City of St. Helena
Regular City Council Meeting
Tuesday, March 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.gov. 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 February 25, 2025. — 7 - 13

Regular City Council - 25 Feb 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.Kelly Wheaton | 15 - 27
Public Comment.Daniel Hale
Public Comment.Philippa Ward
Public Comment.Elaine de Man
Public Comment.Christine Hale

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.

8. PRESENTATIONS AND PUBLIC RECOGNITIONS

8.1. Napa County Presentation on Property Tax and Vehicle License Fee (VLF) | 29 - 62
Presentation

9. STAFF BRIEFING

Estimated start time: 6:50 p.m.

9.1. Provide project timeline for Main Street Sidewalk Rehabilitation Project (North of Adams St.) - Phase 1A

9.2. Staff to provide follow up to February 11, 2025 SMART Meter construction award authorization on a variety of questions from Council and Public. | 63 - 70
Presentation

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: 7:10 p.m.

10.1. Approval of the City of St. Helena Statement of Community Values. | 71 - 81

CEQA Determination: Not a CEQA project
Prepared By: Anil Comelo, City Manager
Recommendation:
Approve the City of St. Helena Statement of Community Values
Staff Report - Pdf
Public Comment.Maria Phelps
Public Comment.Pat Friday
Public Comment.Pam Krell
Public Comment.Brooke Casey

10.2. Consideration and approval of a resolution authorizing (1) a temporary closure of Adams Street and Library Lane on Sunday, June 15, 2025, from 6:00 a.m. to 6:00 p.m.; and (2) mobile food vendors to park and operate on Library Lane during the car show event; and (3) a permit allowing the possession of open alcoholic beverages on the closed portions of Adams Street and Library Lane for the Rianda House Car Show event. 83 - 86

CEQA Determination: Not a CEQA project
Prepared By: Rebecca White, Administrative Assistant
Recommendation:
Staff recommends approval of the attached resolution.
Staff Report - Pdf

10.3. Consideration of a resolution approving (1) a temporary closure of Adams Street from Friday, May 16, 2025, at 6:00 p.m., to Sunday, May 18, 2025, at 6:00 p.m.; and (2) authorizing possession of open alcoholic beverages on this public street for the Neighborhood Community Table Event scheduled for Saturday, May 17, 2025, from approximately 5:00 p.m. to 9:00 p.m. 87 - 92

CEQA Determination: Not a CEQA project
Prepared By: Rebecca White, Administrative Assistant
Recommendation:
Staff recommends approval of the attached resolution.
Staff Report - Pdf

10.4. Consideration of a Resolution to set a Public Hearing for 6:00 p.m. Tuesday, May 13, 2025, to consider objections to the proposed annexation of the property known as 1766 Sulphur Springs Avenue, St. Helena, CA (APN 009-350-024), into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 151. 93 - 98

CEQA Determination: Not a CEQA project
Prepared By: Rebecca White, Administrative Assistant
Recommendation:
It is recommended City Council approve the Resolution and set a Public Hearing for May 13, 2025, to consider objections to the proposed annexation of the property known as 1766 Sulphur Springs Ave (APN 009-350-024), into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 151.
Staff Report - Pdf

11. PUBLIC HEARINGS

None.

12. OLD BUSINESS

Estimated start time: 7:20 p.m.

12.1. Discussion and direction to have a non-voting City Council liaison to Water/Wastewater Advisory Committee. 99 - 102

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Discuss and assign a City Council member to the Water/Wastewater Advisory Committee as a non-voting liaison.

Staff Report - Pdf

12.2. Provide an Updated Analysis of the City's Revenues and Expenditures to Determine the Extent of the Structural Deficit. 103 - 138

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

Staff Report - Pdf
Presentation

12.3. Consider a Temporary Freeze on all New Hires, Salary Increases not Contractually Obligated, Reclassifications, and Discretionary Spending. 139 - 149

CEQA Determination: Not a CEQA project
Prepared By: Anil Comelo, City Manager
Recommendation:
Discuss and provide direction to staff

Staff Report - Pdf
Presentation

12.4. Review options to reduce water and/or wastewater rates and provide feedback to staff. 151 - 170

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
1. Staff will provide estimates of the magnitude of financial impact and possible rate reduction with which the City Council will be able to make informed decisions. Staff anticipates brining the relevant data including results of the cost allocation study and rate reduction options to City Council on April 22, 2025.

2. Based on initial review of options, staff will likely recommend a combination of measures if the City Council continues to want a reduction in the Water/Wastewater Rates.

Staff Report - Pdf
Presentation
Public Comment.Alan Galbraith
Public Comment.Kelly Wheaton
Public Comment.Elaine de Man

13. NEW BUSINESS

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

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

Erika Opp, Administrative Analyst

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, February 25, 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, Council Member Aaron Barak, Vice Mayor Michelle Deasy, and Council Member Kate Spadarotto

Absent: Council Member Billy Summers

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. ADOPTION OF THE AGENDA

4.1 Vice Mayor Michelle Deasy moved to adopt the agenda. The motion was seconded by Council Member Kate Spadarotto and on voice vote carried by the following vote:

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

5. APPROVAL OF MINUTES

5.1 Consideration and proposed approval of Regular Meeting Minutes and Special Meeting Minutes of February 11, 2025.

Council Member Kate Spadarotto moved to approve the Regular Meeting Minutes of February 11, 2025. The motion was seconded by Vice Mayor Michelle Deasy and on voice vote carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Aaron Barak, Vice Mayor Michelle Deasy, and Council Member Kate Spadarotto
NOES: None

ABSENT: Council Member Billy Summers
ABSTAIN: None
RECUSE: None

6. PUBLIC FORUM:

Dan Hale, Elaine de Man, Tracy Sweeney and Jim Sweeney addressed the City Council.

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

City Attorney Ethan Walsh noted that there was no reportable action from the Special Closed Session meeting of February 19, 2025.

Lesley Milton, Deputy City Manager reported on a street closure of Money Way and Spring Street due to repairs.

Vice Mayor Michelle Deasy requested to appoint a non-voting Council Member Liaison to the Water and Waste Water Advisory Committee to a future agenda item. Council Member Barak seconded the request.

8. PRESENTATIONS AND PUBLIC RECOGNITIONS

8.1 Proclaiming March American Red Cross Month presented to American Red Cross of Napa and Sonoma

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 January 2025 Review and Forecasting of City Water Supply Availability.

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

10.2 This item was pulled.

~~Approve Resolution Authorizing: Amendment #1 to STH Contract: FY2024-065 With Toole Design (TDG Engineering Inc.) for Additional Services Related to Capital Improvement Project R24-01 Streets Master Plan for $95,428 bringing the total not-to-exceed contract value of $325,374 paid for through Traffic Impact Fees; authorizing a budget increase of the same for the unbudgeted~~

~~expense.~~

10.3 Approval of a resolution authorizing the purchase of a Compact Track Loader for a total cost of $73,312.18 from Bobcat of Santa Rosa for the Water Treatment Plant Operations as budgeted in the approved in the FY 2024-25 adopted budget.

CEQA Determination: Not a CEQA project
Prepared By: Carlos Uribe, Assistant Public Works Operations Manager, Lesley Milton, Deputy City Manager
Recommendation:
Staff recommends authorizing the purchase of the Bobcat Compact Track Loader as presented.

10.4 Authorize the purchase of a John Deere 410 P-Tier Backhoe from Pape Machinery for a total cost not to exceed $199,512 to be used by all Public Works Divisions and authorize the use of FY25 Public Works unspent funds in the amount of $110,000 and the use of General Fund reserves for the remaining $89,512 for the unbudgeted expense.

CEQA Determination: Not a CEQA project
Prepared By: Lesley Milton, Deputy City Manager
Recommendation:
Staff recommends that the City Council authorize the purchase of a John Deere 410 P-Tier Backhoe Loader for a total cost of $199,512. This critical equipment will be cost-shared between Public Works Operations (Streets, Parks & Trees) and enterprise funds for Water, Wastewater, Collections, and Distribution divisions.

Vice Mayor Michelle Deasy moved to approve items 10.1, 10.3 and 10.4. The motion was seconded by Council Member Aaron Barak and on roll call carried by the following vote:

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

10.5 This item was pulled.

~~Consideration and Proposed Adoption of a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Napa County Resource Conservation District (RCD), in an amount not-to-exceed $123,400 for York Creek Project Year 5 & 6 Monitoring Services as required for the Upper York Creek Ecosystem Restoration Project (W-26), authorize use of~~

~~$123,400 from Fund 237 for the unbudgeted expense, and authorize a budget increase of the same.~~

10.2 Approve Resolution Authorizing: Amendment #1 to STH Contract: FY2024-065 With Toole Design (TDG Engineering Inc.) for Additional Services Related to Capital Improvement Project R24-01 Streets Master Plan for $95,428 bringing the total not-to-exceed contract value of $325,374 paid for through Traffic Impact Fees; authorizing a budget increase of the same for the unbudgeted expense.

CEQA Determination: Not a CEQA project
Prepared By: Lesley Milton, Deputy City Manager
Recommendation:
Staff recommends that the City Council approve the attached Resolution.

Public Works Director, Joe Leach answered brief clarifying questions.

No public comment was received.

