the Comprehensive Flood Protection Project, and the design was prepared by Mead & Hunt, Inc. (Mead & Hunt) and SH+G Engineering (now Waterways Consulting, Inc.). The City was the Construction Manager with the primary responsibility of verifying that the work was constructed according to the plans and specifications. The City also provided full time construction inspection and verified that the environmental training and monitoring were being performed. Kleinfelder, Inc. provided sampling and testing services. The Project construction was completed in two phases, which were mainly conducted in the 2009 and 2010 construction seasons; however, limited construction activities extended into the following calendar year for both phases. The construction contract was awarded on April 14, 2009 and the City Council adopted Notice of Completion on April 12, 2011.

B. System Descriptions

The Comprehensive Flood Protection Project included construction of the following Systems. Refer to the Exhibit in **Appendix A** that outlines the locations of the Project Systems.

Levee Embankment – A new levee was constructed to the east along the alignment of Adams Street between the extension of Starr Avenue and the existing VVMHP floodwall on the north side of the park. Adams Street was not extended (as a road) along the levee as part of this project, but non-paved, gated gravel driveway was built to provide the required maintenance and emergency access to the Project area. The levee is approximately 2,000 lineal feet in length and was built with waterside and landside slopes of 3H:1V and a top width that varies from 20- to 48-feet wide.

Floodwall – A new setback floodwall was constructed to surround the remaining homes within the VVMHP. The floodwall was extended from the existing VVMHP floodwall location to the Sulphur Creek confluence with the Napa River, and upstream along the Sulphur Creek north bank for an approximate distance of 250 feet to the Paseo Grand Drive bridge. Approximately 1,350 feet of compaction grouting soil stabilization and ground improvement measures were completed along the floodwall alignment adjacent to the Napa River to establish the proper foundation conditions. The cast-in-place concrete floodwall is approximately 2,000 lineal feet long. The floodwall was constructed as a "T-wall," except for a portion of the floodwall along Sulphur Creek/Napa River confluence and upstream along the creek which was constructed as an "I-wall." The "I-wall" is 198 lineal feet long and supported on 2-foot diameter cast-in-place concrete piers.

Interior Drainage System – A detention basin and pump station (see separate System below) was constructed inboard of the new levee northwest of the existing VVMHP floodwall. The two existing storm

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drains were diverted into this basin and the two existing storm drain outfalls into the Napa River were removed. A new storm drain culvert with a positive closure gate structure was constructed through the levee embankment. A collection pipe along the inboard side of the floodwall is routed to the storm drain manhole for the gravity culvert at the pump station.

Pump Station – A pump station was constructed to evacuate stormwater from the Interior Drainage System when the water surface elevation within the Napa River is too high to allow for gravity flow through the levee culvert.

Flood Damage Reduction Channel – A drainage ditch was constructed along the outboard edge of the new levee and connected to the existing ditch from Fulton Lane. The existing drainage ditch was diverted at this point northward into the vegetated swale that flows to the Napa River. A 36-inch storm drain was also constructed to route storm water from Starr Avenue west to near the start of the Adams Street Levee and discharges into the vegetated drainage ditch waterward of the levee.

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4. Inspection Findings and Evaluations

A rating summary of the Project System Components based on our visual inspection are provided in the table below. The ratings were determined in accordance with the criteria set forth in the United States Army Corps of Engineers (USACE) Inspection Forms, which are the same forms used by City staff during their monthly inspections of the Project condition. The Exhibit in **Appendix A** outlines the Project Systems and locations of our visual inspection observations, and **Appendix B** includes select photographs of our visual inspection.

The condition of each Project System is determined based on the rating of the individual Components of each System, in accordance with the Project's Flood Damage Reduction Segment/System Inspection Forms.

- Acceptable System: All Components are rated as Acceptable.
- Minimally Acceptable System: If one or more Components are rated as Minimally Acceptable or one or more Components are rated as Unacceptable, and an engineering determination concludes that the Unacceptable items would not prevent the System from performing as intended during the next flood event.
- Unacceptable System: If one or more Components are rated as Unacceptable and would prevent the System from performing as intended, or a serious deficiency noted in past inspections (which had previously resulted in a minimally acceptable System rating) has not been corrected within the established timeframe, not to exceed two years.

CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT
NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY

A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable

System	Component	Rating
Levee Embankments	Item 1. Unwanted Vegetation Growth	A
	Item 2. Sod Cover	A
	Item 3. Encroachments	A
	Item 4. Closure Structures	N/A
	Item 5. Slope Stability	A
	Item 6. Erosion/Bank Caving	A
	Item 7. Settlement	A
	Item 8. Depressions/Rutting	A
	Item 9. Cracking	A
	Item 10. Animal Control	A
	Item 11. Culverts/Discharge Pipes	N/A
	Item 12. Riprap Revetments and Bank Protection	N/A
	Item 13. Revetments Other than Riprap	N/A
	Item 14. Underseepage Relief Wells/Toe Drainage Systems	N/A
	Item 15. Seepage	N/A

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CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable		
System	**Component**	**Rating**
Floodwalls	Item 1. Unwanted Vegetation Growth	M
	Item 2. Encroachments	A
	Item 3. Closure Structures	N/A
	Item 4. Concrete Surfaces	A
	Item 5. Tilting, Sliding or Settlement of Concrete Structures	M
	Item 6. Foundation of Concrete Structures	A
	Item 7. Monolith Joints	M
	Item 8. Underseepage Relief Wells/Toe Drainage Systems	A
	Item 9. Seepage	A
Interior Drainage System	Item 1. Vegetation and Obstructions	A
	Item 2. Encroachments	A
	Item 3. Ponding Areas	A
	Item 4. Fencing and Gates	N/A
	Item 5. Concrete Surfaces	A
	Item 6. Tilting, Sliding or Settlement of Concrete and Sheet Pile Structures	A
	Item 7. Foundation of Concrete Structures	A
	Item 8. Monolith Joints	A
	Item 9. Culverts/Discharge Pipes	U
	Item 10. Sluice/Slide Gates	A
	Item 11. Flap Gates/Flap Valves/Pinch Valves	A
	Item 12. Trash Racks	A
	Item 13. Other Metallic Items	A
	Item 14. Riprap Revetments of Inlet/Discharge Items	A
	Item 15. Revetments Other than Riprap	N/A
Pump Station	Item 1. Pump Stations Operating, Maintenance, Training, and Inspection Records	A
	Item 2. Pump Station Operations and Maintenance Equipment Manuals	A
	Item 3. Safety Compliance	N/A
	Item 4. Communications	A
	Item 5. Plant Building	N/A
	Item 6. Fencing and Gates	M
	Item 7. Pumps	A
	Item 8. Motors, Engines, Fans, Gear Reducers, Back Stop Devices, etc.	A
	Item 9. Sumps/Wet Well	A
	Item 10. Mechanical Operating Trash Rakes	N/A
	Item 11. Non-Mechanical Trash Racks	A
	Item 12. Fuel System for Pump Engines	N/A
	Item 13. Power Source	A

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CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable		
System	**Component**	**Rating**
Pump Station (Continued)	Item 14. Electrical Systems	A
	Item 15. Megger Testing on Pump Motors and Critical Power Cables	A
	Item 16. Enclosures, Panels, Conduits and Ducts	A
	Item 17. Intake and Discharge Pipelines	A
	Item 18. Sluice/Slide Gates	N/A
	Item 19. Flap Gates/Flap Valves/Pinch Valves	A
	Item 20. Cranes	N/A
	Item 21. Other Metallic Items	A
Flood Damage Reduction Channels	Item 1. Vegetation and Obstructions	A
	Item 2. Shoaling	A
	Item 3. Encroachments	A
	Item 4. Erosion	A
	Item 5. Concrete Surfaces	A
	Item 6. Tilting, Sliding or Settlement of Concrete Structures	A
	Item 7. Foundation of Concrete Structures	A
	Item 8. Slab and Monolith Joints	A
	Item 9. Flap Gates/Flap Valves/Pinch Valves	N/A
	Item 10. Riprap Revetments and Banks	A
	Item 11. Revetments Other than Riprap	N/A

A. Levee Embankments System

The visual inspection of the levee began at the transition of the levee and floodwall on the waterside. The inspection team proceeded southwesterly to the beginning of the levee. Once inspection of the waterside slope was completed, the inspection team crossed the levee and inspected the landside slope, terminating at the transition of the levee and floodwall on the landside.

No unwanted vegetation growth was observed on either the waterside or landside of the levee. The levee slopes were recently mowed, and no trees or bushes were observed within the vegetation free zone (which extends 15 feet from the toe of the levee embankment). There was adequate coverage of sod over the waterside and landside levee slopes. Refer to *Levee Photo 1* in **Appendix B-1**.

No encroachments to the levee embankment were observed.

There are no closure structures along the levee segment of the Project.

No slides, sloughs, tension cracking, slope depressions, bulges, or any other slope stability issues of the levee embankment were observed.

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No erosion or bank caving of the levee embankment was observed.

No depressions of the levee embankment that would indicate settlement were observed. The levee embankment was well established without any indications of surface irregularities which would cause water to pond.

Longitudinal cracking was observed in the upper portion of the landside slope. The cracking began approximately 350 feet north of the beginning of the levee and extended in segments along the levee approximately 150 feet in length. The cracking was observed to be less than an inch wide and less than 3 inches deep, well within the surface of the widen levee embankment. No vertical movement or sloughing was observed above or below the longitudinal cracking along the slope. In our opinion, these observed longitudinal cracks are normal desiccation cracking resulting from low surface moisture in the clay embankment soils that will close when the material expands during saturation. There is no indication of embankment deterioration or movement, and the surficial cracking does not pose any risk to the levee integrity. Refer to *Levee Photo 8* in **Appendix B-1**.

Evidence of burrowing animal activity was observed in both the waterside and landside slopes of the levee, in areas as identified on Exhibit A. The animal burrow holes were typically less than 2-inches in diameter and less than 6-inches deep. The City contracts with a commercial pest control company to routinely treat the levee embankment, and City staff routinely fills existing burrows with soil material. In our opinion, since the animal burrows were observed to be less than 6-inches deep and are well outside the core of the levee embankment, they do not pose any risk to the levee integrity. Refer to *Levee Photos 2* through *7* in **Appendix B-1**.

There are no revetments (riprap or other non-riprap) for the levee segment of this Project.

There are no under-seepage relief wells or toe drainage systems for the levee segment of this Project.

There were no areas of observed seepage for the levee segment of this Project.

B. Floodwall System

No unwanted vegetation growth was observed on the landside of the floodwall. There were no trees or bushes observed within the easement area on the landside of the floodwall (which typically extends 12 feet from the landside face of the wall).

Minimal vegetation growth was observed on the waterside of the floodwall, within 15 feet of the floodwall.

No encroachments to the floodwall system were observed.

There are no closure structures along the floodwall segment of the Project.

Concrete Surfaces: The concrete surfaces of the floodwalls were in good condition. There was no visible concrete spalling or corrosion of reinforcing bars. A survey of both the water-side and dry-side of the walls shows little to no cracking in the walls. The small cracks that were visible were very tight and did not have

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any associated spalling of concrete on either side of the crack. There were a few locations along the length of the wall where a caulking sealant had been placed into the wider concrete cracks. This sealant was applied on the surface, and it appeared that the sealant had not been injected into the crack.

Tilting, Sliding or Settlement: The “T” wall section of the floodwall had no visible Tilting, Sliding, or Settlement for the entire length of the wall except for a short distance upstream of the transition point between the “T” wall and the “I” wall at STA 37+23.50 (see below Details of the “T” wall and “I” wall from the Project Record Drawings, and refer to *Floodwall Photos 5* through *9* in **Appendix B-2**. At the transition from “T” wall to “I” wall, the following was observed in the “T” wall section:

- The top of the “T” wall is approximately 1-1/2” lower than the top of the “I” wall. This implies the “T” wall is settling or has settled.
- The top of the “T” wall is tilting towards Sulphur Creek approximately 1-1/2”. The 1-1/2” distance is the difference measured between the face of the “T” wall and the adjacent “I” wall at the top of the wall. Since the “T” wall section offset is combined with 1-1/2” settlement stated above, this implies that the foundation and wall are rotating towards Sulphur Creek.
- A determination of the “T” wall sliding towards Sulphur Creek was not determined by direct measurements during this inspection. However, when the bottom of the “T” wall to “I” wall transition at ground level is viewed from the creek side, it appears that the faces of both walls are in the same plane. This too, supports the concept that the wall is tilting, or rotating towards Sulphur Creek.

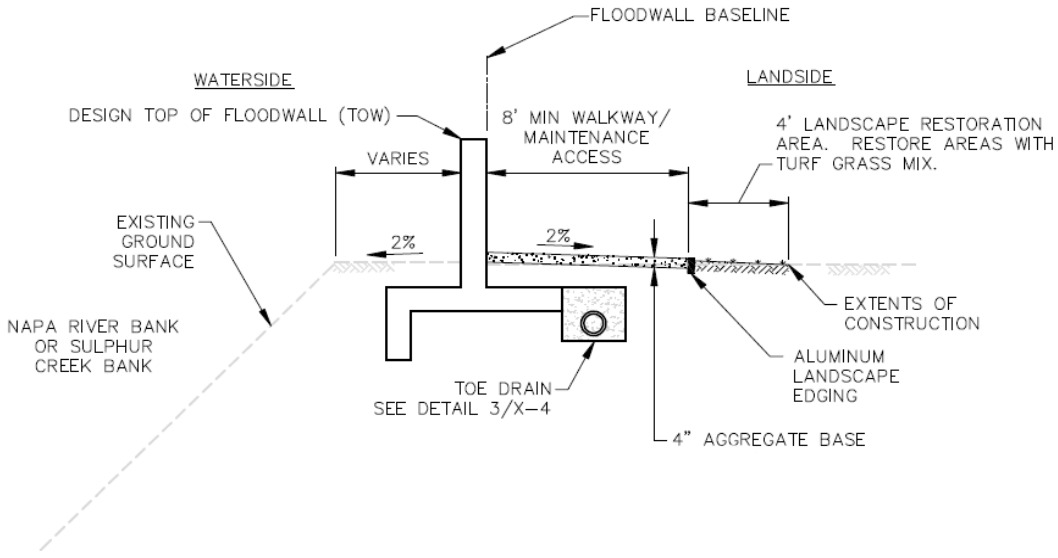

FIGURE 1. "T" WALL DETAIL (REFER TO RECORD DRAWINGS FOR CLARITY)

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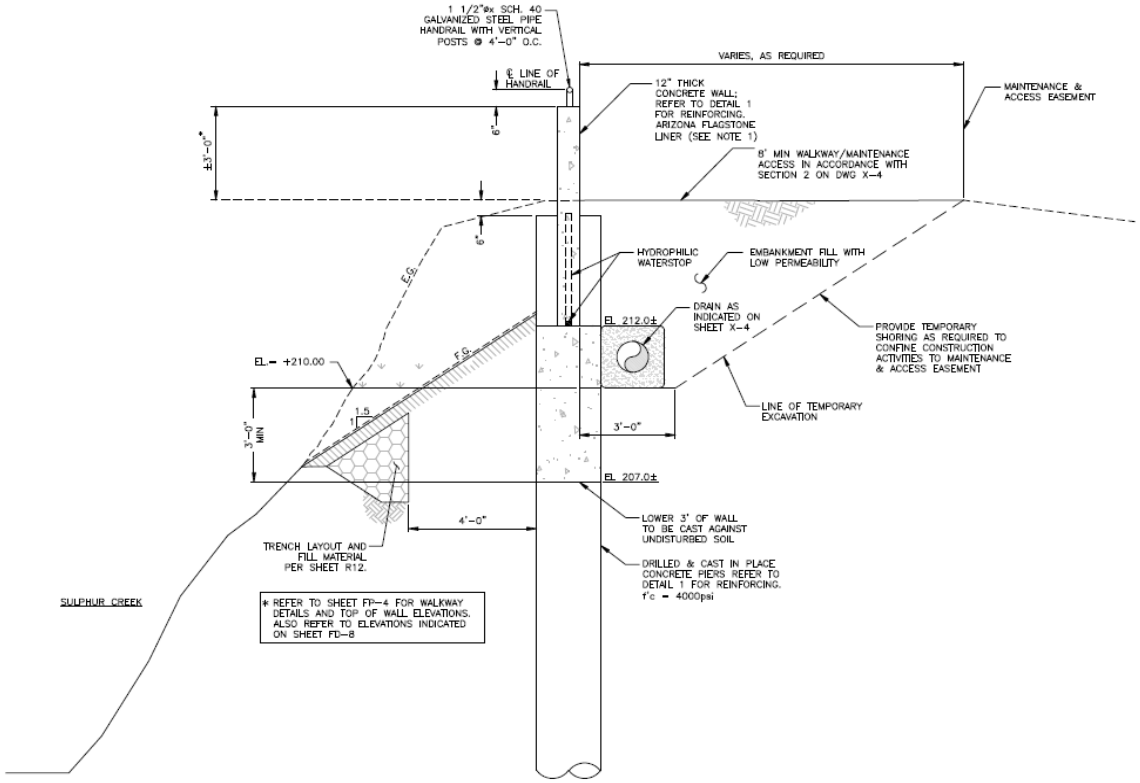

FIGURE 2. "I" WALL DETAIL (REFER TO RECORD DRAWINGS FOR CLARITY)

Foundations: The only foundations that are visible along the entire section of the floodwalls are short top sections of the drilled, cast-in-place concrete piers along the length of the “I” wall. There was no visual cracking or spalling of concrete, or corrosion of reinforcement visible in any of the piers that could be seen above grade.

Monolith Joints: For the purposes of this report, Monolith Joints are defined as joints between concrete placements. These joints in this floodwall vary in width between 1/2" to 1” with waterstops at the core and are filled with preformed expansion joint filler and sealed at the outside face of the concrete section with a joint sealant (see Detail below from the Project Record Drawings).

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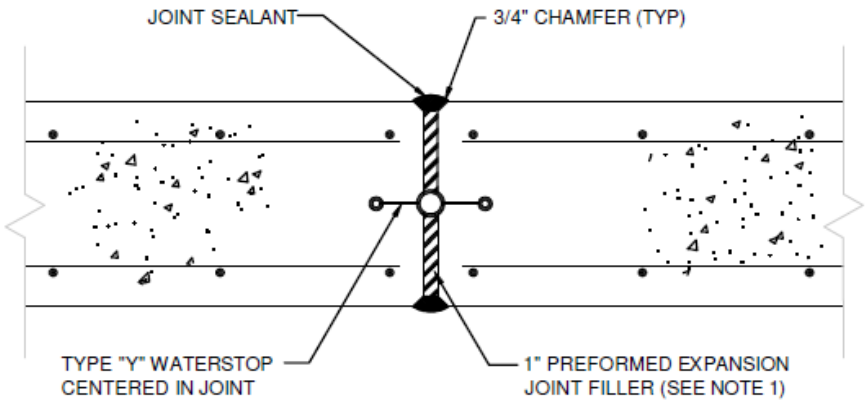

FIGURE 3. MONOLITH JOINT DETAILS

There are a total of sixty-six joints from the start to the end of the floodwall. Thirty-seven of the sixty-six joints showed a slight widening of the joint and had some type of repair or addition of the sealant at the out face of the joint. The in-plane widening of the joints is to be expected over time as the in-plane lengths of the concrete panel sections continue to expand and contract due to temperature changes. In about half of the joints, the sealant was able to stretch such that the sealant was still intact and did not show cracking or stretching. In the thirty-seven joints noted above, the in-plane widening resulted in the sealant tearing of varying degree. Refer to *Floodwall Photos 1* and *2* in **Appendix B-2**. Of those thirty-seven joints, about half have some type of sealant repair completed by adding in additional sealant. Many of these sealant repairs were surficial and did not result the joint sealant being put back to its original condition and still leaving the joint seals with cracks.

One other issue worth mentioning under Joints is a single location where the top handrail anchors of the baseplate were installed close to a joint in the concrete wall. The concrete joint is opening ever so slightly as the walls shrink in the plane of the wall and the stiff solid pipe handrailing stays fixed, which puts pressure on the anchor bolts against the joint face. The movement of the joint in the plane of the wall in combination with the stiff handrailing has caused the concrete to pop and spall off the top corner of the joint. Refer to *Floodwall Photos 3* and *4* in **Appendix B-2**.

Visible portions of the floodwall toe drainage piping appeared to be in acceptable condition. There were no visible issues with the piping and the inlets were free from debris.

There were no areas of observed seepage for the floodwall segment of this Project.

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C. Interior Drainage System

For this assessment, the components of the Interior Drainage System include the storm drain pipeline parallel to Del Rio Court that connects to the detention basin and continues through the levee embankment (levee culvert), the detention basin, the levee culvert positive closure gate structure within the levee embankment, and the storm drain outfall structure. Refer to **Appendix A** for component locations.

The vegetation around the interior drainage system was well maintained, except for the area around the levee culvert outfall structure. The levee culvert outfall structure was not visible from the waterside bench between the toe of levee and terrace excavation. However, the inspection team was able to access the outfall structure from within the terrace excavation and determined the vegetation was adequately setback to allow for proper operation of the flap gate mounted to the outfall structure and drainage out of the levee culvert was not restricted. Refer to *Levee Photo 9* in **Appendix B-1**.

No encroachments to the interior drainage system were observed.

No areas of significant surface irregularities which would cause water to pond were observed for the interior drainage system.

There are no fences or gates as part of the interior drainage system.

The reinforced concrete detention basin weir, levee culvert positive closure structure, and levee culvert outfall structure were all in acceptable condition. There were no visible issues with the concrete surfaces, no observed tilting, sliding, or settlement, no observed issues with the structure foundations, and no observed issues with the structure joints.

Visible portions of reinforced concrete storm drain piping appeared to be in acceptable condition. However, the culverts received an Unacceptable rating because the condition of the pipe interiors has not been verified using television camera videotaping or other visual inspection methods within the past five years.

The slide gate within the positive closure structure appeared to be in acceptable condition. City operations staff indicated the slide gate is trial operated annually, prior to the beginning of the rainy season in accordance with the Operations & Maintenance Manual.

The flap gate mounted to the reinforced concrete outfall structure was in acceptable condition. The vegetation is maintained to allow unrestricted operation of the flap gate.

The galvanized steel trash rack for the detention basin weir was observed to be in acceptable condition, without any signs of damage or rust.

The detention basin weir metal grating and steel access cover for the positive closure gate structure at top of levee were observed to be in acceptable condition.

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The rip rap in the detention basin around the weir structure, the pump station sump, and drainage ditches/swales were all in stable condition and well keyed into the surrounding grade. There were no signs of rip rap movement or settlement. At the levee culvert outfall structure, there was an observed void in the riprap behind the back wall of the structure on the westside. Refer to *Levee Photo 10* in **Appendix B-1**, but this appears to have been intentionally moved due to installation of the irrigation system for the terrace excavation plantings, with no evidence of adverse impact. No riprap movement, settlement, or erosion was observed.

There are no revetments other than riprap for the interior drainage system.

D. Pump Station System

The perimeter chain link vehicle and pedestrian gates were observed to have no damage and to be in good working order.

The Concrete Masonry Unit (CMU) perimeter wall (fence) is a Proto II wall system. The majority of the wall is in good condition except for the short wall sections on the inlet (south) side of the pump station. The CMU Proto II walls on the south side of the pump station were tilting away from the interior of the compound and resulted in a crack at the top of the wall at each of the southeast and southwest corners. The Proto II wall systems do not include any horizontal reinforcement extending around each of the corners in the top course of the wall. As such, the south-side walls tilt outward, and this opens the crack at the top of the wall. Refer to *Pump Station Photos 4* and *5* in **Appendix B-3**.

The pumps and motors appeared to be in adequate operational condition. City staff reported that the pumps and motors were last trial operated in October 2023. For the trial operation of the pump station, the system was set to “Automatic” mode and the floats were manually lifted to simulate high water conditions to allow the pump station programming to activate the pumps. Drawdown of the water inside the pump station sump was observed. The 60 HP lead and lag pumps both had adequate levels of oil. Refer to *Pump Station Photo 1* in **Appendix B-3**.

The reinforced concrete pump station sump was in acceptable condition. Minor cracking was observed at the corners of the elevated deck access hatch opening and along the interface of the elevated deck and the concrete wingwalls on both sides of the pump station inlet, including visible concrete repair work on the exterior face of both walls. Refer to *Pump Station Photos 2* and *3* in **Appendix B-3**.

The galvanized steel trash rack was observed to be in acceptable condition, without any signs of damage or rust.

The main power source for the pump station is provided by overhead utility service. An on-site generator was installed after completion of construction for the Project that can operate the pump station during instances of utility power outage. The on-site generator is trial operated monthly, with the last operation performed in October 2023 during the pump station operation as discussed above.

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The pump station electrical and controls (including visible panels and conduits) appeared to be in sound operational condition. In October 2023, the City's electrician was on-site to perform re-wiring of the control panel. After completion of the work, the system was trial operated without issues.

Visible portions of the pump station discharge piping appeared to be in adequate condition. A portion of the protective tape wrap on the western discharge pipe within the vault on the top of the levee was peeling off but appears to be original construction with no signs of corrosion attack. Refer to *Pump Station Photo 6* in **Appendix B-3**. The pump station outfall structure was not visible during the visual inspection due to the vegetation growth. Following the site inspection, City staff cleared the vegetation and provided photographs of the outfall structure. Refer to *Pump Station Photo 7* in **Appendix B-3**. Based on the photographs, the flap gates mounted to the reinforced concrete outfall structure were in acceptable condition, and the vegetation is maintained to allow unrestricted operation of the flap gate.

The pump station sump metal access hatch and grating were observed to be in acceptable condition.

E. Flood Damage Reduction Channel System

For this assessment, the components of the Flood Damage Reduction Channel include the junction structure that combines stormwater from the storm drain pipeline routed from Starr Avenue and the existing ditch from the Fulton Lane, the outlet of the junction structure to the vegetated swale, and the vegetated swale that flows through the excavated terrace.

No unwanted vegetation growth was observed in the vicinity of the junction structure or swale.

No shoaling (sediment deposition) was observed in the swale.

No unwanted encroachments were observed in the vicinity of the junction structure or swale.

No erosion was observed in the vicinity of the junction structure or within the swale.

The reinforced concrete junction structure was observed to be in acceptable condition. There were no visible issues with the concrete surfaces, no observed tilting, sliding, or settlement, no observed issues with the structure foundations, and no observed issues with the structure joints.

There are no flap gates, flap valves, or pinch valves for the flood damage reduction channel system.

The rip rap at the outlet of the junction structure into the vegetated swale was in stable condition and well keyed into the surrounding grade. There were no signs of rip rap movement or settlement.

There are no revetments other than riprap for the flood damage reduction channel system.

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5. Conclusions and Recommendations

A. Levee Embankment System

The **Levee Embankments System** received an **Acceptable** rating since all Components were observed to be in Acceptable condition. The City staff should continue to maintain the system in accordance with the Project Operations and Maintenance Manual and current practices. Continue to monitor the desiccation cracking to confirm there is no vertical movement of the levee embankment along the crack, the cracking is limited to the levee surface (less than 6 inches deep), and the cracking does not extend continuously through the levee crest. Continue the current animal burrow control program and monitor the depth of burrow holes to confirm the holes are limited to the levee surface (less than 6 inches deep). Consider the enhancement of predator activity by establishment of perches for bird species to control rodent populations.

B. Floodwall System

The **Floodwalls System** received a **Minimally Acceptable** rating because the system had Components that received Minimally Acceptable ratings, as discussed below.

The landside vegetation growth, encroachments, concrete surfaces, foundations, underseepage relief wells/toe drainage systems, and visible seepage Components were all observed to be in Acceptable condition. The City staff should continue to maintain and inspect these elements of the flood wall system in accordance with the Project Operations and Maintenance Manual and current practices.

Vegetation growth on the waterside of the floodwall was observed within 15 feet from the waterside face of the floodwall, resulting in a Minimally Acceptable rating. City staff should remove vegetation within this 15-foot zone on the waterside of the floodwall. While this vegetation should be removed, the vegetation does not currently threaten the operation or integrity of the floodwall.

The concrete surfaces of the Floodwall were observed to be in Acceptable Condition. The small, tight cracks in the surfaces of the wall are a common occurrence in concrete and likely occurred during the initial drying of concrete after placement. It is recommended that the City staff inspect the wall surfaces on a regular basis for any new cracks or to determine if any existing cracks are opening further.

The tilting, sliding, and settlement Component of the “T” wall section just upstream of STA 37+23.50 was observed to be Minimally Acceptable. The tilting, sliding, and settlement of this “T” wall section is evidence that this section of wall is gradually rotating towards Sulphur Creek. In the short term, City staff should monitor the slope downhill of the wall for further erosion and movement of the soils into the creek. It is recommended that the City closely monitor this area during and directly after a highwater events and document conditions. It is further recommended that a detailed study of this area be initiated in the near-term to evaluate the need and extent of bank stabilization required.

The monolith joints Component were observed to be Minimally Acceptable. Many of the joints have sealant that has deteriorated to the point where the sealant should be completely removed and replaced. It is recommended that City staff put in place a repair/replacement program for the monolith joints in the flood wall. Further, City staff should regularly inspect the joints for continued deterioration. It is important

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to note that the joint sealant has no direct effect upon the watertightness of the floodwall during high water events, as the joint waterstops provide the water barrier. The sealant protects the waterstop from exposure that could deteriorate the waterstop material over time.

The joint at the handrailing anchor bolts was observed to be Minimally Acceptable. The spalled concrete should be removed and repaired. We recommend coating any exposed reinforcement to prevent any possible reinforcement corrosion prior to patching the concrete. The rail should be resecured to concrete. Modifications to the railing/anchorage should be made to provide for some in-plane movement to prevent future concrete damage.

C. Interior Drainage System

The **Interior Drainage System** received a **Minimally Acceptable** rating because the system had a Component that received an Unacceptable rating, but it was determined this item would not prevent the System from performing as intended.

With the exception of the reinforced concrete levee culvert, the Components of the Interior Drainage System were observed to be in Acceptable condition. The City staff should continue to maintain the system in accordance with the Project Operations and Maintenance Manual and current practices. Continue the routinely trial operation of the levee culvert slide gate located in the positive closure gate structure and exercise the flap gate located on the outfall structure in the terrace excavation to confirm proper function. Maintain vegetation within the terrace excavation to avoid growth that would restrict free discharge and routinely clear outfall structures to prevent development of any restrictions to flap gate opening and closing. It is recommended that the vegetation around the outfall structure be cleared to provide line of sight to the outfall structure from the bench at the top of the terrace excavation.

The culverts Component received an Unacceptable rating due to lack of visual inspection of the reinforced concrete levee culvert. However, since there was no evidence of any embankment depressions or irregularities that would signify an issue with the culvert condition, it was determined that there is no reason to believe the culvert is not capable of functioning as intended, and therefore the Interior Drainage System would receive a Minimally Acceptable rating. The condition of the culvert interiors shall be examined using television camera videotaping (i.e., CCTV) or by other visual inspection methods. Perform the visual inspection and provide the report to the inspector for their review during future periodic inspections.

D. Pump Station System

The **Pump Station System** received a **Minimally Acceptable** rating because the system had a Component that received Minimally Acceptable rating, as discussed below. The City staff should continue to maintain the system in accordance with the Project Operations and Maintenance Manual and current practices, including performing megger tests on pump motors and power cables during the annual load tests of the generator.

The perimeter chain link vehicle and pedestrian gates were observed to be in Acceptable Condition. City staff should continue with periodic maintenance to keep the gates in working order.

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The Proto II Concrete Masonry Unit (CMU) perimeter wall (fence) was found to be in suitable condition except for the short wall sections on the inlet (south) side of the pump station, which were found to be in Minimally Acceptable condition. The City staff should monitor the walls on the south side of the pump station on a regular basis for further tilting of the walls towards the inlet. If the cracks at the southeast and southwest corners continue to open further, a more detailed study of this issue is recommended.

The concrete elevated deck and inlet walls in the Pump Station were observed to be in Acceptable condition. While there are small cracks in the elevated deck as noted above, these cracks are narrow, tight cracks that do not appear to be significant enough to be of concern at this time. The cracking and spalling of concrete on the upper corners of the wingwalls where they meet the elevated deck are considered negligible. The City staff should continue to monitor the cracking in the elevated deck and the upper corners of the wingwalls on a regular basis for further crack widening or continued spalling of the concrete on the wingwalls.

E. Flood Damage Reduction Channel System

The **Flood Damage Reduction Channels System** received an **Acceptable** rating because all system Components received an Acceptable rating. The City staff should continue to maintain the system in accordance with the Project Operations and Maintenance Manual and current practices. Continue to routinely mow grass and weeds, remove unwanted vegetation growth, and monitor for and repair any damage caused by erosion or other causes. No updates to the current operations, maintenance, and inspection program are recommended.

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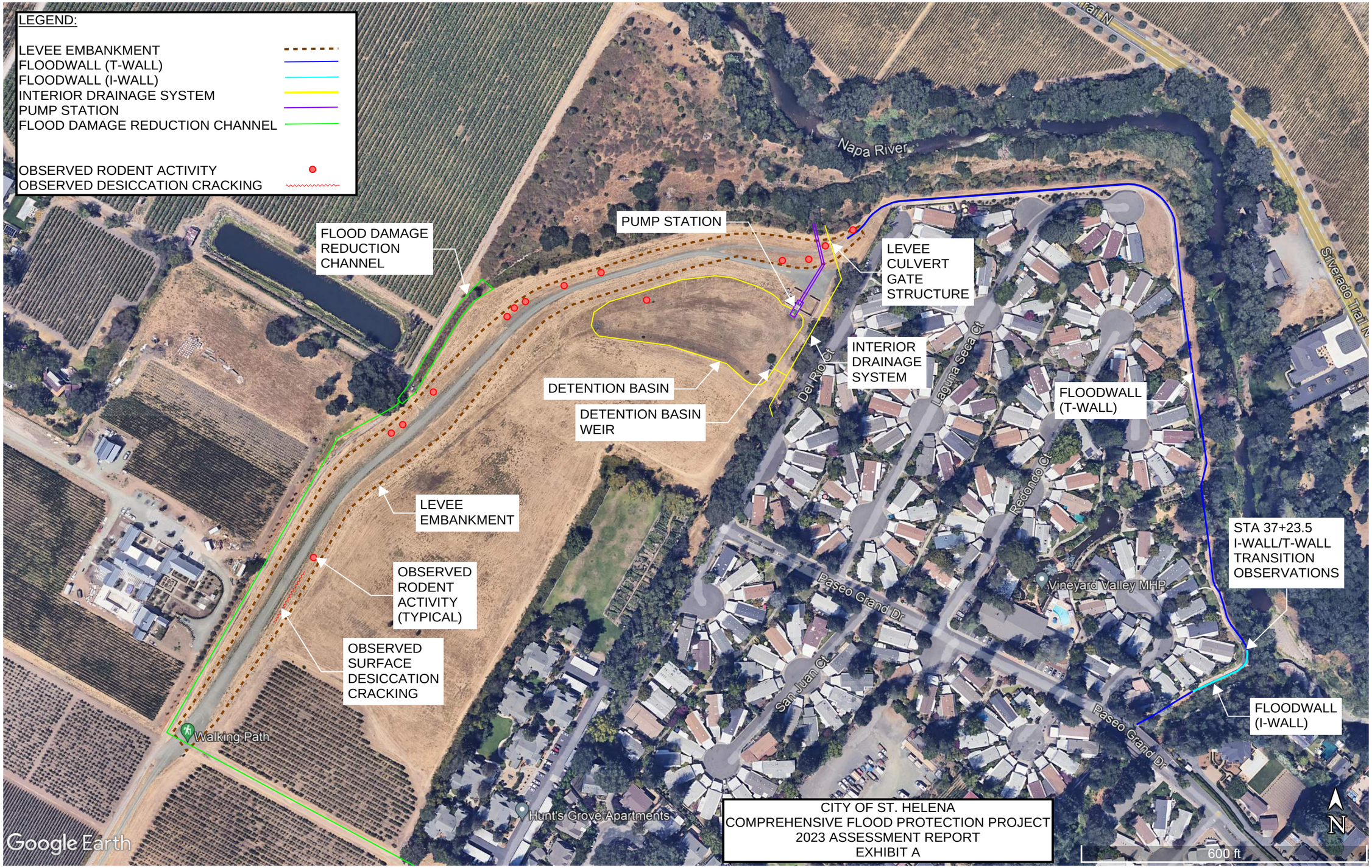
APPENDIX A Exhibit

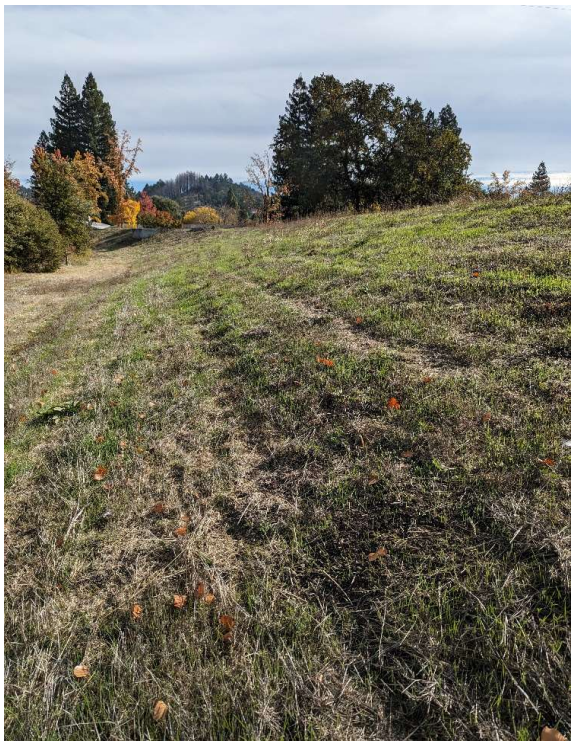


CITY OF ST. HELENA
COMPREHENSIVE FLOOD PROTECTION PROJECT
2023 ASSESSMENT REPORT
EXHIBIT A

APPENDIX B Photographs

B-1 Levee Photos
B-2 Floodwall Photos
B-3 Pump Station Photos

B-1 Levee Photos



Levee Photo 1: Waterside levee slope recently mowed with adequate vegetation setback.

Levee Photo 2: Typical rodent hole less than 3" in diameter and less than 6" deep.

Levee Photo 3: Typical rodent hole less than 3" in diameter and less than 6" deep.

Levee Photo 4: Typical rodent holes in top of levee. Holes are less than 3" in diameter and less than 6" deep.

Levee Photo 5: Typical rodent hole less than 3” in diameter and less than 6” deep.

Levee Photo 6: Typical rodent hole less than 3” in diameter and less than 6” deep.

Levee Photo 7: Rodent activity on waterside of levee near the Oak trees adjacent to the storm drain outfall to terrace excavation.

Levee Photo 8: Typical minor dessication crack on the landside of the levee, less than 6 inches in depth.

Levee Photo 9: Levee culvert outfall structure. Vegetation maintaned to allow flap gate operation and free discharge.

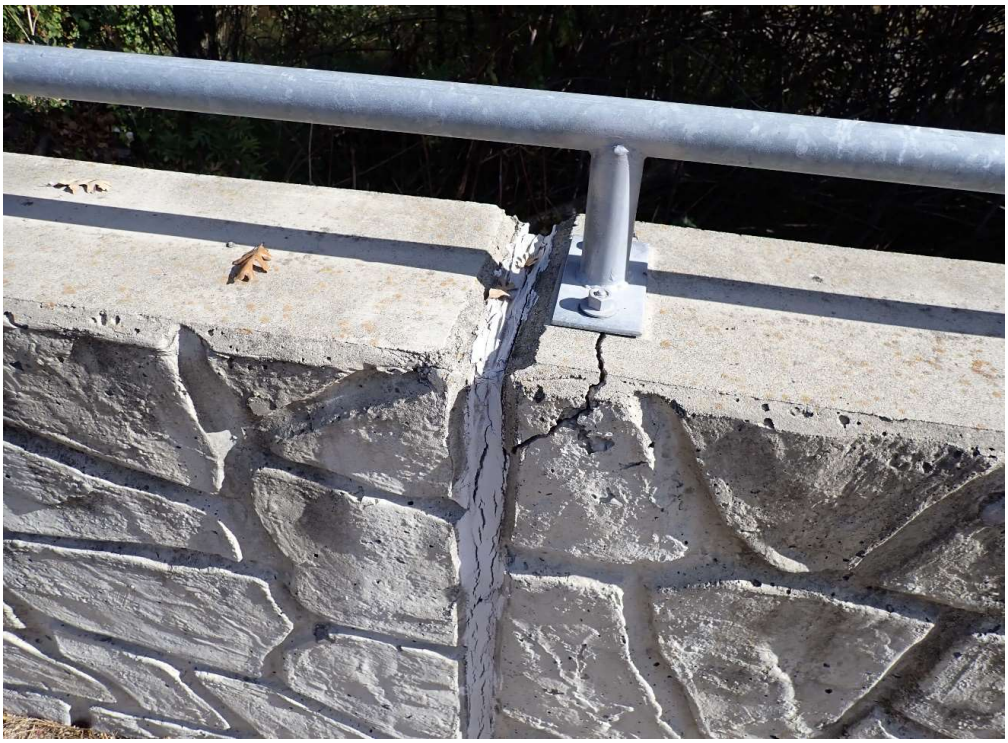
Levee Photo 10: Southwest corner of levee culvert outfall structure. Rock moved for irrigation piping; no scour observed.

B-2 Floodwall Photos

Floodwall Photo 1: Typical floodwall joint with caulking separation and previous repair work.

Floodwall Photo 2: Typical floodwall joint with caulking separation and previous repair work.

Floodwall Photo 3: Floodwall crack at handrail baseplate (waterside pictured)



Floodwall Photo 4: Floodwall crack at handrail baseplate (landside pictured)

Floodwall Photo 5: Joint movement at interface of T-wall and I-wall, Sta 37+23.5 (landside pictured).

Floodwall Photo 6: Joint movement at interface of T-wall and I-wall, Sta 37+23.5. Measured approximately 1.5" vertical deflection.

Floodwall Photo 7: Joint movement at interface of T-wall and I-wall, Sta 37+23.5. Measured approximately 1.25" horizontal offset.

Floodwall Photo 8: Joint movement at interface of T-wall and I-wall, Sta 37+23.5 (waterside pictured)

Floodwall photo 9: Joint movement at interface of T-wall and I-wall, Sta 37+23.5 (waterside pictured)

B-3 Pump Station Photos

Pump Station Photo 1: Lead and Lag Pumps, with Kohler generator and contol panel in the background.

Pump Station Photo 2: Minor cracking along interface of pump sump elevated deck and wingwall with visible concrete repair work.

Pump Station Photo 3: Minor cracking along interface of pump sump elevated deck and wingwall with visible concrete repair work.

Pump Station Photo 4: Southeast corner of CMU perimeter wall cracking.

Pump Station Photo 5: Southwest corner of CMU perimeter wall cracking.

Pump Station Photo 6: West pump station discharge pipe inside valve vault with pipe tape wrap peeling off.

Pump Station Photo 7: Pump station discharge pipes concrete outfall structure with flap gates.

APPENDIX C References

C-1 St. Helena Flood Protection Project Pest Control Reports

C-2 Monitoring Report

C-1 St. Helena Flood Protection Project Pest Control Reports

CLARK PEST CONTROL

Service Report

INVOICE #: 34367958

WORK DATE: 11/09/2023

BILL-TO **3483750**

City of St. Helena Flood Wall
Flood Wall Zone A
1088 College Ave
Saint Helena, CA 94574-1169

Phone: 707-339-1053
Alt. Phone: 707-968-2750 xAP

LOCATION **3483750**

City of St. Helena Flood Wall
Flood Wall Zone A
1572 Railroad Ave
Saint Helena, CA 94574-1169

Phone: 707-339-1053

Time In: 11/9/2023 7:04:00 AM
Time Out: 11/9/2023 8:42:47 AM

Customer Signature

Customer is unavailable to sign

Technician Signature

Ronald Vale
License #: CA - FR43382
CA - QAL120991

Purchase Order	Terms	Service Description	Quantity	Amount
None	DUE UPON RECEIPT	Burrowing Pest Control	1.00	640.00

Subtotal	640.00
Tax	0.00
Total	640.00
Prior Balance:	**0.00**
Total Due:	**640.00**

GENERAL COMMENTS / INSTRUCTIONS

Inspected and found gopher activity in Levi wall. Treated accordingly with Percmachine. Thank you have a wonderful day.