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

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

10.5 Consideration and Proposed Adoption of a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Napa County Resource Conservation District (RCD), in an amount not-to-exceed $123,400 for York Creek Project Year 5 & 6 Monitoring Services as required for the Upper York Creek Ecosystem Restoration Project (W-26), authorize use of $123,400 from Fund 237 for the unbudgeted expense, and authorize a budget increase of the same.

CEQA Determination: Environmental Impact Report (SCH. No. 2006092096)
Prepared By: Stephanie Killingsworth, Public Works Financial Analyst
Recommendation:
Staff Recommends City Council Adopt the attached Resolution.

Public Works Director Joe Leach answered questions from the Council.

Public comment was received by Elaine de Man.

Council Member Aaron Barak moved to approve item 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 Aaron Barak, Vice Mayor Michelle Deasy, and Council Member Kate Spadarotto
NOES: None
ABSENT: Council Member Billy Summers
ABSTAIN: None
RECUSE: None

11. PUBLIC HEARINGS

12. OLD BUSINESS

12.1 Consideration and Proposed Approval of a Resolution Rescinding Resolution 2023-63 and Adopting Updated Rules of Procedure for the Conduct of Council meetings and Standards of Conduct.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Assistant City Manager
Recommendation:
Adopt the attached Resolution.

Assistant City Manager, April Mitts reported on the item.

No Public Comment was received.

Council Member Kate Spadarotto moved to approve the resolution. The motion was seconded by Vice Mayor Michelle Deasy and on roll call carried by the following vote:

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

13. NEW BUSINESS

13.1 Fiscal Year 2023-24 Annual Comprehensive Financial Report and Independent Auditor's Report on Internal Control Over Financial Reporting.

CEQA Determination: Not a CEQA project
Prepared By: Mandy Kellogg, Administrative Services Director
Recommendation:
Staff recommends the City Council receive accept the Comprehensive Annual Financial Report of the City of St. Helena for Fiscal Year Ended June 30, 2024.

Administrative Services Director, Mandy Kellogg and Lindsey Zimmerman, Partner with Brown Armstrong CPA presented on the item.

No public comment was received.

City Council accepted the Comprehensive Financial Report for the City of St. Helena for Fiscal Year ended June 30, 2024.

13.2 Fiscal Year (FY) 2024-25 2nd Quarter Finance Report and Consideration of a Resolution Approving Mid-Year Budget Adjustments for FY 2024-25.

CEQA Determination: Not a CEQA project
Prepared By: Mandy Kellogg, Administrative Services Director
Recommendation:
Staff recommends approval of the attached resolution.

Administrative Services Director, Mandy Kellogg presented on the item.

Public Comment was received by Jim Sweeney, Tracy Sweeney and Elaine de Man.

Council Member Aaron Barak moved to approve the resolution. The motion was seconded by Council Member Kate Spadarotto and on roll call carried by the following vote:

AYES: Mayor Paul Dohring, Council Member Aaron Barak, Vice Mayor Michelle Deasy, and Council Member Kate Spadarotto
NOES: None
ABSENT: Council Member Billy Summers
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 Time 7:40 p.m.

CHALLENGING DECISIONS OF CITY ENTITIES

APPROVED:	**ATTEST:**
______________________________	__________________________
Paul Jamison Dohring, Mayor	Erika Opp, Acting City Clerk

From: Kelly Wheaton
To: City Clerk
Subject: [External] Public Comment for Next City Council Meeting
Date: Wednesday, February 26, 2025 5:22:00 PM

Erika,

Please attach to Next City Council agenda as a public comment the following.

Mayor Dohring and City Council Members,

This is a follow-up on a complaint I emailed to then Mayor Dohring and the then sitting council members. It is about an incident that happened shortly after City Manager, Anil Comelo, was hired. It refers to an unfortunate action, to the best of my recollection, that happened at the August 25, 2022, meeting of the Water and Wastewater Rate Study Committee that was held at the Fire Department classroom on Railroad Ave.

The reason I am sending this is the allegations made by Daniel Hale about the City Manager's unprofessional, retaliatory and illegal actions against him. I never got a written response to my original complaint. I did get a phone call from Mayor Paul Dohring in which he dismissed my complaint and blamed Mr Comelo's newness on the job for his actions. I told Mayor Dohring ignorance of the law is no excuse and just about anyone would know that trying to deny a citizen the right to file Freedom of Information requests by a public official is not legal. Here is what happened to the best of my recollection.

I group of five of us, after the meeting concluded, went to the back of the room to introduce ourselves to the new City Manger, Anil Comelo. We were representing ourselves and our non-profit organization WASH (Water Advocates St Helena). We were standing in a loose semi-circle in front of Mr Comelo and we each introduced ourselves by name and where we lived. Tom was in the middle of us and I was to Tom's right. Immediately after the introduction, Mr Comelo stepped into the personal space of Tom Belt and began wagging his finger at him. We were all taken aback by his aggressiveness, but what he did next left us all speechless. He demanded that Mr Belt desist from filing Freedom of Information Requests from the City. At first I thought he had to be joking, as it was so bizarre and aggressive, not to mention illegal. Tom, a former Fish and Game Officer for the state of California, at 6 feet tall with this complete stranger aggressively trying to intimidate and bully him, through us all off balance. Mr Comelo kept repeating, “I don't want you filing any more Information Requests. My staff have better things to do with their time.” He reiterated it over and over and over again. I had never experienced anything like it from a public official. We were all upset and spent a while afterward discussing what had happened. It was terribly humiliating for all of us, but especially for Tom, who had done nothing wrong.

I was so upset I drafted and sent an email to the Mayor and City Council. The dismissiveness with which it was treated was very disturbing. Now with Mr Hale's allegations and all the people who have shared their interactions with Mr Comelo with me, I felt it was proper to speak out. There is a very long and clear pattern of bullying, intimidation and retaliation as Mr Hale notes. In preparation for this letter I sought permission from Tom, to use his name. He wrote, “*I told Paul when it happened and yet I never heard back from him or never received an apology from Anil.*”

This was and is unacceptable behavior by a City Administrator and then City Council. It seems the new council is inclined to take these allegations seriously, as they should. I take issue with people who misuse their power. There is a long and clear history of abuse, but when the city council turns a deaf ear and the City Manger is the culprit it is very hard, short of suing the city to get anyone's attention. I am grateful to Mr Hale for speaking out. I had never met him or spoken with him before last night.

I will be happy to provide the names of the other witnesses upon request by a board of inquiry. This is not a "he said/ she said." You have the victim and 4 witnesses to corroborate what I am saying. If the City Attorney or other investigator goes looking there is a long list of residents who have been bullied, threatened and retaliated against by Anil Comelo in his role as City Manager. I hope that you take Mr Hale's allegations seriously as they are consistent with my personal experience and many others.

Sincerely,

Kelly Wheaton

1335 Inglewood Ave

707-963-9609

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Kelly Wheaton
a4est42@gmail.com
Beginners Guide to Genetic Genealogy
WheatonWood.com

City Council City of St Helena 6 MARCH 2025

Unauthorized and improper changes to St Helena Municipal Code:

On 17 October 2024, alongside City of St Helena interim planner Galbraith, it was discovered that some critical language in municipal code that governs the configuration of porches in residential projects was altered outside of the legally proscribed process. I asked, "how did that occur?" It was, and remains, an entirely reasonable question to ask.

I directly followed up that meeting via email with the question to planning director M DeRosa on how that change had occurred, and also asked the question of what other areas were similarly altered outside of correct processes. That question was not answered. I hired attorney Katherine Philippakis, who asked the same question which was delivered on 6 Dec 2024 to Planning Director Maya DeRosa, Mayor Paul Dohring, and City attorney Ethan Walsh, and still, it remained unanswered.

That initial question was finally answered by the City attorney on 3 February 2025 (close to 4 months after the question was asked) where he confirmed that section of code was altered outside of correct process. That process includes public notice, public and open discussion and first and second readings of changed ordinances before both the Planning Commission, and the City Council, and finally motions and ratification (or not) by City Council. Those processes are vital to the safe, correct and productive functioning of government.

Since that time, it has become clear, that there appear to be numerous changes that were performed outside of the legally proscribed process. The bulk are changes in punctuation and formatting. But apparently there are dozens of more material changes that involve changes in values applied, and the manner in which projects will be analyzed as they relate to municipal code. Many of these alterations have far reaching consequences on existing homes as well as considerations that would be applied to new projects. These changes also set themselves at odds with other sections of code and set other sections adrift without purpose.

These changes set existing houses out of conformance and affect peoples assumptions and understandings moving forward; should they consider doing any sort of project. All improperly altered sections are not enforceable, as those sections were not properly created. This conduct puts the city at risk of legal action. These conducts also greatly degrade trust in government and any notion of the value of, and commitment to, transparency, and set challenges to the daily functioning of city staff as they engage and attempt to apply Municipal code, and serve the citizens of St Helena.

These are all correctable issues and I believe there should, and will be, ample opportunity to debate the finer points of the code sections in question.

I do not believe that I am the only person who believes this is a critical issue. I believe the responsibility rests with City Council to get to its root and to oversee its rectification.

Daniel Hale
1851 Madrona Avenue
St Helena CA 94574

From: Philippa Ward
To: Public Comment
Subject: [External] City Zoning Changes
Date: Sunday, March 9, 2025 11:06:53 AM

To St. Helena City Council,

It has come to my attention that the SH City Zoning Code has had changes made to the approved code, without going through the legally required approval process. It seems that would render it invalid, making it difficult for those looking to get permits for anything in the city of SH to know what they can do. Please remedy this situation and bring transparency to this situation by going through the legal approval process of public notice, public comment, SH City Planning Committee approval and City Council approval. This actually really does matter for the integrity of our building and renovation processes for the community and the residents who depend on the clarity and accuracy of what was adapted.

Thank you,
Philippa
Sent from my iPhone

St. Helena City Council
Public Comment
03/11/2025

Mayor Dohring & City Council Members,

Shortly after I made my comments at the last city council meeting (my written "script" from that meeting is attached), some new information regarding the troubling behavior of our City Manager came to light in the *St. Helena Star*.

From that article we learn that after meeting with Dan Hale regarding an unauthorized change in the Building Code, former planner Galbreath sent an email to City Manager, Anil Comelo, and Community Development Director, Maya DeRosa, on Oct. 17. This is Galbraith's account of what Hale said:

"He made it clear that he did not agree and would **fight me to the death** over this decision and that he would also fight (DeRosa) to the death regarding this decision."

Strong language to be sure, but without knowing what led up to such passion, it's difficult to fault Mr. Hale for threatening to get to the bottom of something the city wasn't addressing.

However, the following day, according to the *Star:*

> Comelo sent a letter to Hale, copied to the council and planning staff, claiming Hale had "made threatening statements" to Galbraith during their Oct. 17 meeting: "that included you would 'fight to the death' and the **'death of Community Development Director DeRosa'** to get this decision reversed."

This is a very troubling twist and misstatement of what was apparently said by planner Galbreath, and it appears to be an attempt by Mr. Comelo to not only intimidate Mr. Hale but to also besmirch his character to the members of the city council and the planning staff.

As troubling as that is, it is not the only disturbing thing about this incident.

From the *Star*:

> On Oct. 22 Hale got a call from a St. Helena police officer saying he'd received a report that Hale had threatened Galbraith during their Oct. 17 meeting. Hale said the officer told him Galbraith had not filed the complaint with the police department, but the officer wouldn't reveal who had. No charges were ever filed.

So if Galbraith didn't file the complaint…who did? And, since no charges were ever filed, what was the purpose of filing a complaint if not to try and intimidate a whistle-blower? Unfortunately, all fingers for this point to City Manager, Anil Comelo.

In his own words, and at the expense of a member of the community, Mr. Comelo appears to have shown us the true nature of his character and the lengths he is willing to go to to protect himself. Is this the kind of person we want running our city? Is this going to cost us even more in litigation? I certainly hope the city council takes these allegations seriously and disciplines the city manager appropriately.

The other troubling thing to come out of all this is the alleged "cleaning" up of the code by city staff without any kind of oversight by the Planning Commission or City Council. Who authorized that? And why? We apparently have a beleaguered staff already…presumably the reason why we are so top-heavy. Was this a make-work project to keep someone busy and justify all the salaries? Is there a record of all the changes that were made to the code this way and justification as to why? How much staff and council time will now have to be spent straightening this out? And at what cost?

And to cap it off, Comelo now seems to be playing with the idea of installing a barrier in City Hall to prevent non-employees from entering the work spaces for the Community Development and Public Works departments. According to Comelo, that was the advice of the city's attorney. We have never needed a "barrier" in the past. Why now?

According to the Star, Mayor Paul Dohring said "I encourage the parties to reset and come together to clearly set forth their interests and expectations, eliminate misunderstandings, and improve communications." That is an admirable goal to be sure. But in order for it to succeed, it will take some trust. Unfortunately Mr. Comelo has shown that his primary interest is keeping his job at all costs. To that end, he may say whatever it takes to achieve *his* goal, whether it aligns with that of the city (and its residents) or not.

Elaine de Man
03/10/2025

St. Helena City Council
Public Comments
February 28, 2025

I am here tonight mainly in response to the four comment letters submitted by Daniel Gale.

I presume you all have read them by now.

These are very disturbing allegations. I would hope that the rewording of the municipal building code that Mr. Hale refers to was an honest mistake. And if so, why wasn't it simply dealt with immediately? Looking at the timing….it seems Mr. Hale's interactions were in October. When was Mr/ Camelo's performance revue? The one that got our city manager a little bonus and a one-year extension on his contract? Sometime after that? I can't help but wonder if that had something to do with wanting to get this *faux pas…*intentional or not…swept under the rug.

Instead it appears that there was an attempt to, not only sweep Mr. Hale's finding under the rug, but to castigate Mr. Hale by filing a police report claiming he had somehow threatened a city employee. Which was, apparently, unsubstantiated.

Mr. Hale's courage in relating this incident, granted through his eyes only, reminded me of what had, up until now, been nothing but rumors. That some members of the city staff have been rude and abrasive towards members of the public who question them. That there is some kind of "hit list" of residents who have been too critical of the City Manager and that there have been incidents, such as the one related by Mr. Hale, of retaliation.

If this is true, it needs to stop right now. If it is not true, I do very sincerely apologize…but with a caveat. These accusations have been made by very well-respected members of the community. They have a lot of credence. I only hope that Mr. Hale's comments will give them the courage to also step up and speak out.

I also want to give a big shout-out to Vice Mayor Michelle Deasy for having the courage to jump into the fray on Nextdoor and engage the public with her thoughts.

In the end, that's all I'm asking for…from the council members and from the citizens…to have the courage to stand up and shout, "The Emperor has no clothes!"

Elaine de Man

From: Christine Hale
To: Public Comment; Erika Opp; Erika Opp
Subject: [External] Public Comment for March 11, 2025 City Council Meeting
Date: Monday, March 10, 2025 10:47:36 PM

Erika,
Would you please submit the following for public comment for 3/11/2025 City Council Meeting.

St Helena City Council.

I have watched as the drama has unfolded regarding the changes to zoning code and witnessed a shocking display of abuse of power by the City Manager and City Planning Director.
While it all started with a simple question of a change to the approved zoning code, it seems to have cascaded into a smear campaign on a private citizen to avoid answering the question.
The simple question was, "how and when did the change in code regarding porches for residential properties take place?" What ensued was 4 months, and I wonder how much legal cost to the citizens of SH, to get around admitting that this was done improperly. It was finally acknowledged in February. This was an unnecessary waste of everyone's time and money.

My understanding is that the code was approved in October 2023 and was not published on the website until October 1, 2024. (The previous code was left up for about 7 months despite the fact that it was no longer valid.Then for a period, there was nothing on the website.) In the meantime everyone that was trying to get a permit was relying on the approved draft code. So imagine the surprise when it was discovered after months of work on a project with long serving Planner Hecock, prior to his departure, that the code they had relied on had been altered in a consequential way and this new version was published after his departure. The new Interim Planner Galbraith, was just as surprised to discover this fact and understood that this was a problem. These changes make it difficult for staff who come into this situation, with no notice, to grapple with these changes and the confusion that they cause. There are many other changes that have occurred and the list has been requested, but not yet provided. It is important that the code changes go through the process that is required by law. This process includes public notice and comment, Planning Commission approval and City Council approval. This is the law and it is in place for a reason and I am concerned that these unapproved changes put the city at risk.

Rather than answer the question, Planning Director DeRosa and/or City Manager Comelo decided it was better to go after the messenger. They made outrageous, slanderous claims against a citizen, including a Police Report with the fabricated claim of a threat to Planner Galbraith. The Officer said that this report was not made by Galbraith. The Police Report was requested along with any notes, and all that was provided was a blank page with an incident number. CM Comelo also threatened in a letter that he is holding this police report as leverage. If there is such a report, it should be provided as requested. When it was discovered by City Staff that Galbraith invited Hale in to his office and they had a cordial meeting the day after the supposed threat, the threat target seemed to have changed to Planning Director DeRosa, who was not present nor mentioned at the meetings, other than for Galbraith to mention that Planner DeRosa had promised an answer to the question regarding the code change. Could this not have been handled with a simple meeting between parties?

Can we please do better? Can we have some transparency in this process? I know the process to get the code passed was arduous. There were bound to be some changes needed, but the citizens deserve that the process to make those changes be proper and legal. It is important to follow the law in order to avoid any appearance of corruption, or conflicts of interest and to have the code be enforceable. To be clear here, other than the City Manager and City Planning Director, the City Staff has been professional and collaborative.