CONDITIONS / OBSERVATIONS

Reported	Severity	Responsibility	Reviewed

None Noted.

PRODUCTS APPLICATION SUMMARY

None Noted.

PEST ACTIVITY

# Areas	# Devices	Pest Totals

None Noted.

DEVICE INSPECTION SUMMARY

AREA COMMENTS

None Noted.

DEVICE INSPECTION EXCEPTIONS

None Noted.

Service Report

INVOICE #: 34367958

WORK DATE: 11/09/2023

DEVICE INSPECTION EXCEPTIONS

INSPECTION DETAIL

None Noted.

PRODUCTS APPLIED

None Noted.

CLARK PEST CONTROL

Service Report

INVOICE #: 34367961

WORK DATE: 11/09/2023

BILL-TO **3484243**

City of St. Helena Flood Wall
Flood Wall Zone B
1088 College Ave
Saint Helena, CA 94574-1169

Phone: 707-339-1053

LOCATION **3484243**

City of St. Helena Flood Wall
Flood Wall Zone B
1572 Railroad Ave
Saint Helena, CA 94574-1169

Phone: 707-339-1053

Time In: 11/9/2023 7:04:00 AM
Time Out: 11/9/2023 8:43:09 AM

Customer Signature

Customer is unavailable to sign

Technician Signature

Ronald Vale
License #: CA - FR43382
CA - QAL120991

Purchase Order	Terms	Service Description	Quantity	Amount
None	DUE UPON RECEIPT	Burrowing Pest Control	1.00	640.00

Subtotal	640.00
Tax	0.00
Total	640.00
Prior Balance:	**0.00**
Total Due:	**635.00**

Payment Date	Method	Reference	Payment Amount	Applied Amount
10/27/2023	Check	Scanned Payment	$645.00	$5.00

GENERAL COMMENTS / INSTRUCTIONS

Inspected this whole area on foot found no activity in this area at this time. Thank you have a wonderful day.

CONDITIONS / OBSERVATIONS

Reported	Severity	Responsibility	Reviewed

None Noted.

PRODUCTS APPLICATION SUMMARY

None Noted.

PEST ACTIVITY

# Areas	# Devices	Pest Totals

None Noted.

DEVICE INSPECTION SUMMARY

AREA COMMENTS

None Noted.

Service Report

INVOICE #: 34367961

WORK DATE: 11/09/2023

DEVICE INSPECTION EXCEPTIONS

None Noted.

INSPECTION DETAIL

None Noted.

PRODUCTS APPLIED

None Noted.

Service Report

INVOICE #: 34367959

WORK DATE: 11/09/2023

BILL-TO **3484258**

City of St. Helena Flood Wall
Flood Wall Zone C
1088 College Ave
Saint Helena, CA 94574-1366

Phone: 707-339-1053

LOCATION **3484258**

City of St. Helena Flood Wall
Flood Wall Zone C
1572 Railroad Ave
Saint Helena, CA 94574-1169

Phone: 707-339-1053

Time In: 11/9/2023 7:04:00 AM
Time Out: 11/9/2023 8:41:45 AM

Customer Signature

Customer is unavailable to sign

Technician Signature

Ronald Vale
License #: CA - FR43382
CA - QAL120991

Purchase Order	Terms	Service Description	Quantity	Amount
None	DUE UPON RECEIPT	Burrowing Pest Control	1.00	960.00

Subtotal	960.00
Tax	0.00
Total	960.00
Prior Balance:	**1934.40**
Total Due:	**2894.40**

GENERAL COMMENTS / INSTRUCTIONS

Walked entire length of floodwall found minor go for activity at and treated with Percmachine. Thank you have a wonderful day.

CONDITIONS / OBSERVATIONS | Reported | Severity | Responsibility | Reviewed

None Noted.

PRODUCTS APPLICATION SUMMARY

None Noted.

PEST ACTIVITY | # Areas | # Devices | Pest Totals

None Noted.

DEVICE INSPECTION SUMMARY

AREA COMMENTS

None Noted.

DEVICE INSPECTION EXCEPTIONS

None Noted.

Service Report

INVOICE #: 34367959

WORK DATE: 11/09/2023

DEVICE INSPECTION EXCEPTIONS

INSPECTION DETAIL

None Noted.

PRODUCTS APPLIED

None Noted.

Howell Mou
Silverado Trail N
Pope Street Bridge
Napa River
Pope St
Napa Valley College
C.
Paseo Grand Dr
San Lucas Ct
Redondo Ct
Laguna Seca Ct
Del Rio Ct
Vineyard Valley MHP
Economy Appliance Repair
Napa River
A.
B.
Hunt's Grove Apartments

C-2 Monitoring Report

Staff Use Only – Reviewed by:
Monitoring Supervisor: 12/4/23
Monitoring Chair:

Land Trust OF NAPA COUNTY

Conservation Easement Monitoring Report

Easement Name: St. Helena Flood Mitigation Date & Time of Inspection: 11/12/2023 10:30AM

Current Landowner: City of St. Helena

Address, 1088 College Ave. St. Helena CA 94574, Phone 707 967-2793, Email: jleach@cityofsthelena.org

1. Purpose of the monitoring visit: ☒ Annual visit ☐ Landowner request ☐ Follow-up visit

2. Did the owner or representative accompany you on the inspection? ☐ YES ☒ NO

If yes, list name(s):

3. Describe route of travel (please include a map showing the route you traveled this year). *Note: unless you are certain of your ability to view the entire property from your route, the route should be varied from year-to-year to ensure that the entire property is viewed.*

Starting at East end of Adams Street, walked in clockwise directing along the walking path on the North side of the flood control berm, then southerly along bank of Napa River proceeding on social path across drainage outlet and returning to starting point along edge of boundary in with Hunter property. (See attached route map)

4. Describe current land use.

☐	Forever Wild	☐	Agriculture	☒	Open Space
☐	Residential	☒	Recreational	☐	Other:

5. Describe any reserved rights that have been exercised (see CE language).

Downed oak tree limbs that have fallen on pedestrian path have been cut and cleared for safe passage.

6. Describe any other human alterations since the easement was last monitored or that are previously unrecorded (for example: construction or improvements to buildings and roads; installation of fences; tree cutting or clearing; trash or hazardous materials; evidence of trespass; etc.). Please describe activity or alteration with: location; extent; purpose (if known); and responsible party (if known). Attach supporting documentation. Be as accurate and objective as possible.

A series of survey flag and monuments have been placed marking the common property line with the Hunter Property to the SW of the "detention basin".

7. Describe any natural alterations since the easement was last monitored (for example: fire; flood; landslides; insect infestation). Attach maps, photos (please **sign, date, and label** them with a description of what the photo is depicting) & illustrations as necessary.

None observed

8. Have there been – or are there any plans for – changes in the ownership, management, or status of the property? Neighboring properties? Does landowner have new contact information?

Yes. See above. Information obtained from City of St. Helena web site.

9. Record any questions or concerns of the landowner.

None

Monitoring Team: Richard Seiferheld, Susan Davis

Lead Monitor: Richard Seiferheld

Signature: Richard Seiferheld Date: 11-12-2023

Please indicate the number of the following attached to this report. Include Photo Index & Chain of Custody forms for any photographs.

Photographs:

Maps: 1 Index: ☐

Illustrations: Checklist: ☒

Other (describe):

Remember: sign and date the Photo Index and route map.

Please return this original form, as soon as possible, to:

Land Trust of Napa County

1700 Soscol Avenue, Suite 20, Napa, 94559.

THANK YOU!

☐ Paper

☒ Electronic, City

☒ Agency: Dept. Water Resources, Flood Control Program
Attn: Program Manager
770 Fairmont Ave
Suite 102
Glendale, CA 91203

MONITORING CHECKLIST
For the St. Helena Mitigation Conservation Easement

The following summary of the permitted rights and restrictions is intended to help guide the monitor's attention to potential changes that may occur and inform the monitor of the specific terms within the conservation easement. The monitor should always consult the original document for clarification or contact staff.

Purpose of the St. Helena Mitigation CE: Preserve and protect the natural, scenic, public recreational, and open space values of the Property and prevent use that impairs or interferes with them.

Date: 11/12/23 Richard Lee fee held

Since the St. Helena Mitigation Conservation Easement was last monitored, has there been any...

Activities inconsistent with the purpose of the conservation easement? Yes ☐ No ☒

Subdivision of the Property? Yes ☐ No ☒

Placement or construction any residential or non-residential buildings, structures, roads or improvements? Yes ☐ No ☒

Installation of new or extension of existing utilities? Yes ☐ No ☒

Alteration of the surface of the land including excavation, removal of soil, sand, gravel, rock, peat, or sod? Yes ☐ No ☒

Alteration or manipulation of any water courses or wetland areas located on the property or construction or reservoirs or water collection or impoundment facilities? Yes ☐ No ☒

Pruning, felling, or removing of dead or living native trees except to prevent hazards, disease, or fire, or to maintain healthy native vegetation on the Property? Yes ☐ No ☒

Dumping, spraying or other disposal of waste and debris? Yes ☐ No ☒

Evidence of agricultural, residential, commercial or industrial use or activity? Yes ☐ No ☒

Operation of any motorized vehicle off existing roads? Yes ☐ No ☒

Unseasonal watering? Yes ☐ No ☒

If you have answered any of the above in the affirmative, be sure to check the appropriate sections in the Deed of Conservation Easement. Pay particular attention to any exceptions or reservations recited.Please fill out page of the Monitoring Inspection Report with a detailed description and return it with the monitoring report & binder to the Land Trust Office. Thank you.

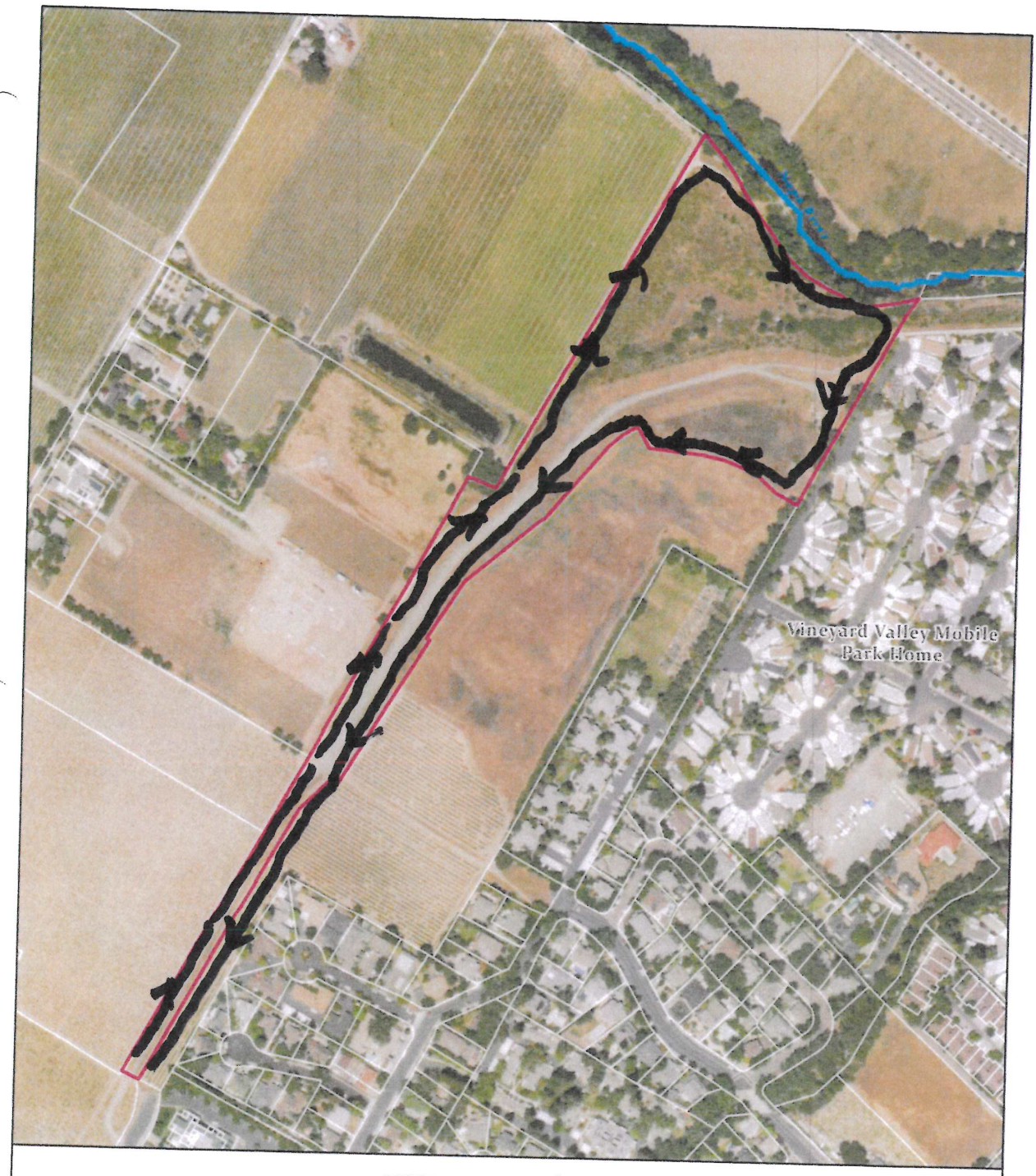


Figure 2: Aerial Map, City of St. Helena flood mitigation CE

Road WALKED 11/22/23
Richard Seifried

Mead & Hunt

Flood Protection Project System Assessment

City of St. Helena

May 2024

Assessment Report Overview

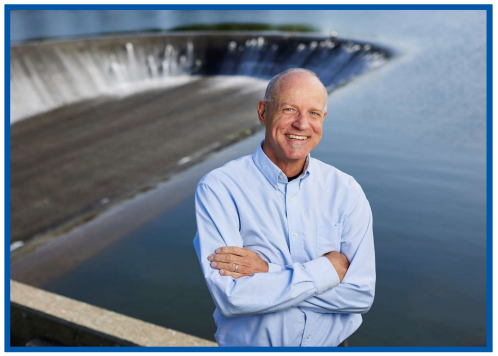
Mead&Hunt

Introduction

Project Team

Steve Sullivan, PE
Project Manager

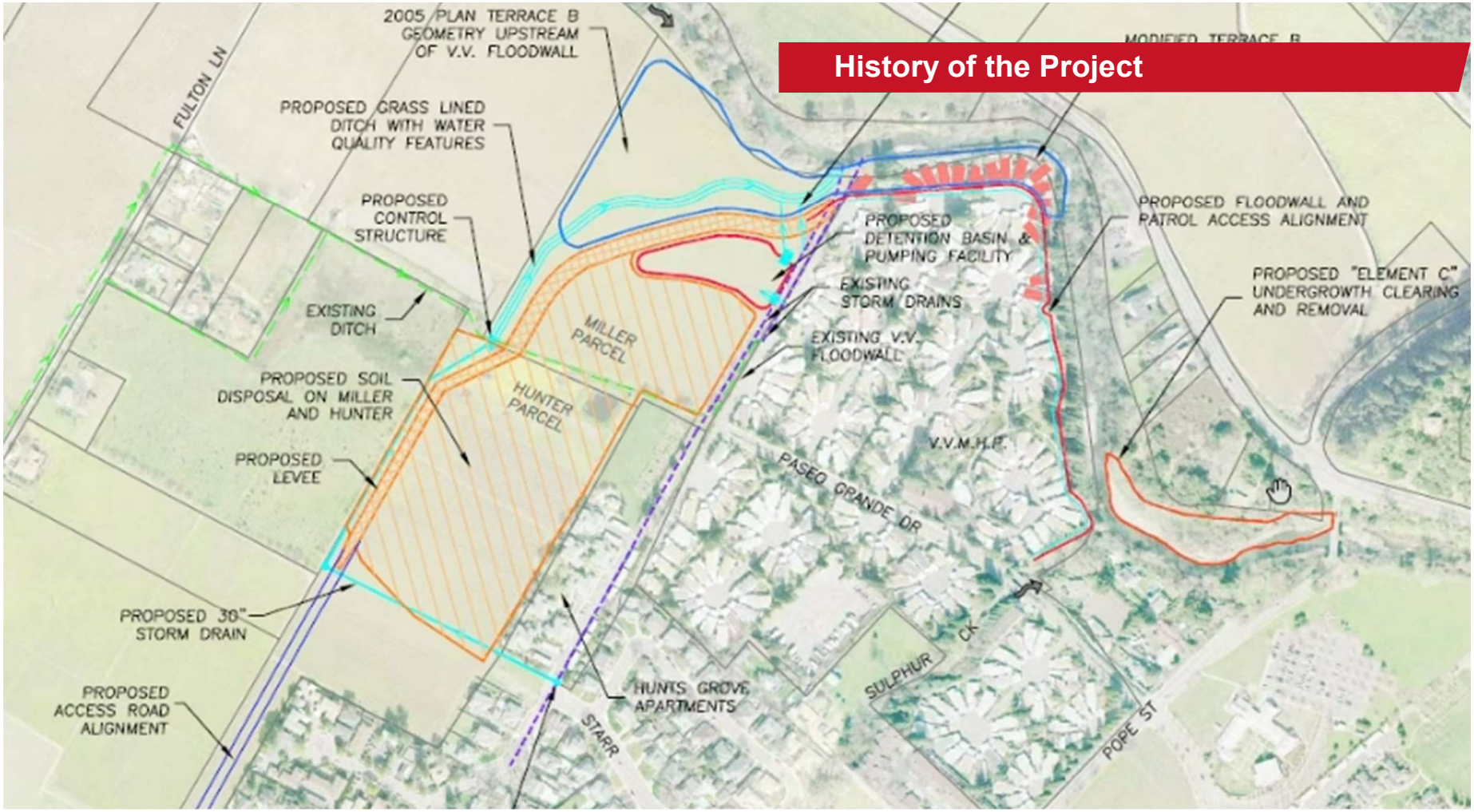
Jeff Kashiwada, PE
Design Engineer



Todd Petrik, PE
Structural Design

Mead &Hunt

History of the Project



Project History

- In October 1998, the City kicked off a flood study in collaboration with Napa County.
- This study culminated in the “2001 Minimum Plan.”
- The City approved the Final EIR in Feb 2004, later amended (adopted July 2006).
- The “2006 Plan” was permitted in 2007.
- The permitting culminated with FEMA issuance of a Conditional Letter of Map Revision (CLOMR) on November 30, 2007.
- Project Bid and Construction Contract was awarded on April 14, 2009.
- Notice of Completion adopted by City April 12, 2011.
- LOMR requested by the City on December 11, 2011.
- LOMR adopted on June 19, 2012, effective November 5, 2012.

Mead &Hunt

Process to Evaluate

Project Assessment

Pre-Inspection Review of:

- Record Drawings
- Operations and Maintenance Manual
- City's Periodic Inspection Reports (10/30/2015 – 10/31/2023)
- Conservation Easement Monitoring Report (dated 11/12/2023)
- Pest Control Inspection and Treatment Reports

Field Inspection:

- November 13, 2023
- M&H team and City Operations Staff

Mead &Hunt

Flood Protection Project Systems

United States Army Corps of Engineers (USACE) Guidance for Periodic Inspection Procedures

- Levee Embankment Systems
- Floodwall Systems
- Interior Drainage Systems
- Pump Station Systems
- Flood Damage Reduction Channels Systems

Mead &Hunt

Sample System Inspection Checklist

Levee Embankments
For use during Initial and Continuing Eligibility Inspections of levee segments / systems **Inspection Completed By: _____**

Rated Item	Rating	Rating Guidelines		Location/Remarks/Recommendations
1. Unwanted Vegetation Growth[1]		A	The levee has little or no unwanted vegetation (trees, bush, or undesirable weeds), except for vegetation that is properly contained and/or situated on overbuilt sections, such that the mandatory 3-foot root-free zone is preserved around the levee profile. The levee has been recently mowed. The vegetation-free zone extends 15 feet from both the landside and riverside toes of the levee to the centerline of the tree. If the levee access easement doesn't extend to the described limits, then the vegetation-free zone must be maintained to the easement limits. Reference EM 1110-2-301 or Corps policy for regional vegetation variance.	
		M	Minimal vegetation growth (brush, weeds, or trees 2 inches in diameter or smaller) is present within the zones described above. This vegetation must be removed but does not currently threaten the operation or integrity of the levee.	
		U	Significant vegetation growth (brush, weeds, or any trees greater than 2 inches in diameter) is present within the zones described above and must to be removed to reestablish or ascertain levee integrity.	
2. Sod Cover		A	There is good coverage of sod over the levee.	
		M	Approximately 25% of the sod cover is missing or damaged over a significant portion or over significant portions of the levee embankment. This may be the result of over-grazing or feeding on the levee, unauthorized vehicular traffic, chemical or insect problems, or burning during inappropriate seasons.	
		U	Over 50% of the sod cover is missing or damaged over a significant portion or portions of the levee embankment.	
		N/A	Surface protection is provided by other means.	
3. Encroachments		A	No trash, debris, unauthorized farming activity, structures, excavations, or other obstructions present within the easement area. Encroachments have been previously reviewed by the Corps, and it was determined that they do not diminish proper functioning of the levee.	
		M	Trash, debris, unauthorized farming activity, structures, excavations, or other obstructions present, or inappropriate activities noted that should be corrected but will not inhibit operations and maintenance or emergency operations. Encroachments have not been reviewed by the Corps.	
		U	Unauthorized encroachments or inappropriate activities noted are likely to inhibit operations and maintenance, emergency operations, or negatively impact the integrity of the levee.	
4. Closure Structures (Stop Log, Earthen Closures, Gates, or Sandbag		A	Closure structure in good repair. Placing equipment, stoplogs, and other materials are readily available at all times. Components are clearly marked and installation instructions/ procedures readily available. Trial erections have been accomplished in accordance with the O&M Manual.	

Key: A = Acceptable. M = Minimally Acceptable; Maintenance is required. U = Unacceptable. N/A = Not Applicable. FDR = Flood Damage Reduction

US Army Corps of Engineers®

Flood Damage Reduction Segment / System Inspection Report

Levee Embankments
Page 1 of 5

Mead & Hunt

System Ratings

Acceptable System	Minimally Acceptable System	Unacceptable System
All items or components are rated as Acceptable.	One or more items are rated as Minimally Acceptable, or one or more items are rated as Unacceptable and an engineering determination concludes that the Unacceptable items would not prevent the system from performing as intended during the next flood event.	One of more items are rated as Unacceptable and would prevent the system from performing as intended, or a serious deficiency noted in past inspections (which had previously resulted in a minimally acceptable system rating) has not been corrected within the established timeframe, not to exceed two years.

Mead &Hunt

Assessment Ratings and Recommendations

Levee Embankments System - Acceptable

CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable		
System	**Component**	**Rating**
Levee Embankments	Item 1. Unwanted Vegetation Growth	A
	Item 2. Sod Cover	A
	Item 3. Encroachments	A
	Item 4. Closure Structures	N/A
	Item 5. Slope Stability	A
	Item 6. Erosion/Bank Caving	A
	Item 7. Settlement	A
	Item 8. Depressions/Rutting	A
	Item 9. Cracking	A
	Item 10. Animal Control	A
	Item 11. Culverts/Discharge Pipes	N/A
	Item 12. Riprap Revetments and Bank Protection	N/A
	Item 13. Revetments Other than Riprap	N/A
	Item 14. Underseepage Relief Wells/Toe Drainage Systems	N/A
	Item 15. Seepage	N/A

Mead & Hunt

Levee Embankment Photos

- Levee Vegetation, Sod Cover, and Encroachments (Acceptable)

Field Inspection
November 13, 2023

Levee Embankment Photos

- Cracking (Acceptable)

Levee Embankment Photos

- Rodent Control (Acceptable)
  - Less than 2 inches diameter
  - Less than 6 inches deep

Field Inspection
November 13, 2023

Field Inspection
November 13, 2023

Mead &Hunt

Floodwalls System – Minimally Acceptable

CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable		
System	**Component**	**Rating**
Floodwalls	Item 1. Unwanted Vegetation Growth	M
	Item 2. Encroachments	A
	Item 3. Closure Structures	N/A
	Item 4. Concrete Surfaces	A
	Item 5. Tilting, Sliding or Settlement of Concrete Structures	M
	Item 6. Foundation of Concrete Structures	A
	Item 7. Monolith Joints	M
	Item 8. Underseepage Relief Wells/Toe Drainage Systems	A
	Item 9. Seepage	A

Mead & Hunt

Floodwall Photos

- Tilting, Sliding or Settlement (Minimally Acceptable)

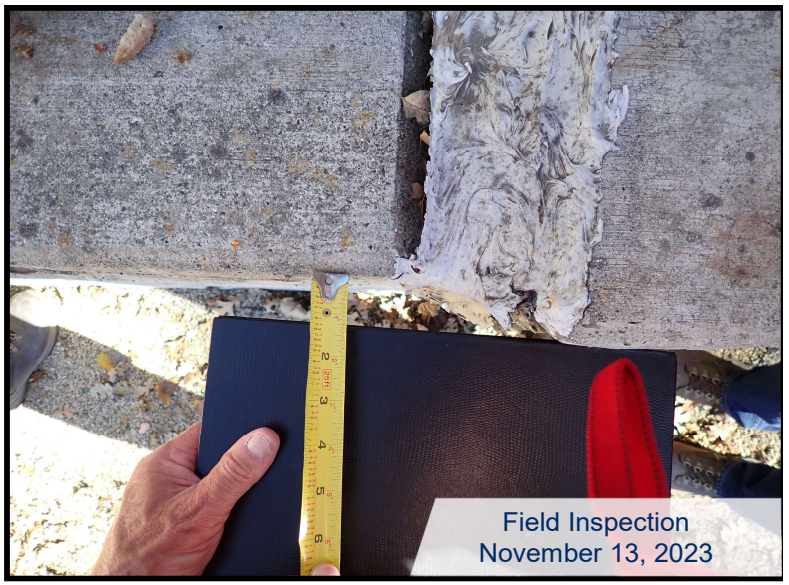
Field Inspection
November 13, 2023

Mead & Hunt

Floodwall Photos

- Tilting, Sliding or Settlement (Minimally Acceptable)

Field Inspection
November 13, 2023



Field Inspection
November 13, 2023

Mead & Hunt

Floodwall Photos

- Monolith Joint (Minimally Acceptable)

Field Inspection
November 13, 2023

Field Inspection
November 13, 2023

Mead &Hunt

Interior Drainage System – Minimally Acceptable

CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable		
System	**Component**	**Rating**
Interior Drainage System	Item 1. Vegetation and Obstructions	A
	Item 2. Encroachments	A
	Item 3. Ponding Areas	A
	Item 4. Fencing and Gates	N/A
	Item 5. Concrete Surfaces	A
	Item 6. Tilting, Sliding or Settlement of Concrete and Sheet Pile Structures	A
	Item 7. Foundation of Concrete Structures	A
	Item 8. Monolith Joints	A
	Item 9. Culverts/Discharge Pipes	U
	Item 10. Sluice/Slide Gates	A
	Item 11. Flap Gates/Flap Valves/Pinch Valves	A
	Item 12. Trash Racks	A
	Item 13. Other Metallic Items	A
	Item 14. Riprap Revetments of Inlet/Discharge Items	A
	Item 15. Revetments Other than Riprap	N/A

Mead & Hunt

Pump Station System – Minimally Acceptable

CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable		
System	**Component**	**Rating**
Pump Station	Item 1. Pump Stations Operating, Maintenance, Training, and Inspection Records	A
	Item 2. Pump Station Operations and Maintenance Equipment Manuals	A
	Item 3. Safety Compliance	N/A
	Item 4. Communications	A
	Item 5. Plant Building	N/A
	Item 6. Fencing and Gates	M
	Item 7. Pumps	A
	Item 8. Motors, Engines, Fans, Gear Reducers, Back Stop Devices, etc.	A
	Item 9. Sumps/Wet well	A
	Item 10. Mechanical Operating Trash Rakes	N/A
	Item 11. Non-Mechanical Trash Racks	A
	Item 12. Fuel System for Pump Engines	N/A
	Item 13. Power Source	A
	Item 14. Electrical Systems	A
	Item 15. Megger Testing on Pump Motors and Critical Power Cables	A
	Item 16. Enclosures, Panels, Conduits and Ducts	A
	Item 17. Intake and Discharge Pipelines	A
	Item 18. Sluice/Slide Gates	N/A
	Item 19. Flap Gates/Flap Valves/Pinch Valves	A
	Item 20. Cranes	N/A
	Item 21. Other Metallic Items	A

Mead &Hunt

Pump Station Photos

- Fences and Gates – Minimally Acceptable

Field Inspection
November 13, 2023

Field Inspection
November 13, 2023

Mead &Hunt

Flood Damage Reduction Channels System – Acceptable

CITY OF ST HELENA COMPREHENSIVE FLOOD PROTECTION PROJECT NOVEMBER 2023 VISUAL INSPECTION RATING SUMMARY A=Acceptable; M=Minimally Acceptable; U=Unacceptable; N/A=Not Applicable		
System	**Component**	**Rating**
Flood Damage Reduction Channels	Item 1. Vegetation and Obstructions	A
	Item 2. Shoaling	A
	Item 3. Encroachments	A
	Item 4. Erosion	A
	Item 5. Concrete Surfaces	A
	Item 6. Tilting, Sliding or Settlement of Concrete Structures	A
	Item 7. Foundation of Concrete Structures	A
	Item 8. Slab and Monolith Joints	A
	Item 9. Flap Gates/Flap Valves/Pinch Valves	N/A
	Item 10. Riprap Revetments and Banks	A
	Item 11. Revetments Other than Riprap	N/A

Mead & Hunt

Recommendations

Floodwall System – Component Item 1

Unwanted Vegetation Growth – Minimally Acceptable

Minimal vegetation growth was observed on the waterside of the floodwall, within fifteen feet of the floodwall.

Recommendation: *Remove waterside vegetation within fifteen feet of the waterside face of the floodwall.*

Mead &Hunt

Floodwall System – Component Item 5

Tilting, Sliding or Settlement of Concrete Structures – Minimally Acceptable

The tilting, sliding, and settlement of the “T” wall section at the interface with the “I” wall section just upstream of STA 37+23.50 was observed to be Minimally Acceptable. The tilting, sliding, and settlement of this “T” wall section is evidence that this section of wall has rotated towards Sulphur Creek in relation to the adjacent “I” wall section.

Recommendation: *It is recommended that City staff closely monitor this area during and directly after a highwater event and document conditions. It is further recommended that a detailed study of this area be initiated in the near-term to evaluate the need and extent of bank stabilization required.*

Mead &Hunt

Floodwall System – Component Item 7

Monolith Joints – Minimally Acceptable

Over half of the floodwall joints showed a slight widening of the joint and had some type of repair or addition of the sealant at the surface of the joint. Many of these sealant repairs were completed in a way that did not result in the joint sealant being put back to its original condition. In addition, a single location was identified where the top handrail anchors of the baseplate were installed close to a joint in the concrete wall, causing the concrete to pop and spall off the top corner of the joint.

Recommendation: *It is recommended that City staff put in place a repair/replacement program for the monolith joints in the floodwall. Further, City staff should regularly inspect the joints for continued deterioration. At the location where the handrail anchors were installed close to a floodwall joint, it is recommended to remove the spalled concrete, coat any exposed reinforcement to prevent reinforcement corrosion, patch the concrete, and re-secure the handrail.*

Mead &Hunt

Interior Drainage System – Component Item 9

Culverts/Discharge Pipes – Unacceptable

The interior of the drainage culvert that passes through the levee embankment has not been visually inspected or inspected by video recording equipment within the past five years.

Recommendation: *Perform a visual inspection and provide the report to the inspector for review.*

Mead &Hunt

Pump Station System – Component Item 6

Fencing and Gates – Minimally Acceptable

The Concrete Masonry Unit (CMU) perimeter wall (fence) is a Proto II wall system. The CMU Proto II walls on the south side of the pump station were tilting away from the interior of the compound and resulted in a crack at the top of the wall at each of the southeast and southwest corners.

Recommendation: *The City staff should monitor the walls on the south side of the pump station on an annual basis for further tilting of the walls towards the inlet. If the cracks at the southeast and southwest corners continue to open further, a more detailed study is recommended.*

Mead &Hunt

Questions?

City of St. Helena Flood Protection Project Update

City Council Meeting
February 11, 2025

Background

- **1986 & 1995:** Vineyard Valley Flooded
- **2011:** The St. Helena Flood Protection Project was completed.
- **October 2023:** Mead & Hunt conducted a comprehensive condition assessment.
- **June 2024:** Council received the final report and adopted Resolution 2024-093.

Overview of the Flood Project

- Large levees and floodwalls
- Bank stabilization measures
- Channel modifications to improve water flow
- Removal of obstructions in the river channel
- Stormwater management systems

Key Findings from Assessment

Levee Embankment System
Rated: **Acceptable.**

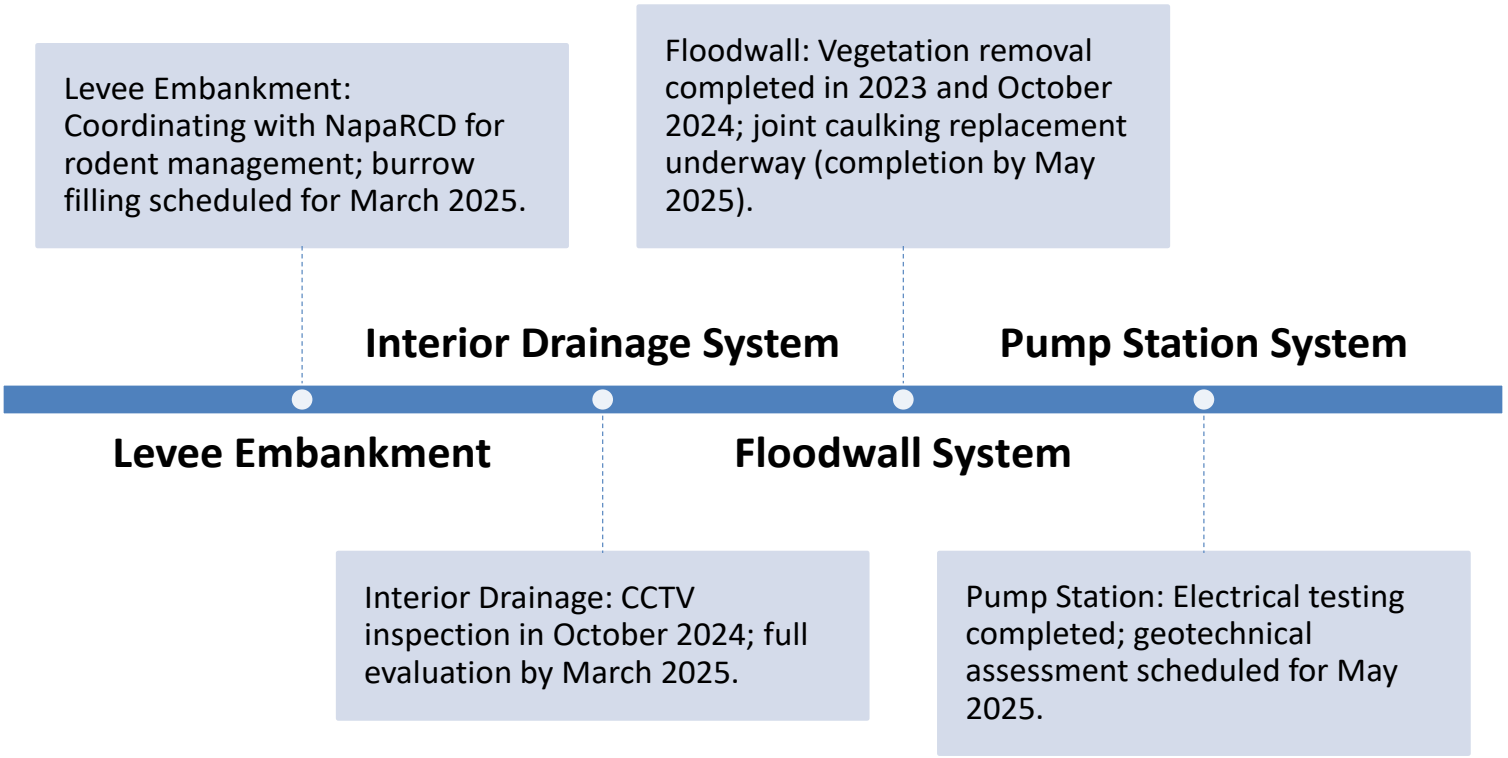
Interior Drainage System
Rated: **Minimally Acceptable;** culverts require further inspection.

Flood Damage Reduction Channels
Rated: **Acceptable.**

Floodwall System
Rated: **Minimally Acceptable** due to minor vegetation growth and settlement.

Pump Station System
Rated: **Minimally Acceptable;** minor tilting of walls noted.

Actions Performed/Scheduled by Staff

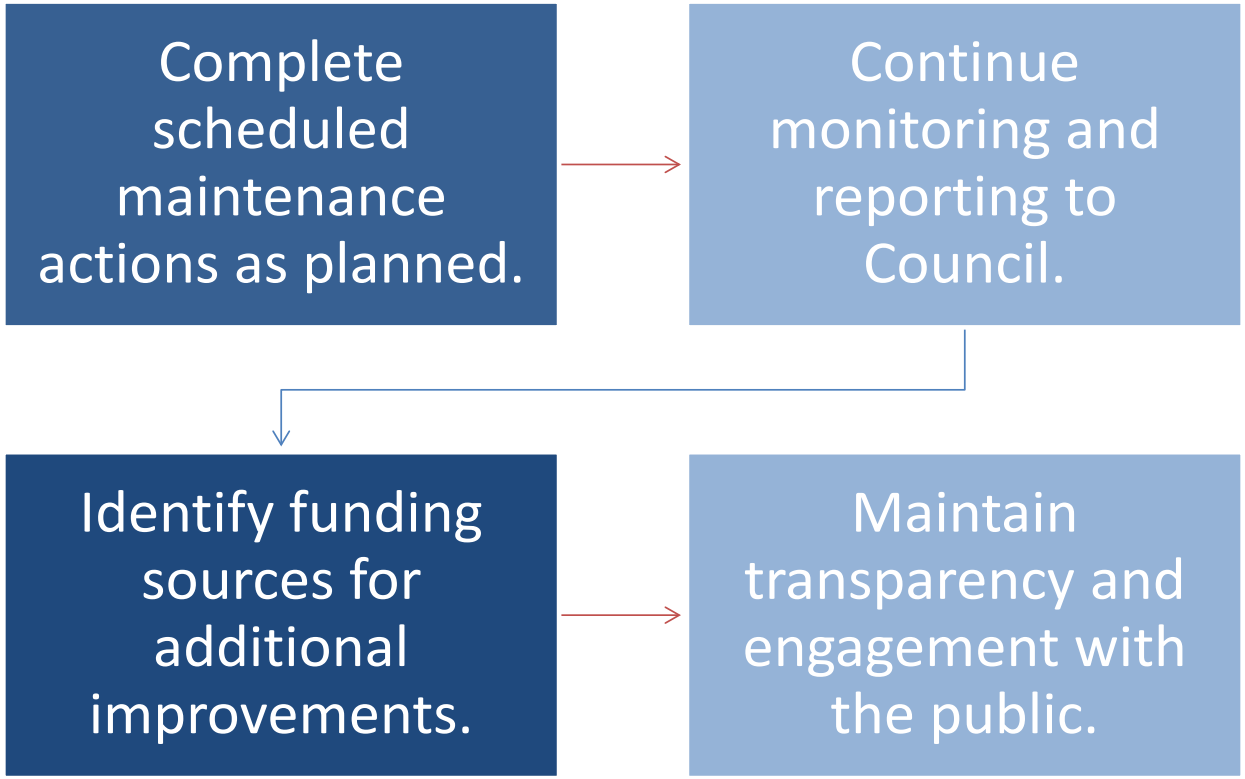


Public Engagement & Compliance

- Inspection reports uploaded to the City's website within 30 days of completion.
- Regular updates provided to the City Council & Community
- Enhanced coordination with community members to address concerns.

Financial Considerations	Routine maintenance is funded within the current Public Works budget.
	Additional funding required for geotechnical assessment.
	Staff will pursue cost estimates and request budget allocations in the next fiscal cycle.

Next Steps


Complete scheduled maintenance actions as planned.
Continue monitoring and reporting to Council.
Identify funding sources for additional improvements.
Maintain transparency and engagement with the public.

Agenda Report to the City Council

Agenda Section: NEW BUSINESS

Department: Finance

DATE:	February 11, 2025
FROM:	Mandy Kellogg, Administrative Services Director
SUBJECT:	Adopt a Resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, appointing the City Manager as the City's Plan Administrator, and authorizing the City Manager to execute the documents to implement the Program to set aside funds to offset the City's pension liability.
RECOMMENDED ACTION:	Approve the attached resolution.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE PURPOSE:	The purpose is to the establish a Section 115 Trust to manage and offset the city's pension obligations.
FINANCIAL IMPACT:	Establishing the Trust in and of itself does not have any financial impact; however, establishing and funding a trust has the potential for significant long-term positive impact on the City's finances. When funds are deposited into the trust, they have the effect of offsetting the pension liability. The fees are based on a sliding scale indicated in Table 1 and Table 2 of the staff report below.

BACKGROUND:

The City of St. Helena provides pension benefits to employees and retirees through the California Public Employees' Retirement System (CalPERS). The amount the City has to pay to CalPERS largely depends on CalPERS's investment earnings which can be extremely volatile. Below is a summary of the investment return over the past five years:

Fiscal Year	Investment Return
2019-20	4.7%
2020-21	21.3%
2021-22	-6.1%
2022-23	5.8%
2023-24 Preliminary	*9.3%*

Based on a 20-year average ending June 30, 2024, for every dollar CalPERS pays in pensions:

- 55 cents from investment earnings
- 34 cents from employer contributions
- 11 cents from employee contributions

In other words, 66 cents out of every public employee pension dollar is funded by CalPERS' own investment earnings and member contributions. In the fiscal year ended June 2024, CalPERS paid out more than $ 32 billion in pension benefits.

Most retirement systems were negatively impacted by the great recession and are still recovering from the losses sustained during the downturn. Since the percentage of employee contributions is generally fixed, losses in investment returns require increases in employer contributions. This severally impacts public sector budgets. While investment returns have been generally good since the downturn, the spreading of the previous losses continues to have an effect on the rates public agencies pay to ensure adequate funding of current and future pensions.

To help public agencies address and manage their pension liabilities, establishment of a Section 115 Irrevocable Trust (Trust) offers assistance with prefunding these long-term financial obligations. Prefunding long-term financial obligations like retirement benefits is a financial management best practice and establishing and funding a Trust will provide an additional tool to help the City manage its pension costs. Based on the June 2023 CalPERS Valuation Reports, the City has an estimated $16.3 million in unfunded pension obligations.

In 2024, the City issued a Request for Proposals (RFP) for establishment, administration, and management services of a Section 115 Trust for pension. The City received a total three proposals from the following firms:

- CalPers
- Keenan
- Public Agency Retirement Services (PARS)

All responses were received by the deadline and included establishment of a Section 115 Trust. The submitted responses were reviewed and graded based on the criteria outlined in the RFP by the Assistant City Manager and the Administrative Services Director. In addition, the City consulted with a neighboring agency with similar demographics that has already established a 115 Trust to make the final decision. Based on the overall analysis PARS was selected based on the determination that they would provide the best services relative to the cost.