Thank you,
Christine Hale

California Property Tax Unraveling the Puzzle

Tracy A. Schulze, Napa County Auditor-Controller
Robert G. Minahen, Napa County Treasurer-Tax Collector

City of St. Helena Council Meeting, March 11, 2025

2

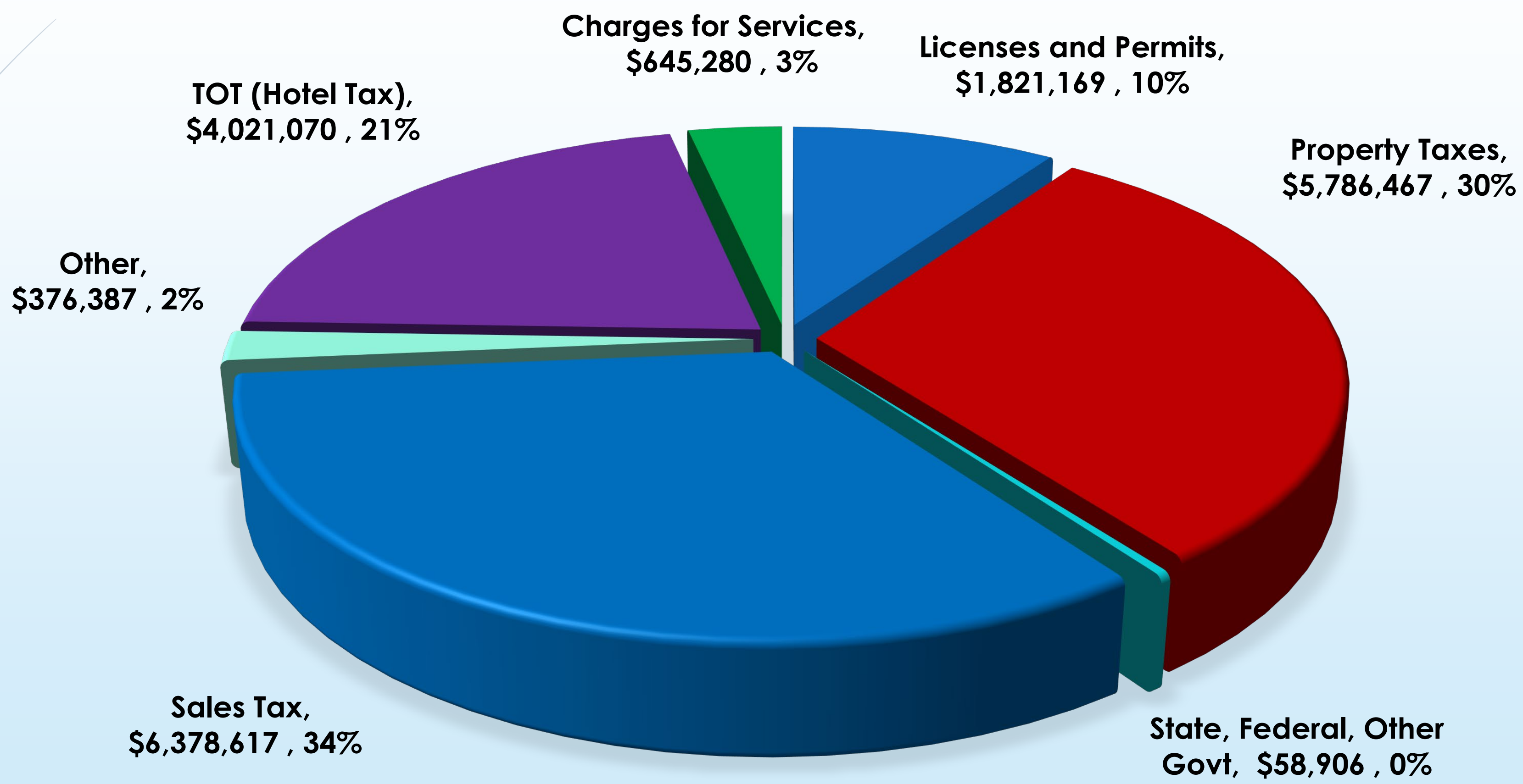
Discussion Overview

- City of St. Helena Budget Overview (2024-25)
- Property Tax – How did we get here?
- Napa County Property Tax Estimates (2024-25)
- ERAF – what is it?
- VLF – How does this fit in?
- Recap and Review
- Questions

3

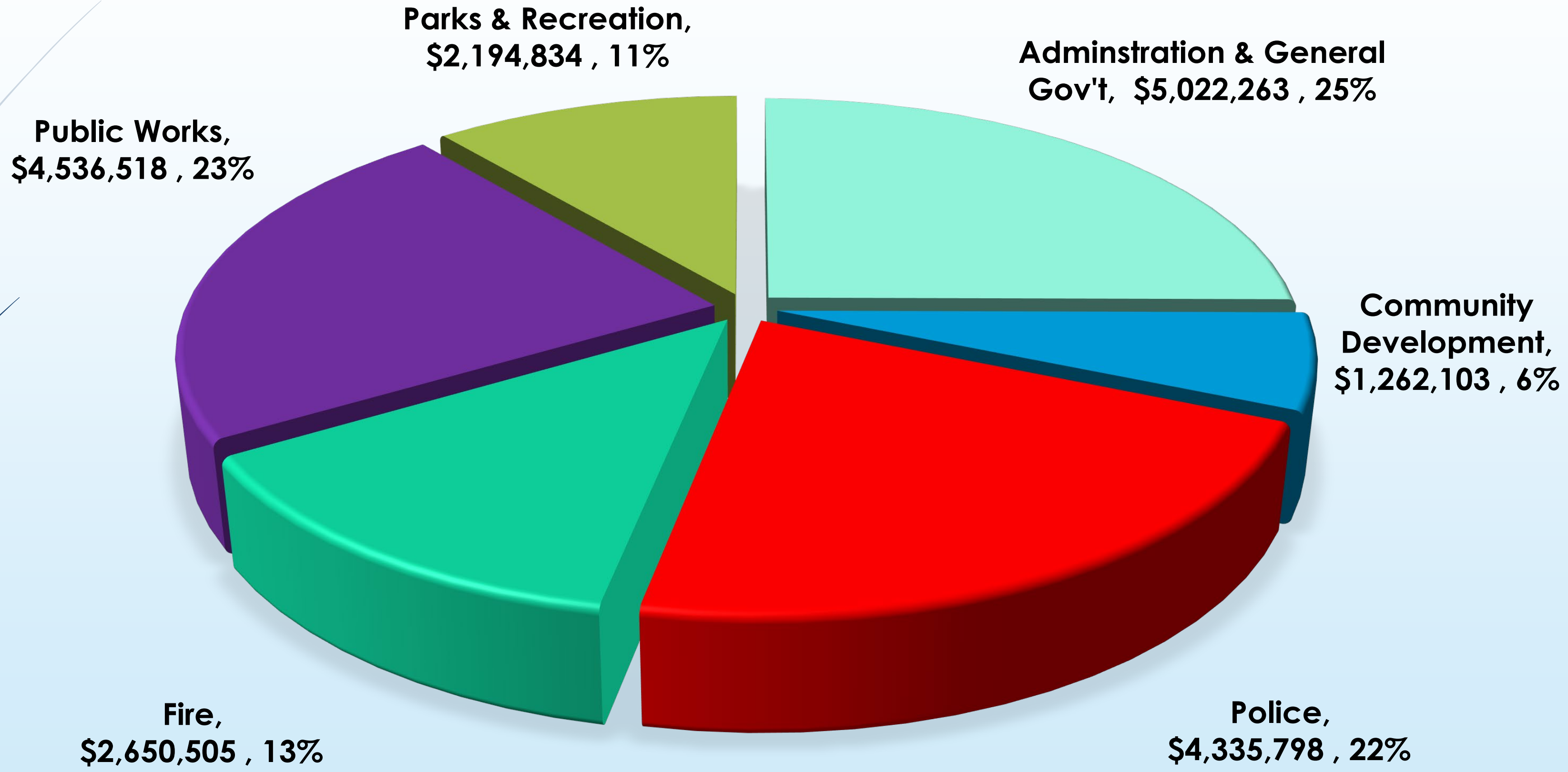
CITY OF ST. HELENA
MAJOR REVENUE CATEGORIES FOR THE GENERAL FUND
(BASED ON FISCAL YEAR 2024-25 BUDGET)

$19,087,896



4

CITY OF ST. HELENA
MAJOR EXPENDITURE CATEGORIES FOR THE GENERAL FUND
(BASED ON FISCAL YEAR 2024-25 BUDGET)
$20,002,021



5

Property Tax – How Did We Get Here?

Pre-Prop 13 (1978) Tax Levy based on budget needs

Prop 13 Limited Property Tax to 1% of Assessed Value

Components of Prop 13 & AB8 Factors

Passed June 1978

- Instead of levy, restricted property tax to 1% of Assessed Valuation as of 1975 lien date
- Limited annual Assessed Valuation Growth to lesser of 2% or CPI
- Apportionment factors based on base Year of tax levy1977-78 and on Geographical Boundaries (AB8 Factors)
- In Napa County, Schools received 60%, all other local agencies received 40%
- Reduced property tax by $7 billion in first year

Complications include annexations, redevelopment agencies, supplemental tax bills, and much more…

7

Let's Look at Napa County's Property Tax Revenues and Allocations…

AB8 Factors & Distribution

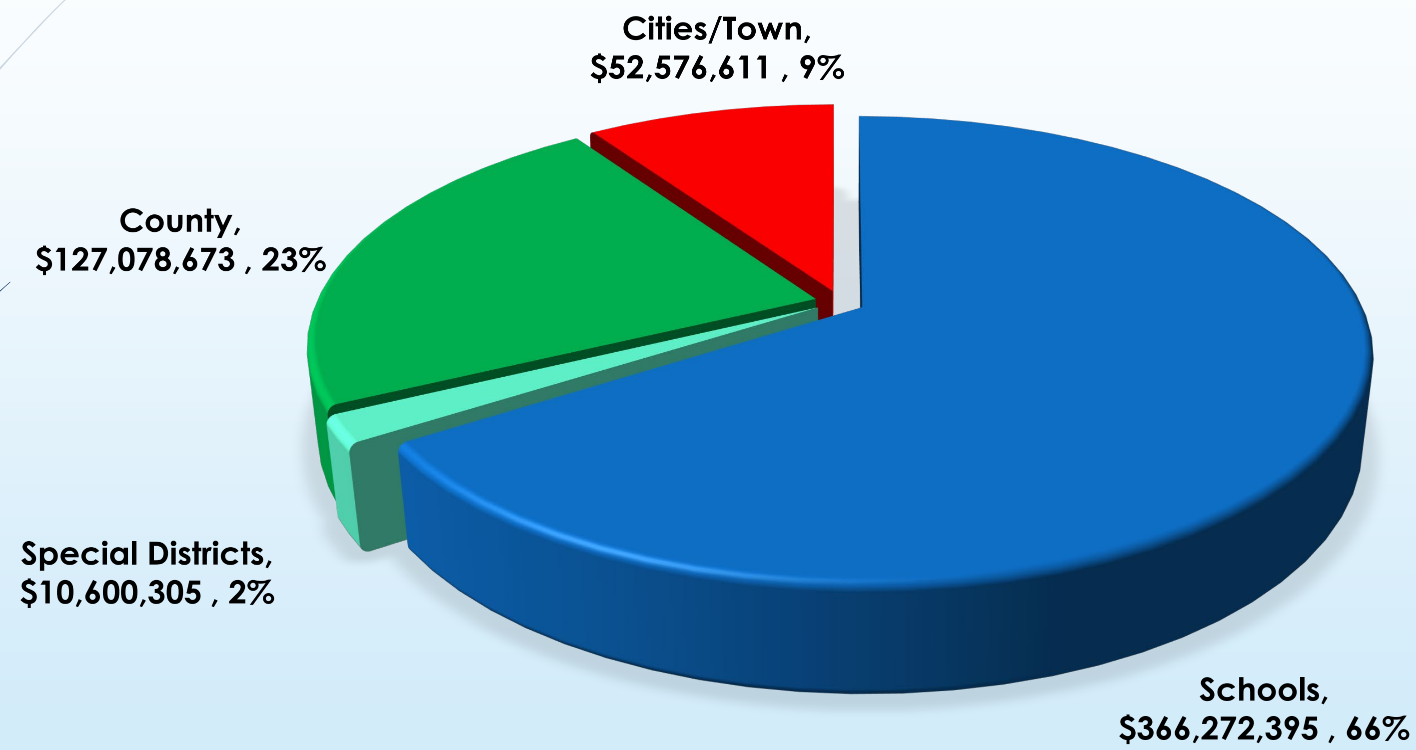
Fiscal Year 2024-25

8

Taxing Entity	Esimated Total	Property Tax AB8 Factors
Napa County	98,802,143	17.73%
Fire Non-Structural	8,666,179	1.56%
Napa County Library	11,556,975	2.08%
Fire Protection	8,053,376	1.45%
Total County	127,078,673	22.82%
City of Calistoga	2,675,732	0.48%
City of Napa	31,373,058	5.64%
City of St. Helena	5,475,951	0.98%
Town of Yountville	1,459,938	0.26%
City of American Canyon	11,591,932	2.08%
Total Cities/Town	52,576,611	9.44%
Lake Berryessa Resort Improvement District	41,450	0.01%
Napa Berryessa Resort Improvement District	60,969	0.01%
Monticello Cemetery District	37,728	0.01%
Circle Oaks Water District	43,194	0.01%
Congress Valley Water District	128,584	0.02%
American Canyon Fire District	6,183,353	1.11%
Napa County Mosquito Abatement District	2,036,305	0.37%
Napa County Resource Conservation District	498,023	0.09%
Napa River Reclamation District	34,025	0.01%
Bay Area Air Quality Management District	1,536,674	0.28%
Total Special Districts	10,600,305	1.92%
Howell Mountain Elementary	1,905,111	0.34%
Pope Valley Elementary	1,752,996	0.31%
Fairfield-Suisun USD	785,601	0.14%
Calistoga Joint USD	18,362,668	3.30%
Napa Valley USD	171,990,756	30.90%
St. Helena USD	41,957,099	7.54%
Napa Valley Community College	44,996,576	8.09%
Solano County Office of Education	31,507	0.01%
Napa County Office of Education	17,065,893	3.07%
ERAF-Educational Revenue Augmentation Fund	67,424,188	12.12%
Total School Districts	366,272,395	65.82%
Total Estimated Property Taxes	**556,527,984**	**100.00%**

9

NAPA COUNTY ESTIMATED PROPERTY TAX REVENUES
COUNTY-WIDE
FISCAL YEAR 2024-25
TOTAL OF $556,527,984

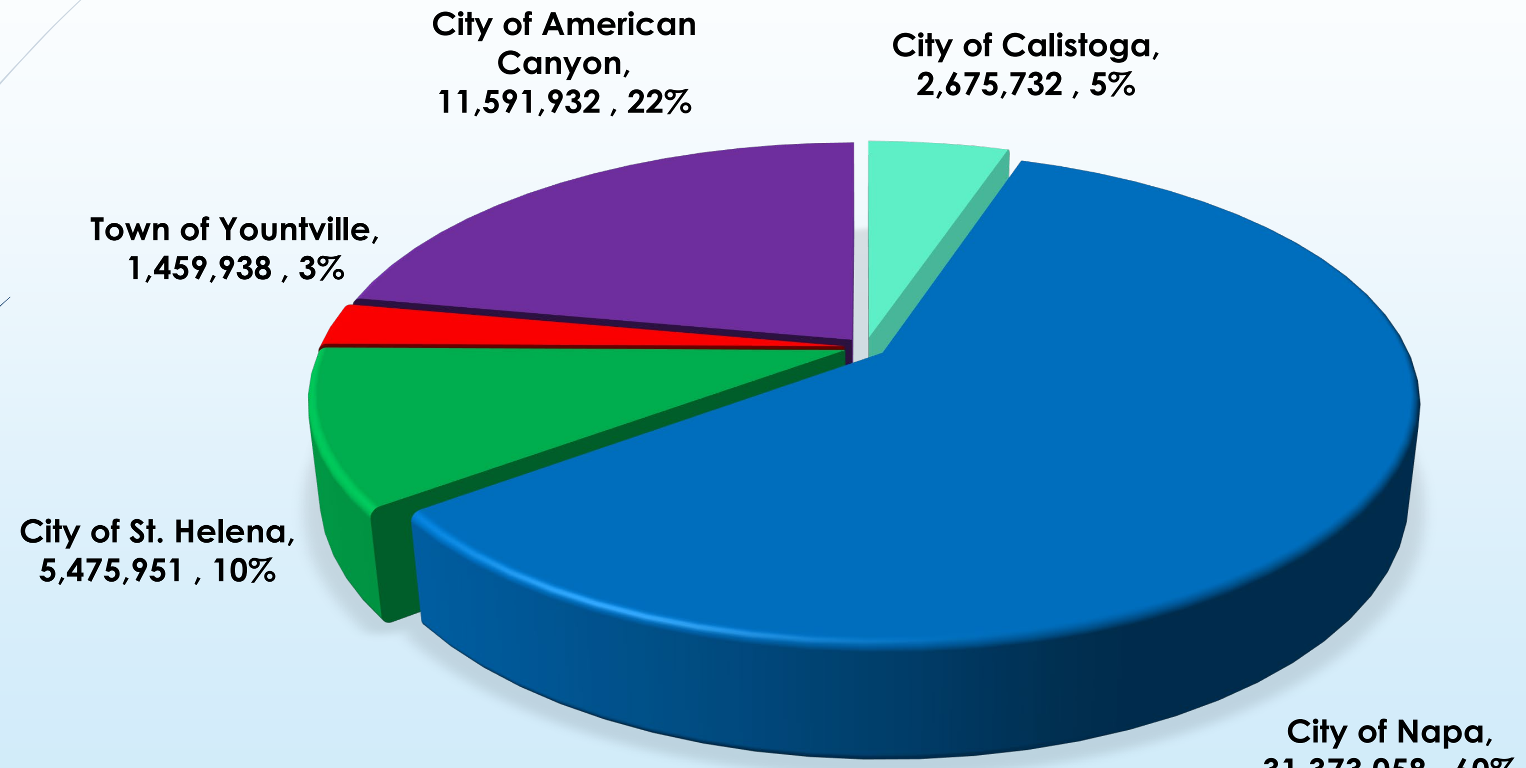


10

NAPA COUNTY ESTIMATED PROPERTY TAX REVENUES CITIES/TOWN

FISCAL YEAR 2024-25

% OF $52,576,611



ERAF – What is it?

11

12

ERAF SHIFT

What is it?

EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF)

Three SHIFTS 1992-93, 1993-94 and 2004-05

Purpose – to relieve State from a budget deficit of $1.3 million by having local taxing agencies pay the State's Obligation to fund Schools

1992-93 Shift - $3.6 billion

- Factor of the shift the State calculated was never revealed
- Some agencies were exempt (multi-county districts, local hospital districts, and some water agencies were limited

1993-94 Shift - $2.6 billion

- Factor was determined by Dept of Finance and was based on population
- Gave more exemptions to certain agencies

2004-05 Shift - $1.3 billion

- Temporary - over two years (no longer exists)
- Based on State Controller's determination of who contributes what

ERAF and Excess ERAF

13

Break it down please!

State Revenue Limit – (aka: LCFF) The guaranteed minimum amount of funding required for schools based on average daily attendance (Prop 98, passed in 1988)

Basic Aid School Districts – Annual Property Tax allocated using AB8 Factors **equals** or **exceeds** the State's Revenue Limit for the District.

Non-Basic Aid School Districts – (aka: ERAF Entitlement) Annual Property Tax allocated using AB8 Factors **is less than** the State's Revenue Limit for the District.

ERAF – A "taxing entity" funded by a SHIFT of local taxes based on a State requirement

Use of ERAF – Fill up the gaps of all Non-Basic Aid School Districts (which are the State's responsibility)

Excess ERAF – Once all gaps are filled, return any excess "shifted" taxes back to the local jurisdictions in proportion of how they were originally shifted.

**Note: Only 5 counties in CA currently have Excess ERAF*

Napa County

14

Basic Aid?

Napa Valley Unified is the only School District in Napa County that is Non-Basic Aid *(Property Taxes received are less than the States Guaranteed Minimum Revenue Limit)*

Key components:

- Guaranteed Minimum Revenue based on Average Daily Attendance (ADA)
- Assessed Valuation of Property within the School District's Geographical Boundaries

Both relate to each other, and both can fluctuate each year

AB8 Factors & Distribution

Fiscal Year 2024-25

15

Taxing Entity	Esimated Total	Property Tax AB8 Factors
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Total Estimated Property Taxes	**556,527,984**	**100.00%**

Key Takeaways

16

WE ALL NEED TO BE AWARE AND UNDERSTAND WHAT THE STATE IS DOING WITH OUR LOCAL PROPERTY TAX FUNDING

WE ALL NEED TO BE AWARE AND UNDERSTAND THAT SCHOOLS AND THE STATE ARE NOT BEING HARMED IN ANY WAY…ONLY LOCAL GOVERNMENTS ARE

OUR DISCRETIONARY REVENUES NEED TO STAY DISCRETIONARY TO ALLOW FOR THE GREATEST FLEXIBILITY TO RUN THE BEST GOVERNMENT FOR OUR PEOPLE

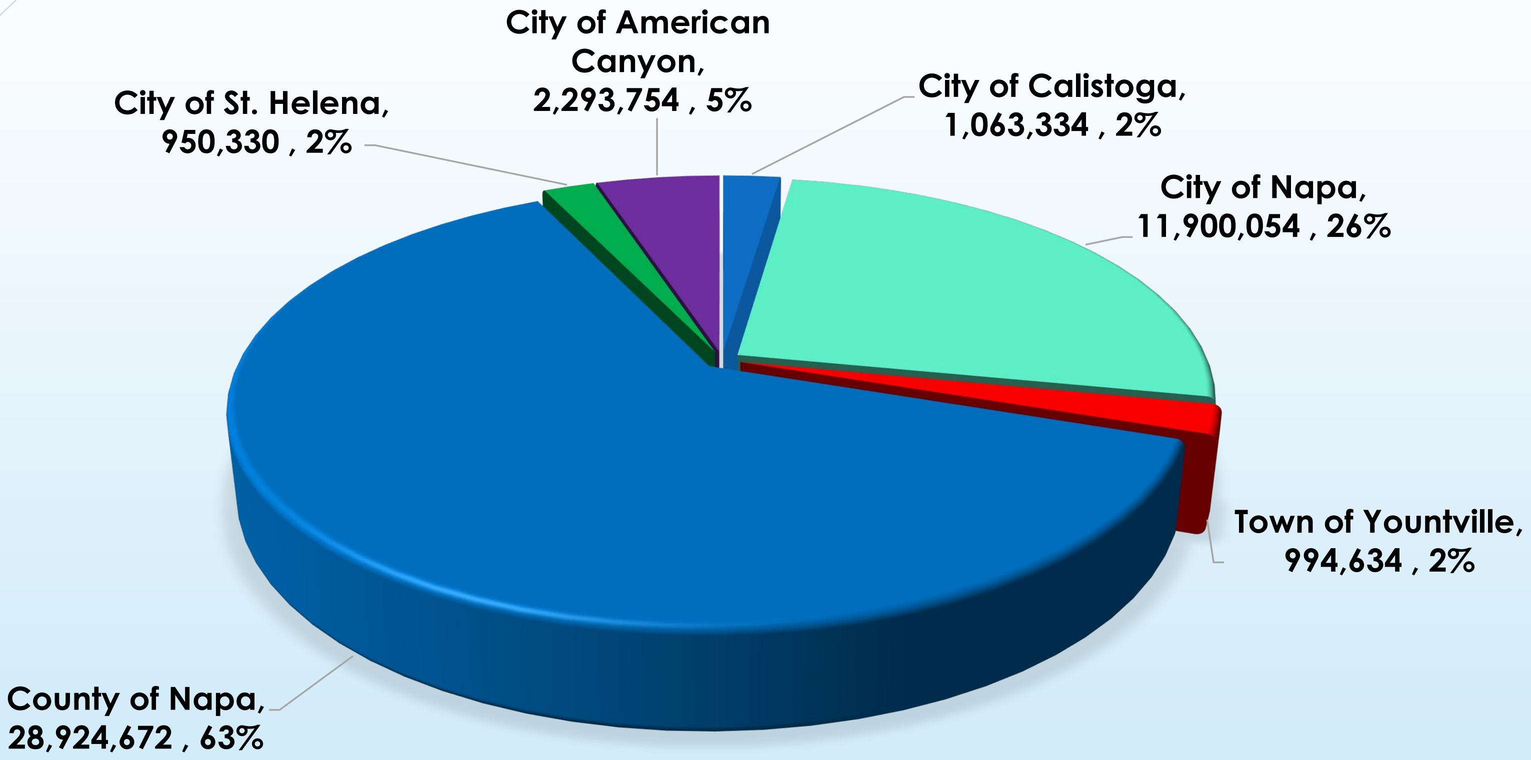
VLF – How does it fit in?

17

NAPA COUNTY ESTIMATED VLF REVENUES

FISCAL YEAR 2024-25

% OF $46,126,778



VLF SWAP - History

- In 1998, the State reduced the Vehicle License Fee (VLF) from 2% to 0.65% of the value of vehicles. Because VLF revenues were local funds, the reduction in rate would have severely impacted local services so the State included appropriations to backfill for local revenue losses.
- In 2004, the State, cities and counties worked together to develop a new mechanism for reimbursing cities and counties for their reduced VLF revenues while also helping to address a large State budget hole. The VLF Swap transferred VLF revenues to the State in exchange for additional property tax shares to cities and counties. As part of this agreement, local governments agreed to an additional ERAF Shift (ERAF III) for two fiscal years moving $1.3 billion each year from local governments to the State to help address the State's budget deficit.

20

Current Law – The Problem

Revenue and Taxation Code 97.70

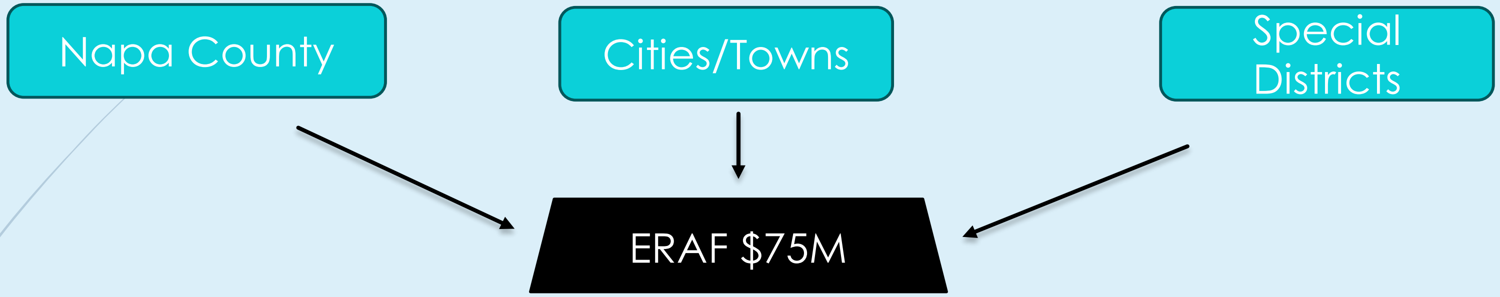
- County Auditor-Controller shall take funds from ERAF to fund VLF Adjustment. The State then backfills local school agencies by an increased General Apportionment. RT 97.70(a)(1)(A)
- If there in not enough funds in ERAF to fully fund the VLF Adjustment, County Auditor-Controllers shall reduce the amount of property tax allocated to non-basic aid school districts to fully fund the VLF Adjustment. The State then backfills local school agencies by an increased General Apportionment. RT 97.70(a)(1)(B)
- RT 97.70 does not address the funding mechanism when all K-14 school districts within a county turn basic aid.