DISCUSSION:

PARS has assembled leading professionals to provide the City with the necessary services required under one program to pre-fund both pension and retiree health care liabilities. This would provide the City with greater local control over assets, investment by a professional fund management team selected and monitored by the City, with contributions and distributions from the trust determined at the discretion of the City.

PARS services include the following:

- Signature-ready implementation documents which enable implementation to be completed within 5-7 business days of executed plan documents being received by PARS.
- Ongoing document management and compliance monitoring in conjunction with PARS attorneys, Pillsbury Winthrop Shaw Pittman LLC.
- Maintenance of detailed accounting records, including any sub-accounting, which includes individual recordkeeping of the City's contributions, earnings, and assets.
- Reconciliation of contributions to the trust account.
- Coordination of distributions from the City's trust account, which includes receiving distribution documentation and directing the trustee to make distributions.
- Monthly, quarterly, and annual reporting to the City including online portal and reporting and any customized reports as requested.
- All necessary forms, handbooks, training, and technical support.
- Administrative training meeting at implementation as well as ongoing training as necessary.
- Onsite client service reviews to ensure the City's ongoing satisfaction with the program.
- Participation at meetings and assistance in education/presentation preparation for City's Council or staff when requested.
- Attendance at City's Council meetings when contract is scheduled for approval and for ongoing updates of the plan.
- Coordination of annual trust-wide audit.
- Preparation and submission of documents as required by the City's auditors for GASB 67/68 reporting.

After establishing the Trust, the City would deposit funds into it and invest in various instruments (a combination of cash, fixed income, and equities) that have the potential to earn more than can be achieved in the City's investment pool. Once funds are deposited into the Trust, they can only be used towards pension costs. Along with the potential for increased returns, the investment options offered by PARS also carry the risk of losses, unlike the City's typical investments, where losses are only realized if sold before maturity. Additionally, the City will have the flexibility to use these funds when it needs them most instead of giving them to CalPERS.

Fees are solely based on the City's asset balance, therefore there is no fee to establish the Trust, and include all services identified above. In addition, there are no minimum fees. Once funds are deposited, fees for the PARS Section 115 Pension Trust services to the City are broken down by: Trust administration (paid to PARS) and Investment advisory/management and trustee/custodial services (paid to U.S. Bank/PFMAM).

Table 1 - PARS Fees

Plan Assets	Ongoing Fee
Under $10 million	0.25%
$10 million to $15 million	0.20%
$15 million to $50 million	0.15%
Over $50 million	0.10%

Table 2 - U.S. Bank/PFMAM Fees

Plan Assets	Ongoing Fee
Under $5 million*	0.35%
$5 million to $10 million	0.25%
$10 million to $15 million	0.20%
$15 million to $50 million	0.15%
Over $50 million	0.10%

During the January 30,2025 Finance Committee Meeting, the committee members agreed to provide assistance in developing a funding plan for the Section 115 Trust that will be presented at a future council meeting for review.

ENVIRONMENTAL REVIEW:
None.

GOAL:

Goal 1: Strengthen Financial Sustainability

DOCUMENTS ATTACHMENTS:

Attachment 1 - Resolution Authorizing 115 Trust
Agreement for Administrative Services
RFP - Section 115 Trust
PARS RFP Response
CalPERS RFP Response
Keenan RFP Response

CITY OF ST. HELENA

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS).

RECITALS

A. PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of prefunding pension obligations and/or OPEB obligations; and

B. The City of St. Helena ("City") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

C. The City's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

D. The terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

E. The City's participation in the Program does not, and is not intended to, create any contractual obligation or new vested right to any benefit to a current or former employee nor does it strengthen any existing vested right currently held by a current or former employee; and

F. The City reserves the right to make contributions, if any, to the Program and to terminate its pension obligations and/or OPEB obligations for which the City's Agency Account was established under the Program in accordance with the conditions and limitations set forth therein.

RESOLUTION

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

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust; and

2. The City Council hereby appoints the City Manager, or their successor or their designee as the City's Plan Administrator for the Program; and

3. The City's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Program.

Approved at a Regular Meeting of the St. Helena City Council on February , 2025 by the following vote:

Mayor Dohring: _____

Vice Mayor Deasy: _____

Councilmember Barak: _____

Councilmember Spadarotto _____

Councilmember Summers: _____

AYES:_____ NOES: _____ ABSENT: _____ ABSTAIN: _____

APPROVED:

_____
Paul Jamison Dohring, Mayor

STATE OF CALIFORNIA

COUNTY OF NAPA

_____, the City Clerk of the City of St. Helena, State of California, hereby certifies that the above foregoing resolution was duly and regularly adopted by said City at a regular meeting thereof held on the _____ and passed by a _____ vote of said Council.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2025.

_____

City Clerk

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this _____ day of _____, 2025, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of prefunding pension obligations and/or Other Post-Employment Benefits ("OPEB") obligations ("Plan") and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content, and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

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Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for nonperformance of Services to the extent such nonperformance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.

7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.

8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees, or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.

9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, and employees, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.

10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

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11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.

12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that its performance is prevented by such cause. Such cause shall include, but not be limited to: any incidence of fire, flood, acts of God or unanticipated communicable disease, acts of terrorism or war commandeering of material, products, plants or facilities by the federal, state or local government, a material act or omission by the other party or any law, ordinance, rule, guidance or recommendation by the federal, state or local government, or any agency thereof, which becomes effective after the date of this Agreement that delays or renders impractical either party's performance under the Agreement.

13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.

14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.

15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

    (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President

    (B) To Agency: [Agency]; [Agency Address]; Attention: [Plan Administrator Title]

    Notices shall be deemed given on the date received by the addressee.

16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2025 and ending _____, 2028 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve-month periods following the Term.

17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.

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18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions, and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.

20. **Counterparts. Electronic Signatures.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include digital electronic signatures (e.g., DocuSign). The use of digital electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.

21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____
Plan Administrator Name

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

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EXHIBIT 1A

SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:
   (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
   (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
   (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.
2. Plan Administration Services:
   (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
   (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
   (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
   (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;
   (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
   (F) Preparing and submitting an annual report of Plan activity to the Agency;
   (G) Facilitating actuarial valuation updates and funding modifications for compliance with the applicable GASB pronouncements and/or statements, if prefunding OPEB obligations;
   (H) Coordinating periodic audits of the Trust;
   (I) Monitoring Plan and Trust compliance with federal and state laws.
3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

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EXHIBIT 1B

FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

For Plan Assets from:			**Annual Rate:**
$1	to	$10,000,000	0.25%
$10,000,001	to	$15,000,000	0.20%
$15,000,001	to	$50,000,000	0.15%
$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

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EXHIBIT 1C

DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information. Agency is solely responsible for ensuring that all information and documentation provided to PARS is true, correct, and authorized:

1. Executed Legal Documents:
   (A) Certified Resolution
   (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
   (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
   (A) Agency name
   (B) Contribution amount
   (C) Contribution date
   (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
   (A) Agency name
   (B) Payment reimbursement/distribution amount
   (C) Applicable statement date
   (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
   (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

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REQUEST FOR PROPOSALS:

REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES

Establishment, Administration, and Management

Services of a Section 115 Trust for Pension

DATE ISSUED: Wednesday, March 27, 2024

DATE DUE: Monday, April 29, 2024, 5PM

CONTACT: Mandy Kellogg, Administrative Services Director

mkellogg@cityofsthelena.org

The City is only accepting proposals electronically via email to mkellogg@cityofsthelena.org

Only emails sent to mkellogg@cityofsthelena.org will be considered as responsive to the request for proposals. Emails sent to other City emails may be considered as non-responsive and may not be reviewed.

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EXHIBITS

Exhibit A: City of St. Helena Professional Services Agreement

I. INTRODUCTION

The City of St. Helena, California is located in the center of the world-famous wine growing Napa Valley, 65 miles north of San Francisco. The area was settled in 1834 as part of General Vallejo's land grant. The City of St. Helena was incorporated as a City on March 24, 1876 and reincorporated on May 14, 1889.

The City, from its inception, has served as a rural agricultural center. Over the years, with the growth and development of the wine industry, St Helena has become an important business and banking center for the wine industry. The City also receives many visitors as a result of the wine industry and the area's scenic qualities. The City's goal is to maintain a small-town atmosphere and to provide quality services to its citizens.

The official population of the City of St. Helena as of 2019 is 6,133 (CA Department of Finance). St. Helena is a full-service city and encompasses an area of four square miles. The City's General Fund Budget is approximately $15 million.

II. GENERAL INFORMATION

The City of St. Helena is seeking proposals from eligible and qualified interested firms to provide comprehensive services for the establishment, administration, and management of an Internal Revenue Service (IRS) approved Section 115 Trust relating to the City's pension pre-funding, as required to be reported under Governmental Accounting Standards Board (GASB) Statements No. 74 and No. 75.

The City's goal is to enter into a long-term relationship to obtain the required Section 115 Trust management (including establishment and administration) services in the most efficient and cost-effective manner available. This will be a competitive negotiation process. Qualified individuals, firms, consultants, or entities (hereinafter "Consultant(s)"). That meet the requirements set forth in this Request for Proposals (hereinafter "RFP") and are capable of providing the services requested are encouraged to participate.

BACKGROUND

The City employs 93.7 full-time equivalent employees and participates in the California Public Employees' Retirement System (CalPERS) for both Miscellaneous employees and Safety employees. The City's pension liability amount is approximately $15.4 million in unfunded pension accrual liability per current actuarial analyses. Information related to the City's pension liability can be found in Notes to the Financial Statements, Note 2, beginning on page 47 of the Annual Comprehensive Financial Report on the City's website at https://www.cityofsthelena.org/ArchiveCenter/ViewFile/Item/501.

III. SCOPE OF SERVICES

The City is exploring various options for managing its unfunded long-term pension liabilities. One of the strategies being considered is the establishment of an Internal Revenue Code Section 115 Trust to hold assets aside to fund future pension obligations and expenditures. The objectives of the proposed trust are to provide reasonable returns and maximum flexibility in terms of beneficiaries of trust assets.

The City is seeking a qualified firm to provide the services as outlined below. Best industry practices and/or best management practices may require additional services not explicitly enumerated. Proposers should identify and price any additional services required and explain them in their response.

Services requirements shall include, but are not limited to:

1. Offer an IRS-approved irrevocable funding vehicle to protect the City's assets.
2. Implement the Section 115 trust program within 90 days of contract execution.
3. In partnership with City staff, develop an Investment Policy for the Section 115 Trust Pension Fund, and prepare asset allocation guidelines for the trust based on the City's investment objectives and risk tolerance, and in compliance with the City's Investment Policy.
4. Provide a full-service program that includes trust administration, trustee, and investment management services.
5. Provide assurance of portfolio compliance with applicable policies and laws.
6. Provide education and presentations regarding the pension trust program to City staff and the City Council.
7. Provide quarterly and annual comparative performance analyses and evaluation reports of the investments of the trust.
8. Coordinate all contributions into the trust and process any requests for appropriate distribution.

IV. ASSURANCE OF DESIGNATED PROJECT TEAM

The consultant shall assure that a designated project team, including sub-consultants or sub-contractors (if any), is used for this project. Departure or reassignment of, or substitution for, any member of the designated project team, sub-consultant(s) or sub-contractor(s) shall not be made without the prior written approval of the City.

V. SCHEDULE

Responses to the RFP must be submitted to the City of St. Helena as outlined in this section.

Responses are due no later than
MONDAY, APRIL 29, 2024 AT 5:00 PM
Responses received after this date and time will not be considered.

PROPOSED SCHEDULE FOR THE REVIEW AND SELECTION PROCESS AND DESIRED TIMELINES FOR DELIVERABLES

MILESTONE	DATE	TIME
Release RFP	March 27, 2024	10:00AM
Question submittal deadline	April 12, 2024	4:00PM
Questions posted on City website (cityofsthelena.org/rfps)	April 15, 2024	5:00PM
Proposal due date	April 29, 2024	5:00PM
Review and scoring of submittals	Week of April 29	
Award of Agreement	May 14, 2024	6:00 PM

The schedule may be modified and/or extended if necessary.

VI. PROPOSAL SUBMISSION REQUIREMENTS AND FORMAT

If interested in this RFP, please notify Mandy Kellogg by email at mkellogg@cityofsthelena.org so you may be added to the notification list for addendums. Failure to notify could result in missing important and required information and could result in disqualification.

Format
All submittals must follow the format described in this section. Respondents are encouraged to submit clear and concise responses to the RFP. The City of St. Helena reserves the right to include or exclude any part of the submittals in the final agreement with the selected consultant.

All submittals must be received by 5:00 PM on April 29, 2024 via e-mail as follows:

1. Submittals must be e-mailed to: mkellogg@cityofsthelena.org
2. Subject line of e-mail must read: **RFP – Section 115 Trust for Pension Services**
3. The submittals shall be in PDF format with search capability to endure readability and compatibility. All submitted material will be retained by the City of St. Helena and considered public information.

It is the sole responsibility of the Proposer to ensure timely delivery. Late proposals shall not be considered. Proposals will not be accepted at any other location other than the address specified above. Faxed or emailed proposals will not be accepted.

Content
The content of your proposal should include the following in summary form:

Part 1: Cover Letter/Executive Summary
Part 2: Firm Qualifications and Experience
Part 3: Consultant Identification and Team
Part 4: Proposed Project Workplan
Part 5: Total Cost and Hourly Rates

PART 1 | COVER LETTER/EXECUTIVE SUMARY
In no more than three (3) pages, the Cover Letter and Executive Summary shall include:

1. The names of the key members of the consultant team.
2. The mailing address, telephone number, and the name of the main point of contact for the consultant team.
3. A summary of the consultant's experience and qualifications and the significant advantages to selecting the consultant.
4. An acknowledgment of receiving and addendum(s) to the RFP document sent out by the City.

PART 2 | FIRM QUALIFICATIONS AND EXPERIENCE
The proposal should state the size of the Firm, the size of the Firm's staff, the location of the office from which the work on this engagement is to be performed.

For the Firm's office assigned responsibility for the Section 115 Trust for Pension Services, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar in organizational type, size and complexity to the engagement described in this request for proposal. These engagements should show experience with local governments establishing, administering, and management services of a Section 115 Trust for Pension. Indicate the scope of work, date engagement partners, total hours, and the name and telephone number of the principal client contact and, if available, a link to the final published report.

PART 3 | CONSULTANT IDENTIFICATION AND TEAM
The Firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the rate study. The Firm should also provide information on direct Section 115 Trust for Pension services experience, including the scope of services requested by the City, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this service.

The Firm should provide as much information as possible, including resumes, regarding the number, qualifications, experience, and training of the specific staff to be assigned to this agreement. The Firm should also indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the Firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of St. Helena. However, in either case, the City of St. Helena reserves the right

to approve or reject replacements. This shall also apply to the consultants and firm specialists mentioned in response to this request for proposal.

Other personnel may be changed at the discretion of the Firm provided that replacements have substantially the same or better qualifications or experience and there is continuity of key staff to ensure an efficient process.

PART 4 | PROPOSED PROJECT WORKPLAN

1. Provide a plan as to how you will administer the requested services outlined in this RFP.
2. Describe the firm's approach and timeframes to completing the services described in Section III. Scope of Services.
3. Describe the firm's approach to onboarding and transitioning a new client.
4. Include thorough discussions of methodologies you believe are essential to accomplishing this project including your firm's philosophy, including your approach to managing Section 115 trust programs. Please address the following questions in the response:
    a. What are your approaches to rebalancing or reallocating asset classes, styles, and sectors? How do you add value in this process?
    b. Describe the investment options available. Please provide 1, 3, and 5-year return history and underlying expense ratios for each fund/portfolio. Do your total portfolio returns comply with Global Investment Performance Standards?
    c. How are portfolios managed (e.g. by team, individua manager)?
    d. Describe your firm's in-house technical and research capabilities. Are outside sources used by the firm on a regular basis?
    e. What technical analysis (if any) do you use?
    f. Briefly describe your firm's investment management philosophy, including your approach to managing governmental portfolios.
5. Identify the staff who would be assigned to each task, including sub-consultants and sub-contractors.
6. List any necessary equipment, training, or installation services required.

PART 5 | TOTAL COST AND HOURLY RATES

The proposal should contain all pricing information related to establishing, administering, and management services of a Section 115 Trust for Pension as described in this request for proposal. The total all-inclusive maximum cost to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

VII. EVALUATION PROCESS

The proposals for the City's Section 115 Trust for Pension Services will be reviewed by a committee selected by the City Manager and Administrative Services Director. Proposers may be required to make oral presentations as a supplement to their proposals. These presentations would only be held subsequent to the receipt of the proposals and will be part of the evaluation/interview process to determine the qualifications of the firm. The City will schedule a time and location for each oral presentation that it requests. Should a proposer refuse to honor the request for a presentation or interview, it may result in the City's rejection of the proposal.

Evaluation considerations may include, by way of illustration and not by limitation, the following:

a. Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.
b. Consultant's experience in conducting rate studies for cities of a similar nature, size, and complexity, and the consultant's commitment to maintaining technical expertise in the Section 115 Trust environment.
c. Technical experience and professional qualifications of the team. The number of key and supervisory personnel who will directly participate in the requested services.
d. Size and structure of the Firm's office from which the work is to be done and continuity in staff. The City is looking for a highly qualified team that is able to meet the requirements specified in this document.
e. Cost. Although a significant factor, cost will not be the primary factor in the selection of a firm.

VIII. PROPOSAL TERMS AND CONDITIONS

1. EXAMINATION OF PROPOSAL MATERIALS

The submission of a proposal shall be deemed a representation and warranty by the proponent that it has investigated all aspects of the RFP, that it is aware of the applicable facts pertaining to the RFP process and its procedures and requirements, and that it has read and understands the RFP. No request for modification of the provisions of the proposal shall be considered after its submission on the grounds the proponent was not fully informed as to any fact or condition.

2. ADDENDA INTERPRETATIONS

If it becomes necessary to revise any part of this RFP, a written addendum will be provided to each firm that requested to be added to the notification list, and said addenda will be uploaded to the City website. The City of St. Helena is not bound by any oral representations, clarifications, or changes made in the RFP by the City or its agents, unless such clarifications or change is provided in written addendum from the City of St. Helena.

3. DESIGNATED CONTACT

For the purposes of this RFP, the Administrative Services Director is designated as the contact person. Any questions concerning the scope of work and the selection process shall be directed to Mandy Kellogg at mkellogg@cityofsthelena.org. Any and all questions and responses concerning this RFP will only be accepted in writing, via email. All questions must be received by April 15, 2024 by 5:00PM.

Responses to questions will be posted on the City's website, cityofsthelena.org/rfps, and will become part of the RFP. It is the consultant's responsibility to check the website for updates.

4. PUBLIC RECORDS

This RFP document and all submittals in response thereto are public records. Prospective consultants are cautioned not to include any material into the proposal that is strictly proprietary in nature.

5. PROPOSAL COSTS

All costs associated with the preparation of RFP submittals shall be borne by the respondent. This RFP does not constitute any form of offer to contract.

6. RESERVATION OF RIGHTS

The City reserves the right, for any reason, to accept or reject any one or more proposals; to negotiate the terms and specifications of the proposal; to modify any part of the RFP; or issue a new RFP.

7. PRODUCT OWNERSHIP

Any documents resulting from the contract will be the property of the City.

8. PROFESSIONAL SERVICES AGREEMENT

All Proposers must identify in their proposal any terms and conditions of the sample Professional Service Agreement (Exhibit B) that they wish to negotiate. Insurance is required as outlined in Section 7 of the sample agreement.

9. CAUSES FOR DISQUALIFICATION

Any of the following may be considered cause to disqualify a proponent without further consideration:

- Evidence of collusion among proponents;
- Any attempt to improperly influence any member of the evaluation panel;
- A proponent's default in any operation of a professional services agreement which resulted in termination of that agreement; and/or
- Existence of any lawsuit, unresolved contractual claim, or dispute between proponent and the City.

Exhibit A – Sample Professional Services Agreement

AGREEMENT FOR PROFESSIONAL SERVICES

EXHIBIT A

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, made and entered into on [ENTER DATE] by and between the City of St. Helena, located in the County of Napa, State of California (City), and [ENTER CONSULTANT NAME] (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Section 115 Trust Pension Services.

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 A, "Compensation" attached hereto and made a part hereof. Total compensation shall not exceed [ENTER COST] 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.

EXHIBIT A

SECTION 7 – INSURANCE REQUIRED

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

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

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:
   1. General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
   2. Automobile Liability: $2,000,000 per accident for bodily injury and property damage.
   3. Employer's Liability: $2,000,000 per accident for bodily injury or disease.

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

The Consultant shall be responsible for its acts of negligence, and the City shall be responsible for its acts of negligence. The Consultant agrees to indemnify and hold the City harmless from

any and all claims, demands, actions and causes of action to the extent caused by the negligent acts of the Consultant, its officers, agents and employees, by reason of the performance of this agreement. This indemnity shall not be construed to require indemnification of others.

SECTION 9 – INDEPENDENT CONTRACTOR STATUS

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.

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.

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

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.

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.

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

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.

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

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.

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.

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.

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:

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.

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

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-entities 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, sent by facsimile, email, or first-class mail, addressed as follows:

To City: City Manager
1088 College Avenue
St. Helena, California 94574

To Consultant:

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

SECTION 21 – TERMINATION

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.

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.

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:

By: _____
Name:
Title:

City:

By: _____
Name: Anil Comelo
Title: City Manager

Approved as to Form:

By: _____
Name: Ethan Walsh
Title: City Attorney

CITY OF ST. HELENA

Subject: Establishment, Administration and Management Services of a Section 115 Trust for Pension

Proposer: PARS (Public Agency Retirement Services)

Date Due: April 29, 2024

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Appendix:

- Private Letter Ruling (PLR)
- Client List
- Staff Reports
- Net Returns Comparison
- Investment Portfolios

PUBLIC AGENCY RETIREMENT SERVICES | PARS

TRUSTED SOLUTIONS. LASTING RESULTS.

April 29, 2024

Mandy Kellogg
City of St. Helena
1088 College Ave.
St. Helena, CA 94574

RE: Establishment, Administration and Management Services of a Section 115 Trust for Pension

Ms. Kellogg,

PARS (Public Agency Retirement Services) proudly submits the enclosed proposal to provide Section 115 pension fund establishment, administration and management services for the City of St. Helena (City). PARS is both the pioneer and #1 provider of Section 115 pension prefunding administration in the nation and our ready-to-use, IRS-approved trust brings comprehensive implementation, trustee, co-fiduciary investment advisory, trust documents, state/federal compliance monitoring and reporting services to help prefund the City's pension liability. PARS serves as the program's consultant and trust administrator, U.S. Bank as trustee and PFM Asset Management (PFMAM) as investment advisor/manager. Together, our firms are the best and top qualified providers to perform the requested services due to the following key features:

- **Experienced, Industry Leading Trust Administrator** – PARS has over 40 years of experience working with public agencies and 20 years administering Section 115 trust services for over 500 clients – including 164 cities in California. Today, PARS is the leading provider of Section 115 trust administration in the nation.
- **Strong, Secure Trustee –** Fiduciary protections will be provided by U.S. Bank, the 5th largest bank in the nation and one of the largest trustees for Section 115 trust assets in the country.
- **Successful, Highly-Respected Investment Advisor/Manager –** PFMAM will provide hands-on investment management/advisory services for the City and offer flexible investment options to fit the City's current and changing needs.

The lead consultant for the City's trust will be:

NAME: Ryan Nicasio, PARS Senior Vice President
ADDRESS: 4350 Von Karman Avenue, Ste 100
Newport Beach, CA 92660
PHONE: (800) 540-6369 Ext. 134
EMAIL: rnicasio@pars.org

As President of PARS, I have the authority to represent PARS, submit a bid and sign a contract with the City of St. Helena. We acknowledge the receipt of addendum(s) from the City.

Thank you for your thoughtful consideration of our proposal.

Sincere regards,

Dan Johnson
President, PARS

PUBLIC AGENCY RETIREMENT SERVICES | PARS
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PART 1. EXECUTIVE SUMMARY

PARS (Public Agency Retirement Services), in collaboration with U.S. Bank and PFM Asset Management (PFMAM) propose a comprehensive solution for the extablishment, administration and management services for the City of St. Helena's Internal Revenue Code (IRC) Section 115 Pension Prefunding Trust needs. Utilizing PARS' industry-leading Pension Rate Stabilization Program (PRSP), the City can prefund its pension liabilities into an IRS-approved Section 115 trust which provides economies of scale for investment, administrative, and trustee services, while at the same time minimizing staff burdens and costs.

We proudly offer an IRS-approved irrevocable funding vehicle to protect the City's assets and implement the Section 115 trust program within 90 days of contract execution. In partnership with City staff, our team will help you develop an Investment Policy for the Section 115 Trust Pension Fund and prepare asset allocation guidelines for the trust based on the City's investment objectives and risk tolerance, and in compliance with the City's Investment Policy. In addition, PARS will:

- Provide a full-service program that includes trust administration, trustee and investment management services.
- Provide assurance of portfolio compliance with applicable policies and laws.
- Provide education and presentations regarding the pension trust program to City staff and Council.
- Provide quarterly and annual comparative performance analyses and evaluation reports of the investments of the trust.
- Coordinate all contributions into the trust and process any requests for appropriate distribution.

PARS Experience

For more than four decades, PARS has designed and administered niche retirement trust and plan solutions exclusively for local governments. This is our core business and where we dedicate our resources and expertise. Our objective is to offer local governments the control and flexibility to meet their individual needs while administering programs that have saved millions of dollars in public resources. Since inception in 1984, PARS has provided thousands of public agencies with superior retirement benefits while reducing operating costs and administrative burdens. Our continual corporate growth and standard of high-quality service has led to the following key accomplishments:

- **Pioneer** and market leading Section 115 trust provider with over 537 participating agencies in the nation
- Development of the first multiple employer Section 115 Trust Program for pension prefunding in California and the nation (2015)
- Vast experience providing integrated retirement trust and plan solutions to agencies
- Largest Section 115 Trust provider for pension and OPEB liabilities in California and nationwide
- Only one of two providers with Private Letter Ruling (PLR) for pension-prefunding

A full copy of the PARS Private Letter Ruling (PLR) can be viewed in the *Appendix* under "*Private Letter Ruling.*"

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Turnkey Solutions Provider

PARS has developed a unique, comprehensive program that combines the following services:

- Trust administration and recordkeeping
- Signature-ready trust documents
- Trustee and custodial services
- Fiduciary investment advisory and management services
- State and federal compliance monitoring
- Annual audits and GASB 67/68 reporting assistance
- In-person, individualized services no matter size of assets or agency

The Best Approach for the City

As the post-employment benefits trust **pioneer**, we bring to the City the following key advantages:

- **Local control, separate and apart from CalPERS,** provides the City with greater diversification and autonomy of investments and providers.
- **40-year veteran** in the administration of retirement plans and trusts for over 1,000 public agency clients and 2,000 plans.
- **Flexible, discretionary investment options** designed by PFMAM specifically for prefunding pension and liabilities.
    - The City can select from five model portfolios as well as a customized option, all of which can be actively or passively managed.
- **Fiduciary protection** from U.S. Bank, 5th largest bank and dominant Section 115 trustee in the nation.
- **IRS-approved** trust with the first favorable Private Letter Ruling (PLR) which provides immediate and guaranteed tax-exempt status on investment earnings to the City. IRS is no longer issuing PLRs.
- **Strong, historical investment** returns that are **GIPS-compliant.**
    - We provide true, historical 1, 3, and 5-year return information, not hypothetical, composite, "what-if" scenarios.
- **No startup costs, minimum contribution requirements, transaction/trading fees, or ongoing compliance costs** —there is no red tape or fees to enter or leave the trust.
- **Hands-on, individualized attention and advisory services** from a highly experienced PARS/PFMAM service team with a long, successful track record working with California cities like City of St. Helena. Listed below are the primary service team members responsible for managing the City's account:
    - Ryan Nicasio, Senior Vice President, PARS
    - Mitch Barker, Senior Consultant, PARS
    - Ashley Baires, Client Service Coordinator, PARS
    - Phillip Muschetto, Senior Vice President, PARS
    - Dennis Mullins, Senior Institutional Client Portfolio Manager, PFMAM
    - Ryan Maxey, Vice President, Relationship Manager, U.S. Bank

PUBLIC AGENCY RETIREMENT SERVICES | PARS
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PART 2. FIRM QUALIFICATIONS AND EXPERIENCE

The proposal should state the size of the Firm, the size of the Firm's staff, the location of the office from which the work on this engagement is to be performed.

Your account will be serviced by our consultant team based out of Orange County, California. PARS currently consists of 65 dedicated individuals who are trained and educated to work on our client's IRS approved Section 115 trusts. Our highly qualified team proudly meets the requirements specified in this document and ensures consistency of service throughout your relationship with us. Should a member of the designated team change for any reason, we will notify you of written approval – per your request.

PARS Physical Address: 4350 Von Karman Ave, Suite 100
Newport Beach, CA 92660

For the Firm's office assigned responsibility for the Section 115 Trust for Pension Services, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar in organizational type, size and complexity to the engagement described in this request for proposal. These engagements should show experience with local governments establishing, administering, and management services of a Section 115 Trust for Pension. Indicate the scope of work, date engagement partners, total hours, and the name and telephone number of the principal client contact and, if available, a link to the final published report.

The following are significant engagements of which PARS currently provides Section 115 pension and OPEB prefunding trust services.

Reference	Contact	Services Provided
Napa County 1195 Third Street Napa, CA 94559	Tracy Schulze Auditor & Controller (707) 299-1733 tracy.schulze@countyofnapa.org	• Trust administration, trustee, investment management, reporting, compliance monitoring, document management and consulting services for the County's PARS Pension and OPEB account. • Total Hours: N/A • Date of Engagement: October 30, 2018 - current

Town of Yountville 6550 Yount Street Yountville, CA 94599	Celia King Finance Director (707) 944-8851 cking@yville.com	• Trust administration, trustee, investment management, reporting, compliance monitoring, document management and consulting services for the Town's PARS Pension and OPEB account. • Total Hours: N/A • Date of Engagement: December 5, 2017 – current
City of Fairfield 1000 Webster Street Fairfield, CA 94533	David Gassaway City Manager (707) 428-7400 dgassaway@fairfield.ca.gov	• Trust administration, trustee, investment management, reporting, compliance monitoring, document management and consulting services for the City's PARS Pension account. • Total Hours: N/A • Date of Engagement: May 1, 2002 - current
City of Healdsburg 401 Grove Street Healdsburg, CA 95448	Andrew Sturmfels Assistant City Manager (707) 431-3570 asturmfels@ci.healdsburg.ca.us	• Trust administration, trustee, investment management, reporting, compliance monitoring, document management and consulting services for the City's PARS Pension account. • Total Hours: N/A • Date of Engagement: July 15, 2017 - current
Town of Tiburon 1505 Tiburon Blvd Tiburon, CA 94920	Greg Chanis Town Manager (415) 435-7373 gchanis@townoftiburon.org	• Trust administration, trustee, investment management, reporting, compliance monitoring, document management and consulting services for the Town's PARS Pension and OPEB account. • Total Hours: N/A • Date of Engagement: May 4, 2016 - current

A full PARS Section 115 trust client list can be viewed in the *Appendix* under "*Client List.*"

A copy of the staff reports from each of the agencies can be viewed in the *Appendix* under "*Staff Reports.*"

PART 3. CONSULTANT IDENTIFICATION AND TEAM

The Firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the rate study.

PARS places a heavy emphasis on strong customer service and will dedicate a team of individuals to the ongoing administration and management of the City's trust account. Ryan Nicasio will lead the following individuals who will serve as the primary consultant team members to the City. This team will be supported by a larger group working behind the scenes at PARS, PFMAM and U.S. Bank corporate offices and headquarters.

Ryan Nicasio, Senior Vice President, PARS

Role:

As Senior Vice President, Ryan consults with public sector entities of various markets including municipalities, counties, education and special districts.

Experience:

With over 25 years of experience at PARS, Ryan also manages the Plan Compliance, Plan Implementation, and Analysis Divisions for the company. His experience with the complexities of the accounting and valuation processes and overall experience in the retirement industry carry over to his consulting role with clients. Ryan specializes in being a trusted sales consultant in the various markets he serves and is also a recognized speaker at various conferences and tradeshows.

Education/Credentials:

Ryan holds a Bachelor of Arts (BA) degree in Economics with a minor in Mathematics from the University of California, San Diego. In addition, Ryan achieved a Certified Employee Benefits Specialist (CEBS) designation from the International Foundation of Employee Benefits and the Wharton School of Business at the University of Pennsylvania.

Mitch Barker, Senior Consultant, PARS

Role:

As Senior Consultant, Mitch is an integral part of the consulting team. His primary area of focus is providing 115 trust consulting to California cities, counties and special district markets. He will work in conjunction with Ryan to ensure the highest level of service is provided to the City.

Experience:

In his previous role as Executive Vice President with almost 20 years of experience at PARS, Mitch oversaw the company's Consulting Division and was a lead consultant in the California and Texas municipal markets. Mitch helped develop our successful Section 115

Trust for prefunding pension/OPEB and has worked with more than 150 agency clients to set up their pension/OPEB trust accounts. In his current role as Senior Consultant, Mitch continues to be a key contact for many of his municipal clients and lends his expertise to clients, staff and our financial partners.

Mitch's knowledge of retirement plans, healthcare and public sector financial management strategies has helped him structure plans that save public agencies money and meet their long-term goals of lowering unfunded liabilities.

Education/Credentials:

Mitch holds a Bachelor of Science (BS) in Biomedical Sciences from Texas A&M University.

Ashley Baires, Client Services Coordinator, PARS

Role:

As Client Services Coordinator, Ashley oversees the building and retaining of excellent relationships with existing clients and cultivating relationships with prospective clients. She will work closely with your staff to develop ongoing reporting, training and provide any additional support you may require.

Experience:

Ashley has over one year of experience working with various cities and other public entities in PARS' Client Services Department and over four years of experience in local government. She has a strong understanding of post-employment benefits trusts, defined benefits, and defined contribution programs. Ashley serves as the primary Client Services Coordinator to over 150 clients throughout California. Ashley has participated in numerous conferences and benefits fairs across California and takes these opportunities to service clients and build relationships.

Education/Credentials:

Ashley holds a Bachelor of Science (BS) degree in Health Science from California State Univeristy, Fullerton.

Phillip Muschetto, Senior Vice President, Plan Accounting, PARS

Role:

As Vice President of Plan Accounting, Phillip is responsible for monitoring all contributions and distributions. He performs periodic accounting and reporting for the City's 115 Trust account and oversees the annual trust wide audit performed on the PARS Trust.

Experience:

Phillip joined PARS 18 years ago and is currently responsible for updating and allocating monthly transactions within the PARS database to more than 1,000 plans. He oversees the reconciliation of all contributions, distributions, earnings, and expenses.

Education/Credentials:

Phillip has a bachelor's degree in finance from California State University, Long Beach, and a master's degree in business administration with an emphasis in Accounting from National University.

Dennis Mullins, CFA, Senior Institutional Client Portfolio Manager, PFMAM

Role:

Serving PARS Section 115 trust clients for a decade, Dennis works directly with local governments and their staff as a Senior Portfolio Manager. Dennis currently manages a team that oversees investment services for all U.S. Bank-PARS clients.

Experience:

Dennis is a senior portfolio manager for PFMAM's OCIO Team. He is responsible for providing customized investment solutions, making use of strategic and tactical asset allocation, income, and growth strategies, including equities, fixed income, commodities, and real estate, using both traditional and alternative investments. Dennis joined PFMAM effective July 1, 2023, as part of the consolidation of the U.S. Bank institutional asset management group and PFMAM.

Dennis has worked in the financial services industry for over 30 years. Prior to joining PFMAM, he worked at U.S. Bank for 12 years. In his role at U.S. Bank, Dennis had extensive experience working alongside PARS with their clients.

Education/Credentials:

Dennis has a bachelor's degree in accounting from Wright State University. He is also licensed as a Chartered Financial Analyst (CFA).

Ryan Maxey, Vice President, Relationship Manager, U.S. Bank

Role:

Ryan serves as a relationship manager for a select group of Institutional Trust and Custody Division clients, including PARS. Ryan is responsible for overseeing complex relationships to ensure each PARS client's unique needs are met. He works with various client types including government entities, corporations, foundations, endowments, and insurance companies.

Experience:

He joined U.S. Bank in 2012 after working for a number of years at Union Bank and brings more than 20 years of experience to his clients.

Education/Credentials:

Ryan holds a bachelor's degree in Business Administration from Eastern Oregon University.

The Firm should also provide information on direct Section 115 Trust for Pension services experience, including the scope of services requested by the City,

Pension Services Experience and Scope of Services

As a pioneer and leading provider of the Pension Rate Stabilization Program and other 115 Trust services, PARS has significant expertise in the technical and management requirements of trust administration. The City's lead PARS consultant, Ryan Nicasio, will oversee the contract process and administration of the trust account and provide the following services:

- Provide sample staff report(s) to relieve agency burden.
- Analyze and review various funding options.
- Assist the City in running various funding scenarios, factoring in considerations such as contribution amount(s), time horizon, anticipated investment returns, expected withdrawals, etc.
- Assist with developing and/or modifying funding policies.
- PARS has a database of "funding policy" examples from hundreds of member agencies and will walk the City through a variety of strategies for consideration.
- After reviewing funding strategies, PARS will share detailed staff reports that align with the City of St. Helena's objectives, so that the City may build upon other agencies' policies.
- PARS may also provide examples of Council presentations detailing funding/withdrawal plans.
- Analysis and discussion of actuarial issues and valuations.
- Annual updates of the projected City's CalPERS future employer contribution rates and funding status to help aid discussion of timing of contributions/withdrawals.
- Will similarly discuss any changes to GASB, or other reporting changes.
- Development of materials and presentations to assist the City with general education, funding options and policies, etc.
- On-site reviews to discuss funding modifications and investment strategies based on changing program, and/or budgetary circumstances.
- Discussion of plan and trust design options
    - Example, if the City finds value in sub-accounting for different employee groups, cost centers, etc.

PARS (trust administrator), U.S. Bank (trustee), and PFMAM (investment advisor/manager) will work together to provide the City with Section 115 pension trust administration and investment management services, as identified in the RFP including:

✓ **Offer an IRS-approved irrevocable funding vehicle to protect the City's assets.**

✓ **Implement the Trust program within 90 days of executing contracts:** PARS will provide signature ready implementation documents which enable implementation to be completed within 5-7 business days of executed plan documents received in good order by PARS.

✓ **In partnership with City staff, develop an Investment Policy for the Section 115 Pension Trust Fund and prepare asset allocation guidelines for the trust based on the City's investment objectives and risk tolerance, and in compliance with the City's Investment Policy**

The construction of a City's investment policy statement (IPS) varies depending on each client's needs. Dennis Mullins, the City's assigned portfolio manager, will provide an IPS specific to the City's time horizon, risk tolerance level, and liquidity needs; the IPS serves as the groundwork for all investment decisions moving forward. Dennis will also work with the City to develop an asset strategy that will meet the City's tolerance and risk levels, while also reaching the investment goals.

- ✓ **Provide a full-service program that includes trust administration, trustee, and investment management services.**
- ✓ **Provide assurance of portfolio compliance with applicable policies and laws.** PARS has an in-house department dedicated to monitoring major changes to state law, (such as PEPRA) and how it impacts our clients/plan design features.
- ✓ **Provide education and presentations regarding the pension trust program to City staff and the City Council:** PARS will meet with City Staff as needed to provide education and presentations regarding the pension trust program.
- ✓ **Provide quarterly and annual comparative performance analyses and evaluation reports of the investments of the trust.**
- ✓ **Coordinate all contributions into the trust and process any requests for appropriate distribution.**

The Firm should also provide information on each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this service.

Please refer to the beginning of PART 3 for individual team member resumes.

PARS, U.S. Bank and PFMAM all take ongoing education, industry-relevant and professional organization training membership very seriously. Continuous education, industry publications, professional associations, online resources, internal training programs, networking at conferences, maintaining CEBS certifications and designations and research and analysis are a few ways we do this.

Together our firms invest in continuous training and development programs to upskill and reskill staff members throughout the agreement term. This ensures that they stay abreast of industry developments and maintain high-quality performance. PARS maintains an extremely low turnover rate, so that you will benefit from having the same staff overtime.

In addition to a rigorous training and development program, we participate in regular monitoring and reviews and employ feedback mechanisms both for internal communications and for client-facing external communications.

Ryan Nicasio earned his Certified Employee Benefit Specialist (CEBS) accreditation from the Wharton School of Business at the University of Pennsylvania after starting his career with PARS. He attends regular conferences and sessions from associations such as the League of California Cities, Government Finance Officers Association, International City/County Management Association, and the California Society of Municipal Finance Officers to understand the needs of California cities. He attends/watches regular City Council meetings for some of the largest pension plans to understand the challenges faced by governmental agencies. He sits on committees, seminars and special presentations that discuss updates on local governments. To stay apprised of relevant local government issues, Ryan regularly receives newsletters from private and public external organizations, as well as from PARS' in-house Public Affairs team that tracks essential industry updates. In addition, PARS training is

reevaluated on a yearly basis to ensure he is attuned to the latest matters regarding government agencies.

The Firm should also indicate how the quality of staff over the term of the agreement will be assured.

The quality of staff over the term of the agreement will be assured by our rigorous training, ongoing performance reviews and professional development opportunities. We find it is crucial to the success of our clients that we have strategies in place for recruiting and retaining the most talented staff. Our senior professionals represent hundreds of years of experience.

Their combined energy brings to your plan familiarity with similar projects and a depth of knowledge when faced with a new challenge. This valuable insight helps to ensure the plan is executed smoothly. Our long-term employees provide stability and consistency. The continuity this provides minimizes any disruptions of service to you.

Our staff is also very accessible to you. The City staff will have cell phone and office contact information for both Ryan and Ashley. You will be notified in writing if any member of your core team changes.

PART 4. PROPOSED PROJECT WORKPLAN

1. Provide a plan as to how you will administer the requested services outlined in this RFP.

PARS has a detailed understanding of the technical and management requirements of the trust. Below is a list of trust administration, trustee and investment management services that are provided as part of the PARS PRSP, ***which meet all the services outlined in the RFP's required scope of services.*** Please note there are ***no additional costs*** for any of these services.

Trust Administration (PARS)

PARS will provide the City with a full-service, collaborative approach to help address your long-term pension liabilities. We will work in close conjunction with your staff to implement a program that meets the City's unique needs. PARS takes pride in our hands-on approach that has proven successful for four decades.

As the largest and longest serving trust administrator for pension prefunding trusts in California and the nation, we will bring our unmatched expertise to the City. As our core business is focused on retirement trusts for local governments, the City will receive support from a service team that understands your long-term goals and needs.

Our full-service program is designed for ease of administration and to limit the workload of staff, with the following services being provided:

- Signature-ready implementation documents which enable implementation to be completed within 5-7 business days of executed plan documents being received by PARS.
- Ongoing document management and compliance monitoring in conjunction with PARS attorneys, Pillsbury Winthrop Shaw Pittman LLC.
- Maintenance of detailed accounting records, including any sub-accounting, which includes individual recordkeeping of the City's contributions, earnings, and assets.
- Reconciliation of contributions to the trust account.
- Coordination of distributions from the City's trust account, which includes receiving distribution documentation and directing the trustee to make distributions.
- Monthly, quarterly, and annual reporting to the City including online portal and reporting and any customized reports as requested.
- All necessary forms, handbooks, training, and technical support.
- Administrative training meeting at implementation as well as ongoing training as necessary.
- Onsite client service reviews to ensure the City's ongoing satisfaction with the program.
- Participation at meetings and assistance in education/presentation preparation for City's Council or staff when requested.
- Attendance at City's Council meetings when contract is scheduled for approval and for ongoing updates of the plan.
- Coordination of annual trust-wide audit.
- Preparation and submission of documents as required by the City's auditors for GASB 67/68 reporting.

U.S. Bank National Association

U.S. Bank National Association (U.S. Bank) will serve in a dual capacity for the City's engagement as: 1) investment advisor and manager (with PFMAM serving as the subadvisor for this account), and 2) trustee and custodian to reduce investment and trustee fiduciary risks and burdens for the City.[1]

On January 1, 2024, HighMark Capital Management, Inc., ("HighMark") consolidated its advisory and subadvisory accounts under PFMAM, a U.S. Bank affiliate. This change was the result of an evaluation of the optimal and most efficient ways to integrate each advisory business to serve institutional clients following U.S. Bancorp's acquisition of HighMark's parent company, MUFG Union Bank, National Association December 1, 2022. PFMAM is a registered investment adviser with more than 40 years of investment advisory experience in advising public and non-profit sector institutions with $176.3 billion in total assets under management, including $27.6 billion in discretionary multi-asset class portfolios (as of December 31, 2023). This transition joins the talents and resources of both HighMark and PFMAM to provide asset management services to clients. PFMAM brings to the City joint fiduciary oversight, access to institutional third-party investment strategies across multiple asset classes, and the efficient and timely execution of investment ideas.

U.S. Bank will serve as the trustee and custodian to the assets. Established in 1863, U.S. Bank is the fifth largest commercial bank in the country.[2] U.S. Bank has offices throughout the nation, including many in California. This division, which provides advisory, trustee, and investment management services to PARS clients, prides itself on the following qualifications:[3]

- Trustee for **1,300+** PARS clients including all Section 115 trust clients. U.S. Bank has been serving as trustee/custodian for PARS Section 115 trusts since 2004
- Sixth largest custodian in the United States with more than **5,900** IT&C clients in **25** locations
- Serves **640** Section 115 Trust clients nationally
- Provides trust and investment services to over **1,800** government clients
- **Over 125** years in institutional trust and custody business
- Has provided investment management and advisory services since **1914**
- One of the largest trustees of Section 115 trust assets in the country—market value of **over $10 billion**
- Manages over **$450 billion** in institutional client assets

U.S. Bank first began providing trustee/investment services for Section 115 Trusts in 2004 when it took on a large school board association trust with PARS as the administrator.

[1] Investment advisor and management services provided by PFMAM, and trustee and custodian provided by U.S. Bank, are pursuant to separate agreements with separate fees.
[2] As of December 31, 2023, as provided by the Federal Reserve: https://www.federalreserve.gov/releases/lbr/current/
[3] Source: GCTSBI stats book on Tableau. All statistical data as of April 15, 2024.

PFMAM

U.S. Bank's investment management subadvisor for the PARS relationship, PFMAM, is a leading provider of independent investment advisory services to public entities and other institutional investors with $25.2 billion in discretionary multi-asset class assets as of September 30, 2023.[1] Of that amount, PFMAM manages $18.2 billion in assets for public agencies.

PFMAM's predecessor firm was founded in 1978 to provide independent financial advisory services to the public sector and began providing investment advisory services to tax-exempt clients in 1980. PFMAM was created in 2001 as the legal entity through which it continued to provide investment advisory services. In 2003, their legacy firm acquired Spagnola-Cosack, Inc., a multi-asset class investment consulting firm co-founded in 1992 by Managing Director John Spagnola. This acquisition expanded their service offering to provide independent investment services to public and multi-employer pension plans, endowments and foundations ("E&Fs"), other post-employment benefit ("OPEB") trusts and other multi-asset class portfolios. Along with their legacy firm, PFMAM have been advising public plans since 1992.[2]

In December 2021, PFMAM was purchased by U.S. Bancorp Asset Management ("USBAM"), a subsidiary of U.S. Bank National Association ("U.S. Bank"). PFMAM is a direct subsidiary of USBAM, which is a direct subsidiary of U.S. Bank. USBAM and U.S. Bank are, respectively, indirect and direct subsidiaries of U.S. Bancorp. By becoming a division of USBAM, PFMAM retains a certain level of autonomy as an independent registered investment advisor and provides new opportunities for clients through a greater level of scale in resources, access to capital and the broad array of U.S. Bank's products and services, and technology to advance the services it provides to clients.

The U.S. Bank Annual Report includes in-depth information on all affiliations and subsidiaries of U.S. Bank and can be found at the following link: https://ir.usbank.com/investorrelations/financial-information/annual-reports.

In addition to the acquisition of PFMAM, U.S. Bancorp also acquired MUFG Union Bank, National Association (MUB), which included the acquisition of MUB's subsidiary, HighMark Capital Management, Inc. As part of U.S. Bank's goal to strengthen resources and streamline the OCIO offerings, HighMark assets and institutional asset management personnel transitioned to PFMAM as of January 1, 2024.

1 Source: "Largest Money Managers: 2022." Pensions & Investments, June 12, 2023. Money Manager data as of December 31,2022.
2 Public retirement plan services provided by Spagnola-Cosack, Inc. prior to acquisition by PFMAM.

2. Describe the firm's approach and timeframes to completing the services described in Section III. Scope of Services.

Approach

PARS' proposed trust solution for the City's pension prefunding needs is a Section 115, IRS-approved irrevocable multiple employer trust, which brings investment and administrative economies of scale to the City and our other clients. The program is formulated as an aggregation of individual employer plans, which means there is no sharing of assets or risks. This model follows the same concept that PARS has utilized successfully for its retirement plan trust clients since 1990 and is currently being used by some of the largest cities, special

authorities/districts, counties, and school districts in the country. The following describes how we will administer the defined services:

- **Consulting –** Responsible for marketing, consulting, analysis, and actuarial coordination work. Lead consultants are focused on different types of public agencies and plans, and on average have over 15 years of experience.
- **Client Services –** Responsible for ongoing account management and supporting lead consultants. Client Services Coordinators help coordinate meetings and reviews, monitor contributions/distributions, and provide ongoing technical support to City staff.
- **Accounting and Administration –** Responsible for accounting, sub-accounting, recordkeeping, and reporting of all trust and plan accounts and providing monthly and annual statements. This division also handles maintenance and operation of recordkeeping, computer, and software systems, as well as integration with the trustee and the annual trust-wide audit.
- **Implementation/Compliance –** Responsible for trust/plan implementation, document preparation, IRS interface, working with PARS' attorneys, and overseeing state and federal trust/plan compliance.
- **Public Affairs –** Responsible for monitoring state and federal legislative and regulatory developments that impact our Section 115 trusts.
- **Corporate –** The President and Chief Financial Officer run this division and provide oversight for corporate and operational functions of the entire company.

Timeframe

The PARS pension prefunding trust program utilizes a streamlined implementation process and "ready-to-use" trust which is designed to minimize the workload of City staff from the beginning. PARS provides signature ready documents created through a robust legal document development process that have been carefully reviewed by numerous law firms, including PARS' attorneys, Pillsbury Winthrop Shaw Pittman LLC. Our services were designed to reduce costs to clients and/or their legal counsels. We have experience helping clients successfully implement and contribute funds in a short timeframe. For instance, once the trust has been adopted and plan documents have been returned to PARS in good order, the City's account can be set up to receive contributions within 5-7 business days.

For the City to implement its Section 115 trust account with PARS, the following basic steps will need to be taken:

- The City selects PARS as its provider
- PARS provides City with a sample staff report, sample resolution, and draft Administrative Services Agreement to adopt the Trust
- PARS and City staff discuss implementation (to be executed within 30 days), review goals, finalize specific plan provisions, and negotiate Administrative Services Agreement
- The Council formally adopts a resolution to join the PARS Public Agencies Post-Employment Benefits Trust, executes Administrative Services Agreement and appoints a position of employment to serve as the Trust's Plan Administrator via resolution
- Once PARS receives a signed copy of the resolution and Administrative Services Agreement, PARS provides the City with signature-ready trust program documents for review and execution by the appointed Plan Administrator

- PARS service team members meet with City staff to discuss all aspects of the trust (including investment goals/objectives) and provide any necessary training to your technical/administrative staff
- The Plan Administrator appointed by the City signs the required documents before returning them to PARS
- U.S. Bank sets up the City's account within receipt of fully executed documents
- PARS provides contribution instructions to the City, and the City can make its first contribution at timing of its discretion
- PARS continues to assist with GASB 67 and 68 statements and reporting
- PARS provides comparative analysis reports as requested by the City

3. Describe the firm's approach to onboarding and transitioning a new client.

PARS embraces a hands-on onboarding process and will work closely with City staff from the onset to analyze and implement a trust program that will help the City address its rising pension liabilities.

Comprehensive implementation assistance provided by Ryan Nicasio and team includes conducting in-person and/or virtual meetings with City staff as needed to ensure proper account setup. Ryan will review with the City the recent CalPERS actuarial data to gain a thorough understanding of the City of St. Helena's current and future liabilities.

If selected as the City's 115 trust provider, PARS will prepare all necessary documents for the adoption of the trust and provide City staff with the supporting sample Staff Reports, Resolution, and Administrative Services Agreement. Once PARS receives a copy of the signed Resolution, our Plan Implementation Team will then follow-up with all signature-ready documents and will be happy to walk the City through those documents and/or address any questions.

Prior to adoption of the trust, PARS can assist with communication to the Council regarding the trust's funding and investment program. If needed, Ryan and the PARS team is available to meet directly with the City Council and can help prepare materials/presentations to provide to Council.

Upon execution of the legal documents, PARS will work directly with the Trustee, U.S. Bank, to ensure prompt set-up of the account. Once the account is open and able to accept contributions, the PARS team will then send contribution instructions and an Administrator's Handbook and will facilitate a meeting with staff for review. Beyond these initial set-up stages, the PARS team will continue to provide ongoing support with analysis, reporting, accounting, compliance monitoring, document management, actuarial and audit support, as well as trustee and custodial services.

4. Include thorough discussions of methodologies you believe are essential to accomplishing this project including your firm's philosophy, including your approach to managing Section 115 trust programs.

PARS will work closely with City staff from the outset to analyze and implement a trust program that will help the City address its rising pension liabilities and OPEB liabilities. Lead Consultant, Ryan, will oversee implementation and administration of the City's trust account and can provide the following consulting services from the initial program development phase onward:

- "Ready-to-use" trust and trust documents

- Development of sample staff report(s) to relieve agency burden
- Analysis and review of various funding options
- PARS' Analysis Department can assist the City in running various funding scenarios, factoring in considerations such as contribution amount(s), time horizon, anticipated investment returns, expected withdrawals, etc.
- Assistance with developing and/or modifying funding policies
- PARS has a database of "funding policy" examples from hundreds of member agencies and will walk the City through a variety of strategies for consideration
- After review of funding strategies, PARS can share detailed staff reports that align with the City of St. Helena's objectives, so that the City may build upon other agencies' policies
- PARS also has examples of Council presentations detailing funding/withdrawal plans
- Analysis and discussion of actuarial issues and valuations
- Annual updates of projected City's CalPERS future employer contribution rates and funding status to help aide discussion of timing of contributions/withdrawals
- Will similarly discuss any changes to GASB, or other reporting changes
- Monitoring of legislation, laws, and regulations impacting pension pre-funding
- PARS has an in-house department dedicated to monitoring major changes to state law, (such as PEPRA) and how it impacts our clients/plan design features
- Development of materials and presentations to assist the City and its Council with general education, funding options and policies, etc.
- On-site reviews to discuss funding modifications and investment strategies based on changing program, and/or budgetary circumstances
- Discussion of plan and trust design options
    - For example, if the City finds value in sub-accounting for different employee groups, cost centers, etc.

PARS' corporate philosophy is to provide comprehensive, efficient, secure, flexible, and individualized service while at the same time allowing each client to maximize local control. Our focus on the following five areas will ensure City of St. Helena can achieve its pension funding goals:

Simple Turn-Key Trust Administration

Our program is designed to be "turnkey" every step of the way to simplify the duties of City staff. PARS will provide consulting, plan design, compliance monitoring, document preparation/management, actuarial coordination, plan installment, trust administration, recordkeeping, reporting, plan communications/education services, and assistance with (at minimum) annual meetings. As Trust Administrator, PARS will also provide ongoing client services and serve as the liaison between the City, PFMAM, and U.S. Bank.

Personalized Service

PARS understands that a personalized approach is the most successful method for administration and will assign specific members of the PARS team to work directly with the City of St. Helena. PARS Senior Vice President, Ryan Nicasio, will provide the City with personalized attention as the primary point of contact for services, and will be supported by a team that has extensive Section 115 trust experience. PARS feels that interaction with clients, as well as clear and transparent investment reporting, is key to the plan's success.

User Friendly Trust Approach

Our program was designed as a one-stop shop with ease of administration. We have no minimum fees, contribution requirements, transaction fees, trading fees or termination costs/restrictions. We also provide fully vetted, signature-ready trust documents that will enable the City's trust account to be set up quickly and easily.

Local Control

PARS seeks to maximize local control, by giving client agencies sole and exclusive control of their plan without the interference of an outside retirement board, legislature, or state body. Through the PARS Section 115 Trust, the administrative burden for City staff is low, yet the City will still be able to determine its: (a) investment options and (b) funding methods.

Experienced, Knowledgeable Provider

By joining the PARS Section 115 Trust, the City will be utilizing a program provider whose sole focus is on niche retirement plan and trust administration for public agencies such as the City of St. Helena. We are experts in the retirement trust industry and have spent over three decades working to fine-tune our trust approach to ensure we offer the best possible program available. Our dedication and knowledge of our clients' needs is the reason why we are the single largest provider in both California and the nation for pension-prefunding trusts.

a. What are your approaches to rebalancing or reallocating asset classes, styles, and sectors? How do you add value to this process?

PFMAM's research has shown that the asset allocation decision is the most important factor in determining the performance of the portfolio. A fundamental understanding of asset classes helps mitigate the risk of constantly shifting the portfolio in reaction to daily movements in the markets, which can result in buying high and selling low—the exact opposite of what investors should do. PFMAM does not believe recent performance is an indicator of what to expect from various asset classes over long periods of time; instead, they believe macroeconomic data and the drivers of asset class returns (such as dividends, real earnings growth, and inflation) should be the focus, and they develop our internal CMAs as such.

Strategic asset allocation involves defining which asset classes to include in the portfolio and the long-term allocation to each. Ideally, PFMAM wants investments that generate a reasonable return and are driven by different factors with low correlations. While strategic asset allocation is the primary driver of investment returns over time, they do not believe that we should allocate the same percentage to each asset class regardless of valuation. Hence, *tactical asset allocation* is the temporary deviation from the strategic asset allocation based on current valuation of the various asset classes. From time to time, investment opportunities present themselves to over- or under-weight specific asset classes. If PFMAM believes that equities are temporarily cheap and fixed income expensive, they would recommend shifting some assets from fixed income to equities while remaining within the strategic asset allocation ranges defined in the investment policy.

Asset Allocation Guidelines

Outlined below are the principal steps PFMAM uses to determine asset allocation based upon the City's investment objectives and risk tolerance parameters:

1. **Engaging in a Portfolio Planning Survey**. At the beginning of the engagement, PFMAM will complete a detailed Portfolio Planning Survey to facilitate a discussion about the asset classes to determine which ones are permitted in the final overall allocation.

2. **Compiling Capital Market Assumptions,** which are determined by PFMAM's Outsourced Chief Investment Officer ("OCIO") Investment Committee ("Investment Committee") through a comprehensive and ongoing process. The assumptions are for intermediate- and long-term returns in a wide range of asset classes and use a wide variety of economic data to assess PFMAM's expectations for asset classes.

The next steps will be completed in collaboration with the City:

3. **Determining Asset Allocation Structure.** PFMAM will use information from the Portfolio Planning Survey and the CMAs to design an asset allocation for the portfolio. PFMAM uses a modeling program to conduct a detailed asset/liability modeling study. Each model uses the latest historical data on asset class investment returns, volatility, and correlation with other asset classes along with PFMAM's CMAs, and liabilities based on the most recent actuarial valuation to determine an "optimal" portfolio.

4. **Performance and Evaluation.** PFMAM will assess the portfolio's investment performance compared to stated manager and portfolio benchmarks and a group of governmental peers. In this step, PFMAM will also look to validate asset allocation, client objectives and liquidity needs. PFMAM will proactively implement changes geared toward mitigating risks and taking advantage of opportunities to help improve expected performance.

b. Describe the investment options available. Please provide 1, 3, and 5-year return history and underlying expense ratios for each fund/portfolio. Do your total portfolio returns comply with Global Investment Performance Standards?

Yes. The below reported returns for the pre-established portfolios complies with CFA Institute (formerly AIMR) Global Investment Performance Standards ("GIPS®") for rate calculation

Actively Managed Portfolios (as of 12/31/2023)

Strategy	1 Year	3 Year	5 Year	Expense Ratio
Capital Appreciation	17.32%	4.22%	9.71%	0.43%
Balanced	15.39%	2.89%	8.25%	0.42%
Moderate	13.98%	2.08%	7.17%	0.42%
Mod. Conservative	11.05%	0.35%	4.95%	0.40%
Conservative	8.81%	-0.96%	3.30%	0.40%

Passively Managed (Index) Portfolios (as of 12/31/2023)

Strategy	1 Year	3 Year	5 Year	Expense Ratio
Balanced	14.31%	3.06%	7.97%	0.09%
Moderate	12.74%	2.14%	6.85%	0.08%
Mod. Conservative	9.89%	0.23%	4.64%	0.07%
Conservative	7.63%	-1.17%	2.95%	0.05%

A full breakdown of net performance can be viewed in the *Appendix* under "*Net Returns Comparison*."

Performance information can also be viewed in *Appendix* under "*Investment Portfolios*."

c. How are portfolios managed (e.g. by team, individual manager)?

PFMAM believes that all their clients deserve the highest quality service and personalized attention. As such, discretionary OCIO clients at PFMAM are managed by teams including of an OCIO Investment Committee that implements the investment strategy and has discretion for manager selections within the context of the approved strategy and each client's investment policy and analysts who handle the transactional requirements of the Pension funds.

Additionally, PFMAM believes in providing their clients with continuity of service. PFMAM's team approach helps ensure that multiple senior investment professionals are knowledgeable about each client's portfolio, actively participate in discussions about investment strategies and have access to portfolio positions at all times.

PFMAM's Portfolio Management Process

PFMAM's experienced Investment Committee, which is comprised of eight members of the team who each work in specialized areas of the global marketplace and average 29 years of industry experience, has oversight for all client portfolios. With guidance from their Portfolio Construction and Manager Research subcommittees, the Investment Committee meets formally at least monthly and provides macro-level direction for their OCIO strategies, acting as the investment and portfolio risk oversight team for investment decisions. A unique aspect of the Investment Committee is the intellectual diversity expressed amongst the members ranging from Fixed Income Portfolio Managers, consulting, manager research, and alternative investments.

This diversity of thought and experience allows their group to look at the market from various perspectives, gaining a more holistic point of view.

The Investment Committee focuses on three primary duties as it pertains to implementing and overseeing investment strategies:

- Strategic and tactical asset allocation;
- Active/passive management mix, and;
- Manager/fund selection and monitoring.

Both their Portfolio Construction and Manager Selection subcommittees provide research to their Investment Committee. They are made up of individuals with an average of over 20 years of varied experience within the Asset Management industry.

d. Describe your firm's in-house technical and research capabilities. Are outside sources used by the firm on a regular basis?

PFMAM's Investment Research Group, which is led by Director of Manager Research Alex Gurvich, Ph.D., is a dedicated team of specialists who monitor both the markets and investment managers and frequently interact with the universe of managers monitored. PFMAM believes this is the best approach since it:

- Insulates their clients from conflicts of interest;
- Provides full transparency; and helps ensure that decisions are fully researched, vetted and made without bias in alignment with their clients' goals and objectives.

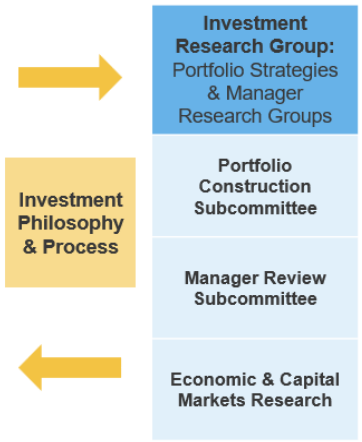
Maintaining an internal research team provides focused, deep and specific investment knowledge that PFMAM is able to apply directly to client engagements. What makes PFMAM's manager selection process unique is that select members from the Investment Committee work with the team from the screening process to the final selections to help weed out "false positives," minimize behavioral or cognitive biases that might hinder the process, help analysts expand upon their initial hypothesis and thesis regarding managers, and have a more in-depth understanding about the manager helping to limit asymmetric risk within the portfolio.

All of PFMAM's research is conducted internally by their Investment Research Group. Their Investment Research Group is focused on three broad areas of research using databases such as Investment Metrics, eVestment Alliance, Morningstar/Ibbotson Associates, Bloomberg, Pitchbook, and Hedge Fund Research, Inc.:

- General market data research for the Investment Committee;
- Manager oversight for investment managers and the strategies we currently invest in; and
- Manager searches to identify and maintain a bench of investment managers across asset classes.
- Although PFMAM does reach out to various industry experts and academics for market insight educational pieces, they do not have any formal relationships with outside firms or consultants.

The graphic below shows PFMAM's Investment Committee and its relationship to the Investment Research Group.

Committee Members	Role at PFMAM	Industry Experience
Chair: Kenneth Schiebel, CFA	Chief Investment Officer, PFMAM	43 Years
Patrick Mahoney	Managing Director of Client Portfolio & Practice Management	23 Years
Andrew Brown, CFA	Managing Director, Portfolio Manager	29 Years
Alex Gurvich, Ph.D.	Director of Manager Research	30 Years
Floyd Simpson III, CFA, CAIA	Portfolio Strategist	22 Years
Surya Pisapati, CFA	Portfolio Strategist	17 Years
Marc Ammaturo	Head of OCIO Distribution	28 Years
John Spagnola	Managing Director	40 Years
Ex-Officio: Leo Karwejna	Chief Compliance Officer	24 Years
Ex-Officio: Corinna Seiler	Managing Director of Business & Investment Strategy	35 Years



e. What technical analysis (if any) do you use?

PFMAM does not use technical analysis for portfolio management mandates for clients. Investment selections are made using primarily fundamental analysis, which considers several aspects of the investments placed in the portfolios.

PFMAM believes that the strategic and tactical asset allocation decisions are the most important sources of investment returns. PFMAM does not believe that trying to time the market will add to returns over time, nor do they believe that security selection (net of all costs) can achieve the market return over time, especially in efficient markets. Strategic asset allocation involves defining which asset classes to include in the portfolio and the long-term allocation to each. Ideally, PFMAM wants investments that generate a reasonable return and are driven by different factors with low correlations. While strategic asset allocation is the primary driver of investment returns over time, PFMAM does not believe that they should allocate the same percentage to each asset class regardless of valuation. Hence, tactical asset allocation is the temporary deviation from the strategic asset allocation based on current valuation of the various asset classes. From time to time, investment opportunities present themselves to over- or under-weight specific asset classes. If PFMAM believes that equities are temporarily cheap and fixed income expensive, they would recommend shifting some assets from fixed income to equities while remaining within the strategic asset allocation ranges defined in the investment policy.

f. Briefly describe your firm's investment management philosophy, including your approach to managing governmental portfolios.

PFMAM's Investment Management Philosophy and Approach to Managing Governmental Portfolios

PFMAM's investment philosophy is very straightforward. They look to protect and grow their clients' assets in a risk-controlled fashion. To do so, they hire institutional third-party managers within a diversified asset allocation framework that considers both active and passive management strategies. PFMAM believes in operating in a transparent structure that seeks to avoid conflicts of interest, and they employ the precepts of Modern Portfolio Theory (i.e., risk should be commensurate with return) and quantitative rigor to every portfolio we manage.

PFMAM manages assets which are invested in a broad range of public and private market securities, including but not limited to:

- Equities (domestic, international, and emerging across market caps and styles);
- Fixed Income (core investment-grade, high yield, bank loans, emerging debt); and
- Alternatives such as private equity, private debt, commodities, and real assets (real estate and infrastructure).

PFMAM's solutions can be accessed via their open architecture structure that uses both exchange-traded funds ("ETFs") and mutual funds or through the PFM Multi-Manager Series Trust. Investments they select may be in separate accounts, ETFs, and/or private investments (i.e., private real estate limited partnerships). For all of their alternative strategies, we access private fund vehicles directly.

Manager Selection

When considering any manager, it is important to understand why the manager has over or underperformed and, in particular, distinguish between talent and taking excess risk. PFMAM looks for managers that have exhibited a consistent methodology in selecting securities, not only in purchasing securities, but also in selling them. PFMAM's preference is to find core managers that might have slight biases versus relying heavily on the relationship of growth versus value. PFMAM also favors investment managers that have a risk management process in place that helps prevent a manager from making unintended bets and that limits the possible downside for the portfolio. They maintain a thorough process for understanding the source of a manager's alpha so as to determine its continued management of client assets. PFMAM favors independent investment firms because they believe that these independent firms are most focused on achieving investment outperformance and have a better alignment of interest with their clients. Within PFMAM's manager selection and portfolio construction process, they are focusing heavily on both the type of process, sizing, and historical biases. For PFMAM's active managers they seek to be balanced between fundamental and quant managers, but their historical bias has been skewed towards fundamental managers. Additionally, it is important to consider manager fees and how they are reflected in performance figures. Active managers tend to charge higher fees than passive managers, and therefore need to achieve even higher returns to produce comparable net-of-fee performance.

5. Identify the staff who would be assigned to each task, including sub-consultants and sub-contractors.

The following individuals will serve as the primary service team members to the City (led by Ryan Nicasio). This service team will also be supported by a larger group working behind the scenes at PARS, PFMAM, and U.S. Bank corporate offices and headquarters.

- **Ryan Nicasio|** PARS Senior Vice President
    - Will serve as the City's main point of contact and account manager for the City. He will be the primary point of contact in facilitating services, including trust implementation and ongoing administration.
- **Mitch Barker |** PARS Senior Consultant
    - Will serve as a liaison between the City and the PARS team.
- **Ashley Baires |** PARS Client Services Coordinator
    - Will serve as the City's assigned Client Services Coordinator. She will work as a liaison between the plan administrator trustee/investment manager and the City and provide support regarding reporting, contributions, distributions, and other trust account activities.
- **Phillip Muschetto |** PARS Senior Vice President, Plan Accounting
    - Will monitor all contributions and distributions and perform accounting for the City's PARS Trust.
- **Dennis Mullins, CFA |** PFMAM Senior Institutional Client Portfolio Manager
    - Will serve as Senior Investment Consultant, overseeing a team that services the City's Section 115 Trust.

PARS handles all day-to-day administration of the program in-house as it has done since we first began administering Section 115 Trusts. PARS does not contract out administrative tasks to other companies, with the following exceptions of legal and audit work:

- PARS' legal counsel for its 115 trust is Pillsbury Winthrop Shaw Pittman LLP, one of the largest law firms in the nation. The firm provides ongoing legal and compliance support related to federal law and was involved both with the development of our trust agreements/documents, as well as with coordination of obtaining the IRS PLR.
- The PARS Trust auditor is CliftonLarsonAllen LLP (CLA). CLA is built on over 60 years of knowledge and expertise in business practices, economic trends, and the ever-changing tax scene.

Although U.S. Bank will provide trustee services for the City's trust account and PFMAM will serve as investment manager, both firms operate independently and are not subcontractors of PARS. U.S. Bank has provided trustee services for PARS retirement plans since 2004 and PFMAM is a wholly owned subsidiary of U.S Bank.

f. List any necessary equipment, training, or installation services required.

The PARS client services team will train staff on all necessary administrative facets of this 115 Trust Program and be readily available for any ongoing questions or needs. No additional equipment or installation services will be required.

PART 5. TOTAL COST AND HOURLY RATES

The proposal should contain all pricing information related to establishing, administering, and management services of a Section 115 Trust for Pension as described in this request for proposal. The total all-inclusive maximum cost to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

Fees are solely based on the City's asset balance and include all services delineated in this proposal.

There are no additional or separate fees for: trust setup, implementation, administration, state and IRS compliance monitoring, contribution/disbursement processing, investment transactions, or trading fees. Trust document development or amendment and maintenance of documents, preparation of presentations/ad hoc materials, and meeting attendance are all included with the proposed asset-based fees. There are no surrender, withdrawal, or deferred sales charges, nor are there any fees associated with transfer of assets or termination of contract. There are no minimum fees. The City can set-up your account for no cost, therefore, very user friendly to get started.

Fees for the PARS Section 115 Pension Trust services to the City are broken down by: Trust administration (paid to PARS) and Investment advisory/management and trustee/custodial services (paid to U.S. Bank/PFMAM).

Trust Administration/Consulting Fees

Trust administration fees include all administration and consulting services.

Company	Ongoing Fee
PARS	0.25% for assets under $10 million
	0.20% for assets $10—15 million
	0.15% for assets $15—50 million
	0.10% for assets over $50 million

Discretionary Trustee/Investment Advisory and Management Fees

With PFMAM serving as the program's investment advisor, trustee and investment advisory/management fees are comprehensive. **The fee schedule is based solely on the City's trust assets.**

Company	Ongoing Fee
U.S. Bank/PFMAM	0.35% for assets under $5 million*
	0.25% for assets $5—$10 million
	0.20% for assets $10—$15 million
	0.15% for assets $15—$50 million
	0.10% for assets over $50 million

*Please note that all fees are waived on the portfolio's money market fund. The 0.35% fee represents the highest weighted investment management fee that can be charged.

Embedded Expense Ratios (as of December 31, 2023)

Please note that these fund level fees are already netted out of reported performance returns and are **not** additional fees charged on top of the asset-based fees listed above.

Strategy	Active Portfolios	Passive (Index) Portfolios
Capital Appreciation	0.43%	---
Balanced	0.42%	0.09%
Moderate	0.42%	0.08%
Mod. Conservative	0.40%	0.07%
Conservative	0.40%	0.05%

6. CONSIDERATIONS

PARS has identified the following areas in the sample Professional Services Agreement that we respectfully wish to negotiate. PARS recommends the use of our standard Agreement for Administrative Services, a sample of which can be provided for review upon the City's request.

SECTION 4 - COMPENSATION AND METHOD OF PAYMENT
Fees for trust administration services are calculated based on the plan asset balance at the end of each month. Fees are charged to the account monthly and are typically paid from plan assets. The City will receive a monthly statement from PARS detailing the beginning balance, contributions, earnings, expenses, distributions, transfers, and ending balance.

SECTION 7 - INSURANCE
PARS satisfies the City's insurance requirements outlined in this section. To align with the provisions set forth in each policy, PARS' insurance broker requests that the following adjustments be made:

B. Minimum Limits of Insurance. PARS' Employer's Liability limit is **$1,000,000**. The addition of language stating that any of the required limits can be satisfied by either a standalone policy or in combination with an excess/umbrella policy should also be included in this section.

C. Professional Liability Insurance. PARS' Professional Liability Insurance is written on a **claims-made** basis.

G. Other Insurance Provisions. PARS' policies provide for a thirty (30) day written notice of cancellation; however, a ten (10) day notice of cancellation for non-payment of premium applies. Notices are delivered by First Class U.S. mail. Subsection G.4. should be removed as it does not apply to PARS, and the term 'agents' deleted from sections G and H given that the term is broad and undefined.

I. The Acceptability of Insurers. PARS' insurance carriers have an A.M. Best Company rating of "**A–: VII**" or better.

SECTION 8 - INDEMNIFICATION
PARS requests that this section be replaced with the following mutual indemnification language:

"Consultant and City hereby indemnify each other and hold the other harmless, including their respective officers, directors, and employees, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, Consultant's or City's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder."

SECTION 13 - SUSPENSION OF WORK
PARS requests that this section be omitted. Due to the nature of the services PARS provides, we would be obligated to continue our Services (accounting of assets, reporting, coordinating audits, processing disbursements, compliance monitoring, etc.) until all assets are transferred out of the Trust.

SECTION 21 - TERMINATION
To align with the termination provisions of the Trust Agreement and our standard Agreement for Administrative Services, PARS requests that written notice of the intent to terminate be not less than thirty (30) days. Also, given the nature of our services, immediate cessation of work would not be feasible. We would be obligated to continue our Services until all assets are transferred out of the Trust.

SECTION 26 - DEFAULT
PARS requests that the Agreement allow for a cure period of 'within ten (10) business days' from the date of the default notice.

Additional Information:
PARS requests that a force majeure clause, Section 5 (Information Furnished to PARS), the information contained in Exhibits 1A (Services), 1B (Fees for Services), and 1C (Data Requirements) from our standard Agreement for Administrative Services, be incorporated into the final negotiated Agreement.

PART 7. ADDITIONAL INFORMATION

Market Leader of Pension Prefunding Trusts	• Section 115 trust services for **prefunding pension and OPEB is our core business**. This is not the case for other providers. • PARS **developed** the concept of pension prefunding trusts and is currently the **only provider** with significant clients and experience for pension prefunding trusts in California. • The PARS program is a combination multiple employer solution that allows pension and/or OPEB within one trust while other providers require the City either to create its own or two separate trusts.
Experienced, Knowledgeable Section 115 Trust Provider	• Unlike other providers, our main business is niche retirement trust administration for public agencies. **We are the pioneer and have fine-tuned our Section 115 Trust program** to ensure we offer the best program available. • PARS' dedication and knowledge of clients' needs is the reason why we were the first in the nation to develop a multiple-employer **trust for combined pension and OPEB prefunding**.
Local Control and Less Red Tape	• The trust operates separate and **apart from CalPERS** which provides maximum autonomy and diversification of providers for local control. • PARS offers local control, meaning there is **no central authority placing mandates on the trust**. Other providers may require the City to join external Boards that make collective investment decisions for the City more difficult and decrease flexibility. • PARS does not charge minimum annual fees, trading/transaction fees, disbursement fees, etc. unlike some other providers. **All fees with PARS are asset-based.** • No start-up costs, no minimums, and no fees are charged until assets are put into the trust • There are **no hidden fees** with PARS. We disclose all fees and are fully transparent. Other providers claim low costs but do not disclose the underlying expense ratios in their investment funds which drive up their costs. • We **only require a 30-day termination notice,** but competitors may take up to 150 days to transfer funds and may require their council's approval, slowing down the process. • PARS **includes a mutual indemnification clause in agreements,** providing an additional layer of legal protection to the City and is in the City's best interests, while other providers require a one-sided agreement placing the customer at a severe disadvantage.

	• Our program allows for **two plan year reimbursements** (current year + prior year) at one time**,** unlike one year for other providers, which is helpful in an emergency or difficult budget year.
Diversified Investment Focus	• **PFMAM specializes in pension trust investing, rather than fixed income general fund investing,** which is common with providers that mainly manage cash and fixed income, rather than long-term liabilities. • We are **not limited to the same investment managers and approaches of CalPERS,** and we provide further diversification and greater local autonomy outside of how the City is investing the entirety of its other pension assets. This Trust program is a way for the City to effectively "not put all its eggs in one basket" and spread out its risk.
Most Flexible Investment Approach	• PARS provides the most investment flexibility of all competitors. We offer **five pre-established** investment portfolios as well as a **customized allocation** and **both active and passive** strategies, enabling the City to choose an investment structure that most effectively meets its needs. • Senior Portfolio Manager, Dennis Mullins will provide hands-on investment policy development, asset allocation recommendations, ongoing investment support, and direct cell phone access. He will be supported by a full team of investment professionals and analysts at PFMAM's headquarters who review client portfolios on an ongoing basis. • This flexibility and trust structure means that the City is not tied to using one investment firm/option, unlike other pension prefunding trust providers. • We have the option of five investment portfolios, with active and passive platforms, and custom accounts with **actual, true 1-, 3-, 5-, and 10-year historical performance**. Other providers use "what-if" scenario style portfolios that are not based on actual clients' historical rate of returns. We are not proposing hypotheticals and composites based on portfolios that still need to be developed, which can make it difficult to evaluate performance history and even underlying investment expenses. • Historically, clients have experienced greater net investment returns (gross performance minus fees) when both returns and fees are taken into consideration, the ultimate measure of value to the City and performance measurement tool.

Most Comprehensive Administration	• No other provider offers the same level of **comprehensive administrative services** that reduce workload and costs for the City. • PARS will provide all consulting, plan design, state and federal compliance monitoring, document preparation/management, trust administration, plan-level recordkeeping, employer statements, reporting, plan communications materials, audit and actuarial support, consulting and analysis, and ongoing client reviews and services. As program administrator, PARS will also serve as liaison between the City, U.S. Bank, and PFMAM.
User-Friendly Trust Approach	• The City's Plan and Trust Document have already been fully vetted and is IRS compliant with a Private Letter Ruling (PLR). Other providers applied to the IRS but failed to receive a PLR. • The City's only role would be to make contributions, request disbursements, and monitor reports on account and investment activity. **We do the rest, which minimizes staff burden.**
Personalized Service	• PARS understands that a **hands-on, individualized approach** is the most effective method for administration and will take great pride in working closely with the City of St. Helena. • The City's assigned services team will always be directly available to staff, and we guarantee regular in-person client reviews.

APPENDIX:
PRIVATE LETTER RULING (PLR)

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Index Number: 115.00-00

U.S. Bank National Association
c/o Susan Hughes, Vice President
3121 Michelson Drive (Suite 300)
Irvine, CA 92612

Person To Contact:
Robin J. Ehrenberg, ID No. 1000219292
Telephone Number:
(202) 317-5800
Refer Reply To:
CC:TEGE:EOEG:EO3
PLR-146796-14
Date: June 5, 2015

Legend

Trust	=	Public Agencies Post-Employment Benefits Trust
Trust Agreement	=	Public Agencies Post-Employment Benefits Trust Agreement
Trustee	=	U.S. Bank National Association

Dear Ms. Hughes:

This letter responds to a letter from your authorized representative dated December 22, 2014, requesting rulings that (1) the Trust's income is excludable from gross income under section 115 of the Internal Revenue Code (IRC) and (2) the Trust is not required to file annual federal income tax returns under IRC section 6012(a)(4). The Trust represents the facts as follows:

FACTS

The Trust is a multiple employer trust established to enable public-agency employers to fund post-retirement employee benefits. Each participating employer must be a public agency that is a state, political subdivision of a state, or an entity the income of which is excludable from gross income under IRC section 115. The employer's governing body must authorize in writing the adoption of the Trust and the employer must execute the adoption agreement, which approves the Trust's administrator and provides that the agency adopts and agrees to be bound by the Trust Agreement. In the adoption agreement, the employer elects to fund obligations to provide benefits under a post-employment health care plan and contribute to a defined-benefit pension plan maintained by the employer that is qualified under IRC section 401(a). The employer may elect to fund either or both obligations.

The Trust Agreement provides that assets are held by the Trust for the exclusive purpose of funding participating employers' benefit obligations and defraying the reasonable expenses of the Trust. The Trust's assets may not be used for any other purpose. Each employer's contributions to the Trust, together with any allocable investment earnings and losses, are held in a separate account for that employer. Assets allocated to satisfy an employer's health and welfare benefit obligation or the employer's pension obligation may only be used for purposes of satisfying that particular obligation. The assets held in an employer's account are not available to pay any obligations incurred by any other employer.

The employers appoint the Trustee and the Trust's administrator and may remove the Trustee or the administrator by a two-thirds vote of all employers. The employers may amend the Trust Agreement with the approval of two-thirds of all employers then participating in the Trust. The employers may terminate the Trust by unanimous agreement of all employers.

Upon termination of the Trust, any assets remaining in an employer's account, after satisfaction of benefit and the Trust's obligations are returned to the employer to the extent permitted by law and consistent with the requirements of IRC section 115.

LAW AND ANALYSIS

Issue 1 - IRC section 115(1)

IRC section 115(1) provides that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a state or any political subdivision thereof.

Rev. Rul. 77-261, 1977-2 C.B. 45, holds that income generated by an investment fund that is established by a state to hold revenues in excess of the amounts needed to meet current expenses is excludable from gross income under IRC section 115(1), because such investment constitutes an essential governmental function. The ruling explains that the statutory exclusion is intended to extend not to the income of a state or municipality resulting from its own participation in activities, but rather to the income of an entity engaged in the operation of a public utility or the performance of some governmental function that accrues to either a state or political subdivision of a state. The ruling points out that it may be assumed that Congress did not desire in any way to restrict a state's participation in enterprises that might be useful in carrying out projects that are desirable from the standpoint of a state government and that are within the ambit of a sovereign to conduct.

Rev. Rul. 90-74, 1990-2 C.B. 34, holds that the income of an organization formed, funded, and operated by political subdivisions to pool various risks (e.g., casualty, public liability, workers' compensation, and employees' health) is excludable from gross income under IRC section 115(1), because the organization is performing an essential governmental function. The revenue ruling states that the income of such an organization is excludable from gross income so long as private interests do not participate in the organization or benefit more than incidentally from the organization. The benefit to the employees of the insurance coverage obtained by the member political subdivisions was deemed incidental to the public benefit.

Through the Trust, participating public agency employers fund health and welfare and pension obligations for retired employees. Each of the Trust's participating employers is required to be a state, political subdivision of a state or an entity the income of which is excludable from gross income under IRC section 115. Providing health, welfare and pension benefits to current and former employees constitutes the performance of an essential government function within the meaning of IRC section 115(1). See Rev. Rul. 90-74 and Rev. Rul. 77-261.

The Trust's income accrues to its participating employers, all of which are political subdivisions of a state or entities the income of which is excludable from gross income under IRC section 115. No private interests will participate in, or benefit from, the operation of Trust, other than as providers of goods or services. The benefit to employees is incidental to the public benefit. See Rev. Rul. 90-74.

In no event, including dissolution, will the Trust's assets be distributed or revert to any entity that is not a state, a political subdivision of a state, or entity the income of which is excludable from its gross income by application of IRC section 115(1).

Issue 2- IRC section 6012(a)(4)

Section 301.7701-1(b) of the Procedure and Administration Regulations (Regulations) provides that the classification of organizations that are recognized as separate entities is determined under sections 301.7701-2, 301.7701-3, and 301.7701-4, unless a provision of the IRC provides for special treatment of that organization.

Section 301.7701-4(a) of the Regulations provides that, in general, an arrangement will be treated as if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit.

The Trust enables public-agency employers to set aside funds to be used to satisfy each employer's separate pension and health and welfare benefit obligations. The

Trustee is charged with the responsibility of the protection and conservation of the Trust property for the benefit of the beneficiaries of the Trust. The beneficiaries of the Trust cannot share in the discharge of the Trustee's responsibility for the protection and conservation of property and, therefore, are not associates in a joint enterprise for the conduct of business for profit. IRC section 6012(a)(4) provides that every trust having for the taxable year any taxable income or having gross income of $600 or more, regardless of the amount of taxable income, shall make returns with respect to income taxes under Subtitle A.

Based solely on the facts and representations submitted by the Trust, we conclude that:

1. Because the income of the Trust derives from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, the Trust's income is excludable from gross income under IRC section 115(1).

2. The Trust is classified as a trust within the meaning of IRC section 7701(a) and section 301.7701-4(a) of the Regulations. Because Trust's income is excludable from gross income under IRC section 115, the Trust is not required by IRC section 6012(a)(4) to file an annual income tax return.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. This ruling concerns only the federal tax treatment of the Trust's income and may not be cited or relied upon by any taxpayer, including the Trust, employers participating in the Trust, and any recipients of benefits paid under the terms of the Trust, as to any matter relating to the taxation of accident or health contributions or benefits.