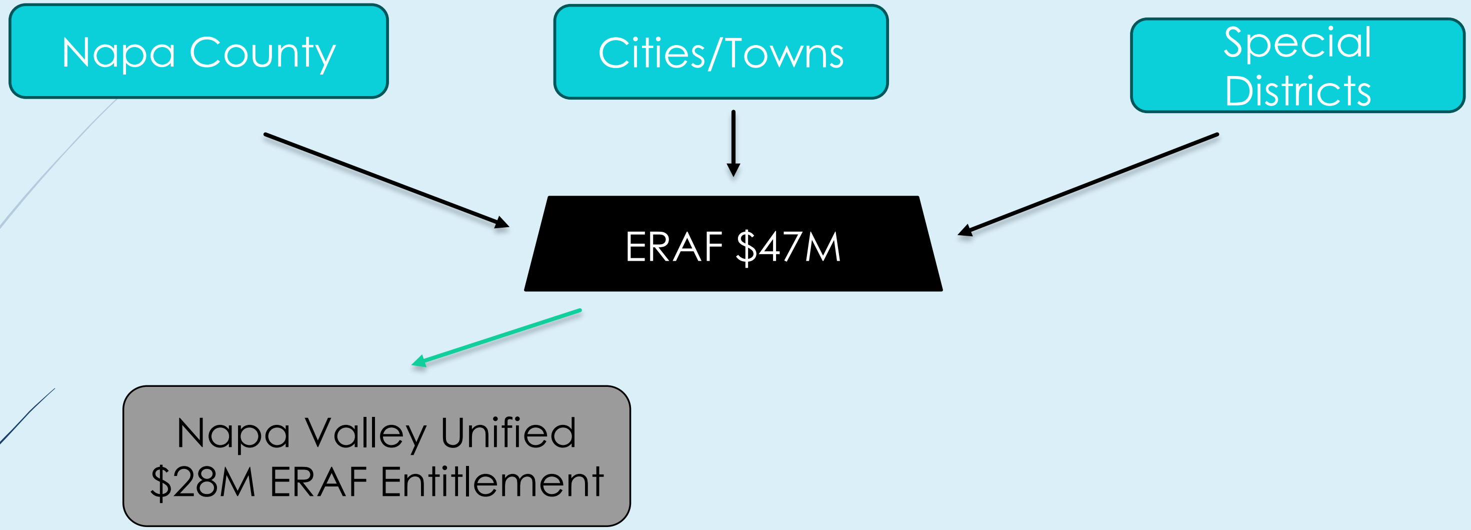
Napa County Issue

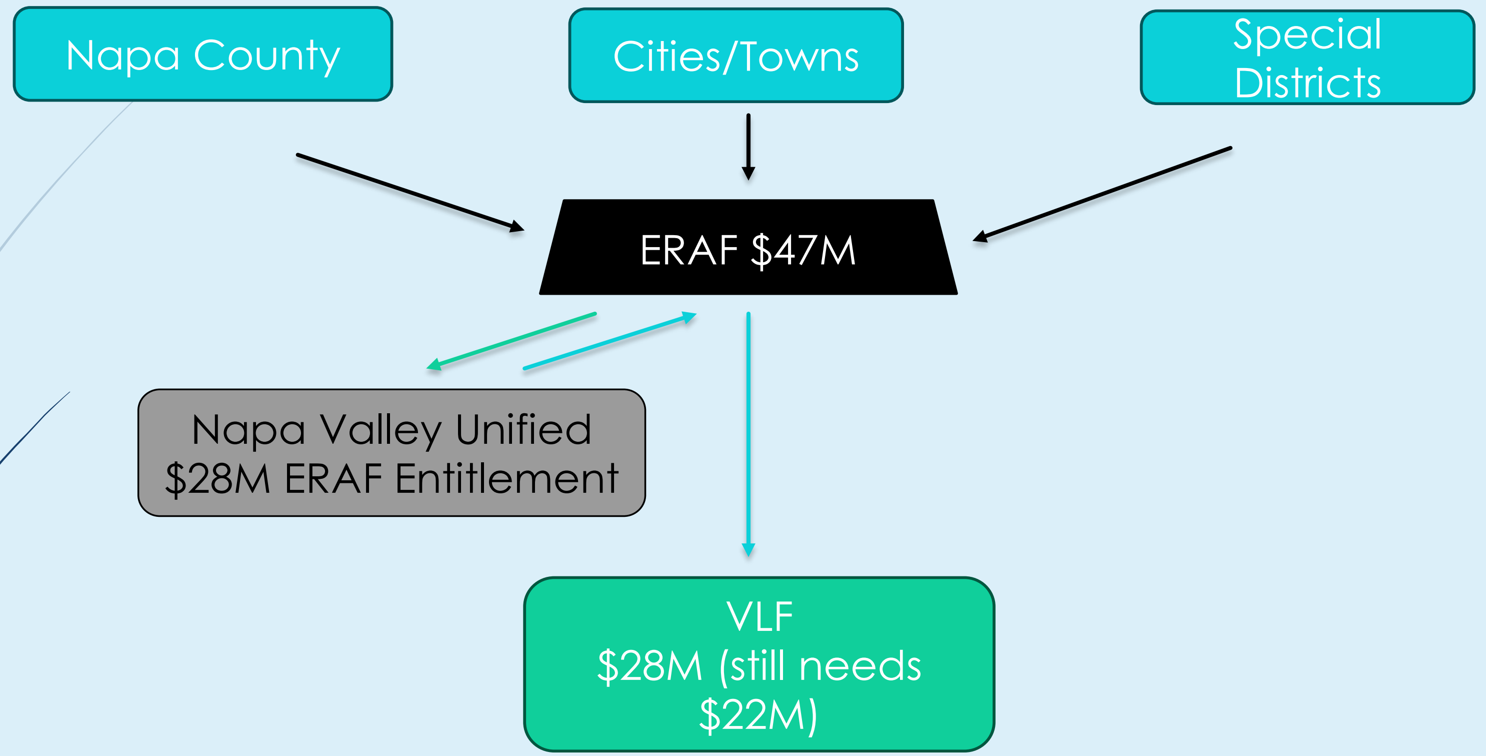
- As mentioned, Napa County currently has one non-basic aid school district, NVUSD.
- NVUSD is the largest district in the county and is trending towards basic aid status.
- Once NVUSD becomes basic aid, the County Auditor-Controller will have no available tax allocations to shift to fill the VLF Adjustment for the County, cities or town resulting in, at a minimum, a two-year loss of discretionary funding totaling $100M to our local jurisdictions.