This ruling is directed only to the taxpayer who requested it. IRC section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

Kenneth M. Griffin
Branch Chief, Exempt Organizations Branch 3
(Tax Exempt and Government Entities)

cc: Marcus Wu
Pillsbury Winthrop Shaw Pittman LLP
12255 El Camino Real, Suite 300
San Diego, CA 92130-4088

Paul Marmolejo
Director, Office of Federal, State and Local Governments
SE:T:GE:FSL

APPENDIX:
CLIENT LIST

115 TRUST – OPEB/PENSION CLIENT LIST

Updated April 2024

CITIES & TOWNS (164)

Alameda
Alhambra
Anaheim
Angels Camp
Atherton
Atwater
Azusa
Bakersfield
Beaumont
Bell Gardens
Benicia
Bishop
Brea
Brisbane
Burlingame
Calabasas
Camarillo
Canyon Lake
Capitola
Carlsbad
Carmel
Chino Hills
Chula Vista
Claremont
Colma
Commerce
Corcoran
Coronado
Costa Mesa
Crescent City
Cudahy
Cupertino
Cypress
Daly City
Dana Point
Del Rey Oaks
Dinuba
Duarte
Dublin
El Cajon
El Centro
El Cerrito
El Segundo
Elk Grove
Emeryville
Escondido
Fairfax
Fairfield
Fort Bragg
Fountain Valley
Fullerton
Galt
Garden Grove
Gilroy
Glendale
Glendora
Goleta
Grand Terrace
Grass Valley
Half Moon Bay
Hawthorne
Healdsburg
Hemet
Hercules
Hermosa Beach
Huntington Beach
Indian Wells
Imperial Beach
Indio
Ione
La Habra
Lakeport
La Mesa
La Quinta
Laguna Niguel
Lake Forest
Lakewood
Lemon Grove
Livermore
Lodi
Los Alamitos
Los Altos Hills
Mammoth Lakes
Manhattan Beach
Merced
Modesto
Monrovia
Monterey
Moreno Valley
Morgan Hill
Morro Bay
Murrieta
Napa
National City
Newport Beach
Norco
Novato
Oakley
Orinda
Oroville
Pacifica
Palmdale
Palo Alto
Pasadena
Patterson
Perris
Pico Rivera
Piedmont
Pinole
Pittsburg
Pleasant Hill
Pleasanton
Pomona
Port Hueneme
Rancho Cucamonga
Redding
Redwood City
Rialto
Richmond
Rio Vista
Ripon
Riverside
Rocklin
Rohnert Park
Rolling Hills
Rosemead
Ross
San Anselmo
San Jacinto
San Leandro
San Pablo
San Ramon
Sanger
Santa Ana
Santa Barbara
Santa Clara
Santa Clarita
Sausalito
Seaside
Selma
Solana Beach
South El Monte
Stanton
Sutter Creek
Taft
Temecula
Temple City
Thousand Oaks
Tiburon
Tustin
Twentynine Palms
Union City
Vallejo
Villa Park
Walnut
West Covina
West Sacramento
Westminster
Winters
Woodland
Woodside
Yountville
Yuba City
Yucca Valley

COUNTIES (37)

Alpine
Amador
Calaveras
Colusa
Contra Costa
Glenn
Humboldt
Imperial
Inyo
Kern
Kings
Lake
Lassen
Madera
Mariposa
Mendocino
Merced
Mono
Monterey
Napa
Nevada
Placer
Plumas
Riverside
San Benito
San Joaquin
Shasta
Siskiyou
Solano
Sonoma
Sutter
Tehama
Trinity
Tulare
Tuolumne
Yolo
Yuba

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115 TRUST – OPEB/PENSION CLIENT LIST

Updated April 2024

SPECIAL DISTRICTS (116)

Agoura Hills/Calabasas Community Center Authority
Alameda County Mosquito Abatement District
Alpine Fire Protection District
Beach Cities Health District
Bighorn-Desert View Water Agency
Bodega Bay Public Utilities District
Calaveras County Water District
California Intergovernmental Risk Authority
California Joint Powers Insurance Authority
California Joint Powers Risk Management Authority
Central Contra Costa Sanitary District
Central Contra Costa Transit Authority
Coastline Regional Occupational Program
Coastside Fire Protection District
Colusa Mosquito Abatement District
Contra Costa County EEs' Retirement Association
Contra Costa Mosquito and Vector Control District
Crestline Village Water District
Delta Diablo
Desert Recreation District
East Bay Regional Park District
East Orange County Water District
Eastern Sierra Community Services District
Eastern Sierra Transit Authority
El Dorado Hills County Water (& Fire) District
Fallbrook Public Utility District
Feather River Air Quality Management District
Fresno Irrigation District
Fresno Metropolitan Flood Control District
Glenn-Colusa Irrigation District
Goleta Cemetery District
Goleta West Sanitary District
Great Basin Unified Air Pollution Control District
Greater Vallejo Recreation District
Hayward Area Recreation & Park District
Hesperia Fire Protection District
Housing Authority of the County of Butte
Housing Authority of the County of Contra Costa
Housing Authority of the County of San Bernardino
Housing Authority of the County of Santa Cruz
Humboldt Bay Fire Joint Powers Authority
Humboldt Bay Municipal Water District
Humboldt No. 1 Fire Protection District
Menlo Park Fire Protection District
Mesa Water District
Metropolitan Transportation Commission
Midpeninsula Regional Open Space District
Mid-Peninsula Water District
Mojave Desert Air Quality Management District
Montecito Fire Protection District
Monterey Bay Unified Air Pollution Control District
Monterey County Mosquito Abatement District
Monterey One Water
Moraga-Orinda Fire Protection District
Mosquito & Vector Mgmt. Dist. of Santa Barbara Co.
Municipal Pooling Authority
Municipal Water District of Orange County
Napa County Mosquito Abatement District
Nevada County Consolidated Fire District
North Central Fire Protection District
North Coast Air Quality Management District
North County Fire Protection District
Novato Sanitary District
Orange County Fire Authority
Orange County LAFCO
Orange County Mosquito and Vector Control District
Orange County Sanitation District
Orange County Water District
Orchard Dale Water District
Pebble Beach Community Services District
Placentia Library District
Placer County Air Pollution Control District
Placer County Resource Conservation District
Rancho Cucamonga Fire Protection District
Rancho Murieta Community Services District
Redwood Empire Municipal Insurance Fund (REMIF)
Regional Housing Authority
Rowland Water District
Sacramento Area Flood Control Agency
San Andreas Sanitary District
San Elijo Joint Powers Authority
San Mateo Consolidated Fire Department
San Mateo Co. Mosquito & Vector Control District
Santa Barbara County Law Library
Santa Cruz Regional 9-1-1 JPA
Santa Fe Irrigation District
Sewer Authority Mid-Coastside
Shasta Valley Cemetery District
South Coast Water District
South Montebello Irrigation District
South Orange County Wastewater Authority
South Placer Fire Protection District
Southern Marin Fire Protection District
State Water Contractors
Superior Court of CA, County of Imperial
Superior Court of CA, County of Inyo
Superior Court of CA, County of Kern
Superior Court of CA, County of Marin
Superior Court of CA, County of Merced
Superior Court of CA, County of Orange
Superior Court of CA, County of San Mateo
Superior Court of CA, County of Shasta
Superior Court of CA, County of Siskiyou
Superior Court of CA, County of Sonoma
Sweetwater Springs Water District
Three Valleys Municipal Water District
Twentynine Palms Water District
Union Sanitary District
Ventura Regional Sanitation District
Walnut Valley Water District
West Bay Sanitary District
West County Wastewater District
Western Riverside Council of Governments
Yolo-Solano Air Quality Management District
Yorba Linda Water District
Zone 7 Water Agency

EDUCATION DISTRICTS (4)

Butte County Office of Education
Shasta County Office of Education
Sonoma County Office of Education
Intelecom

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115 TRUST – OPEB/PENSION CLIENT LIST

Updated April 2024

SCHOOL DISTRICTS (64)

Alisal Union School District
Alta Loma School District
Auburn Union School District
Bass Lake Joint Union Elementary SD
Bellflower Unified School District
Beverly Hills Unified School District
Brea Olinda Unified School District
Calistoga Joint Unified School District
Campbell Union High School District
Compton Unified School District
Corning Union Elementary School District
Coronado Unified School District
Cotati-Rohnert Park Unified School District
Dry Creek Joint Elementary SD
El Dorado Union High School District
El Monte Union High School District
Folsom Cordova Unified School District
Fontana Unified School District
Fowler Unified School District
Hermosa Beach City School District
Hesperia Unified School District
Hughes-Elizabeth Lakes Union ESD
John Swett Unified School District
Jurupa Unified School District
Lakeside Union School District (San Diego)
Le Grand Union High School District
Lemon Grove School District
Lindsay Unified School District
Madera Unified School District
Manteca Unified School District
Moreno Valley Unified School District
Napa Valley Unified School District
Natomas Unified School District
Newport-Mesa Unified School District
Ocean View School District (Ventura)
Ontario-Montclair School District
Orcutt Union School District
Palmdale School District
Palos Verdes Peninsula Unified School District
Paramount Unified School District
Placer Union High School District
Porterville Unified School District
Poway Unified School District
Red Bluff Joint Union High School District
Red Bluff Union Elementary School District
River Delta Unified School District
Riverdale Joint Unified School District
Roseville Joint Union High School District
Salinas City ESD
San Bruno Park School District
San Dieguito Union High School District
San Marino Unified School District
Santa Barbara Unified School District
Santa Rita Union School District
Savanna School District
South Bay Union School District
South Pasadena Unified School District
Taft Union High School District
Trona Joint Unified School District
Upland Unified School District
Visalia Unified School District
Westside Union School District
Whittier City School District
Wilsona School District

COMMUNITY COLLEGE DISTRICTS (20)

Allan Hancock Community College District
Citrus Community College District
Coast Community College District
Grossmont-Cuyamaca Community College Dist.
Hartnell Community College District
Imperial Community College District
Marin Community College District
Monterey Peninsula Community College Dist.
Palo Verde Community College District
Pasadena Area Community College District
Rancho Santiago Community College District
Rio Hondo Community College District
San Bernardino Community College District
San Luis Obispo County CCD (Cuesta)
Shasta-Trinity-Tehama Joint CCD
State Center Community College District
Victor Valley Community College District
West Valley-Mission Community College Dist.
Yosemite Community College District
Yuba Community College District

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APPENDIX:
STAFF REPORTS

A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/30/2018
Agenda Placement: 10E

NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:	Board of Supervisors
FROM:	Minh Tran - County Executive Officer County Executive Office
REPORT BY:	Mary Booher, Assistant County Executive Officer - 707-253-4153
SUBJECT:	Pension and OPEB update and establishment of 115 Trust for Pension

RECOMMENDATION

County Executive Officer requests that the Board

1. Receive an annual report on the unfunded liability associated with Other Post-Employment Benefits (OPEB);
2. Receive an update on the unfunded liability associated with California Public Employees' Retirement System (CalPERS) pensions;
3. Adopt a Resolution establishing a Pension Trust administered by Public Agency Retirement Services (PARS) and appointing the County Executive Officer as the Plan Administrator;
4. Authorize the cancellation of the General Fund Assignment for future pension contributions of $4,271,020 (4/5 vote required);
5. Approve a Budget Transfer No. CE0003 increasing appropriations in the General Expenditure Budget (10510) Retirement (51600), by $4,271,020, offset by available fund balance (4/5 vote required);
6. Direct staff to initiate process to move OPEB funds, currently with the CalPERS California Employers' Retiree Benefit Trust (CERBT) plan to the PARS plan; and
7. Adopt Napa County Policy for 115 Trust administration.

EXECUTIVE SUMMARY

Napa County contracts with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits for permanent County employees. Each year, we receive actuarial valuation reports, which identify the employer contribution rates for the following year, as well as the unfunded accrued actuarial liability (UAAL). The UAAL has grown significantly over the past several years due to changes in benefits, reduced earnings due to the recession, and policy changes enacted by the CalPERS Board, such as reductions to the assumed discount rate, and shorter amortization schedules for these liabilities. The increase in the UAAL results in employer contribution

rates increasing much more rapidly than our growth in revenues. Based on the June 30, 2017 CalPERS valuation reports, which were published in August 2018, the UAAL for Napa County is $238 million. With CalPERS assets of $682 million, our funded ratio is currently 74.1%.

Napa County provides other post-employment benefits (OPEB) to employees, based on the Memoranda of Understanding (MOU's) with the bargaining units. These have traditionally included medical, dental, vision, and term life insurance. Napa County paid for these benefits on a pay-as-you-go basis. As the cost for these benefits increased at a much higher rate than other costs, and corresponding revenue, the County began to address the future growth in these costs through the negotiation and implementation of tiered benefit programs. In addition, in 2007, the Board established a Trust fund, as authorized by IRS Code Section 115 ("115 Trust"), with CalPERS California Employers' Retiree Benefits Trust (CERBT) to begin funding the OPEB UAAL. Attachment A provides an update on the OPEB liability and the OPEB 115 Trust.

Today, staff is requesting that the Board establish a Combination 115 Trust for Pension and OPEB with Public Agency Retirement Services (PARS), to begin addressing the Pension UAAL, as well as direct staff to move the CERBT OPEB 115 Trust to PARS, to take advantage of lower administration fees based on the total value of the assets. The initial investment for the Pension 115 Trust will be $4,271,020 that the Board has assigned as part of the Fiscal Year 2017-18 and 2018-19 budgets to address future pension liabilities. Staff is also requesting the Board adopt a policy providing oversight for the administration of 115 Trusts in Napa County.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Non-Departmental.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Approval of this item begins a long-term investment to reduce the unfunded liability associated with pension, which will result in reduced rate of growth for future pension rates.
Is the general fund affected?	Yes
Future fiscal impact:	The Board will be given the opportunity, through the annual budget process, to make additional investments into this trust fund.
Consequences if not approved:	Future pension contributions will continue to grow rapidly, which will possibly result in reduced services in the future.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

As part of the Fiscal Year 2017-18 adopted budget, the Board established an assignment of $1 million of General Fund for future pension liabilities. As part of the Fiscal Year 2018-19 adopted budget, the Board increased this assignment by $3.271 million. As an assignment, those funds are invested with the County Treasury, in which the effective rate of return for August 2018 was 1.76%. By establishing a Pension Trust Fund, pursuant to IRS Code Section 115 ("115 Trust"), the County will be able to utilize an investment strategy more similar to that used by CalPERS, which are designed to provide annualized returns of 4-6%, depending on investment strategy. As a 115 Trust, these funds would only be available to fund future pension liabilities.

Staff reached out to all three entities that provide 115 Trust Services for Pension in California, and selected Public Agency Retirement Services (PARS) to partner with Napa County in establishing a 115 Trust, based on their experience in California and their competitive fee structure. PARS will provide trust administration and consultation services, including recordkeeping, accounting, actuarial coordination, monitor contributions, process disbursements, and monitoring compliance. As partners to PARS, U.S. Bank will be the trustee, which includes being the plan fiduciary and the custodian of the assets, and HighMark Capital will be the investment manager. 26 counties have adopted the PARS 115 Trust to fund either Pension or OPEB or both, making PARS the leading provider.

The administration costs of the Pension 115 Trust are funded by the plan assets, and are based on the value of the assets. Administrative Fees paid to PARS range from 0.25% for balances less than $10 million to 0.10% for balances above $50 million. Investment Fees paid to U.S. Bank and HighMark Capital range from range from 0.35% for balances less than $5 million to 0.10% for balances above $50 million.

HighMark offers five different investment portfolios that they actively manage, and four different investment portfolios that they passively manage. Attachment B shows the historical returns. Solano County has chosen to manage their investment portfolio internally, however staff believes that the options offered by PARS, vis-à-vis HighMark, meet Napa County's needs in a cost effective manner.

COMBINATION 115 TRUST ESTABLISHMENT:
In addition to establishing a 115 Trust for Pension, staff recommends moving the assets from the CalPERS CERBT 115 Trust for OPEB into a combination 115 Trust with PARS, in which the OPEB assets are accounted for separately from Pension. As shown in Attachment B, PARS has historically had better return rates on similar investment strategies, and combining these funds will allow Napa County to take advantage of the lowest fee rates from PARS for the 115 Trust.

Attachment C is a resolution that establishes the Combination 115 Trust for Pension and OPEB with PARS and appoints the County Executive Officer as the Plan Administrator for the program. The Plan Administrator is responsible for executing the legal and administrative documents for the plan. Upon establishment, staff will deposit the current assignment of $4.271 million into the trust. If approved by the Board, staff will return with actions necessary to move the OPEB assets from CERBT to PARS.

Should the Board authorize staff to consolidate the 115 Trust for Pension and OPEB with PARS, staff recommends a different investment strategy for each sub-account. Due to the balance of approximately $70 million in OPEB assets, staff recommends the "Conservative-Actively Managed" portfolio. However, sSince we are just establishing

the trust for Pension assets, staff recommends the more aggressive approach offered with the “Balanced-Actively Managed” portfolio. Due to the balance of approximately $70 million in OPEB assets, staff will meet with HighMark investment advisors and return to the Board with an investment strategy recommendation at the same time the Board authorizes the actions necessary to move the OPEB assets from CERBT.

As an alternative, should the Board not authorize staff to consolidate the 115 Trusts for Pension and OPEB with PARS, staff still recommends investing the Pension assets in the “Balanced-Actively Managed” portfolio. Staff recommends shifting the investment strategy with CERBT from Strategy 1 to Strategy 2, a more conservative strategy, in order to preserve the assets in this trust.

115 TRUST POLICY & OVERSIGHT:
In order to ensure ongoing oversight of the 115 Trust for Pension and OPEB, staff recommends the Board adopt the attached policy. This policy is important because unlike the investment policy that governs the County Treasury, these trust funds are designated to address future liabilities, and therefore have unique risks and opportunities. Staff also evaluated the possibility of utilizing the Deferred Compensation Committee to oversee these Trust funds, however, the Deferred Compensation funds are employee funds, and these Trust funds are County assets reported as part of the Comprehensive Annual Financial Report.

The proposed policy (Attachment D) provides the Board with the authority for investment strategies, based on recommendations from an Oversight Committee and the County Executive Officer. The CEO’s office will prepare an annual report to the Board, and the annual report will contain recommendations regarding the investment strategy. The Oversight Committee will review the report prior to submission to the Board.

Later in the 2018-19 Fiscal Year, staff will bring a funding policy to the Board to recommend a long-term strategy to fund the 115 Trust for Pension and OPEB in a manner that maximizes equitable contributions from all funding sources, not just the General Fund. The Oversight Committee will be involved in the development of this policy.

SUPPORTING DOCUMENTS

A . OPEB Trust annual report

B . 115 Trust Resolution with exhibit

C . Historical Performance Comparison

D . 115 Trust policy

CEO Recommendation: Approve

Reviewed By: Molly Rattigan

Town of Yountville

6550 Yount Street
Yountville, CA 94599

Staff Report

File #: 17-1370, **Version:** 3

Yountville Town Council Staff Report

DATE: December 5, 2017

TO: Mayor and Town Council

FROM: Maria Ojeda, Finance Director

TITLE

Consider Adoption Resolution Number 17-3446 Approving a Public Agency Post-Employment Benefits Section 115 Trust Account and contract with Public Agency Retirement Services (PARS) to pre-fund pension obligations.

DISCUSSION/BACKGROUND

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions. GASB 68 requires that all governmental employers that sponsor Defined Benefit plans such as that of the Town's Public Employees' Retirement System (CalPERS) must recognize a net pension liability, also known as an unfunded actuarial accrued liability (UAAL) on their balance sheet. This is the difference between the Town's total pension liability (actuarial accrued liability) and actual plan assets. GASB 68 became effective after June 15, 2014. The Town of Yountville's total UAAL as of the June 30, 2016 PERS Actuarial Report is $3,838,602.

A Private Letter Ruling (PLR) from the IRS established that public agencies or municipalities could create a separate trust to pre-fund its CalPERS unfunded liability. This would provide the Town with an alternative to sending funds to CalPERS that will provide for greater local control over assets, portfolio management by a registered investment advisor selected and monitored by the Town, with future excess contributions transferred to CalPERS (or the Town to reimburse for up to two years of pension expenses) at the discretion of the Town.

Until recently, the Town's only option for reducing the UAAL was to commit additional funds to CalPERS. These additional funds would be subject to the same market volatility risk as the CalPERS investment rate of return. A recent ruling received from the IRS established that public agencies or municipalities could create a separate trust to "pre-fund" its CalPERS unfunded liability. This would provide the Town with an alternative to sending funds to CalPERS and will provide greater control over assets and portfolio management.

As part of the budget process for fiscal year 2017-18, the Town Council approved an allocation to an Unfunded Actuarial Accrued Liability Fund (03) so that the Town could initiate a Pension Rate Stabilization Program (PRSP) Trust to pre-fund pension obligations and allocated $300,000 of the 2017-18 General Fund budget to invest in this trust. The Town Council also approved setting aside $366,453 during Fiscal Year End 2016-17, making total funds available to invest $666,453. While the initial contribution is modest, over time, and with additional contributions, this trust will assist the Town in mitigating the CalPERS contribution rate

volatility.

By establishing a PRSP it will allow the Town to set aside funds towards future CalPERS costs. The benefits provided for establishing a formal IRS Section 115 approved Trust include:

1) **Local control over assets -**the trust can be accessed at any time so long as it is used to pay the employer's pension obligation.

2) **Pension Rate Stabilization -**assets can be transferred to a CalPERS plan at the Town's discretion, which would reduce or eliminate large fluctuations in employer contributions to CalPERS;

3) **Investment Flexibility -**investment requirements that apply to the Town's General fund under Government Code 53601 are not applicable to assets held in an irrevocable Section 115 Trust. The Town maintains oversight of the investment and the portfolio's risk tolerance level and the investments can be diversified and invested in a prudent fashion (Code 53216). This provides the potential for a greater return than what assets in the General Fund can earn.

4) **Lower Pension Liability -**contributions placed in the Trust address the Town's unfunded pension liability. Assets placed into the Trust will eventually reduce the Town's pension liability. Due to a ruling by GASB for financial reporting purposes as required by GASB 68 the Net Pension Liability will not be offset on our balance sheets.

To date, the most widely adopted PRSP for government agencies has been the plan sponsored by Public Agency Retirement Services (PARS). PARS provides the security of a Private Letter Ruling from the IRS for Section 115 Trusts that assures participants the tax-exempt status of their investments. PARS also allows the flexibility of the Town's participation in selecting the investment strategies for its funds, giving the Town control on target yield and level of risk on its investments.

In addition, the Town has an existing trust with PARS to fund its retiree health benefits, otherwise known as Other Post-Employment Benefits (OPEB). The adoption of a PRSP to be administered by PARS will require replacing the City's existing OPEB Trust with a new trust, one that will have two accounts. One account will be for the existing OPEB assets, and the other account will be for pre-funding pension liabilities. The same Administrative and Investment Management fee schedule would apply going from the old Trust to the new Trust, with the added benefit of aggregating plan assets in both the OPEB and Pension Account to allow the Town to access a lower fee tier for any new contributions made to the Pension Account. PARS has partnered with U.S. Bank to serve as trustee for this program.

Contracting with PARS to establish an irrevocable trust account to pre-fund retirement plan obligations will assist the Town in addressing future pension contribution increases. Funding the Trust will restrict the use of funds that are transferred to the irrevocable trust account.

The Town will pay fees to PARS for management of the Trust Fund. With the combination of OPEB and pre-funding of pension obligations into one trust, by the end of Fiscal Year 2017-18 total assets will fall in the range of $3.8 million (includes current OPEB fund balance, Fiscal Year 2017-2018 OPEB contributions and $666,943 for the PERS UAAL). The fees will be paid from trust assets and staff anticipates investment earnings will

cover the fees. The plan fees have ranges but should not exceed .59%.

ENVIRONMENTAL REVIEW

This item is not subject to CEQA.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? Yes

Where is it Budgeted? General Fund, PERS UAL, Fund 03.

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Nominal

STRATEGIC PLAN GOAL

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Responsible Fiscal Policy:** The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.

Briefly Explain Relationship to Strategic Plan Goal and Objective. Establishing a PERS Rate Stabilization Fund will aid the Town in saving and paying for future pension obligations.

ALTERNATIVES

The Town Council may elect to forgo the establishment of a PARS Trust Fund all together or direct staff to complete research on other options.

RECOMMENDATION

Receive staff report and direct questions to staff.
Receive public comment.
Conduct Council discussion on proposed Resolution.
Adopt Resolution Number 17-3446 Approving a Public Agency Post-Employment Benefits Section 115 Trust Account and contract with Public Agency Retirement Services (PARS) to pre-fund pension obligations.

Agenda Item No. 13

Agenda Report

DATE: January 15, 2019

TO: The Mayor and City Council

FROM: David A. White, City Manager
Emily Combs, Director of Finance

SUBJECT: Resolution of the City Council of the City of Fairfield Approving the Agreement and Establishment of an IRS Section 115 Pension Trust with Public Agency Retirement Services (PARS) for the Purpose of Pre-Funding a Portion of the City's Contributions to the California Public Employees' Retirement System (CalPERS), Delegating Authority to Request Disbursements, and Authorizing the City Manager to Execute all Documents to Fund and Maintain Participation in the Trust

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RECOMMENDED ACTION

Adopt resolution.

STATEMENT OF ISSUE

The City Council is being asked to approve establishing a third-party irrevocable trust to pre-fund a portion of the City's long-term financial pension obligation. Approval of a Trust implements one of the strategies included in the Council Adopted Pension Funding Policy and is a recognized best practice that will help the City achieve greater financial sustainability. Recent assumption changes and modified amortization methods adopted by CalPERS have led to increases in employer contribution for all agencies participating in CalPERS. As a result, "Addressing Rising Pension Costs" was identified as a priority initiative as part of the City Council 2018 Workplan.

DISCUSSION

On September 18th, 2018 the City Council approved a Pension Funding Policy for the purpose of deploying a variety of strategies to achieve the following objectives: reduce projected pension contributions to maintain services and, increase the funding ratio for both the City's Safety and Miscellaneous CalPERS plans. One of those strategies was to establish a Section 115 Pension Trust to realize greater investment returns than what is currently available through the City's cash pool investments. The City would maintain

DATE: January 15, 2019
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a minimum of $5 million in the Trust, unless needed to address deficits caused by increasing pension costs. As a result, in the long-term, establishment of a Trust should result in lower total pension costs to the City.

In September 2017, the City issued a Request for Qualifications (RFQ) for pension trust fund management services. Two firms responded to the RFQ. After evaluating all proposals alongside the needs of the City, staff conducted interviews and evaluated the programs of two vendors: PFM Asset Management LLC and Public Agency Retirement Services (PARS). Both programs are compliant with Internal Revenue Code Section 115.

PARS, which was established in 1984 has been designing and administering retirement plan and trust solutions exclusively for public agencies for the past 34 years. They currently administer over 1,400 plans for more than 850 public agencies, including 675 in California. PARS offers five investment strategies and asset management fees are 25 basis points (0.25%). Contributions to the trust fund are strictly voluntary by the City and can be accessed at any time. Fees are only charged when assets are added to the trust.

In contrast, PFM administers over 120 plans and asset management fees are 45 basis points (0.45%).

While both vendors provide excellent pension trust options for the City, staff recommends that Council engage PARS to provide these services. Primary drivers for this recommendation are lower asset management fees, established track record, and the size of the client base and assets under management with PARS.

FINANCIAL IMPACT

The City currently has $5 million set-aside in the Pension Stabilization Fund (Fund 014) and would transfer this funding to the newly established trust. Fees resulting from managing the trust are embedded within the investment returns. There are no other costs associated with this action.

 Agenda Item No. 13

DATE: January 15, 2019
SUBJECT: Resolution of the City Council of the City of Fairfield Approving the Agreement and Establishment of an IRS Section 115 Pension Trust with Public Agency Retirement Services (PARS) for the Purpose of Pre-Funding a Portion of the City's Contributions to the California Public Employees' Retirement System (CalPERS), Delegating Authority to Request Disbursements, and Authorizing the City Manager to Execute all Documents to Fund and Maintain Participation in the Trust

CITY COUNCIL WORKPLAN

City Council Goal this item supports:

☐Community Safety
☒Financial and Operational Sustainability
☐Quality of Life
☐Not Applicable
☐Community Infrastructure
☐Economic Development
☐Travis Air Force Base

Priority Project:
☒ #2B.9 Addressing Rising Pension Costs

PUBLIC CONTACT/ADVISORY BODY RECOMMENDATION

N/A

ALTERNATIVE ACTION

City Council could choose to not approve the establishment of a pension trust or direct staff to investigate other trust providers in more detail. This is not recommended as staff has performed a RFQ process and establishing a pension trust is a recognized best practice that will help the City achieve greater financial sustainability.

DOCUMENTS ATTACHED

Attachment 1: Proposed Resolution

STAFF CONTACT

Emily Combs, Director of Finance
707-428-7629
ecombs@fairfield.ca.gov

Coordinated with: City Attorney

ATTACHMENT 1

CITY OF FAIRFIELD

RESOLUTION NO. 2019- 13

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING THE AGREEMENT AND ESTABLISHMENT OF AN IRS SECTION 115 PENSION TRUST WITH PUBLIC AGENCY RETIREMENT SERVICES (PARS) FOR THE PURPOSE OF PRE-FUNDING A PORTION OF THE CITY'S CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS), DELEGATING AUTHORITY TO REQUEST DISBURSEMENTS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS TO FUND AND MAINTAIN PARTICIPATION IN THE TRUST

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits (Pension) Trust (the "Program") for the purpose of pre-funding a portion of the City's contributions to CalPERS; and

WHEREAS, the City is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function with the meaning of Section 115 of the Internal Revenue Code, as amended, and the regulations issued there under, and is tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City's adoption and participation in the Program has no effect on any current or former employee's entitlement to post-employment pension benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Program.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:

Section 1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits (Pension) Trust.

Section 2. The City Manager, or designee, is hereby appointed the City's Plan Administrator for the Program.

Section 3. The City's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City and to take whatever additional

actions are necessary to maintain the City's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him to take whatever additional actions are required to administer the City's Program.

PASSED AND ADOPTED this 15th day of January, 2019, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

_____
MAYOR

ATTEST:

_____
CITY CLERK

Meeting Date: August 3, 2015

Agenda Item No: 8.A.

Prepared By: Heather Ippoliti, Assistant City Manager

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

Authorize participation in the Public Agencies Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) with U.S. Bank as trustee, appointing the City Manager as the Plan Administrator, authorizing the City Manager to negotiate and execute the documents to implement the program, and creating a Council sub-committee to develop the related investment policy.

STRATEGIC INITIATIVE:

Fiscal Responsibility

RECOMMENDED ACTION(S):

Adopt Resolution authorizing participation in the Public Agencies Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) with U.S. Bank as trustee, appointing the City Manager as the Plan Administrator and authorizing him to negotiate and execute the documents to implement the program, and creating a Council sub-committee to develop the related investment policy.

BACKGROUND:

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions. GASB 68 requires that governmental employers that sponsor Defined Benefit plans (i.e., California Public Employees Retirement System (PERS)) must recognize a net pension liability, also known as an unfunded actuarial accrued liability (UAAL) on their balance sheet. This is the difference between the City's total pension liability (actuarial accrued liability) and actual plan assets. GASB 68 will become effective for fiscal years starting after June 15, 2014.

CalPERS has also significantly changed the methodology for calculating the City's Annual Required Contributions (ARC) in regards to amortizing the UAAL.

Until recently, the City's only option for reducing the UAAL was to commit additional funds to CalPERS. Unfortunately, these additional funds would be subject to the same market volatility risk as the CalPERS investment policy target of 7.5%, and are not accessible to the City for other CalPERS pension expenses.

DISCUSSION/ANALYSIS:

A recent private letter ruling received from the IRS established that public agencies or municipalities could create a separate trust to "pre-fund" its PERS unfunded liability. This would provide the City with an alternative to sending funds to PERS and will provide greater City local control over assets and portfolio management.

The City engaged the services of John Bartel, President of the actuarial consulting firm, Bartel and Associates, LLC to evaluate the PERS actuarial issues facing the City. Mr. Bartel presented his firm's findings to the City Council on April 21 and his recommendations on June 1, 2015 (report attached as Exhibit A).

Expected benefits offered by a separate retirement funding trust include:

· Pension volatility mitigation-contributions from the trust can be transferred to PERS at the City's discretion to offset fluctuations in the required annual contributions impacted by PERS investment returns. As shown on page 2 of Exhibit A, PERS investment returns have fluctuated dramatically over the last 20 years. Last week PERS stakeholders were notified via email that the preliminary one year investment performance for FY 14-15 showed a return of only 2.4 percent. Although PERS has achieved returns over the past three and five years of 10.9 and 10.7 percent, respectively, cities throughout California were negatively impacted during the period when their 10 year returns averaged only 3.4 percent. To mitigate this potential going forward, the proposed trust and funding plan have been structured to level contribution rates to the following:

-Miscellaneous-28% through FY 23-24

-Safety-44%

· Trust assets can be accessed anytime to fund the City's pension obligations and defray reasonable expenses associated therewith.

· Investment flexibility with Section 115 Trust compared to restrictions on general fund investments (Govt. Code 53216.1)

· Investment security with Section 115 Trust compared to CalPERS investment management, risk appetite and portfolio allocation

· Investments can be tailored to the City's unique demographics

· Oversight and local control of fund management selection and monitoring of performance

An investment policy for trust assets also needs to be developed. Staff recommends that a Council subcommittee be formed to work with PARS to create the policy, which will then be brought forward to the full Council for consideration and adoption at a future meeting.

ENVIRONMENTAL ANALYSIS:

Pursuant to Title 14, the California Code of Regulations, Section 15302(C) of the California Environmental Quality Act (CEQA) guidelines, approval of this resolution is an administrative activity of the City that will not result in direct or indirect physical changes to the environment.

FISCAL IMPACT:

Cash Impact:

Establishing the Pension Trust Fund has no direct cash impact. Funding the Trust Fund will have a cash impact as funds must be withdrawn from existing accounts and transferred to the irrevocable trust account. As part of the FY 15-16 Budget Adoption process, Council authorized the following contributions to the trust:

General Fund	$1,500,000.	Miscellaneous Employees
General Fund	1,000,000.	Safety Employees
Streets Fund	93,017.	Miscellaneous Employees
Water Fund	279,040.	Miscellaneous Employees
Wastewater Fund	336,044.	Miscellaneous Employees
Drainage Fund	73,045.	Miscellaneous Employees
Electric Fund	479,929.	Miscellaneous Employees
Community Services Fund	238,925.	Miscellaneous Employees
Total	$4,000,000	

Financial Statement Impact:

The actual financial statement impact of the amount of GASB 68 UAAL is not known at the present time, as CalPERS is still working on current valuations

ALTERNATIVES:

Council may choose to not adopt the resolution and to not authorize participation in the program.

ATTACHMENTS:

	Description
🗋	Resolution
🗋	Exhibit A - Bartle Associates Report 6_1_15

TOWN OF TIBURON
1505 Tiburon Boulevard
Tiburon, CA 94920

Town Council Meeting
May 4,2016
Agenda Item: CC-3

STAFF REPORT

To:	Mayor and Members of the Town Council
From:	Department of Administrative Services
Subject:	Recommendation to Authorize Participation in the Public Agency Retirement Services (PARS) Post-Employment Benefits Trust Program for Prefunding OPEB and Pension Liabilities
Reviewed By:	

BACKGROUND

The Town of Tiburon provides post-employment benefits to retirees who meet plan eligibility requirements. Under the Town's contract with CalPERS, employees who retire from the Town at age 50 or later with at least 5 years of service are eligible for a CalPERS pension.

All eligible retirees, irrespective of their date of hire, are entitled to the minimum CalPERS medical benefits, which is $125 in 2016. This amount increases annually and the benefit continues for the life of the retiree and for the life of a surviving spouse.

In addition to the above, retirees with 15 or more years of Town service are eligible to receive a monthly medical allowance based on the premium charged by CalPERS for the Kaiser single person coverage. This benefit does not apply to Management/Mid-management employees hired after July 1, 2009, Police employees hired after July 1, 2010, or SEIU employees hired after July 1, 2011 (the pool for this benefit has been closed). The benefit amount that is earned at retirement is based on the schedule below, and does not increase as medical premiums increase and does not pass on to an employee's surviving spouse.

15-19 years of service:	50% of Kaiser Single Rate
20-24 years of service	75% of Kaiser Single Rate
25+ of service	100% of Kaiser Single Rate

The Town currently has 14 employees receiving this benefit at an annual cost of $88,581.12, and 12 employees left who are eligible for this benefit upon retirement.

ANALYSIS

In 2004, the Government Accounting Standards Board (GASB), the organization that sets generally accepted accounting principles (GAAP) for public sector entities, issued a statement (GASB 45) that requires public employers to produce actuarial valuations for their OPEB, and to report these liabilities in their financial statements. Under GASB regulations, how to handle OPEB funding is at the agency's discretion.

Up to this point, the Town has paid the amount required for retiree medical benefits in a given year on the pay-as-you-go basis. In addition, the Town has set aside funds in the OPEB GASB 45 General Fund Reserve. The funds held in this reserve do not earn interest, and are not eligible to be considered in reducing the Town's OPEB unfunded liability because they are not held in an irrevocable trust. There is currently $1,246,159 in the OPEB GASB 45 reserve, and based on the most recent analysis, the Town's unfunded liability for OPEB benefits will be approximately $3.63 million based on a 4% discount rate. The 4% discount rate is the scenario used for agencies that only contribute OPEB costs in the amount of the actual payments on behalf of retires (pay-as-you-go), which the Town currently employs.

It is a financial management best practice, and consistent with the Town's financial goals to reduce long term liabilities and GFOA considers it "best practice" to prefund OPEB benefits (2012). Staff believes that entering into a trust agreement to prefund OPEB liabilities will lower long term liabilities and produce savings in the long run. Prefunding OPEB costs in an irrevocable trust will also allow the Town to use a higher discount rate when performing its next actuarial valuation in 2017. It is estimated that a 1% increase in the discount rate could lower the Town's OPEB unfunded liability by 10-12%, or $360,000 to $435,000, based on a $3.63 million liability. A 6.0% discount rate would still be considered moderately conservative when performing the next actuarial, and could reduce the Town's current unfunded liability from $3.63 million to approximately $2.75 - $2.9 million.

While not a requirement of GASB 45, prefunding the Town's OPEB obligation and placing it in an irrevocable trust provides certain benefits:

- Once placed into a trust, the funds cannot be diverted to other purposes, nor is it subject to claims by creditors or State takeaways.
- Trust assets can be managed for investment purposes to achieve a higher rate of return, thus lowering the Town's future liability. There is investment flexibility with Section 115 Trust compared to restrictions on general fund investments.
- It is fiscally prudent to prefund retiree obligations while accrued during active service, preventing the increase of the Town's unfunded obligation and pay-as-you-go costs.
- Prefunding is less expensive for the Town over the long run since more of the unfunded liability will be paid for by investment dollars.

There are surprisingly few choices when it comes to companies that provide trust services for OPEB pre-funding. Staff reached out to the California Employers' Retirement Benefit Trust (CERBT) and Public Agency Retirement Services (PARS) for proposals to provide trust services. After reviewing the information provided, the main difference between the two companies comes down to fees charged, number of investment strategies provided, requirement on timing of OPEB Actuarial, and additional services provided.

CERBT is overseen and administered by the CalPERS Board of Administration and currently charges an annual fee of 10 basis points on the assets under its management. This fee can be increased at any time. CERBT has three asset allocation strategies with the most conservative allocation averaging 24% in equities and the most aggressive with 57% in equities. CERBT requires an actuarial valuation be performed every two years, at an approximate cost of $5,000 per valuation.

PARS is a private for-profit company that contracts with US Bank for trustee services and HighMark Capital Management for Investment Management services. PARS charges 25 basis points for their trust administration/consulting fees with additional fees ranging between 24 – 32 basis points for contracted trust/investment management fees, for a total maximum fee of 57 basis points. The fee that would be charged is fixed for the next two years. PARS has actually reduced fees over the past six years due to economies of scale of their multi-employer trust. PARS provides more flexibility with 5 asset allocation strategies (active or passive) and the ability to customize the portfolio. The most conservative portfolio has a minimum of 5% invested in equities, with the most aggressive at 75% equities. PARS allows for tri-annual actuarial valuation reports. PARS also provides an option, at no additional cost, to make OPEB payments directly to retirees, therefore relieving the administrative duty from Town staff. This option is not available with CERBT. PARS also provides an option for establishing an account within the same trust for prefunding unfunded pension liabilities. There are currently no other options for prefunding our CalPERS pension unfunded liability except lump-sum payments to CalPERS. This pension prefunding option with PARS gives us the ability to set aside reserves in the same trust (sub accounted for separately from OPEB) and lower Net Pension Liabilities (NPL) for GASB 68 reporting.

There are no costs to establish a trust fund with either administrator. Fees are only charged once funds are place with the administrator to manage.

The pros of contracting with CERBT are lower management fees (ten basis points versus 49-57 basis points). However, CEBRT has under-performed PARS in their three investment options over the past three years, net of all fees. Of course, this past performance does not guarantee future results. Two of CERBTS investment options do not have a five year history at this point to compare results.

The pros in contracting with PARS would be diversification of investments as CalPERS would not also be managing these funds (PERS currently manages approximately $27 million in Town pension assets). Only this PARS Trust has a Private Letter Ruling (PLR) from the IRS which allows for prefunding of OPEB or Pension or Both liabilities. PARS will directly make payment to retirees who are eligible for monthly medical allowance payments (currently 14 employees). For an agency our size, PARS only requires an actuarial valuation be performed every three years as opposed to CERBT every two years. PARS does provide more investment options than CERBT and does allow for customization of investment options. PARS has a full service approach including a local dedicated Portfolio Manager who will make a recommendation on our investment strategy, take on the fiduciary responsibility to manage our assets, assist with our investment policy, conduct annual reviews and has cell phone access for questions.

This agenda item is recommending, though the Council Budget Committee, that the Town Council authorize participation in the Public Agency Retirement Services (PARS) Post-Employment Benefits Trust. Though staff was looking only at establishing an OPEB Irrevocable Trust only, there is no cost to open either Trust Fund and the Town could consider pre-funding pension liabilities through this trust as opposed to directing additional payments to CalPERS in the future. Once this combination trust is established, PARS will work with the Town, through the Budget Committee, to determine the best strategic asset allocation policy for the investment of the OPEB GASB 45 Reserve funds.

FINANCIAL IMPACT

Establishing the Pension Trust Fund has no direct cash impact. Funding the Trust Fund will have a cash impact as funds will be withdrawn from the OPEB GASB 45 General Fund Reserve and transferred to the irrevocable trust.

ENVIRONMENTAL DETERMINATION

This item does not meet the definition of a project under the California Environmental Quality Act (CEQA).

RECOMMENDATION

Staff recommends that the Town Council:

Move to adopt the following resolution:

1. Resolution authorizing participation the in PARS Post-Employment Benefits Trust Program, to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, as Trustee, appointment the Town Manager as the Town's Plan Administrator, and authorizing the Town Manager to execute the documents to implement the Program

Staff will meet with the Budget Committee and PARS representatives to determine the best strategy for our OPEB GASB 45 Reserves based on needs and objectives, and bring the recommendation back to the full Council for approval. If we invest these funds prior to June 30, 2016, we can receive credit for the investment against our Net OPEB Obligation in the FY 2015-16 annual audit.

Exhibits:

1. Resolution authorizing participation the in PARS Post-Employment Benefits Trust Program, to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, as Trustee, appointment the Town Manager as the Town's Plan Administrator, and authorizing the Town Manager to execute the documents to implement the Program
2. Administrative Services Agreement

Prepared By: Heidi Bigall, Director of Administrative Services

APPENDIX:
NET RETURNS COMPARISON

NET PERFORMANCE FEE ANALYSIS

As of December 31, 2023

Over 1 Year		Over 3 Years		Over 5 Years	
PARS		**PARS**		**PARS**	
Moderate (50% Fixed Income/Cash)	13.98%	**Moderate** (50% Fixed Income/Cash)	2.08%	**Moderate** (50% Fixed Income/Cash)	7.17%
minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%
minus weighted investment management fee	(-) 0.35%	minus weighted investment management fee	(-) 0.35%	minus weighted investment management fee	(-) 0.35%
1-Year Net Return	**13.38%**	**3-Year Net Return**	**1.48%**	**5-Year Net Return**	**6.57%**
CALPERS CEPPT		**CALPERS CEPPT**		**CALPERS CEPPT**	
Strategy 1 (49% Fixed Income/Cash)	12.11%	**Strategy 1** (49% Fixed Income/Cash)	0.90%	**Strategy 1** (49% Fixed Income/Cash)	N/A
minus fees	(-) 0.26%	minus fees	(-) 0.23%	minus fees	N/A
1-Year Net Return	**11.85%**	**3-Year Net Return**	**0.67%**	**5-Year Net Return**	**N/A**

Subject to change due to rebalancing; Past performance does not guarantee future results.

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Prior to January 1st, 2024, HighMark Capital Management, Inc. ("HighMark") acted as sub-advisor to the PARS portfolios. HighMark, including clients and investment personnel, was consolidated into its affiliate, PFM Asset Management LLC (PFMAM) on January 1st, 2024.

Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets at the end of this presentation.

PUBLIC AGENCY RETIREMENT SERVICES | PARS

TRUSTED SOLUTIONS. LASTING RESULTS.

NET PERFORMANCE FEE ANALYSIS

As of December 31, 2023

Over 1 Year		Over 3 Years		Over 5 Years	
PARS		**PARS**		**PARS**	
Moderately Conservative (70% Fixed Income/Cash)	11.05%	**Moderately Conservative** (70% Fixed Income/Cash)	0.35%	**Moderately Conservative** (70% Fixed Income/Cash)	4.95%
minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%
minus weighted investment management fee	(-) 0.35%	minus weighted investment management fee	(-) 0.35%	minus weighted investment management fee	(-) 0.35%
1-Year Net Return	**10.45%**	**3-Year Net Return**	**-0.25%**	**5-Year Net Return**	**4.35%**
CALPERS CEPPT		**CALPERS CEPPT**		**CALPERS CEPPT**	
Strategy 2 (70% Fixed Income/Cash)	9.23%	**Strategy 2** (70% Fixed Income/Cash)	-0.92%	**Strategy 2** (70% Fixed Income/Cash)	N/A
minus fees	(-) 0.25%	minus fees	(-) -0.22%	minus fees	N/A
1-Year Net Return	**8.98%**	**3-Year Net Return**	**-1.14%**	**5-Year Net Return**	**N/A**

Subject to change due to rebalancing; Past performance does not guarantee future results.

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Prior to January 1st, 2024, HighMark Capital Management, Inc. ("HighMark") acted as sub-advisor to the PARS portfolios. HighMark, including clients and investment personnel, was consolidated into its affiliate, PFM Asset Management LLC (PFMAM) on January 1st, 2024.

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PUBLIC AGENCY RETIREMENT SERVICES | PARS

TRUSTED SOLUTIONS. LASTING RESULTS.

APPENDIX:
INVESTMENT PORTFOLIOS

HIGHMARK® CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS
CONSERVATIVE

Q4 2023

WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

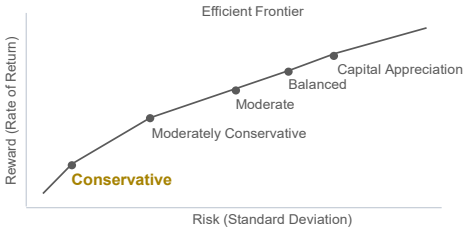
The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

PORTFOLIO FACTS

HighMark Plus (Active)	
Composite Inception Date	07/2004
No of Holdings in Portfolio	19
Index Plus (Passive)	
Composite Inception Date	07/2004
No of Holdings in Portfolio	12

INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	15%
Fixed Income	60 – 95%	80%	81%
Cash	0 – 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)	Gross	Net
Current Quarter*	7.47%	7.38%
Blended Benchmark, ***	*6.27%*	
Year To Date*	8.81%	8.42%
Blended Benchmark, ***	*7.85%*	
1 Year	8.81%	8.42%
*Blended Benchmark***	*7.85%*	
3 Year	-0.96%	-1.31%
*Blended Benchmark***	*-0.47%*	
5 Year	3.30%	2.93%
*Blended Benchmark***	*3.20%*	
10 Year	3.00%	2.63%
*Blended Benchmark***	*2.95%*	

Index Plus Composite (Passive)	Gross	Net
Current Quarter*	7.24%	7.14%
Blended Benchmark, ***	*6.27%*	
Year To Date*	7.63%	7.25%
Blended Benchmark, ***	*7.85%*	
1 Year	7.63%	7.25%
*Blended Benchmark***	*7.85%*	
3 Year	-1.17%	-1.53%
*Blended Benchmark***	*-0.47%*	
5 Year	2.95%	2.58%
*Blended Benchmark***	*3.20%*	
10 Year	2.72%	2.35%
*Blended Benchmark***	*2.95%*	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% Bloomberg US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Gov't, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012, the blended benchmark was 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Govt, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)	
2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%
2019	11.05%
2020	9.03%
2021	2.20%
2022	-12.63%
2023	8.81%

Index Plus Composite (Passive)	
2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%
2019	10.37%
2020	8.56%
2021	1.97%
2022	-12.06%
2023	7.63%

HOLDINGS

HighMark Plus (Active)

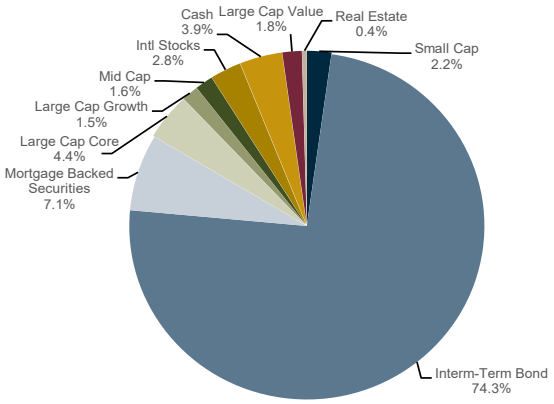
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
iShares MBS ETF
Dodge & Cox Income-I
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Conservative active and passive objectives.

The adviser to the PARS portfolios is U.S. Bank, and HighMark serves as sub-adviser to U.S. Bank to manage these portfolios. U.S. Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. U.S. Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a $10 million initial value would grow to $12.53 million after fees (Net-of-Fees) and $12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT Index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark) is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of HighMark. HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. Individual account management and construction will vary depending on each client's investment needs and objectives. U.S. Bank provides certain services to HighMark and is compensated for these services. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with $9.2 billion in assets under management*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group
Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

HIGHMARK® CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS

MODERATELY CONSERVATIVE

Q4 2023

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

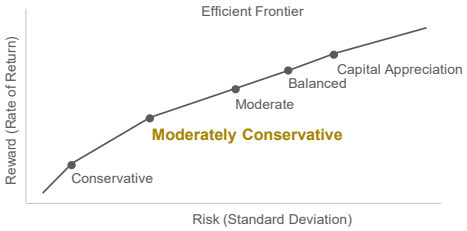
The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

PORTFOLIO FACTS

HighMark Plus (Active)	
Composite Inception Date	08/2004
No of Holdings in Portfolio	19
Index Plus (Passive)	
Composite Inception Date	05/2005
No of Holdings in Portfolio	12

INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	29%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)	Gross	Net
Current Quarter*	8.24%	8.14%
Blended Benchmark,***	*7.52%*	
Year To Date*	11.05%	10.66%
Blended Benchmark,***	*10.30%*	
1 Year	11.05%	10.66%
*Blended Benchmark***	*10.30%*	
3 Year	0.35%	-0.01%
*Blended Benchmark***	*0.66%*	
5 Year	4.95%	4.57%
*Blended Benchmark***	*4.94%*	
10 Year	4.09%	3.72%
*Blended Benchmark***	*4.21%*	

Index Plus Composite (Passive)	Gross	Net
Current Quarter*	8.02%	7.93%
Blended Benchmark,***	*7.52%*	
Year To Date*	9.89%	9.50%
Blended Benchmark,***	*10.30%*	
1 Year	9.89%	9.50%
*Blended Benchmark***	*10.30%*	
3 Year	0.23%	-0.13%
*Blended Benchmark***	*0.66%*	
5 Year	4.64%	4.27%
*Blended Benchmark***	*4.94%*	
10 Year	3.92%	3.55%
*Blended Benchmark***	*4.21%*	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% Bloomberg US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Govt, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

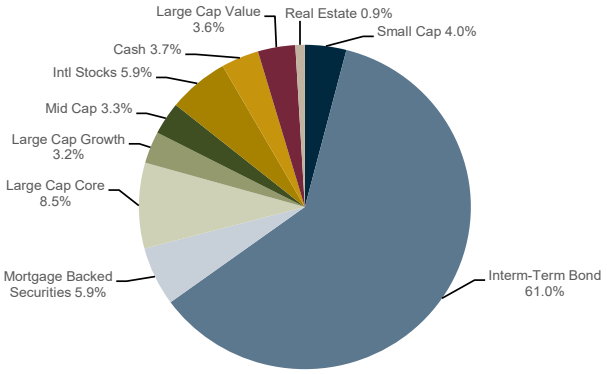
HighMark Plus Composite (Active)	
2008	-15.37%
2009	18.71%
2010	10.46%
2011	1.75%
2012	10.88%
2013	7.30%
2014	4.41%
2015	0.32%
2016	4.94%
2017	9.56%
2018	-2.60%
2019	13.73%
2020	10.76%
2021	5.15%
2022	-13.46%
2023	11.05%

Index Plus Composite (Passive)	
2008	-12.40%
2009	11.92%
2010	9.72%
2011	3.24%
2012	8.24%
2013	6.78%
2014	5.40%
2015	-0.18%
2016	5.42%
2017	8.08%
2018	-2.33%
2019	13.53%
2020	9.74%
2021	5.33%
2022	-13.00%
2023	9.89%

HOLDINGS

HighMark Plus (Active)	Index Plus (Passive)
Columbia Contrarian Core I3	iShares Core S&P 500 ETF
Vanguard Growth & Income Adm	iShares S&P 500 Value ETF
Dodge & Cox Stock Fund	iShares S&P 500 Growth ETF
iShares S&P 500 Value ETF	iShares Russell Mid-Cap ETF
Harbor Capital Appreciation - Retirement	Vanguard Real Estate ETF
iShares S&P 500 Growth ETF	iShares Russell 2000 Value ETF
iShares Russell Mid-Cap ETF	iShares Russell 2000 Growth ETF
Vanguard Real Estate ETF	iShares Core MSCI EAFE ETF
Undiscovered Managers Behavioral Value-R6	Vanguard FTSE Emerging Markets ETF
Emerald Growth Fund-I	iShares MBS ETF
DFA Large Cap International Portfolio	iShares Core U.S. Aggregate
Dodge & Cox International Stock	First American Government Obligations Z
MFS International Growth - R6	
Hartford Schroders Emerging Markets Eq	
iShares MBS ETF	
Dodge & Cox Income-I	
PGIM Total Return Bond - R6	*Holdings are subject to change at the discretion of the investment manager.*
DoubleLine Core Fixed Income - I	
First American Government Obligations Z	

STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderately Conservative active and passive objectives.

The adviser to the PARS portfolios is U.S. Bank, and HighMark serves as sub-adviser to U.S. Bank to manage these portfolios. U.S. Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. U.S. Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a $10 million initial value would grow to $12.53 million after fees (Net-of-Fees) and $12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark) is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of HighMark. HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. Individual account management and construction will vary depending on each client's investment needs and objectives. U.S. Bank provides certain services to HighMark and is compensated for these services. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with $9.2 billion in assets under management*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group
Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

HIGHMARK® CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS
MODERATE

Q4 2023

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

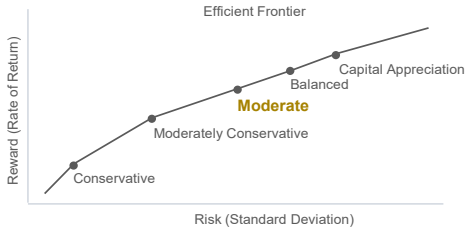
The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

PORTFOLIO FACTS

HighMark Plus (Active)	
Composite Inception Date	10/2004
No of Holdings in Portfolio	19
Index Plus (Passive)	
Composite Inception Date	05/2006
No of Holdings in Portfolio	12

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	49%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)	Gross	Net
Current Quarter*	9.28%	9.18%
Blended Benchmark,***	*8.72%*	
Year To Date*	13.98%	13.57%
Blended Benchmark,***	*13.56%*	
1 Year	13.98%	13.57%
*Blended Benchmark***	*13.56%*	
3 Year	2.08%	1.71%
*Blended Benchmark***	*2.58%*	
5 Year	7.17%	6.79%
*Blended Benchmark***	*7.31%*	
10 Year	5.55%	5.17%
*Blended Benchmark***	*5.82%*	

Index Plus Composite (Passive)	Gross	Net
Current Quarter*	9.01%	8.91%
Blended Benchmark,***	*8.72%*	
Year To Date*	12.74%	12.33%
Blended Benchmark,***	*13.56%*	
1 Year	12.74%	12.33%
*Blended Benchmark***	*13.56%*	
3 Year	2.14%	1.77%
*Blended Benchmark***	*2.58%*	
5 Year	6.85%	6.47%
*Blended Benchmark***	*7.31%*	
10 Year	5.34%	4.96%
*Blended Benchmark***	*5.82%*	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% Bloomberg US Agg, 10% ICE BofA 1-3 Yr US Corp/Gov't, 1.50% ICE BofA US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Year Corp./Govt, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Gov, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)	
2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%
2020	12.92%
2021	9.31%
2022	-14.63%
2023	13.98%

Index Plus Composite (Passive)	
2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%
2020	11.23%
2021	10.18%
2022	-14.21%
2023	12.74%

HOLDINGS

HighMark Plus (Active)

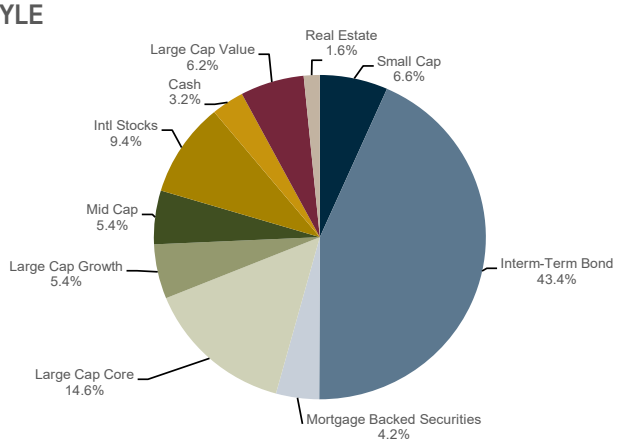
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
iShares MBS ETF
Dodge & Cox Income-I
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderate active and passive objectives.

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Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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HIGHMARK CAPITAL MANAGEMENT

350 California Street
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800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with $9.2 billion in assets under management*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group
Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

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HIGHMARK® CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS
BALANCED

Q4 2023

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

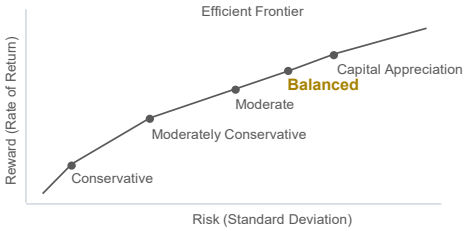
PORTFOLIO FACTS

HighMark Plus (Active)	
Composite Inception Date	10/2006
No of Holdings in Portfolio	19

Index Plus (Passive)	
Composite Inception Date	10/2007
No of Holdings in Portfolio	12

INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	59%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	3%

ANNUALIZED TOTAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)	Gross	Net
Current Quarter*	9.84%	9.75%
Blended Benchmark,***	*9.36%*	
Year To Date*	15.39%	14.98%
Blended Benchmark,***	*15.19%*	
1 Year	15.39%	14.98%
*Blended Benchmark***	*15.19%*	
3 Year	2.89%	2.53%
*Blended Benchmark***	*3.46%*	
5 Year	8.25%	7.86%
*Blended Benchmark***	*8.45%*	
10 Year	6.21%	5.83%
*Blended Benchmark***	*6.61%*	

Index Plus Composite (Passive)	Gross	Net
Current Quarter*	9.60%	9.50%
Blended Benchmark,***	*9.36%*	
Year To Date*	14.31%	13.91%
Blended Benchmark,***	*15.19%*	
1 Year	14.31%	13.91%
*Blended Benchmark***	*15.19%*	
3 Year	3.06%	2.69%
*Blended Benchmark***	*3.46%*	
5 Year	7.97%	7.58%
*Blended Benchmark***	*8.45%*	
10 Year	6.05%	5.67%
*Blended Benchmark***	*6.61%*	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% Bloomberg US Agg, 6.75% ICE BofA 1-3 Yr US Corp/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500; 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp./Govt, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3Yr Corp/Gov, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)	
2008	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%
2019	19.85%
2020	13.85%
2021	11.44%
2022	-15.28%
2023	15.39%

Index Plus Composite (Passive)	
2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.26%
2017	13.39%
2018	-5.05%
2019	19.59%
2020	12.07%
2021	12.63%
2022	-14.97%
2023	14.31%

HOLDINGS

HighMark Plus (Active)

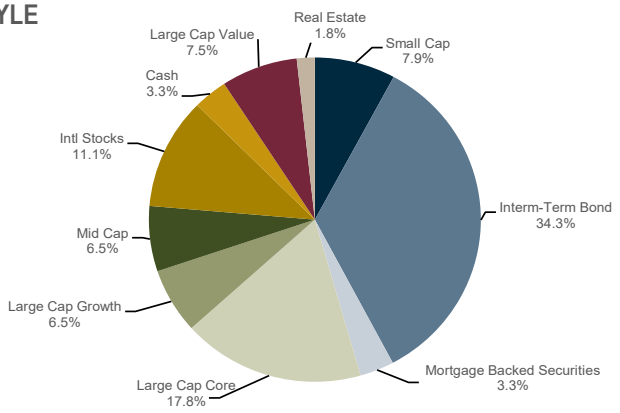
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
iShares MBS ETF
Dodge & Cox Income-I
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Balanced active and passive objectives.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is U.S. Bank, and HighMark serves as sub-adviser to U.S. Bank to manage these portfolios. U.S. Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. U.S. Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a $10 million initial value would grow to $12.53 million after fees (Net-of-Fees) and $12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark) is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of HighMark. HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. Individual account management and construction will vary depending on each client's investment needs and objectives. U.S. Bank provides certain services to HighMark and is compensated for these services. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with $9.2 billion in assets under management*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group
Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

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HIGHMARK® CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS

CAPITAL APPRECIATION

Q4 2023

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

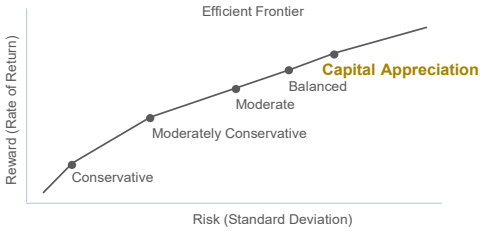
PORTFOLIO FACTS

Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	19

INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	74%
Fixed Income	10 - 30%	20%	22%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

	Gross	Net
Current Quarter*	10.40%	10.30%
Blended Benchmark,**	*10.22%*	
Year To Date*	17.32%	16.91%
Blended Benchmark,**	*17.62%*	
1 Year	17.32%	16.91%
*Blended Benchmark***	*17.62%*	
3 Year	4.22%	3.84%
*Blended Benchmark***	*4.74%*	
5 Year	9.71%	9.32%
*Blended Benchmark***	*10.05%*	
10 Year	7.23%	6.85%
*Blended Benchmark***	*7.64%*	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% Bloomberg US Agg, 3% ICE BofA 1-3 Yr US Corp/Gov't, 1% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.26%
2016	8.79%
2017	16.72%
2018	-5.82%
2019	22.62%
2020	14.50%
2021	14.96%
2022	-16.08%
2023	17.32%

HOLDINGS

HighMark Plus (Active)

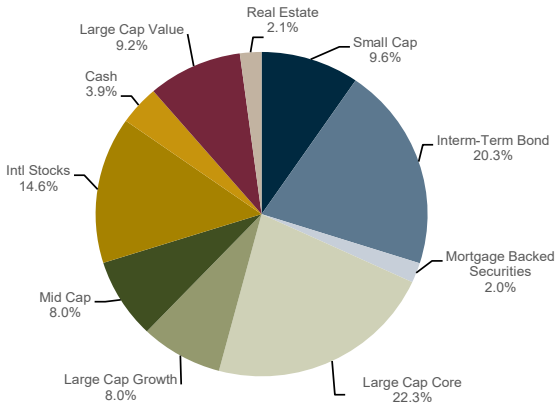
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
iShares MBS ETF
Dodge & Cox Income-I
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Capital Appreciation active and passive objectives.

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ABOUT THE ADVISER

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Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

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*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

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CalPERS Proposal

Prepared for

Mandy Kellogg
City of St. Helena

Establishment, Administration, and Management Services of a Section 115 Trust for Pension

Monday, April 29, 2024

Prepared by:
CalPERS
Prefunding Programs

Contact Person:
Darren Lathrop
Customer Outreach & Support Manager
CalPERS Prefunding Programs
(916) 795-0751 Desk
(916) 291-0391 Cell
darren.lathrop@calpers.ca.gov

CalPERS

California Public Employees' Retirement System
Prefunding Programs
400 Q Street, Sacramento, CA 95811
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

April 29, 2024

Attention: Mandy Kellogg
City of St. Helena
1088 College Avenue
St. Helena, CA 94574

Subject: Establishment, Administration, and Management Services of a Section 115 Trust for Pension

Dear Mandy,

Thank you for inviting the California Employers' Pension Prefunding Trust (CEPPT) to submit a comprehensive proposal to provide Section 115 pension prefunding trust management services on behalf of the City of St. Helena. We fully understand the scope of services being requested for proposal, the timeline of these services, and would be honored to serve to the City in this capacity. Hence, we have proposed a firm and irrevocable offer for the next 120 days.

The CERBT & CEPPT Program (Prefunding Programs) team, staffed by 14 full time employees collectively responsible for the administration, reporting, and customer outreach and support of the CalPERS Prefunding Programs trust funds (CERBT & CEPPT). All 14 members of the Prefunding Programs team operate out of CalPERS central office in Sacramento.

I will serve as the City's primary contact and have been working for CalPERS with the Prefunding Programs since 2022. Before joining CalPERS, I have spent more than 20 years in the private sector with a background in Marketing, Sales, and Business Administration. During this time at Associated Materials Inc., I held positions of Senior Branch Manager and Territory Sales Manager. My team and I are responsible for providing all educational and outreach efforts, including presentations and performance updates for participating CEPPT employers. My contact information is:

(916) 795-0751 Desk
(916) 291-0391 Cell
darren.lathrop@calpers.ca.gov

Our Prefunding Programs team holds office at our Sacramento Headquarters located at 400 Q Street, Sacramento, CA 95811.

We anticipate that the City will find that the Prefunding Program Team is lead by very motivated, customer friendly, and knowledgeable leaders. The team leaders have a combined 40+ years of experience in administering Section 115 Trusts.

We hope our response to this RFP and the attached documents convey our intentions and responsibilities to you. We are fully committed to serving the City in its efforts to prefund pension contributions.

Sincerely,

Darren Lathrop
Customer Outreach and Support Manager
CalPERS Prefunding Programs
(916) 795-0751 Desk
(916) 291-0391 Cell
darren.lathrop@calpers.ca.gov

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III. Executive Summary

The California Public Employees' Retirement System (CalPERS) is an agency of the State of California (State) charged to administer defined benefit pension, employer pension contribution prefunding, health benefits, long-term care insurance, other post-employment benefit (OPEB) prefunding, and supplemental income defined contribution programs, for the benefit of State, school, and local public agency employees. CalPERS is the largest public employee retirement fund (PERF) in the United States. CalPERS has been a retirement system administrator and has managed the PERF trust fund on behalf of California public employer defined benefit retirement plans since 1932. Presently, CalPERS manages about $487 billion in PERF assets on behalf of about 2 million members and 2,890 California public employers.

The California Public Employers' Retiree Benefit Trust (CERBT) fund began operations in March of 2007. Presently, the CERBT manages about $20.5 billion in assets on behalf of 603 California public employers. The California Employers' Pension Prefunding Trust (CEPPT) fund began operations in July of 2019. Presently, the CEPPT manages about $224 million in assets on behalf of 94 California public employers. CalPERS is one of the largest IRC Section 115 trust providers in the country as measured by participating employers and assets under management. Currently, a total of 628 California employers prefund their OPEB and/or Pension contributions and participate in the CalPERS Prefunding Programs.

The function of the CEPPT is to help employers prefund pension costs by delivering the highest investment returns consistent with appropriate investment risk at the lowest cost possible. We fulfill that function by concurrently delivering five key advantages that sets apart the CalPERS Prefunding Programs from our competitors:

1. World renowned investment management expertise with unmatched resources and economies of scale.
2. Annual financial reporting compliant with governmental accounting standards and trust level reporting completed by CalPERS on behalf of the employer.
3. Streamlined administrative processes and procedures that pertain to and range from day-to-day trust operations to the ability to have sub-accounting and multi-strategy selection options.
4. Excellent customer service and support from a knowledgeable team dedicated to helping employers achieve their funding goals.
5. Lowest total participation costs offering the most long-term savings.

It is our belief that the City will benefit the most by establishing and maintaining CEPPT accounts with CalPERS. We are the only ones who can offer all five of these advantages simultaneously and cannot be matched by any for-profit commission-based competitor out there.

IV. Statement of Understanding and Approach

We fully understand the scope of services being requested for proposal (RFP), the timeline of these services, and would be honored to serve to the City in this capacity.

CalPERS is able to provide Section 115 pension trust formation, administration and investment management services as outlined below.

- Offer an IRS-approved irrevocable funding vehicle to protect the City's assets.
- Implement the trust program within 90 days of executing the agreement. CEPPT employer assets are pooled within each strategy with CEPPT employer assets accounted for separately/individually
- Work directly with City staff to assist and guide on the selection of asset allocation strategies for the trust based on the City's investment objectives and risk tolerance and compliance with the City's Investment Policy.
- Provide a full-service program that includes trust administration, trustee and investment management services.
- Provide assurance of portfolio compliance with applicable policies and laws.
- Provide education/presentations regarding the pension trust program to Council and other City staff.
- Upon City's request, staff will be available to meet with City's Chief Financial Officer and other staff and provide reports and updates as to trust performance.
- Provide quarterly and annual comparative performance analyses and evaluation reports of the investments of the trust.
- With City staff, assist and support the development of a pension prefunding policy.
- Coordinate all contributions into the trust and process any requests for appropriate distribution.

CalPERS meets the vendor qualification and requirements as stated in RFP Document Section III, Scope of Services.

Part 2 | Firm Qualifications and Experience

The proposal should state the size of the Firm, the size of the Firm's staff, the location of the office from which the work on this engagement is to be performed.

For the Firm's office assigned responsibility for the Section 115 Trust for Pension Services, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar in organizational type, size and complexity to the engagement described in this request for proposal. These engagements should show experience with local governments establishing, administering, and management services of a Section 115 Trust for Pension. Indicate the scope of work, date engagement partners, total hours, and the name and telephone number of the principal client contact and, if available, a link to the final published report.

Established in 1932, CalPERS is an agency of the State of California (State) charged to administer defined benefit pension, employer pension contribution prefunding, health benefits, long-term care insurance, other post-employment benefit (OPEB) prefunding, and supplemental income defined contribution programs (SIP), for the benefit of State, school, and local public agency employees. As an agency of the State, CalPERS is overseen by the Governor and State Legislature. CalPERS is formed and governed under the California State Constitution (Article XVI) and the California Government Code. CalPERS is operated in compliance with State regulations and publishes financial reports compliant with governmental accounting standards.

CalPERS is the largest public employee retirement fund (PERF) in the United States. CalPERS has been a retirement system administrator and has managed governmental retirement plans for more than 90 years. Through nine decades of successful operation, CalPERS has established international reputation for prudent investment management and system administration. Presently, CalPERS manages about $487 billion of pension assets in worldwide markets on behalf of about 2 million members. CalPERS provides pension services to about 2,890 California public employers. CalPERS is headquartered in Sacramento and has 7 regional offices located throughout California that employ about 2,875 workers.

CalPERS is one of the largest IRC Section 115 trust provider in the United States. Currently, a total 628 California employers (including 157 Cities or Towns) prefund their OPEB and/or pension contributions and participate in the CalPERS Prefunding Programs.

The CEPPT fund program is described in California Public Employees' Retirement Law, Chapter 19, Government Code Sections 21710-21716, as a special trust fund in the State Treasury for the purpose of allowing State and local public agency employers that provide a defined benefit pension plan to their employees to prefund their required pension contributions. Senate Bill 1413 (SB1413), which enacted the CEPPT, was approved by the California Governor on September 21, 2018. The CEPPT is a fiduciary fund and will be reported in compliance with applicable Governmental Accounting Standards Board (GASB) Statements including No. 84 (GASB 84). The CEPPT is administered in a manner compliant with Internal Revenue Code (IRC) Section 115 and is operated in compliance with applicable laws and regulations. The CalPERS

Board of Administration (CalPERS Board) are the fiduciaries of the CEPPT which began operations in July of 2019.

There are 14 full time staff members dedicated to maintaining high levels of customer service, administration, and operational support to our CEPPT participating agencies. There are an additional five full time staff members dedicated to the investment services for the CEPPT Funds. All members of the Prefunding Programs operate out of CalPERS Headquarters in Sacramento, CA.

Primary Contact:
Darren Lathrop
CalPERS
400 Q Street
Sacramento, CA 95811
(916) 291-0391
Darren.Lathrop@CalPERS.CA.GOV

Reference	Contact Information
City of Burbank	Craig Wood, Deputy Finance Director 275 E Olive Ave, Burbank, CA 91502 (818) 238-5512 cwood@burbankca.gov CERBT - 8/20/2007 to present CEPPT - 8/19/2020 to present
City of Buena Park	Sung Hyun, Director of Finance 6650 Beach Boulevard, Buena Park, CA 90622 (714) 562-3713 Shyun@buenapark.com CERBT - 6/5/2009 to present CEPPT - 10/31/2019 to present
City of Belvedere	Amber Johnson, Administrative Services Manager 450 San Rafael Ave, Belvedere, CA (415) 435-8904 ajohnson@cityofbelvedere.org CEPPT - 5/7/2021 to present
City of Laguna Woods	Elizabeth Torres, Administrative Services Director/City Treasurer 24264 El Toro Road, Laguna Woods, CA 92637 (949) 639-0555 ETorres@cityoflagunawoods.org CERBT - 2/8/2016 to present CEPPT - 4/20/2021 to present

City of Torrance	Sheila Poisson, Finance Director 3031 Torrance Blvd., Torrance, CA 90503 310-618-5854 spoisson@torranceca.gov CERBT - 12/23/2015 to present CEPPT - 7/13/2021 to present

Part 3 | Consultant Identification and Team

The Firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the rate study. The Firm should also provide information on direct Section 115 Trust for Pension services experience, including the scope of services requested by the City, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this service.

The Firm should provide as much information as possible, including resumes, regarding the number, qualifications, experience, and training of the specific staff to be assigned to this agreement. The Firm should also indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the Firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of St. Helena. However, in either case, the City of St. Helena reserves the right to approve or reject replacements. This shall also apply to the consultants and firm specialists mentioned in response to this request for proposal.

Other personnel may be changed at the discretion of the Firm provided that replacements have substantially the same or better qualifications or experience and there is continuity of key staff to ensure an efficient process.

The CERBT & CEPPT Program (Prefunding Programs) team, staffed by 14 full time employees collectively responsible for the administration reporting, and customer outreach of the CalPERS Prefunding Programs trust funds (CERBT & CEPPT). All 14 members of the Prefunding Programs team operate out of CalPERS central office in Sacramento.

The City's primary contact is Darren Lathrop, CalPERS Prefunding Programs Customer Outreach and Support Manager for the CERBT and CEPPT. Darren has been working for CalPERS with the Prefunding Programs since 2022. Before joining CalPERS, Darren spent more than 20 years in the private sector with a background in Marketing, Sales, and Business Administration. During his time at Associated Materials Inc., he held positions of Senior Branch Manager and Territory Sales Manager. Darren is responsible for providing all educational and outreach efforts, including presentations and performance updates for participating CEPPT employers.

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Darren.Lathrop@CalPERS.CA.GOV

Colleen Cain-Herrback is the CalPERS Prefunding Programs overseeing both the CERBT and CEPPT. Colleen joined the Prefunding Programs team in 2016 after working for 2 years in CalPERS program areas performing budget analysis, and 5 years in CalPERS Human Resources Division. Prior to joining CalPERS in 2009, Colleen worked for 5 years with the Sacramento Kings NBA organization in their Human Resources Office. Colleen earned a BS in Business Administration from California State University, Sacramento. Colleen manages all IRC Section 115 Trust program support for participating employers.

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Robert Sharp is the Assistant Division Chief for CalPERS Prefunding Programs which includes oversight of the CERBT, CEPPT, and SIP Programs. Robert is responsible for overseeing the operational support teams that provide account support services to CalPERS contracting agencies. Prior to joining CalPERS in 2005, Robert worked for 6 years in the private sector in the banking and insurance industry. Robert earned a Bachelor of Arts degree from California State University, Sacramento.

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The CalPERS Investment Office (INVO) staff, under policy guidance of the CalPERS Board, manages and oversees the investments of the CERBT and CEPPT. The CalPERS Affiliate Investments Program (AIP) area will offer support to the City's CEPPT account with 5 full time employees.

Christine Reese, AIP Investment Director, leads this team who work out of the CalPERS INVO. Christine has more than 25 years of experience in the investment management industry, working with leading financial institutions such as BlackRock, State Street Bank & Trust, and Union Bank of California. Christine has managed the CalPERS AIP team from 2013-present. Prior to CalPERS, Christine was an independent consultant for BlackRock, State Street Bank & Trust for 9 years, Principle of Product Development for Barclays Global Investors for 5 years, and Assistant Vice President, Trading for Union Bank of California for 4 years. Christine earned a Bachelor of Science, Magna Cum Laude, from the University of Delaware and Certificate of Project Management from UC Berkeley Extension.

CalPERS has chosen to utilize State Street Global Advisors (SSGA) to externally manage all of the CEPPT asset classes. The daily investment of these asset classes is performed by SSGA following the strategies and instructions of CalPERS. SSGA maintains investment portfolios which are managed passively to emulate the CalPERS performance benchmarks of those asset classes. CalPERS also utilizes SSGA in part or whole for several other trust funds including the PERF, Judges Retirement System (JRS), and the Legislators Retirement System (LRS).

State Street Bank (SSB) is contracted to provide CEPPT investment custody services. SSB is a global investment management service company. Its operating history in the USA extends back to 1792. CalPERS Prefunding Programs have used SSB custodial services since the CERBT began operation in 2007.

Northeast Retirement Services, Inc. (NRS) provides CEPPT employer account record keeping. Daily reports of account transactions and balances are available through the Prefunding Programs Online Record Keeping system. NRS is contracted to deliver web-based asset account record access to CEPPT employers. Employers may access their accounts online. CalPERS Prefunding Programs have used NRS for record keeping services since 2010.

Part 4 | Proposed Project Workplan

1. *Provide a plan as to how you will administer the requested services outlined in this RFP.*
2. *Describe the firm's approach and timeframes to completing the services described in Section III. Scope of Services.*
3. *Describe the firm's approach to onboarding and transitioning a new client.*
4. *Include thorough discussions of methodologies you believe are essential to accomplishing this project including your firm's philosophy, including your approach to managing Section 115 trust programs. Please address the following questions in the response:*
    a. *What are your approaches to rebalancing or reallocating asset classes, styles, and sectors? How do you add value in this process?*
    b. *Describe the investment options available. Please provide 1, 3, and 5-year return history and underlying expense ratios for each fund/portfolio. Do your total portfolio returns comply with Global Investment Performance Standards?*
    c. *How are portfolios managed (e.g. by team, individua manager)?*
    d. *Describe your firm's in-house technical and research capabilities. Are outside sources used by the firm on a regular basis?*
    e. *What technical analysis (if any) do you use?*
    f. *Briefly describe your firm's investment management philosophy, including your approach to managing governmental portfolios.*
5. *Identify the staff who would be assigned to each task, including sub-consultants and sub-contractors.*
6. *List any necessary equipment, training, or installation services required.*

The purpose of the CEPPT is to prefund employer pension contributions by delivering the highest investment return consistent with a given level of investment risk for an appropriate investment time horizon, at the lowest cost possible. To achieve this purpose, the CEPPT program offers employers a broadly diversified investment portfolio, consisting of public market securities, authorized by an investment policy approved by the CalPERS Board. This investment portfolio is offered to employers in the form of two risk efficient, broadly diversified asset allocation strategies. These two CEPPT asset allocation strategies (CEPPT strategies) invest in the same four underlying set of asset classes. The asset allocation strategies differ from one another only in the extent to which they participate in each asset class. By altering the portion of assets allocated to each asset class in a systematic way, the long term expected rate of investment return and the investment return volatility of each asset allocation strategy are made materially different from one another.

If the City establishes a CEPPT Participation Agreement with CalPERS it will delegate the investment fiduciary responsibility of the City's CEPPT assets to the CalPERS Board. This delegation of investment fiduciary responsibility includes the adoption of the CEPPT Investment Policy . The design of the CEPPT Investment Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent and careful action while

managing the portfolios. Additionally, use of the CEPPT Investment Policy ensures sufficient flexibility in managing investment risks and returns associated with the CEPPT. The CEPPT Investment Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS Total Fund Investment Policy. The CEPPT Investment Policy shall also be managed to comply with all applicable INVO policies.

The CalPERS Board directs the investment strategy and investments of the CEPPT in accordance with the CEPPT Investment Policy. CalPERS INVO staff, under policy guidance of the CalPERS Board, manages the investments of the CEPPT. CalPERS employs more than 400 INVO staff who are devoted to the management of investments, investment risk, and investment policy compliance. CalPERS has chosen to utilize SSGA to externally manage all CEPPT asset classes except liquidity which is constrained to frictional/operational cash flows managed by CalPERS AIP staff. CalPERS AIP staff oversee SSGA.

CalPERS provides turnkey IRC Section 115 trust administration, including governance, custody, recordkeeping, financial reporting compliant with governmental accounting standards, and trust legal compliance some examples of which include:

- Establishment and implementation of the 115 trust accounts including sub-accounts
- Design, implementation and review of the CEPPT investment policies
- Receiving contributions from participating employers and establishing separate employer prefunding accounts in the prefunding plan
- Investing contributed amounts and income, if any
- Disbursing employer account amounts to pay for valid employer costs
- Daily reports of account transactions and balances are available through the Prefunding Programs online record keeping system
- Monthly reports of time-weighted investment performance are published on our web pages called “Fund Fact Sheets”
- Quarterly employer account statements are posted for download from the Prefunding Programs online record keeping system
- Audited ACFR compliant with GASB 74 & 84 issued by CalPERS
- Regular trust account updates, plan reviews, training and education to employer staff and stakeholders

The table below provides details regarding assumptions of 1-10 year forecasted expected rates of investment return for the CEPPT strategies. These expected rates of return are net of all fees assuming a fee rate of 25 basis points. Also illustrated is the corresponding level of expected investment return volatility as measured by the standard deviation of expected investment returns for the same 1-10-year period. This data was generated from 2022 capital market assumptions and constraints.

CEPPT Strategies	Strategy 1	Strategy 2
Expected 1-10 Year Net Compound Rate of Investment Return	4.50%	3.50%
Standard Deviation of Expected Investment Returns	8.8%	6.1%

The table below provides details regarding the asset class target allocations and policy ranges for each CEPPT strategy along with the investment performance benchmarks for each major asset classification utilized.

Asset Classification	Benchmark	Strategy 1	Strategy 2
Global Equity	MSCI ACWI IMI (Net)	37% +/- 5%	21% +/- 5%
Fixed Income	Bloomberg U.S. Aggregate Bond Index	44% +/- 5%	61% +/- 5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid (Net)	14% +/- 5%	9% +/- 5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index (Series L)	5% +/- 3%	9% +/- 3%
Liquidity	91-Day Treasury Bill	0% + 2%	0% +2%

See “Attachment 2 – CEPPT Fund Fact Sheets”.

CalPERS ensures compliance with the CEPPT Investment Policy by setting asset class target allocations and policy ranges for each of the asset classes being utilized which are provided in the CEPPT Investment Policy. The CalPERS Board has established procedures which are followed by CalPERS staff to ensure that CEPPT Investment Policy compliance is maintained.

The CEPPT investments are monitored and evaluated daily to ensure that their ability to provide CEPPT participating employers with optimally efficient and prudent investment options is maintained. Major asset classifications and the CEPPT strategies are determined using a rigorous methodology that includes an exhaustive study, analysis, and review of the CEPPT Investment Policy at least once every four years with a less exhaustive review performed at least every two years. CalPERS has developed and implemented an asset liability analytical framework to conduct its asset allocation work for the CEPPT Investment Policy, which may be modified periodically to reflect the changing nature of investment market and economic conditions. Using a mean variance optimization approach that incorporates forecasted capital market assumptions (asset class returns), volatilities, and liability information for each trust, an efficient frontier is constructed depicting the portfolios with the highest expected return for a range of volatilities given the assumptions. The policy portfolios on the efficient frontier provide investment options of the highest degree of diversification given varying levels of risk. A range of potential policy portfolios that best balance the investment objectives, risk tolerances, and liquidity constraints of the CEPPT trust are then presented for CalPERS Board approval. Once a policy portfolio is approved, the CEPPT Investment Policy is approved by the CalPERS Board which identifies the strategic asset allocation targets to be invested in each asset class. Policy targets are typically implemented over an appropriate transition period (depending on the degree of change) to efficiently manage transaction costs and market effect. Upon adoption of significant CEPPT Investment Policy changes, CalPERS staff will implement the changes within a reasonable time period. The CEPPT portfolio will be managed in a manner that minimizes any tracking error.

The Asset Liability Management (ALM) process is an integrated review of our assets and liabilities to inform decisions designed to achieve a sound and sustainable fund. The goal of the ALM process is to balance the expected cost of future OPEB and pension payments with the expected future investment returns. During the process, the CalPERS board reviews its overall risks, taking into consideration the long-term sustainability of the system.

This formal process runs on a four-year cycle and includes a review of CalPERS' investment portfolios and retirement plan liabilities. Capital Market Assumptions are primarily based on expectations of future investment returns. Liability projections are based on demographic and economic factors and trends, including membership dynamics, future salary and payroll growth, retirement ages, inflation, and life expectancy.

This innovative and transparent approach is overseen by the board and used to make sound decisions that applies to the Public Employees' Retirement Fund (PERF) and our other Affiliate Funds.

CEPPT employer assets are pooled within each CEPPT strategy for investment purposes and objectives, however, CEPPT employer assets are accounted for separately in individual CEPPT employer accounts using a unitized methodology where each CEPPT employer owns units of a CEPPT strategy. Unitization makes asset valuation simple and allows for efficient liquidity.

CEPPT employers control their individual CEPPT funding policies. Prefunding Programs staff view the decision about which CEPPT strategy(s) to utilize as a funding policy decision rather than an investment policy decision. The City is responsible for this ongoing decision which is based on investment return volatility, plan funded status, sources of future funding, and cash payments required by the benefit plan. Since the underlying asset classes are the same for each CEPPT strategy, the City's choice of CEPPT strategy(s) is guided by what is best in terms of financial commitment, prefunding objective, and plan cash flow requirements, rather than in which particular securities should assets be invested. To help make this decision easier, City staff may choose to utilize both CEPPT strategies concurrently.

All CEPPT contributions (initial and ongoing) are treated identically with respect to their timely deployment into CEPPT strategies. CEPPT contributions can be made daily, weekly, monthly, quarterly, or annually which is something for the City to consider when moving money into the CEPPT. Many employers have mentioned their concerns to Prefunding Programs staff about market timing risk and prefer smaller, more frequent contributions to address their concerns. CalPERS has chosen to utilize and oversee SSGA to externally manage all of the CEPPT asset classes. SSB is contracted to provide CEPPT investment custody services. NRS is contracted to deliver web-based account record access which City staff can view daily. Prefunding Programs staff provide a GASB 84 compliant financial report to all participating employers through the CalPERS Annual Comprehensive Financial Report (ACFR) which is independently audited. CalPERS retains highly skilled internal and external legal counsel who advise on all matters of CEPPT legal compliance including the legal basis for a prospective employer to participate in an IRC Section 115 trust fund.

We have provided a hypothetical implementation schedule assuming the City's is planning to award the RFP on May 14, 2024.

The contracting documents will be reviewed and approved in a few business days (not more than 10 business days, but usually 2-3 business days). The trust is fully implemented and set-up for the City as soon as the CEPPT contract has been executed and signed by CalPERS. Contributions will be accepted as early as one day after the date of the City's contract agreement is approved by CalPERS.

Prefunding Program staff will work with the City staff and City's incumbent 115 trust provider to facilitate the Trust to Trust transfer to the City's CEPPT account. City staff and City's incumbent 115 trust provider determines the timeline of the transfer. CEPPT is ready to accept the transfer one day after the City's CEPPT contract has been executed and signed.

City of St. Helena
Establishment, Administration, and Management Services of a Section 115 Trust for Pension

Hypothetical Implementation Schedule

RFP issued	March 27, 2024
Deadline for receiving questions	April 12, 2024
Proposals due	April 29, 2024
Vendor selected at City Council	May 14, 2024
City completes and submits CEPPT contracting documents	May 17, 2024
CEPPT Participation Agreement executed	May 23, 2024
CEPPT welcome letter packet mailed to City	May 24, 2024
CEPPT onboarding teleconference	Week of May 27
CEPPT cash flow strategy discussion for fiscal year 2023-24	May/June 2024
Initial CEPPT contribution	Employer Determined
CEPPT Q1 statement as of 09302023 uploaded to NRS	October 15, 2024
CEPPT Q2 statement as of 12312023 uploaded to NRS	January 15, 2025
CEPPT Q3 statement as of 03312024 uploaded to NRS	April 15, 2025
CEPPT account updates	1-2x/year ongoing

Part 5 | Total Cost and Hourly Rate

The proposal should contain all pricing information related to establishing, administering, and management services of a Section 115 Trust for Pension as described in this request for proposal. The total all-inclusive maximum cost to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

The CEPPT is a self-funded, not for profit, trust funds in which participating employers pay for all expenses. These expenses consist of administrative expenses borne by CalPERS to administer and oversee the trust assets, investment management fees and administrative fees paid to SSGA for their role in managing the CEPPT investment trust asset classes, custody services paid to SSB and recordkeeping fees paid to NRS to administer individual employer accounts. Because the CEPPT both cannot retain a profit from their services, the CEPPT charges a total participation cost fee rate that covers all services. This total participation cost fee rate is expressed in basis points (bps). A basis point (bp) is 1/100th of a single percent. This fee rate is applied to and deducted from the participating employer's daily CEPPT asset balance. CEPPT participating employers are never billed or invoiced. The CEPPT total participation cost fee rate is currently 25bps of assets under management. There are no other CEPPT fees.

CEPPT Fee Rate Category Breakdown	
Source of CEPPT Fees	Basis Points
External investment management fees	~2.00
External investment operating expenses to fund managers	~3.10
Internal investment fees	~2.40
Custodial services fees	~0.80
Online Record Keeping fees	~1.50
Program administration fees	~15.20
Total:	25.00

There is no start-up implementation fee. No fee is charged until assets are placed in the employer account. There are no one-time fees. There are no fees for initial and ongoing compliance and legal fees. There are no minimum fees. There are no front-end and back-end fees/loads. There are no transaction fees. There are no standard fees vs. custom services fees. There are no termination fees, or any other fees related to the transfer of the City's assets to another qualified trust. CEPPT employers pay the actual cost of trust fund operations. CalPERS is a state agency and does not retain any profit from trust operation. The fee rate may change.

Our fee rate is not scalable like our competitors. We charge all of our customers, regardless of their size, the lowest possible cost at all times. We start less expensive than any other trust

fund and we stay less expensive than any other trust fund. This is a huge advantage for our customers because it creates a favorable mathematical probability, they will save the greatest amount of money at the same level of investment risk exposure over a given time period. The longer that time period the greater the probability. Additionally, when they draw down their account balances and actually use the money for its intended purpose, they don't have to pay more in fees.

CEPPT contributions and disbursements are always voluntary actions decided upon by the participating employer and never required by CalPERS. Contributions can be made at any time and frequency via check, wire, or ACH.

The 25 basis point CEPPT total participation cost fee rate is applied to and deducted from the participating employer's daily CEPPT asset balance. CEPPT participating employers are never billed or invoiced.

CalPERS Attachments

Attachment 1

CEPPT Investment Policy

CalPERS Investment Policy for the California Employers' Pension Prefunding Trust

Effective Date

This policy is effective as of October 1, 2022.

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Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS' overarching investment beliefs, purposes, and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the policy portfolios (Portfolios) of the California Employers' Pension Prefunding Trust Fund (CEPPT or Fund). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent and careful action while managing the Portfolios. Additionally, use of this Policy ensures sufficient flexibility in managing investment risks and returns associated with the Fund.

The Fund was established January 1, 2019 for public employers to prefund their required pension contributions. There are two separate Portfolios (Strategy 1 and Strategy 2) for the Fund, that provide employers a choice of asset allocation strategies.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS Total Fund Investment Policy. This Policy shall also be managed to comply with all applicable Investment Office policies.

Strategic Objective

The Fund seeks to offer to employers distinct investment alternatives given their specific liabilities and cash flow needs.

Responsibilities

Details regarding various levels of responsibility for this Fund are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

Investment Approach & Parameter

A. Performance Objective and Benchmark

   The benchmark for the Portfolios is specified in the CalPERS Total Fund Investment Policy benchmark appendix.

B. Strategic Asset Allocation Process

   A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule and process as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.

C. Restrictions, Prohibitions and Authorized Securities

Restrictions, Prohibitions and Authorized Securities of the Fund are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.

All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.

Investment Constraints/ Limitations

See Appendix 3 for Fund investment constraints/limitations.

Glossary of CalPERS Specific Terms

Bold italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the CalPERS Specific Glossary of Terms.

Policy Document History

See Appendix 4 for historical details of Investment Committee adoption and revisions of this Policy.

Appendices

Appendix 1: Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

1. Investment Office Staff
2. ***General Pension Consultant***

Table 1: Investment Office Staff Reporting Responsibilities

Ref #	Report Content	Frequency
1.	Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance, and risk metrics.	No less than annually
2.	Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action	At the next Committee meeting, or sooner if deemed necessary

*Table 2: **General Pension Consultant** Reporting Responsibilities*

Ref #	Report Content	Frequency
1.	The Consultant shall monitor, evaluate, and report on the performance of the Fund relative to the benchmarks and this Policy and other applicable CalPERS Policies.	No less than annually

Appendix 2: Investment Responsibilities

The following sections provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- ***General Pension Consultant***
- ***External Manager***

Investment Committee Responsibilities

1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

Investment Office Staff Responsibilities

1. All aspects of portfolio management, including monitoring, trading, analyzing, evaluating performance relative to the appropriate benchmark, and selecting and contracting with managers.
2. Provide individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, and Policy targets and ranges.
3. Manage the asset class allocations of the Fund within Policy ranges approved by the Committee, in accordance with Policy guidelines.
4. Monitor internal and external managers in the implementation of, and compliance with, the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

***General Pension Consultant** Responsibilities*

1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

***External Manager** Responsibilities*

1. Manage the Fund in accordance with each manager's contract with CalPERS and the Policy.

2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Fund.

Appendix 3: Investment Constraints/Limitations

Portfolio Asset Class Allocation Targets & Ranges

The following tables provide details regarding the asset allocation targets and ranges for each CEPPT strategy. Upon adoption of significant policy changes, Staff will implement the changes within a reasonable time period.

Table 3.1: Allocation Targets and Ranges – Strategy 1, Effective October 1, 2022

Asset Class	Policy Target	Policy Range Relative to Target
Global Equity	37%	+/- 5%
Fixed Income	44%	+/- 5%
Treasury Inflation-Protected Securities (TIPS)	5%	+/- 3%
Real Estate Investment Trusts (REITs)	14%	+/- 5%
Liquidity*	0%	+ 2%
Total	**100%**	

*The Liquidity asset class is constrained to frictional/operational cash flows

Table 3.2: Allocation Targets and Ranges – Strategy 2, Effective October 1, 2022

Asset Class	Policy Target	Policy Range Relative to Target
Global Equity	21%	+/- 5%
Fixed Income	61%	+/- 5%
Treasury Inflation-Protected Securities (TIPS)	9%	+/- 3%
Real Estate Investment Trusts (REITs)	9%	+/- 5%
Liquidity*	0%	+ 2%
Total	**100%**	

*The Liquidity asset class is constrained to frictional/operational cash flows.

Target Tracking Error

The Portfolios will be managed in a manner that minimizes any tracking error.

Appendix 4: Policy Document History

Table 4: CEPPT Fund Policy History

Date	Detail
2019-06-18	Approved by the Investment Committee.
2022-10-01	Administrative changes to the strategic asset allocation targets and ranges as approved by the Committee on March 14, 2022 (agenda item 7b).

Attachment 2

CEPPT Fund Facts – March 2024

California Employers' Pension Prefunding Trust (CEPPT)

CEPPT Strategy 1

March 31, 2024

Objective

The CEPPT Strategy 1 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CEPPT Strategy 1 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 2, this portfolio has a higher allocation to equities than bonds. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 1	Annual Expense Ratio
$172,519,265	0.25%

Composition

Asset Class Allocations and Benchmarks

The CEPPT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

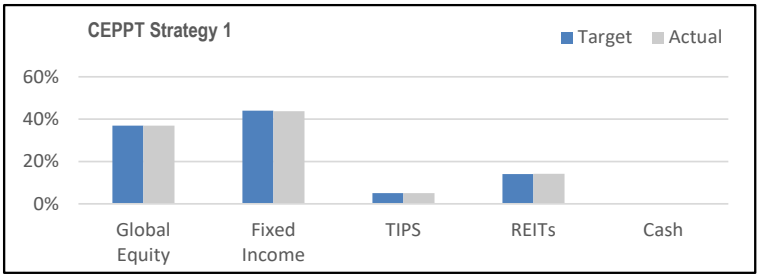
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	37%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	44%	± 5%	Bloomberg US Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	14%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	ICE BofA US 3-Month Treasury Bill Index

Portfolio Benchmark

The CEPPT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



CEPPT Strategy 1 Performance as of March 31, 2024								
	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (October 1, 2019)
Gross Return [1,3]	2.08%	2.37%	8.06%	10.02%	1.43%	-	-	4.46%
Net Return [2,3]	2.06%	2.32%	7.87%	9.76%	1.19%	-	-	4.22%
Benchmark Return	2.12%	2.33%	7.98%	9.89%	1.23%	-	-	4.35%
Standard Deviation [4]	-	-	-	-	11.46%	-	-	11.27%

* Returns for periods greater than one year are annualized.

[1] Gross returns are net of SSGA operating expenses.

[2] Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

[3] Expenses are described in more detail on page 2 of this document.

[4] Standard deviation is based on gross returns and is reported for periods greater than 3 years.

California Employers' Pension Prefunding Trust (CEPPT)

CEPPT Strategy 1

March 31, 2024

General Information

Information Accessibility
The CEPPT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or by external managers. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. CalPERS provides a quarterly statement of the employer's account and other information about the CEPPT. For total market value, detailed asset allocation, investment policy and performance information, please visit our website at **www.calpers.ca.gov.**

Portfolio Manager Information
The CalPERS Board, through its Investment Committee, directs the CEPPT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CEPPT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, and Treasury Inflation-Protected Securities.

Custodian and Record Keeper
State Street Bank serves as custodian for the CEPPT. Northeast Retirement Services serves as recordkeeper.

Expenses
CEPPT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater reduction of investment return. Currently, CEPPT expense ratios are 0.25%. This equates to $2.50 per $1,000 invested. The expenses consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own
Each employer invested in CEPPT Strategy 1 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price
The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio
The CEPPT fund is a trust fund dedicated to prefunding employer contributions to defined benefit pension plans for eligible state and local agencies. CEPPT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations.

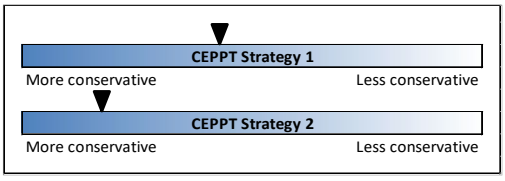
An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CEPPT Principal Investment Risks" located at **www.calpers.ca.gov.**

Fund Performance
Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit **www.calpers.ca.gov** and follow the links to California Employers' Pension Prefunding Trust.

CEPPT Strategy Risk Levels
CalPERS offers employers the choice of one of two investment strategies. Projected risk levels among risk strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2
Global Equity	37%	21%
Fixed Income	44%	61%
Treasury-Inflation Protected Securities	5%	9%
Real Estate Investment Trusts	14%	9%



California Employers' Pension Prefunding Trust (CEPPT)

CEPPT Strategy 2

March 31, 2024

Objective

The CEPPT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CEPPT Strategy 2 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 1, this portfolio has a lower allocation to equities and a higher allocation to bonds. Historically, funds with a lower percentage of equities have displayed less price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 2	Annual Expense Ratio
$51,362,573	0.25%

Composition

Asset Class Allocations and Benchmarks

The CEPPT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

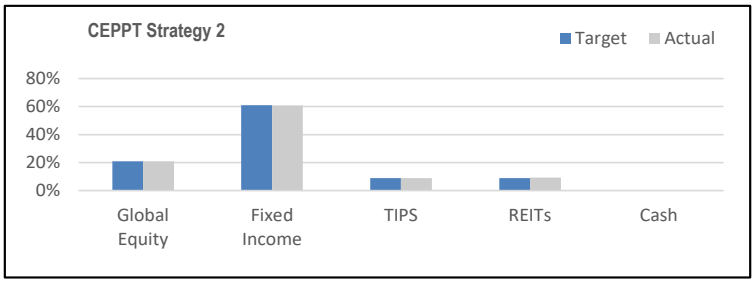
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	21%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	61%	± 5%	Bloomberg US Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	9%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	9%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	ICE BofA US 3-Month Treasury Bill Index

Portfolio Benchmark

The CEPPT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



CEPPT Strategy 2 Performance as of March 31, 2024								
	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (January 1, 2020)
Gross Return [1,3]	1.58%	1.07%	5.70%	6.37%	-0.15%	-	-	1.60%
Net Return [2,3]	1.56%	1.01%	5.52%	6.12%	-0.38%	-	-	1.37%
Benchmark Return	1.63%	1.02%	5.64%	6.29%	-0.21%	-	-	1.50%
Standard Deviation [4]	-	-	-	-	9.18%	-	-	8.48%

* Returns for periods greater than one year are annualized.

[1] Gross returns are net of SSGA operating expenses.

[2] Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

[3] Expenses are described in more detail on page 2 of this document.

[4] Standard deviation is based on gross returns and is reported for periods greater than 3 years.

California Employers' Pension Prefunding Trust (CEPPT)

CEPPT Strategy 2

March 31, 2024

General Information

Information Accessibility

The CEPPT Strategy 2 portfolio consists of assets managed internally by CalPERS and/or by external managers. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. CalPERS provides a quarterly statement of the employer's account and other information about the CEPPT. For total market value, detailed asset allocation, investment policy and performance information, please visit our website at **www.calpers.ca.gov.**

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CEPPT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CEPPT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, and Treasury Inflation-Protected Securities.

Custodian and Record Keeper

State Street Bank serves as custodian for the CEPPT. Northeast Retirement Services serves as recordkeeper.

Expenses

CEPPT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater reduction of investment return. Currently, CEPPT expense ratios are 0.25%. This equates to $2.50 per $1,000 invested. The expenses consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CEPPT Strategy 2 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CEPPT fund is a trust fund dedicated to prefunding employer contributions to defined benefit pension plans for eligible state and local agencies. CEPPT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CEPPT Principal Investment Risks" located at **www.calpers.ca.gov.**

Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit **www.calpers.ca.gov** and follow the links to California Employers' Pension Prefunding Trust.

CEPPT Strategy Risk Levels

CalPERS offers employers the choice of one of two investment strategies. Projected risk levels among risk strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2
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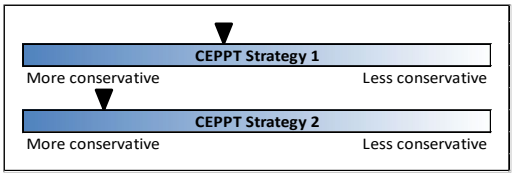

Attachment 3

Prefunding Program Employers

Prefunding Programs
Contracted Employers

CalPERS

Associations/Councils of Governments
Association of Bay Area Governments
Association of Monterey Bay Area Governments
Butte County Association of Governments
City/County Association of Governments of San Mateo County
Sacramento Area Council of Governments (Dual)
San Diego Association of Governments
San Gabriel Valley Council of Governments (CEPPT)
San Luis Obispo Council of Governments
Santa Barbara County Association of Governments
Southern California Association of Governments
San Benito County Council of Governments

Cemetery Districts
Auburn Public Cemetery District
Placer County Cemetery District #1
Roseville Public Cemetery District
Vacaville – Elmira Cemetery District (CEPPT)

Cities & Towns
City of Agoura Hills (Dual)
City of American Canyon
City of Anaheim
City of Antioch
City of Arcata (Dual)
City of Avalon
City of Baldwin Park
City of Barstow
City of Bellflower
City of Belmont
City of Belvedere (CEPPT)
City of Brentwood
City of Buena Park (Dual)
City of Burbank (Dual)
City of Burlingame
City of Calexico
City of Campbell
City of Capitola
City of Carlsbad
City of Carson
City of Cathedral City
City of Cerritos
City of Citrus Heights
City of Colusa
City of Concord
City of Corona
City of Cotati (CEPPT)
City of Daly City
City of Davis
City of Diamond Bar
City of Downey
City of Dublin
City of Eastvale
City of El Cajon
City of El Centro
City of El Segundo
City of Encinitas
City of Fairfield
City of Fort Bragg
City of Fountain Valley
City of Fremont
City of Gardena
City of Grand Terrace
City of Guadalupe (CEPPT)
City of Hawaiian Gardens
City of Hayward (Dual)
City of Huntington Beach
City of Huntington Park
City of Indian Wells
City of Indio
City of Industry (Dual)
City of Irwindale (Dual)
City of La Habra
City of La Mesa
City of La Mirada
City of La Palma
City of La Puente
City of La Quinta
City of Lafayette
City of Laguna Woods (Dual)
City of Larkspur
City of Lathrop
City of Lindsay (Dual)
City of Live Oak
City of Livingston
City of Loma Linda
City of Lompoc
City of Los Altos
City of Los Banos
City of Lynwood
City of Malibu
City of Manhattan Beach
City of Martinez
City of Maywood (Dual)
City of Menlo Park
City of Merced
City of Mill Valley
City of Milpitas
City of Mission Viejo
City of Monterey
City of Monterey Park
City of Moorpark
City of Moreno Valley
City of Morgan Hill
City of Mountain View
City of Murrieta
City of Napa

Prefunding Programs
Contracted Employers

City of Newark
City of Newport Beach
City of Norco
City of Oakland
City of Ojai (Dual)
City of Ontario
City of Palm Desert
City of Palo Alto
City of Paramount
City of Perris
City of Pico Rivera
City of Pismo Beach
City of Pittsburg
City of Pleasanton
City of Rancho Cordova
City of Rancho Mirage
City of Redondo Beach
City of Redwood City
City of Reedley
City of Richmond
City of Ridgecrest
City of Rocklin
City of Rohnert Park
City of Rolling Hills
City of Sacramento
City of Salinas
City of Sand City
City of San Carlos
City of San Clemente
City of San Diego
City of San Gabriel
City of San Luis Obispo (Dual)
City of San Marino (Dual)
City of San Mateo
City of San Rafael
City of San Ramon
City of Santa Fe Springs (Dual)
City of Santa Monica
City of Santee
City of Scotts Valley
City of Seal Beach
City of Shasta Lake (Dual)
City of Sierra Madre (Dual)
City of Solvang
City of Sonora (CEPPT)
City of South Pasadena
City of South San Francisco
City of Stanton
City of Temecula
City of Thousand Oaks
City of Tracy (CEPPT)
City of Torrance (Dual)
City of Vacaville
City of Vallejo
City of Vernon
City of West Hollywood
City of West Sacramento
City of Westlake Village (Dual)
City of Westminster
City of Yorba Linda
City of Yreka (Dual)
Town of Corte Madera
Town of Fairfax
Town of Hillsborough
Town of Los Altos Hills
Town of Los Gatos (Dual)
Town of Portola Valley
Town of Ross
Town of San Anselmo
Town of Truckee

Community Services Districts
Big Bear City Community Services District
Brooktrails Township Community Services District
Castroville Community Services District
Clear Creek Community Services District
Cosumnes Community Services District
Denair Community Services District
Dublin San Ramon Services District
El Dorado Hills Community Services District
Groveland Community Services District
Heritage Ranch Community Services District
Hidden Valley Lake Community Services District
Jurupa Community Services District
Kensington Police Protection & Community Services District
Marinwood Community Services District
McCloud Community Services District (Dual)
McKinleyville Community Services District
Nipomo Community Services District
Northstar Community Services District (CEPPT)
Olympic Valley Public Service District (Dual)
Rancho Murieta Community Service District
Tamalpais Community Services District
Templeton Community Services District

Counties
County of Butte
County of Del Norte
County of Marin
County of Monterey
County of Nevada
County of Placer
County of San Luis Obispo
County of San Mateo
County of Santa Clara

Prefunding Programs
Contracted Employers

Fairs & Expositions
California Authority of Racing Fairs
California Fair Services Authority
California Fairs Financing Authority

Fire Districts
Alameda County Fire Department
American Canyon Fire Protection District
Arcata Fire Protection District
Barstow Fire Protection District
Belmont Fire Protection District
Belmont-San Carlos Fire Department
Bonita-Sunnyside Fire Protection District
Central County Fire Department
Central FPD of Santa Cruz County (Dual)
Chino Valley Independent Fire District
Diamond Springs/El Dorado Fire Protection District
Felton Fire Protection District (CEPPT)
Georgetown Fire Protection District
Kensington Fire Protection District
Kentfield Fire Protection District (Dual)
Kenwood Fire Protection District
Lake County Fire Protection District
Lakeside Fire Protection District
Livermore-Pleasanton Fire Department
Meeks Bay Fire Protection District
North Tahoe Fire Protection District
Novato Fire Protection District
Rancho Cucamonga Fire Protection District
Rodeo-Hercules Fire District
Ross Valley Fire Service
Sacramento Metropolitan Fire District
San Ramon Valley Fire Protection District
Santa Clara County Central Fire Protection District
Scotts Valley Fire Protection District (Dual)
Shasta Lake Fire Protection District
Sonoma County Fire District
Tiburon Fire Protection District (Dual)
Truckee Fire Protection (CEPPT)
Woodside Fire Protection District (Dual)

First 5
First 5 Contra Costa
First 5 Del Norte
First 5 San Benito

Hospital/Medical Agencies
Camarillo Health Care District
Grossmont Healthcare District
Inland Empire Health Plan (CEPPT)
Santa Clara County Health Authority
Sierra-Sacramento Valley EMS Agency (Dual)

Housing Authorities/Redevelopment Agencies
Capitol Area Development Authority
CRA/LA, a Designated Local Authority
Housing Authority of the City of Alameda
Housing Authority of the City of Los Angeles
Housing Authority of the County of Butte
Housing Authority of the County of San Mateo
Housing Authority of the County of Santa Cruz
Kern County Housing Authority
Los Angeles County Development Authority (Dual)
Oakland City Housing Authority
Paso Robles City Housing Authority (CEPPT)
Plumas County Community Development Commission
Regional Housing Authority
Sacramento City Housing Authority
San Francisco City & County Redevelopment Agency
Santa Clara County Housing Authority (Dual)
Stanislaus County Housing Authority
Yolo County Housing Authority

Libraries/Library Districts
Alameda County Law Library
Altadena Library District (Dual)
Buena Park Library District
Contra Costa County Public Law Library
Fresno County Law Library
Kern County Law Library
Los Angeles County Law Library
Riverside County Law Library (Dual)
Sacramento County Public Law Library (Dual)
San Diego County Law Library (Dual)
San Mateo County Law Library (CEPPT)
Sonoma County Library
Southern California Library Cooperative (CEPPT)
Ventura County Law Library

Mosquito Abatement & Vector Control Districts
Antelope Valley Mosquito & Vector Control District
Butte County Mosquito & Vector Control Dist. (CEPPT)
Coachella Valley Mosquito & Vector Control District
Compton Creek Mosquito Abatement District
Delta Mosquito and Vector Control District (Dual)
Greater Los Angeles County Vector Control District
Los Angeles County West Vector Control District
Marin/Sonoma Mosquito Vector & Control District (Dual)
Mosquito & Vector Management District of Santa Barbara County
Napa County Mosquito Abatement District
Northwest Mosquito & Vector Control District
Placer Mosquito & Vector Control District
Sacramento-Yolo Mosquito & Vector Control District
San Gabriel Valley Mosquito & Vector Control District
San Joaquin County Mosquito & Vector Control District
Shasta Mosquito & Vector Control District

Prefunding Programs
Contracted Employers

Solano County Mosquito Abatement District (Dual)
Turlock Mosquito Abatement District (Dual)

Parks & Recreation Districts
Auburn Area Recreation & Park District (CEPPT)
Beaumont-Cherry Valley RPD (Dual)
East Bay Regional Park District
Fair Oaks Recreation & Park District
Midpeninsula Regional Open Space District
Monterey Peninsula Regional Park District (Dual)
Paradise Recreation and Park District
Riverside County Regional Park & Open Space District
Western Riverside County Regional Conservation Authority

Pollution Control Districts
Bay Area Air Quality Management District (Dual)
Butte County Air Quality Management District (Dual)
Sacramento Metropolitan Air Quality Mgt. District
Yolo-Solano Air Quality Management District

Sanitation Districts
Alameda County Waste Management Authority
Big Bear Area Regional Wastewater Agency
Carmel Area Wastewater District (CEPPT)
Castro Valley Sanitary District (Dual)
Central Marin Sanitation Agency
Costa Mesa Sanitary District
Del Norte Solid Waste Management Authority
East Bay Dischargers Authority
Encina Wastewater Authority
East Palo Alto Sanitary District (Dual)
Fairfield-Suisun Sewer District (Dual)
Goleta Sanitary District
Ironhouse Sanitary District
Las Gallinas Valley Sanitary District
Leucadia Wastewater District
Los Angeles County Sanitation District No. 2
Midway City Sanitary District (Dual)
Mt. View Sanitary District
Murphys Sanitary District (CEPPT)
Napa Sanitation District
Ojai Valley Sanitary District
Oro Loma Sanitary District
Richardson Bay Sanitary District
Ross Valley Sanitary District (Dual)
Salinas Valley Solid Waste Authority (Dual)
Sanitary District No. 5 of Marin County
Sausalito-Marin City Sanitary District (Dual)
Selma-Kingsburg-Fowler County Sanitation District
Silicon Valley Clean Water
Stege Sanitary District
Tahoe-Truckee Sanitation Agency
Truckee Sanitary District (Dual)
Union Sanitary District
Vallejo Flood & Wastewater District
Valley Sanitary District
West Contra Costa Integrated Waste Management Authority (Dual)
West Valley Sanitation District of Santa Clara County

School Districts & Offices of Education
Acalanes Union High School District
Alhambra Unified School District
Barstow Community College District
Burlingame School District
Butte-Glenn Community College District
Cabrillo Joint Community College District
Campbell Union Elementary School District
Center Unified School District
Centralia Elementary School District
Chula Vista Elementary School District
Dehesa Elementary School District
Del Mar Union Elementary School District
Eden Area Regional Occupation Program
Enterprise Elementary School District
Fairfield-Suisun Unified School District
Fallbrook Union High School District
Foothill-DeAnza Community College District
Franklin Elementary School District
Fremont Union High School District
Fresno Unified School District
Glendale Community College District
Grossmont Union High School District
Hartnell Community College District
Igo, Ono, Platina Union Elementary School District
Lafayette School District
Laguna Beach Unified School District
Lakeside Union Elementary School District
Las Lomitas Elementary School District
Liberty Union High School District
Los Angeles Community College District
Los Angeles County Office of Education
Los Angeles Unified School District
Lowell Joint School District
Luther Burbank Elementary School District
Lynwood Unified School District
Marin Community College District
Menlo Park City Elementary School District
Metropolitan Education District
Mill Valley School District
Mt. San Jacinto Community College District
Napa Community College District
Napa County Office of Education
Orinda Union School District
Palo Alto Unified School Districts
Pleasanton Unified School District
Rancho Santa Fe Elementary School District

Prefunding Programs
Contracted Employers

Redding Elementary School District
Reed Union School District
Rialto Unified School District
Riverside Community College District
Riverside County Office of Education
Robla Elementary School District
Rocklin Unified School District
Sacramento City Unified School District
Sacramento County Office of Education
San Bernardino City Unified School District
San Diego County Office of Education
San Francisco Unified School District
San Joaquin County Schools
San Joaquin Delta Community College District
San Marcos Unified School District
San Ramon Valley Unified School District
Santa Ana Unified School District
Santa Clara County Schools
Santa Cruz County Office of Education
Santa Monica Community College District
Santa Monica-Malibu Unified School District
Sequoia Union High School District
Shasta County Schools
Shasta Union Elementary School District
Shasta Union High School District
Siskiyou County Office of Education
St. Helena Unified School District
Tamalpais Union High School District
Trinity County Schools
Vacaville Unified School District
West Contra Costa Unified School District
West Valley-Mission Community College District
Western Placer Unified School District
William S. Hart Union High School District
Yreka Union Elementary School District
Yreka Union High School District
Yuba Community College District

State of California
23 Bargaining Units

Superior Courts
Alpine County Superior Court
Amador County Superior Court (CEPPT)
Butte County Superior Court
Calaveras County Superior Court (CEPPT)
Contra Costa Superior Court
Colusa County Superior Court
El Dorado County Superior Court
Glenn County Superior Court
Lake County Superior Court
Lassen County Superior Court
Madera County Superior Court
Mariposa County Superior Court
Modoc County Superior Court
Mono County Superior Court (CEPPT)
Monterey County Superior Court
Napa County Superior Court
Nevada County Superior Court
Placer County Superior Court
Plumas County Superior Court
Riverside County Superior Court
Sacramento County Superior Court
San Bernardino County Superior Court
San Francisco County Superior Court
San Luis Obispo County Superior Court
Santa Clara County Superior Court
Sierra County Superior Court
Santa Cruz County Superior Court
Solano County Superior Court
Sutter County Superior Court
Trinity County Superior Court
Yolo County Superior Court
Yuba County Superior Court

Transportation & Transit Districts
Alameda-Contra Costa Transit District
Alameda Corridor Transportation Authority
Alameda County Transportation Commission
Border Coast Regional Airport Authority
Contra Costa Transportation Authority
El Dorado County Transit Authority (Dual)
El Dorado County Transportation Commission (Dual)
Gold Coast Transit
Livermore/Amador Valley Transit Authority (Dual)
Morongo Basin Transit Authority (Dual)
Napa County Transportation & Planning Agency
Peninsula Traffic Congestion Relief Alliance
Placer County Transportation Planning Agency
Riverside County Transportation Commission
Riverside Transit Agency
Sacramento Regional Transit District
San Diego County Regional Airport Authority
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco County Transportation Authority
San Mateo County Transit District (Dual)
Santa Barbara Metropolitan Transit District
Santa Cruz County Regional Transportation Commission (Dual)
Shasta Regional Transportation Agency (Dual)
Southern California Regional Rail Authority
Transportation Authority of Marin (Dual)
Ventura County Transportation Commission
Yolo County Transportation District

Prefunding Programs
Contracted Employers

CalPERS

Utility Districts
Calaveras Public Utility District
Foresthill Public Utility District
Inverness Public Utility District
Lassen Municipal Utility District
Mojave Public Utility District
North Tahoe Public Utility District (CEPPT)
Northern California Power Agency
Sacramento Municipal Utility District
South Placer Municipal Utility District (Dual)
Tahoe City Public Utility District
Truckee Donner Public Utilities District
Tuolumne Utilities District

Water/Flood Control Districts
Alameda County Water District
Alpine Springs County Water District
Arrowbear Park County Water District (Dual)
Association of California Water Agencies
Bay Area Water Supply & Conservation Agency
Beaumont-Cherry Valley Water District (Dual)
Bella Vista Water District
Byron-Bethany Irrigation District
Calleguas Municipal Water District
Callayomi County Water District (CEPPT)
Carmichael Water District
Carpinteria Valley Water District
Casitas Municipal Water District
Central Basin Municipal Water District
Chino Basin Water Conservation District (CEPPT)
Citrus Heights Water District
Crescenta Valley Water District
Crestline-Lake Arrowhead Water Agency
Cucamonga Valley Water District
Del Paso Manor Water District
Del Puerto Water District
Diablo Water District
East Valley Water District
El Dorado Hills County Water District
El Dorado Irrigation District
Fern Valley Water District (Dual)
Florin Resource Conservation District Elk Grove Water Works
Helix Water District
Imperial Irrigation District
Indian Wells Valley Water District
Inland Empire Utilities Agency
Kaweah Delta Water Conservation District
Kern County Water Agency
La Puente Valley County Water District
Lakeside Water District
Las Virgenes Municipal Water District
Lower Tule River Irrigation District
Marin Municipal Water District
Merced Irrigation District
Metropolitan Water District of Southern California
Mojave Water Agency
Monte Vista Water District
Moulton Niguel Water District
Nevada Irrigation District
Orchard Dale Water District
Otay Water District
Padre Dam Municipal Water District
Palmdale Water District
Palo Verde Irrigation District
Pico Water District
Pine Cove Water District
Placer County Water Agency
Quartz Hill Water District
Reclamation District #1000
Reclamation District No. 900
Regional Water Authority
Rincon del Diablo Municipal Water District
Rio Alto Water District
Rio Linda Elverta Community Water District
Riverside County Flood Control & Water Conservation District
Sacramento Suburban Water District
San Benito County Water District
San Bernardino Valley Municipal Water District
San Bernardino Valley Water Conservation District (Dual)
San Diego County Water Authority
San Dieguito Water District
San Gabriel County Water District
San Gabriel Valley Municipal Water District
San Gorgonio Pass Water Agency
San Juan Water District
San Lorenzo Valley Water District
Santa Ana Watershed Project Authority
Santa Clara Valley Water District
Santa Clarita Valley Water Agency
Santa Fe Irrigation District
Serrano Water District (CEPPT)
Solano County Water District
Soquel Creek Water District
South Coast Water District
South San Joaquin Irrigation District
Stinson Beach County Water District
Sunnyslope County Water District (Dual)
Sweetwater Authority
Sweetwater Springs Water District
Tehachapi-Cummings County Water District
Trabuco Canyon Water District (Dual)
Turlock Irrigation District
Twentynine Palms Water District
United Water Conservation District
Upper San Gabriel Valley Municipal Water District (Dual)

Prefunding Programs
Contracted Employers

Vallecitos Water District
Valley Center Municipal Water District
Valley County Water District
Valley of the Moon Water District
Vista Irrigation District
Water Replenishment District of Southern California
West Basin Municipal Water District
Westborough Water District
Westlands Water District
West Valley Water District
Yorba Linda Water District
Yuba County Water Agency
Yuima Municipal Water District

Other Special Districts
ACWA Joint Powers Insurance Authority
Big Bear City Airport District
Central Marin Police Authority
Cooperative Personnel Services
CSAC Excess Insurance Authority
Golden Sierra Job Training Agency (Dual)
Local Agency Formation Commission - Los Angeles
March Joint Powers Authority
Marin Local Agency Formation Commission
Mojave Air & Space Port
Municipal Pooling Authority
Oxnard Harbor District
Planning & Service Area II Area Agency on Aging
Port of Oakland
Public Agency Risk Sharing Authority of California
Rural County Representatives of California
Sacramento Metropolitan Cable Television Commission
Sacramento Regional Fire/EMS Communication Center
South Bay Regional Public Communications Authority
Special District Risk Management Authority
State Bar of California
Transbay Joint Powers Authority

Response to REQUEST FOR PROPOSAL

Establishment, Administration, & Management Services of a Section 115 Trust Pension

City of St. Helena

April 29, 2024

Presented By

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Keenan

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1. COVER LETTER/EXECUTIVE SUMMARY

April 29, 2024

City of St. Helena
1088 College Avenue
St. Helena, CA 94574

RE: Establishment, Administration, and Management Services of a Section 115 Trust for Pension

Dear Mandy Kellogg:

Keenan is pleased to present to the City of St. Helena, our proposal to provide services for a Section 115 Pension Trust. We look forward to developing a long-term relationship with the City and providing this best-value solution for your pension trust program.

Pension Stabilization Trust (PST) is a Keenan solution that was carefully created in partnership with Benefit Trust Company (BTC). Our team is well experienced and primed to accomplish the Section 115 Trust Fund Administration and Investment Management objectives of public entities such as the City of St. Helena. As a team, Keenan and BTC have more than $1.5 billion under management for OPEB and PST (Section 115) trust solutions.

We are well versed in the legislative constraints and mandates, collective bargaining process, and a wide range of retiree issues affecting public agencies. Keenan's financial consulting services, provided by our Financial Services Division, are designed to assist you in minimizing the impact of pension increases and help you to stabilize your budget.

We have read and agree to comply with all terms and conditions stated in the RFP. We are committed to performing the work within the timeline stated in the RFP. The proposal is a firm and irrevocable offer for 120 days. I, Gail Beal, the undersigned, am authorized to represent Keenan in this matter, am empowered to submit the bid, and authorized to sign a contract with the City. Melissa King, Scott Rankin, and I will be key members of the consulting team. Our contact information is below. A full list of key personnel is included in **Section 3** of this proposal.

Name:	**Gail Beal, Senior Vice President**
Address:	2355 Crenshaw Blvd. Suite 200 Torrance, CA 90501
E-mail Address:	gbeal@keenan.com
Phone Number:	800.654.8102 ext. 3602

Name:	**Melissa King, Account Executive**
Address:	2355 Crenshaw Blvd. Suite 200 Torrance, CA 90501
E-mail Address:	mking@keenan.com
Phone Number:	813.230.1869

Name:	**Scott W. Rankin, Senior Vice President and Counsel**
Address:	5901 College Blvd, Suite 100 Overland Park, KS 66211
E-mail Address:	srankin@benefittrust.com
Phone Number:	913.319.0340

If you have any questions regarding this proposal, please contact Melissa King.

Cordially,

Gail Beal
Senior Vice President

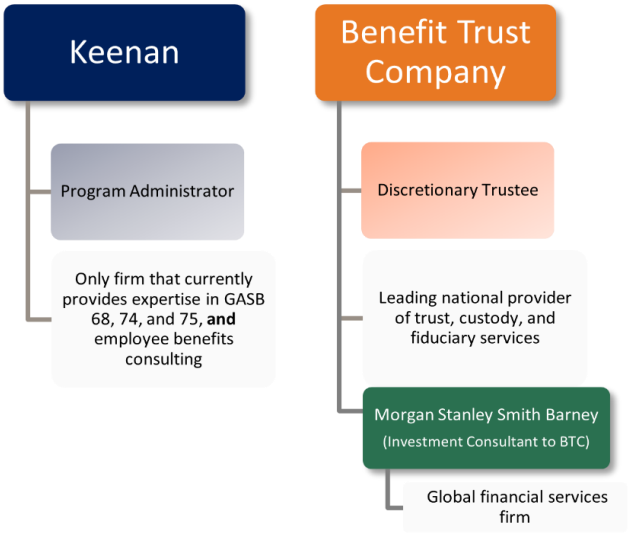
EXECUTIVE SUMMARY

This proposal is presented by Keenan and details our Pension Stabilization Trust (PST) solution, a Section 115 trust and related administration and investment management services. The PST program is administered by Keenan and incorporates critical service components from Benefit Trust Company.

Keenan and Benefit Trust Company have been working together since 2005 to develop and implement sound, efficient solutions for financial solutions related to utilizing Section 115 trusts. Each firm is a leader in the specific functions they support for the PST program. Following are brief details of our team

THE PST SOLUTION: AN OVERVIEW OF OUR VALUE

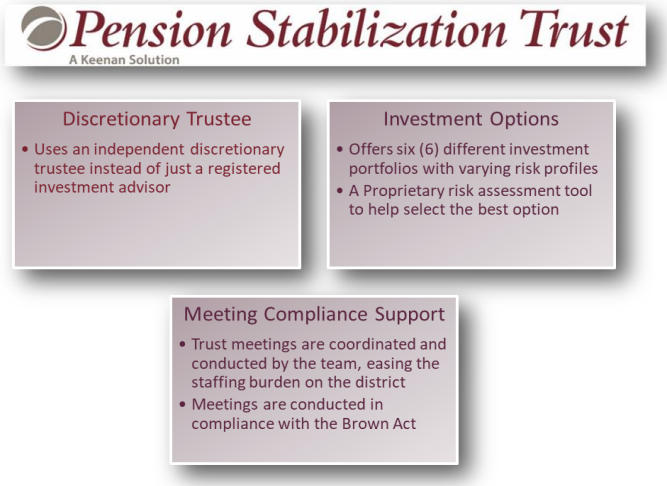
Unlike other programs that are presented as "similar" solutions, Keenan's Pension Stabilization Trust incorporates some key features:



WHAT IS THE PENSION STABILIZATION TRUST?

Our program is:

- Designed to pre-fund pension costs and reduce GASB 68 Net Pension Liabilities
- Designed to mitigate long-term pension volatility
- Designed to provide local control and investment flexibility
- Section 115 IRS-compliant trust



KEENAN'S PENSION STABILIZATION TRUST SOLUTION

- Trust assets offset unfunded pension liabilities
- Discretionary Trustee mitigates the City's investment liability
- Proprietary risk assessment maximizes return while minimizing risk
- Assets are available at any time to pay pension obligations and offset unexpected increases
- Trust is separate from an OPEB trust to protect assets and provide reasonable actuarial results
- Assets are not commingled with other participants, which helps the City of St. Helena with management, reporting, and auditing requirements

2. FIRM QUALIFICATIONS AND EXPERIENCE

The proposal should state the size of the Firm, the size of the Firm's staff, the location of the office from which the work on this engagement is to be performed.

PST TEAM PROFILES

KEENAN

Keenan provides a full range of insurance and financial services products and administration capabilities to meet the needs of public entities. Keenan has been creating tailored programs for public entities for over 50 years. Keenan maintains a network of seven (7) offices with over 700 employees. Keenan's corporate offices are located at:

Keenan & Associates Corporate Offices
2355 Crenshaw Blvd., Suite 200
Torrance, CA 90501

The individuals who would serve as the City's points of contact are listed in **Section 3** of this proposal.

BENEFIT TRUST COMPANY

Benefit Trust Company is a leading national provider of trust, custody, and fiduciary services for company retirement and benefit plans, banks, public entities, and registered investment advisors. Unlike many trust companies serving institutional clients, Benefit Trust Company was founded to specifically address the requirements and guidelines for establishing Employee Benefit trusts. BTC's address is:

Benefit Trust Company
5901 College Blvd, Suite 100
Overland Park, KS 66211

The individuals who would serve as the City's points of contact are listed in **Section 3** of this proposal.

For the Firm's office assigned responsibility for the Section 115 Trust for Pension Services, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar in organizational type, size and complexity to the engagement described in this request for proposal. These engagements should show experience with local governments establishing, administering, and management services of a Section 115 Trust for Pension. Indicate the scope of work, date engagement partners, total hours, and the name and telephone number of the principal client contact and, if available, a link to the final published report.

SECTION 115 TRUST CLIENTS

Keenan has been offering Section 115 trusts in partnership with Benefit Trust Company since 2005. Currently, 65 agencies are participating in a Section 115 Trust program by Keenan. **As a team, BTC and Keenan have over $1.5 billion in assets under management for our Section 115 Trusts.**

Following is a list of these agencies.

Municipalities and Special Districts	
Carpinteria Sanitary District	City of Millbrae
Central Marin Fire Authority	City of Oceanside
City of Berkeley	City of San Marcos
City of Carpinteria	County of Butte
City of Chico	Palos Verdes Library District
City of Folsom	Town of Corte Madera
City of La Mirada	Town of Hillsborough
City of Lincoln	

Community College Districts	
Antelope Valley	Ohlone
Chabot Las Positas	Rio Hondo
Chaffey	San Bernardino
Citrus	San Jose Evergreen
Coast	San Mateo County
Compton	Sierra Joint
Contra Costa	South Orange County
El Camino	Ventura County
Long Beach	Victor Valley
North Orange County	West Kern

K-12 Districts	
Antioch USD	Pajaro Valley USD
Beaumont USD	Pittsburg USD
Fontana USD	Riverside USD
Fountain Valley SD	Santa Maria Joint Union HSD
Los Alamitos USD	Val Verde USD
Orange USD	Victor Valley UHSD

California State University Multiple Employers Auxiliaries	
CSU AUX VEBA General	CSU - Long Beach Foundation
ASI - Cal Poly Pomona	Humboldt State University Center
ASI - CSU Dominguez Hills	Loker Student Union
ASI - CSU Long Beach	Santos Manuel Student Union
ASI - CSU Los Angeles	Tower Foundation - SJSU
ASI - CSU Northridge	University Enterprises Inc. CSU Sacramento
ASI - CSU San Bernardino	University Enterprises Inc. CSU San Bernardino
ASI - CSU San Luis Obispo	University Student Union of SJSU
Auxiliary Services Corp. - CSU Fullerton	University Student Union, CSU L.A.
Cal Poly Pomona FNDTN VEBA	University Student Union – CSULB
CSU - Dominguez Hills Foundation	Forty Niner Shop CSULB

REFERENCES

Following are references for the City's review. All of these clients are participating in a program from the team outlined in this proposal, which utilizes a Section 115 trust.

Name of Client:	**Town of Corte Madera**
Client Address:	300 Tamalpais Dr. Corte Madera, CA 94925
Client Contact Name & Title:	Adam Wolff Corte Madera Town Manager
Client Contact Phone Number:	415-927-5050
E-Mail:	awolff@tcmmail.org
Scope of Work:	Section 115 Trust Services
Project Date:	Est. Trust in December 2017

Name of Client:	**City of Berkeley**
Client Address:	1947 Center Street Berkeley, CA 94704
Client Contact Name & Title:	Henry Oyekanmi Director of Finance
Client Contact Phone Number:	510-981-7200
E-Mail:	hoyekanmi@cityofberkeley.info
Scope of Work:	Section 115 Trust Services
Project Date:	Est. Trust in August 2020

Name of Client:	**City of La Puente**
Client Address:	15900 Main Street La Puente, CA 91744
Client Contact Name & Title:	Troy Grunklee Director of Administrative Services
Client Contact Phone Number:	626-855-1500
E-Mail:	tgrunklee@lapuente.org
Scope of Work:	Section 115 Trust Services
Project Date:	Est. Trust in February 2021

Name of Client:	**Butte County**
Client Address:	25 County Center Drive, Ste 200 Oroville, CA 95965
Client Contact Name & Title:	Denise Baldwin Senior Management Analyst
Client Contact Phone Number:	560-552-3349
E-Mail:	dbaldwin@buttecounty.net
Scope of Work:	Section 115 Trust Services
Project Date:	Est. Trust in October 2019

Name of Client:	**Town of Hillsborough**
Client Address:	1600 Floribunda Avenue Hillsborough, CA 94010
Client Contact Name & Title:	Jan Cooke Finance Director
Client Contact Phone Number:	650-375-7408
E-Mail:	jcooke@hillsborough.net
Scope of Work:	Section 115 Trust Services
Project Date:	Est. Trust in February 2019

3. CONSULTANT IDENTIFICATION AND TEAM

The Firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the rate study. The Firm should also provide information on direct Section 115 Trust for Pension services experience, including the scope of services requested by the City, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this service.

Day-to-Day service will be provided by Roslyn Washington; however, the City will have access to all of the account team members identified below, as needed. Following are the Key Personnel that would provide services to the City of St. Helena.

Keenan – Program Coordinator / Administrator

- **Melissa King**– Account Executive
- **Gail Beal** – Senior Vice President
- **Roslyn Washington** – Assistant Vice President
- **Alden Yi** – Assistant Vice President

Benefit Trust Company – Discretionary Trustee

- **Scott W. Rankin** – Senior Vice President and Counsel

The Firm should provide as much information as possible, including resumes, regarding the number, qualifications, experience, and training of the specific staff to be assigned to this agreement. The Firm should also indicate how the quality of staff over the term of the agreement will be assured.

Key Personnel Bios are included below. At a minimum, we have legislative and regulatory training annually and updates are provided quarterly, ensuring the quality of staff over the term of the agreement. All personnel are required to maintain appropriate licenses and certifications; many of these certifications require continuing education on a regular basis.

Keenan – Program Coordinator / Administrator Bios

Melissa King – Account Executive

Melissa King joined Keenan in 2022 with more than five years of experience in public sector retirement planning. As Account Executive for Municipal Employee Benefits Practice, Melissa lends her prior industry experience from U.S. BENCOR/MidAmerica and PwC to provide clients a holistic review and customized consultations of employee

benefit and retirement planning strategies while focusing on turnkey cost-saving solutions.

Melissa graduated from Smith College in Massachusetts and earned her Master of Business Administration from the University of South Florida's Muma College of Business with concentrations in Finance and Leadership.

Gail Beal – Senior Vice President

Gail is based in Keenan's Torrance office and is primarily responsible for sales of Keenan Financial Services' products. Gail manages Keenan's Futuris Investment Trust for GASB compliance, as well the Pension Stabilization Trust.

Gail joined Keenan in 1991 as a retirement counselor and worked extensively with early retirement plans offered by school districts and community colleges. She joined the firm permanently in 1994 when she assumed responsibility for the APPLE Plan, the company's FICA alternative. Gail's ability to establish relationships with district personnel and assess the needs of their districts has been a valuable asset to the department. Gail majored in English, attending Gonzaga University and California State University, Long Beach. She is currently pursuing an MBA with an emphasis on marketing and plan administration.

Roslyn Washington – Assistant Vice President

Roslyn is responsible for assisting with all administrative duties as it relates to the implementation of the APPLE, SERP, PST, and Futuris plans. Roslyn joined Keenan in 2007 as a Technical Analyst with eight (8) years of experience as an Account Manager specializing in Key-Man Life, Disability, and Long-Term Care insurance. She also brings with her over 18 years of Marketing and Administrative experience. Her current title with Keenan Financial Services is Assistant Vice President.

Roslyn holds a Master of Business Administration, with a concentration in Healthcare, a Bachelor of Science degree in Business Management and a Legal Secretary degree. Roslyn is an expert at handling all service-related details and is the primary account manager for all OPEB & Pension Trust clients.

Alden Yi – Assistant Vice President

Alden Yi has been with Keenan since 2015 and has more than eight years of experience in the financial service and insurance industry. As Assistant Vice President, Alden ensures the success all of Keenan’s financial services solutions including CompleteCare, SERP, HRA, APPLE, and Futuris programs. Prior to joining Keenan, Alden worked for MullinTBG, a Prudential Retirement Company administering Executive Non-Qualified Deferred Compensation plans.

Alden holds a Series 6, 63, and California Insurance License. He received his Bachelor of Arts in Economics with a minor in Finance from the University of California San Diego

Benefit Trust Company – Discretionary Trustee Bios

Scott W. Rankin – Senior Vice President and Counsel

Scott earned his Bachelor of Arts in Business Administration in 1984 and his Juris Doctorate in 1986, both from the University of Missouri – Kansas City. He began his career in the trust industry 1987 with a primary emphasis on the fiduciary aspects of ERISA qualified retirement trust administration. Scott has 25 years of experience handling ERISA matters and has assisted clients with GASB 43, 45, 68, 74, & 75 compliance since the rules' inception.

Scott assists in the design, implementation and legal compliance of many different types of employee plans, and has consulted with both very large and very small private as well as public employers regarding the fiduciary issues surrounding plan sponsorship. Scott recently served as a member of the Steering Committee of the Greater Kansas City Employee Benefits Institute, and is a member of the ESOP Association, and the Missouri and Kansas Bar Associations.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the Firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of St. Helena. However, in either case, the City of St. Helena reserves the right to approve or reject replacements. This shall also apply to the consultants and firm specialists mentioned in response to this request for proposal.

Other personnel may be changed at the discretion of the Firm provided that replacements have substantially the same or better qualifications or experience and there is continuity of key staff to ensure an efficient process.

We acknowledge and agree to the personnel change provisions outlined in the RFP proposal.

4. PROPOSED PROJECT WORKPLAN

1. Provide a plan as to how you will administer the requested services outlined in this RFP.

In today's ever-evolving financial landscape, public agencies face an increasing challenge when it comes to managing pension obligations for their employees. Pension plans represent a critical component of employee compensation and are essential for attracting and retaining qualified personnel in the public sector. However, the rising costs and potential volatility associated with pensions can put significant strain on a public agency's general budget, leading to potential deficits and fiscal instability. To address this challenge and ensure fiscal responsibility, public agencies are turning to an effective solution: the pension stabilization trust.

A pension stabilization trust is a prudent and forward-thinking financial strategy adopted by public agencies to safeguard their long-term financial health. By setting up such a trust, an agency can segregate a portion of its surplus funds and invest them with the goal of generating long-term returns. These returns can then be used to mitigate the impact of pension expenses on the agency's general budget, ensuring that critical services and programs are not compromised due to excessive pension obligations.

One of the primary benefits of a pension stabilization trust is risk reduction. By creating a separate fund to manage pension assets, the agency can shield itself from short-term market fluctuations. Instead of relying solely on the general budget to cover pension obligations during turbulent economic times, the trust can act as a buffer, providing a stable source of funding. This stability helps insulate the agency from drastic budgetary fluctuations and allows for better long-term planning and allocation of resources.

The use of a pension stabilization trust is a prudent and responsible approach for public agencies to navigate the challenges posed by rising pension costs. By creating a separate fund to manage pension assets, agencies can minimize the impact of pension obligations on their general budget, reduce financial risk, and take advantage of enhanced investment opportunities. Embracing this strategy reflects a commitment to fiscal responsibility, ensuring the long-term sustainability of the agency and its ability to fulfill its mission of serving the public efficiently and effectively. We are confident that our PST solution provided by the Keenan team addresses the needs of the City of St. Helena outlined in the RFP.

2. Describe the firm's approach and timeframes to completing the services described in Section III. Scope of Services.

City Council approval of Pension Stabilization Trust

WEEK 1: SCHEDULE IMPLEMENTATION MEETING WITH PST TEAM

Milestone 1

- Follow implementation process of determining risk profile
- Assign member and alternate to Trust Board of Authority
- Execute Participant Agreement indicating the desired portfolio
- Execute Member Agreement (if applicable)

Milestone 2

- City completes Signature Authorization and Internet Access Forms
- City representatives receive confirmation of Trust Account being established and Account Number(s)
- Keenan provides Remittance and Withdrawal Forms

WEEK 1-2: FUNDING THE PENSION TRUST ACCOUNT

Milestone 3

- City faxes or emails Remittance Form to Benefit Trust Company and Keenan
- City wires funds to Benefit Trust Company
- Benefit Trust Company invests funds immediately

3. Describe the firm's approach to onboarding and transitioning a new client.

Our account team meets with the necessary stakeholders to ensure that the City is aware of all necessary steps as outlined in the timeline above. We are accessible to you at any point in time during the transition/implementation as well as the entire term of the contract. Since the PST structure is an already-established program, there is minimal necessary onboarding/transition steps.

Automated infrastructure for onboarding PST clients has long been established. Once a signed Participation Agreement is received funds may be received as soon as an account number is established. Funds received will be immediately deposited into the City's own separate account and trades for initial investment will be entered by the next business day. The City will have 24/7 access to its account to view investment holdings, transactions, statements, performance and more at https://secure.btpassport.com.

4. Include thorough discussions of methodologies you believe are essential to accomplishing this project including your firm's philosophy, including your approach to managing Section 115 trust programs. Please address the following questions in the response:

a. What are your approaches to rebalancing or reallocating asset classes, styles, and sectors? How do you add value in this process?

The portfolio is designed to achieve the desired rate of return while minimizing risk, and therefore the portfolio has a unique asset allocation based on both long-term strategic market data and shorter-term tactical market conditions. The asset allocation is reviewed and optimized, and portfolios are re-balanced as needed, but no less than yearly.

As experts providing this service to public agencies, we add value through our knowledge of first-hand experience supporting clients just like the City of St. Helena.

b. Describe the investment options available. Please provide 1, 3, and 5-year return history and underlying expense ratios for each fund/portfolio. Do your total portfolio returns comply with Global Investment Performance Standards?

Upon selecting the Pension Stabilization Trust, we will meet with the appropriate City officials to understand the specific goals, risk tolerance, required rate of investment return, and time horizon. This discussion will provide the necessary guidance to assist in selecting the portfolio that meets your needs. PST provides the opportunity for each client to choose their own asset allocation mix from a list of six options based upon their own assessment of these factors:

- Fixed Income – 100% fixed income securities
- Conservative – 16% equity securities, 84% fixed income securities
- Moderate – 33% equity securities, 67% fixed income securities
- Moderate Growth – 45% equity securities, 55% fixed income securities
- Growth – 61% equity securities, 39% fixed income securities
- Aggressive Growth – 76% equity securities, 24% fixed income securities

Once selected, these portfolios will be managed to within +/- 5% of the ranges listed above at the discretion of the Trustee.

In **Appendix 1**, we have included the annualized return history for our six portfolios and the underlying expenses ratios for each portfolio.

We do not claim compliance with GIPS® standards, as the standards do not apply to client performance reporting of Section 115 Trusts. Our policies and procedures concerning client performance reporting reflect a cross-section of several independent organizations, including the Investment Management Consultant Association, which incorporates aspects of the CFA Institute's GIPS® standards in their own reporting standards.

c. How are portfolios managed (e.g. by team, individual manager)?

The final selection of all Section 115 Trust investments is the sole responsibility of Benefit Trust Company in its capacity as Discretionary Trustee. Benefit Trust Company has served clients in this capacity since its inception in 2002. To this end, Benefit Trust Company utilizes the services of Morgan Stanley as a subcontractor to provide to BTC: model portfolios, asset allocation guidance, investment searches and, if requested, hypothetical performance reporting of model portfolios to BTC. The model portfolios are thoroughly screened by Benefit Trust Company's Trust Investment Committee prior to approval for use in our clients' trust portfolios.

d. Describe your firm's in-house technical and research capabilities. Are outside sources used by the firm on a regular basis?

Morgan Stanley's process begins first with structure built around BTC's request for Model Portfolios. With asset allocation advice informed by Morgan Stanley Wealth Management's (MSWM) Global Investment Committee and supported by MSWM's capital markets expertise, MSWM collaborates internally to develop custom portfolio construction advice. MSWM approaches manager research as a portfolio construction exercise, seeking managers and vehicles that facilitate holistic portfolio advice and align with BTC's mission and objectives. A hallmark of MSWM is the primary research performed on investment managers which emphasizes on-site operational and investment due diligence. MSWM believes evaluating an appropriate blend of both qualitative and quantitative factors allows it to make the most intelligent decision about the potential future success of an investment manager. In addition, MSWM possesses a proprietary database and search engine that houses information on thousands of investment managers and provides the ability to dig deeper into any investment manager once the search has been narrowed to those that MSWM believes to be the most compelling investment options to consider for inclusion into MSWM's research universe. MSWM organizes its manager research group according to asset classes and strategies. Across MSWM, there are more than 300 investment professionals and research on more than 4,300 traditional and alternative investment strategies.

MSWM does not rely on recent past performance as the overarching positive filter. Rather, MSWM's process emphasizes longer manager histories and performance through multiple cycles in order to seek those with an identifiable investment edge. At times, the managers MSWM recommends can be, underperforming within a current cycle, at the time of the search. MSWM has often found that the best manager retention decisions occurred when clients were willing to engage a manager at a time of underperformance (meaning over a 1, 2, or potentially 3-year period).

e. What technical analysis (if any) do you use?

The Graystone Consulting Team, as a subcontractor to BTC, leverages their Global Investment Manager Analysis (GIMA) Team and their proprietary algorithm

employing more than 80 quantitative and qualitative factors to support the selection of investment managers.

f. Briefly describe your firm's investment management philosophy, including your approach to managing governmental portfolios.

Graystone Consulting, a business of Morgan Stanley Smith Barney, will be a subcontractor for Benefit Trust Company (BTC). Graystone Consulting will provide the following services to BTC: Asset Allocation Guidance, Investment Searches, and if requested, Hypothetical Performance Reporting of Model Portfolios to BTC.

Leveraging MSWM's Global Investment Manager Analysis team (GIMA), there are three interlocking lists of approved managers from which MSWM selects their Model Portfolios:

- **Approved List.** The Approved List identifies managers that MSWM's due diligence team believes meet acceptable due diligence standards and, in turn, make them appropriate recommendations to investors. Managers under review have passed a process that examines a variety of factors known to influence manager quality.

- **Focus List.** The Focus List identifies managers in which MSWM's analysts have a high degree of confidence, meaning that such managers have the potential to outperform the appropriate market benchmark or a respective peer group over a longer period, typically defined as a term greater than three years. The analysts make these determinations following a second, more intensive quantitative and qualitative review process.

- **Tactical Opportunities List.** The Tactical Opportunities List identifies managers from the Approved and Focus Lists that MSWM's manager analysis team believes may benefit from expected market trends, such as outperformance by a particular asset class, style, or factor. These managers may have the potential to deliver above-average performance over a short period, typically defined as a term of less than three years.

5. Identify the staff who would be assigned to each task, including sub-consultants and sub-contractors.

We have identified the staff who would be assigned to each task in **Section 3** of this proposal.

Graystone Consulting, a business of Morgan Stanley Smith Barney, will be a subcontractor for Benefit Trust Company (BTC). Graystone Consulting will provide the following services to BTC: Asset Allocation Guidance, Investment Searches, and if requested, Hypothetical Performance Reporting of Model Portfolios to BTC.

6. List any necessary equipment, training, or installation services required.

Keenan's Pension Stabilization Trust program uses a multi-employer Section 115 trust that is already established. To participate, the City of St. Helena would need to execute the Participation Agreement (see **Appendix 2**). If the City wants to participate in the Trust's board, the City would also have to execute the Member Agreement included in **Appendix 3**.

5. TOTAL COST AND HOURLY RATES

The proposal should contain all pricing information related to establishing, administering, and management services of a Section 115 Trust for Pension as described in this request for proposal. The total all-inclusive maximum cost to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

Following please find the fee schedule for Keenan's Pension Stabilization Trust.

Firm	Fee
Keenan Financial Services	10 bps
Benefit Trust	20 bps
Total	30 bps

There are no additional fees for the services detailed in this proposal. Fees are deducted from trust assets at the basis points (bps) indicated in chart above.

APPENDICES

Appendix 1	PST Performance Report
Appendix 2	PST Participation Agreement
Appendix 3	PST Member Agreement

Appendix 1

PST Performance Report

BTC Model Portfolios
Annualized Performance Summary
As of March 31, 2024

	Performance(%)								
	Quarter To Date	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Expense Ratios
BTC Model Portfolios									
Fixed Income Portfolio	**-0.4**	**-0.4**	**3.5**	**-2.5**	**0.8**	**2.0**	**3.7**	**06/30/2008**	**0.38**
Bloomberg US Aggregate	*-0.8*	*-0.8*	*1.7*	*-2.5*	*0.4*	*1.5*	*2.8*		
Conservative Portfolio	**1.0**	**1.0**	**6.7**	**-1.4**	**2.2**	**2.8**	**4.3**	**06/30/2008**	**0.42**
15% ACWI / 85% BL Agg	*0.5*	*0.5*	*4.7*	*-1.0*	*2.0*	*2.7*	*3.6*		
Moderate Portfolio	**2.4**	**2.4**	**10.3**	**-0.2**	**3.9**	**4.0**	**5.0**	**06/30/2008**	**0.46**
30% ACWI / 70% BL Agg	*1.9*	*1.9*	*7.9*	*0.4*	*3.7*	*3.8*	*4.4*		
Moderate Growth Portfolio	**3.5**	**3.5**	**12.9**	**0.7**	**5.1**	**5.0**	**5.5**	**06/30/2008**	**0.48**
45% ACWI / 55% BL Agg	*3.2*	*3.2*	*11.0*	*1.9*	*5.3*	*4.9*	*5.1*		
Growth Portfolio	**4.8**	**4.8**	**16.3**	**1.8**	**6.4**	**5.9**	**6.0**	**06/30/2008**	**0.52**
60% ACWI / 40% BL Agg	*4.6*	*4.6*	*14.3*	*3.3*	*6.9*	*6.0*	*5.8*		
Aggressive Growth Portfolio	**6.2**	**6.2**	**19.7**	**2.8**	**7.9**	**7.0**	**6.5**	**06/30/2008**	**0.55**
75% ACWI / 25% BL Agg	*5.9*	*5.9*	*17.6*	*4.7*	*8.4*	*7.0*	*6.4*		

Returns are net of mutual fund management fees, and gross of pension stabilization trust fees (30 bps).

Appendix 2

PST Participation Agreement

PENSION STABILIZATION TRUST FOR CALIFORNIA MUNICIPALITIES

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT is entered into by the undersigned California public entity (the "Adopting Entity") and Benefit Trust Company, a Kansas corporation, as Trustee (the "Trustee") of the Pension Stabilization Trust for California Municipalities (the "Trust"), effective as of the date specified on the signature page (the "Effective Date"), with reference to the following:

A. The Board of Authority (the "Board") of the Trust has established the Trust to help California Municipalities stabilize the funding of their pension benefit liabilities by creating a secure vehicle to hold assets pending their contribution to a pension plan in satisfaction of a public entity's funding obligation. The Trust is intended to qualify as a trust arrangement that is tax exempt under applicable guidance and procedures under Section 115 of the Internal Revenue Code.

B. The Adopting Entity has adopted a pension plan for its eligible employees (the "Plan") to which the Adopting Entity is required to make regular contributions. To the extent the Adopting Entity may from time to time have excess funds, a portion of which can be used to pre-fund contributions to the Plan, the Adopting Entity desires to have a secure trust to which it may contribute such funds and to have the trust hold such pre-funding contributions.

C. In order to participate in the Trust, the Adopting Entity must be a public entity in the State of California and must enter into this Participation Agreement (the "Agreement").

NOW, THEREFORE, the Adopting Entity and the Trustee agree as follows:

1. **Participation.** The undersigned Adopting Entity agrees to all of the provisions, terms and conditions of the Trust and agrees to participate in the Trust in accordance with the terms of this Agreement. The Adopting Entity agrees to cooperate in providing any information reasonably required by the Trustee or the Board to administer the Trustee properly.

2. **Representations of Adopting Entity**. The Adopting Entity makes the following representations and warranties, and acknowledges that the Trustee is relying on these representations in entering into this Agreement:

(a) The Adopting Entity is a public entity within the State of California under the California Constitution and applicable sections of the Government Code.

(b) By executing this Agreement, the Adopting Entity acknowledges that it has determined that the Trust is appropriate for the pre-funding of a portion of its pension liabilities under the Plan.

(c) The Plan has been adopted by all necessary action of the governing body of the Adopting Entity and remains in full force and effect, in compliance with all applicable legal requirements.

(d) The adoption of this Agreement has been approved by all necessary action of the Adopting Entity's governing body and the person signing this Agreement on its behalf is authorized to do so.

(e) Neither the execution and delivery of this Agreement by the Adopting Entity, nor compliance by the Adopting Entity with any of the provisions hereof, nor the consummation of the transactions contemplated hereby, will result in a default, or give rise to any right of termination, cancellation or acceleration, under any term, condition or provision of any agreement or other instrument or obligation to which the Adopting Entity is a party or by which it or any of its properties or assets may be bound.

(f) The Adopting Entity has received a copy of the Pension Stabilization Trust Agreement (the "Trust Agreement"), is aware of the terms and conditions thereof and agrees that in the event of any conflict between the terms of the Trust and this Agreement, the terms of the Trust will control.

(g) The Adopting Entity has not received any legal, accounting or investment advice from the Trustee, the Board or their representatives. The Adopting Entity acknowledges that it has had the opportunity to consult with independent legal counsel regarding this Agreement and the Trust.

3. **Administration Fees.** The Trustee will allocate reasonable fees for administration to each Adopting Entity's account in the Trust in accordance with the fee schedule established from time to time with the Board of Authority. Such fees shall not exceed 0.30% (30 basis points) per annum on the value of the assets held in the Account. Fees will be collected monthly directly from the Account.

4. **Responsibility for Legal Compliance.** The Adopting Entity acknowledges that the Trustee will not be responsible for compliance with any obligations or to enforce any obligations the Adopting Entity may have under the Plan. All such compliance shall be the responsibility of the Adopting Entity.

5. **Indemnification.** The Adopting Entity agrees to indemnify and hold harmless the Trust, the Trustee and the Board from any and all liabilities and losses, including attorneys' fees, arising out of the claim by any person for damages caused by or resulting from the failure of the Adopting Entity to comply with the provisions of the Plan, the Trust or applicable requirements of federal or state law.

6. **Amendment and Termination.**

(a) This Agreement and the Declaration of Trust constitute the entire agreement of the parties concerning the Adopting Entity's participation in the Trust. This Agreement may be amended only through a written document executed by the Trustee and the Adopting Entity.

(b) The Agreement may be terminated by the Adopting Entity by providing 90 days written notification of its intent to terminate its participation in the Trust; provided that upon such a termination, none of the assets held in the Trust for contribution to the Plan shall be returned or otherwise made available to the Adopting Entity for any purpose other than for reimbursement for contributions paid to said Plan. The Adopting Entity may however direct upon termination that the balance of its Account be delivered to the trustee of a similar trust with similar withdrawal restrictions as the Trust.

(c) The Trust may be terminated in accordance with the provisions of the Trust Agreement.

(d) The Adopting Entity's rights and obligations under this Agreement cannot be assigned without the written consent of the Trustee.

7. **Right to Rely.**

(a) The Adopting Entity acknowledges that the Trustee will rely upon any representations that it or any of its authorized representatives make to the Board.

(b) The Adopting Entity hereby designates the persons identified on the signature page of this Agreement as the persons authorized to represent the Adopting Entity in connection with matters regarding the Adopting Entity's participation in the Trust and the disbursement of funds from the Trust (the "Authorized Representative"), and agrees that the Board and the Trustee may rely upon the representations of the Authorized Representative until and unless notified in writing that this person is no longer authorized to represent the Adopting Entity in this manner. Any such notice must identify a new person who will serve as the Adopting Entity's Authorized Representative.

8. **General Provisions.**

(a) Any notice required under this Agreement shall be in writing and shall be furnished to the recipient at the addresses provided separately by the parties, unless the recipient has provided the sender with notice of a change of address.

(b) This Agreement shall be governed by the laws of the State of California.

(c) The failure of the Trustee to seek redress for violation of or to insist upon the strict performance of any provision of the Agreement shall not be deemed a waiver and will not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation. The rights and remedies provided in this Agreement are cumulative

and the use of any right or remedy does not limit the Trustee's right to use any or all other remedies. All rights and remedies in this Agreement are in addition to any other legal or equitable rights that the Trustee may have.

(d) Every provision of the Agreement is intended to be severable. If any term or provision hereof is invalid for any reason whatsoever, its invalidity will not affect the validity of the remainder of the Agreement.

(e) This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one agreement.

(f) Unless the context requires otherwise, the use of a feminine pronoun includes the masculine and the neuter, and vice versa, and the use of the singular includes the plural, and vice versa.

(g) The headings used in this Agreement are provided for convenience and are not intended to be a part of this Agreement or to influence the interpretation of the terms of this Agreement. This Agreement shall not be construed on the basis of which party drafted the Agreement or a particular provision thereof.

9. **Selection of Model Portfolio.** The Adopting Entity has reviewed its tolerance for risk and its requirements for the investment of the Account, and has also reviewed the model portfolios offered by the Trustee. Solely and by virtue of this review, the Adopting Entity hereby directs the Trustee to invest the assets of the Account in accordance with the following model portfolio with its commensurate approximate target asset allocation, understanding that the target asset allocation will vary from time to time based upon market fluctuations, and that model portfolio asset allocations may be adjusted +/- 5% from time to time at the discretion of the Trustee:

CHECK ONE:

- ☐ Fixed Income (100% fixed income securities)
- ☐ Conservative (16% equity securities, 84% fixed income securities)
- ☐ Moderate (33% equity securities, 67% fixed income securities)
- ☐ Moderate Growth (45% equity securities, 55% fixed income securities)
- ☐ Growth (61% equity securities, 39% fixed income securities)
- ☐ Aggressive Growth (76% equity securities, 24% fixed income securities)

The Adopting Entity understands and agrees that the Trustee shall be under no duty to question the prudence of the model portfolio the Adopting Entity directs, and shall have no liability for any loss of any kind which may result by reason of the inherent volatility of the asset allocation directed. Once the Adopting Entity has directed the Account to be invested pursuant to a model portfolio as listed above the Trustee will assume discretionary authority and responsibility for its management.

The Adopting Entity may change the designation of the model portfolio to be utilized by executing an amendment to this section 9 of the Participation Agreement. Said amendment will go into effect upon the acknowledgement of receipt by the Trustee.

10. List two Individuals appointed as Authorized Representatives:

_____

_____

IN WITNESS WHEREOF, the parties have executed this Agreement as of _____, 20___.

Adopting Entity:

_____

Signature: _____

Name: _____

Title: _____

BENEFIT TRUST COMPANY, TRUSTEE FOR THE PENSION STABILIZATION TRUST FOR CALIFORNIA MUNICIPALITIES

By:

_____

Scott W. Rankin, Senior Vice President

Appendix 3

PST Member Agreement

PENSION STABILIZATION TRUST FOR CALIFORNIA MUNICIPALITIES

BOARD OF AUTHORITY MEMBER AGREEMENT

WHEREAS, the Board of Authority of the Pension Stabilization Trust for California Municipalities (the "PST") adopted the Trust; and

WHEREAS, the PST allows up to one Member of the Board of Authority to be appointed by each Adopting Entity; and

WHEREAS, the Member must sign a written acceptance and agree to administer the PST; and

WHEREAS, the Member's written acceptance must be in a form satisfactory to the Board of Authority;

NOW, THEREFORE, the Adopting Entity, the Member and the Board of Authority agree as follows:

Section 1:

Appointment as Member: The Board hereby confirms the appointment by the [agency name] of _____, as Member, pursuant and subject to the terms and conditions of the PST.

Section 2:

Acceptance as Member: _____ hereby accepts his or her appointment as Member pursuant and subject to the terms and conditions of the PST and agrees to administer the PST.

IN WITNESS WHEREOF, the duly authorized parties hereto have executed this Agreement as of_____, 20___.

Adopting Entity:

_____

Signature: _____

Name: _____

Title: _____

CHAIRMAN OF THE BOARD OF THE PENSION STABILIZATION TRUST FOR CALIFORNIA MUNICIPALITIES

Signature: _____

Name: _____

Title: _____

ACCEPTANCE AS MEMBER

Signature: _____
Name:

12526547.5

CITY OF ST. HELENA

PARS 115 Trust –Pension Rate Stabilization Program (PRSP)
February 11, 2025

CONTACTS

Ryan Nicasio, CEBS
Senior Vice President
(800) 540-6369 x134
rnicasio@pars.org

PARS PUBLIC AGENCY RETIREMENT SERVICES

4350 Von Karman Avenue, Suite 100
Newport Beach, CA 92660

(800) 540-6369

PARS 115 TRUST TEAM

Trust Administrator & Consultant*

PARS PUBLIC AGENCY RETIREMENT SERVICES

- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

41	2,000+	1,000+	500+	500K+	$9.3B
Years of Experience (1984-2025)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

** See important information regarding PARS in the Disclaimer page at the end of the presentation.*

Trustee

usbank

- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

162	$11.0T
Years of Experience (1863-2025)	Assets under Administration

Investment Manager

pfm asset management

- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Active and passive platform options
- Customized portfolios (with minimum asset level)

40+	$249B+ *
Years of Investment Experience *(As of 9/30/2024)*	Assets under Management & Advisement

**Please see disclosures at the end of this presentation*

115 TRUST CLIENTS (500+) INCLUDING:

Updated February 2025

CITIES & TOWNS

Alameda
Atherton
Benicia
Brisbane
Burlingame
Colma
Cupertino
Daly City
Dublin
El Cerrito
Emeryville
Fairfax
Fairfield
Foster
Gilroy
Half Moon Bay
Healdsburg
Hercules
Livermore
Los Altos Hills
Monterey
Morgan Hill
Napa
Novato
Oakley
Orinda
Pacifica
Palo Alto
Piedmont
Pinole
Pittsburg
Pleasant Hill
Pleasanton
Redwood City
Richmond
Rio Vista
Rohnert Park
Ross
San Anselmo
San Leandro
San Pablo
San Ramon
Santa Clara
Sausalito
Seaside
Tiburon
Vallejo
Woodside
Yountville

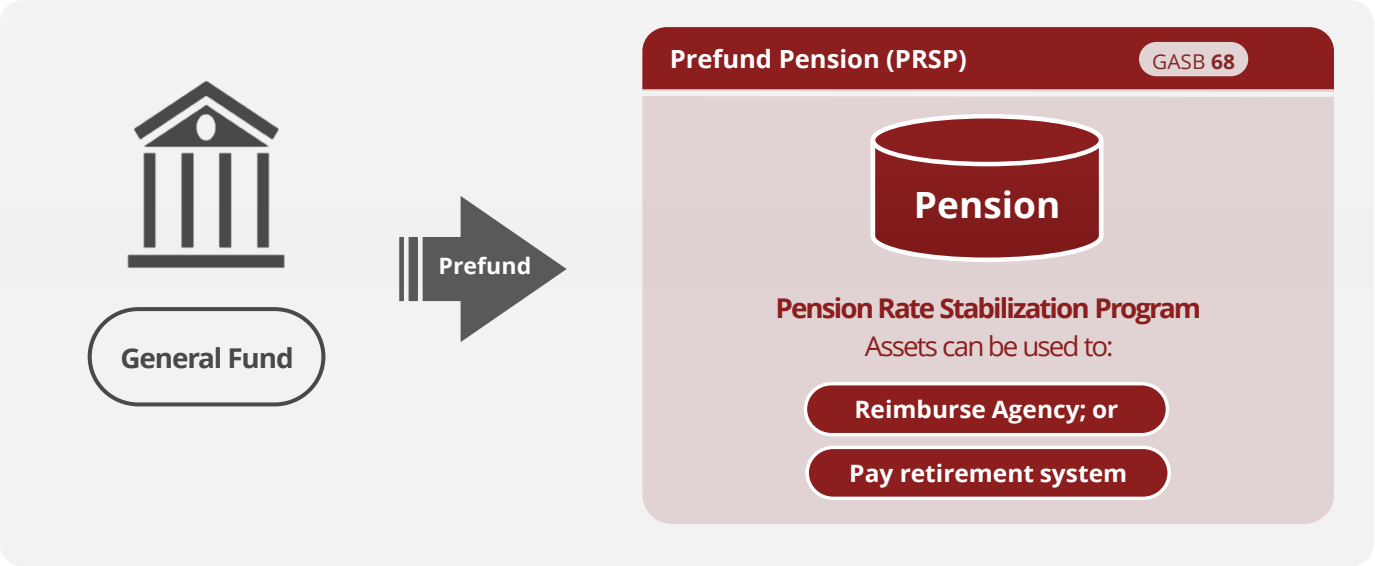
COUNTIES

Contra Costa
Napa
Solano
Sonoma

OTHER BAY AREA CLIENTS:

Bodega Bay Public Utilities District
California Joint Powers Risk Mgmt Authority
Calistoga Joint Unified School District
Campbell Union High School District
Central Contra Costa Sanitary District
Central Contra Costa Transit Authority
Estero Municipal Improvement District
Hayward Area Recreation & Park District
Housing Authority of the Co. of Contra Costa
Housing Authority of the Co. of Santa Cruz
Marin Community College District
Metropolitan Transportation Commission
Mid-Peninsula Water District
Monterey Peninsula CCD
Monterey One Water
Moraga-Orinda Fire Protection District
Municipal Pooling Authority
Napa County Mosquito Abatement District
Napa Valley Unified School District
Pebble Beach Community Services District
River Delta Unified School District
San Bruno Park School District
San Mateo Consolidated Fire Department
San Mateo Co. Mosquito & Vector Control Dist.
Santa Cruz Regional 9-1-1 JPA
Sonoma County Office of Education
Southern Marin Fire Protection District
Superior Court of CA, Co. of Marin
Superior Court of CA, Co. of San Mateo
Union Sanitary District
West Bay Sanitary District
West County Wastewater District
West Valley-Mission CCD
Zone 7 Water Agency

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts

Pension assets can be divided by dept., bargaining group, or cost center

Financial Stability

Assets in the PARS Section 115 Trust can be used to address unfunded liabilities.

Flexible Investing

Choice of 5 risk tolerance levels or custom strategy

Anytime Access

Trust funds are available anytime for Pension-related expenses

Economies-of-Scale

As assets grow, lower fee rates will be reached on tiered schedule – saving money

No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

PARS PUBLIC AGENCY RETIREMENT SERVICES

The

PARS PENSION RATE STABILIZATION PROGRAM

for prefunding pension obligations

PARS PUBLIC AGENCY RETIREMENT SERVICES

BACKGROUND – PENSION

- Since 2015, GASB 68 has required disclosing Net Pension Liability on financial statements as a line item on the balance sheet
- Before the concept of pension prefunding, the only way to reduce retirement system unfunded liabilities was to send additional contributions in excess of annual required employer contributions
- Pension trust prefunding assets can be transferred to the retirement system at the Agency's direction, which can help offset future rate increases (i.e., pension rate stabilization).

CalPERS Changes

CalPERS has announced changes directly affecting unfunded liability amounts and employer contributions:

Lowering of Discount Rate [1]

7.0% ▼ **6.8%**

CalPERS lowered the discount rate from 7.0% to 6.8%. The impact is reflected in the June 30, 2021 valuation reports.

[1] Contributions from policy changes beginning FY 23-24.

Shortened Amortization Period [2]

30 years ▼ **20 years**

New actuarial liabilities are amortized over 20 years instead of 30, increasing required annual employer contribution amounts*

[2] 5-year ramp up in payments beginning FY 15-16 with full impact in FY 19/20.

PENSION FUNDING STATUS

As of June 30, 2023, City of St. Helena's CalPERS pension plan is funded as follows:

Combined Miscellaneous & Safety Groups *	Valuation as of June 30, 2022	Valuation as of June 30, 2023	Change
Actuarial Liability	$54.7 M	$57.9 M	5.8% ↑
Assets	$39.3 M	$41.7 M	6.1% ↑
Unfunded Liability	$15.4 M	$16.3 M	5.2% ↑
Funded Ratio	71.8%	71.9%	0.2% ↑
Employer Contribution Amount	$1.6 M (FY 23-24)	$1.9 M (FY 24-25)	16.4% ↑
Employer Contribution Amount – Projected *	---	$2.8 M (FY 30-31)	47.6% ↑

** Data through 2030-31 from Agency's latest CalPERS actuarial valuation.*

WHY PREFUND PENSION OBLIGATIONS?

1. Complete Local Control over Assets

Agency has complete control over assets, including contributions, disbursements and the timing, amount, and risk tolerance level of investments

2. Pension Rate Stabilization

Assets can be transferred to the retirement system at the Agency's direction, potentially reducing/eliminating large fluctuations in employer contribution amounts

3. Rainy Day Fund

Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

4. Diversification

Allows for investment flexibility and offers the potential for assets to earn greater returns than the general fund; spread the risk vs. sending additional money to CalPERS

SIMPLE INVESTMENT APPROACH

1. Input Phase

- Target discount rate
- Risk tolerance
- Investment philosophy
- Asset allocation
- Timing on use of funds

2. Model Portfolios

Strategy	Equity	10-YR Returns*
Capital Appreciation	65-85%	7.78%
Balanced	50-70%	6.92%
Moderate	40-60%	6.05%
Moderately Conservative	20-40%	4.32%
Conservative	5-20%	7.78%
vs. LAIF	*0%*	*1.69%***

3. Dedicated Portfolio Manager/ Investment Specialist

- Makes recommendation
- Fiduciary responsibility
- Investment policy statement
- Periodic reviews
- Cell phone access

**10-Year Active Portfolio annualized returns as of December 31, 2024 (Gross of Investment Management Fees, but Net of Embedded Fund Fees). Please see complete Investment Strategy Sheets for more information.*

***Avg. LAIF apportionment rate (released quarterly) over the 10-Year period ending December 31, 2024*

Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets.

PARS PUBLIC AGENCY RETIREMENT SERVICES

PROGRAM FEES

Trust Administration/Consulting Fees *

PARS . PUBLIC AGENCY RETIREMENT SERVICES

Plan Set-Up Fee:	Ongoing Fees:	
None	0.25%	for assets $0-10 million
	0.20%	for assets $10-15 million
	0.15%	for assets $15-50 million
	0.10%	for assets over $50 million

Discretionary Trustee/Investment Management Fees **

usbank

pfm asset management

Plan Set-Up Fee:	Ongoing Fees Paid to U.S. Bank:	
None	0.35%	for assets under $5 million
	0.25%	for assets $5-10 million
	0.20%	for assets $10-15 million
	0.15%	for assets $15-50 million
	0.10%	for assets over $50 million

* *PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.*

** *Subject to change due to rebalancing. Additional information on U.S. Bancorp Asset Management, Inc. and a description of its fees are described in its ADV which is available on the SEC's website at www.adviserinfo.sec.gov. Fees charged by U.S. Bank National Association N.A. as Discretionary Trustee/Investment Management are based on individual agency assets. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees, as detailed above. See disclosures at the end of this presentation for more information.*

WHY TAKE THIS STEP?

1. Smooths out pension rate volatility
2. Offers hedge against inflation
3. Provides a fiscal tool in your financial toolbox
4. Prepares today for tomorrow's pension realities

Questions?

Disclosures

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. (USBAM) at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

PFM Asset Management (PFMAM) serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc. which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

Public Agency Retirement Services ("PARS") is a third-party and not affiliated with PFMAM, USBAM or U.S. Bank. PARS serves as the trust administrator to the Public Agencies Post-Employment Benefits Trust, Public Agencies Post-Retirement Health Care Plan Trust, and the Public Agency Retirement System Trust (the "Trusts"). U.S. Bank N.A. serves as the discretionary trustee to the Trusts. In its capacity as discretionary trustee, U.S. Bank N.A. delegates the investment management of the Trusts to its affiliate USBAM through a sub-advisory agreement. PARS is serviced by PFMAM, a division of USBAM.

U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Assets under management as of 6/30/2024 represent the assets managed by PFM asset Management LLC (PFMAM). As of 10/1/2024 PFMAM and U.S. Bancorp Asset Management, Inc. (USBAM) formerly separately registered investment advisers consolidated into one legal entity and one registered investment adviser with the SEC, with USBAM as the continuing legal entity and registered investment adviser.