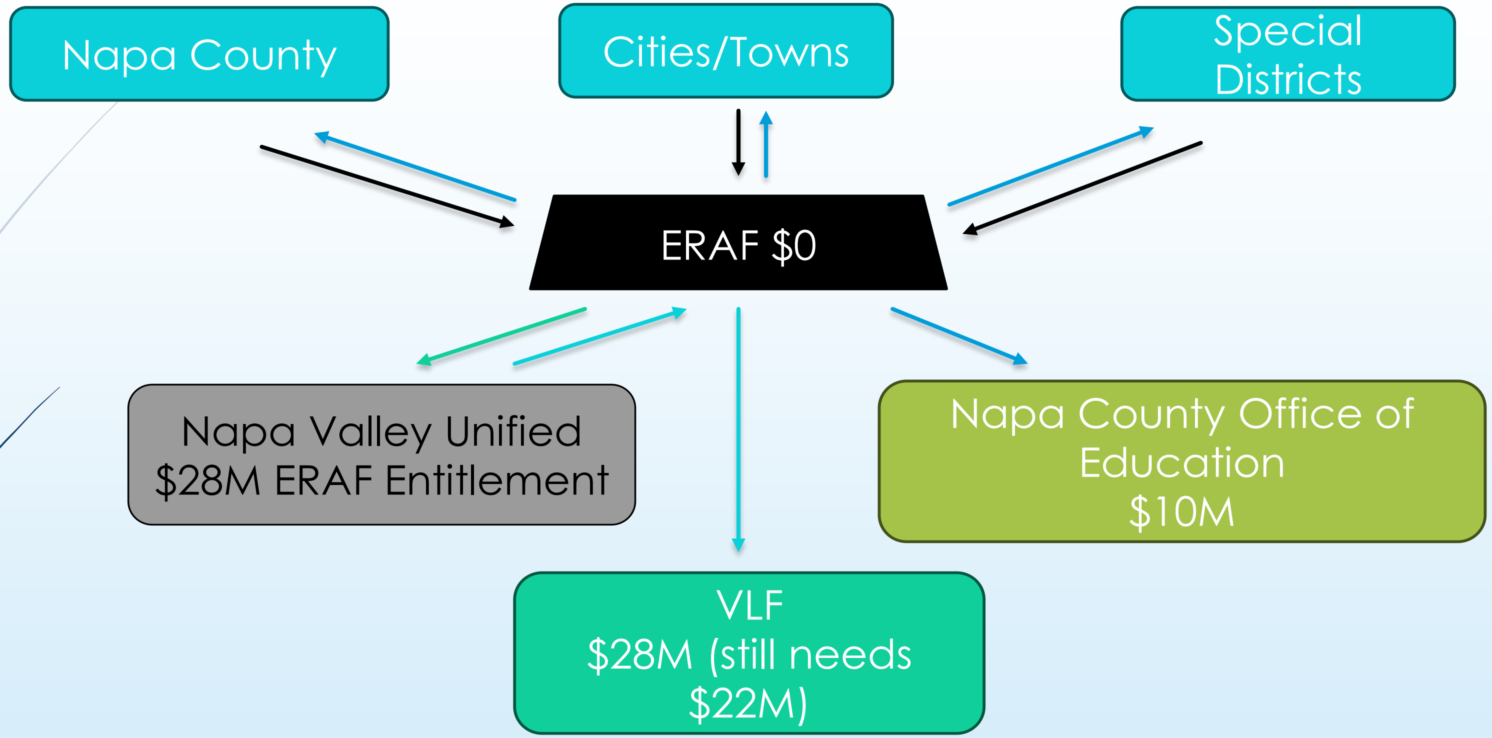
Factors Leading to Basic Aid

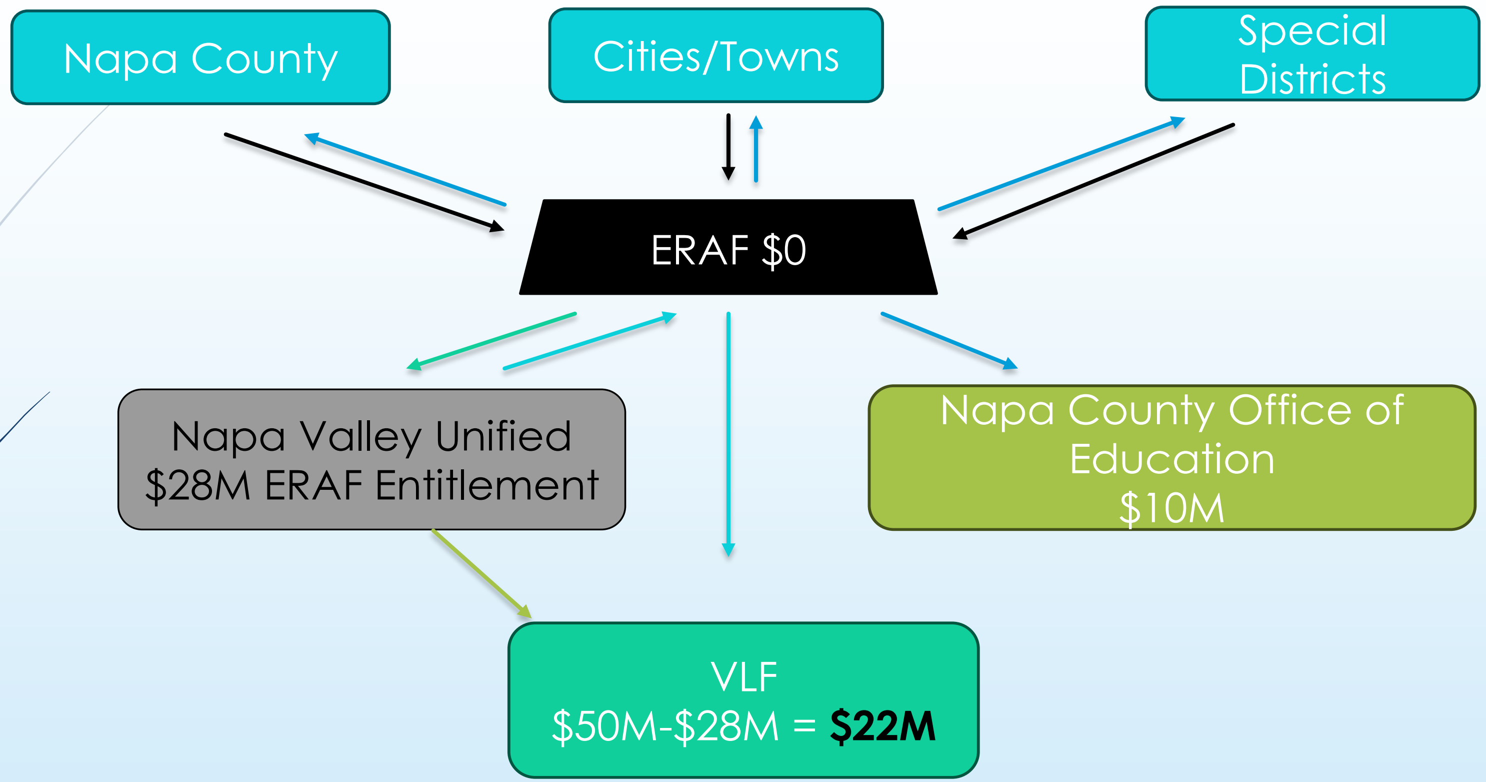
- **Prop 13** – the apportionment factors arising out of Prop 13 allocates $2 out of every $3 of Napa County property tax revenues to local school agencies. For reference, neighboring Solano County only shifts $1 out of every $2 to schools. Napa's increased school apportionment factor means a higher percentage of property tax revenues are apportioned to schools pushing them towards basic aid.
- **Assessed Valuation** – Napa County continues to see high assessed valuation pushing more property tax funds to local schools.
- **Declining Enrollment** – According to the California Department of Education, NVUSD has experienced sharp declines in enrollment over the past four years.
- **State's General Fund** revenue declines have resulted in a significant drop in the Prop 98 funding guarantee. Rapid school funding growth appears to be over.

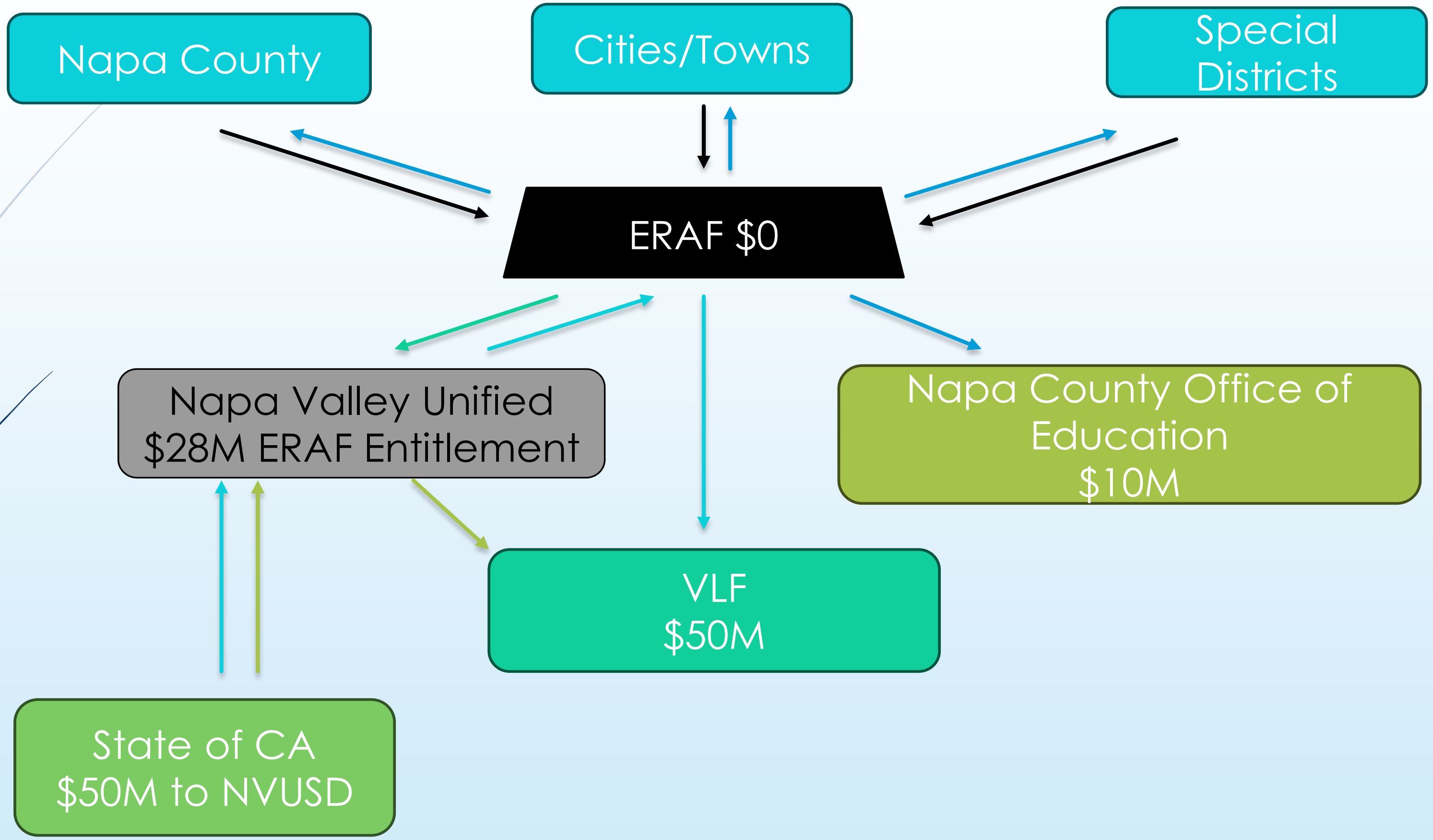

Napa County
Cities/Towns
Special Districts
ERAF $75M

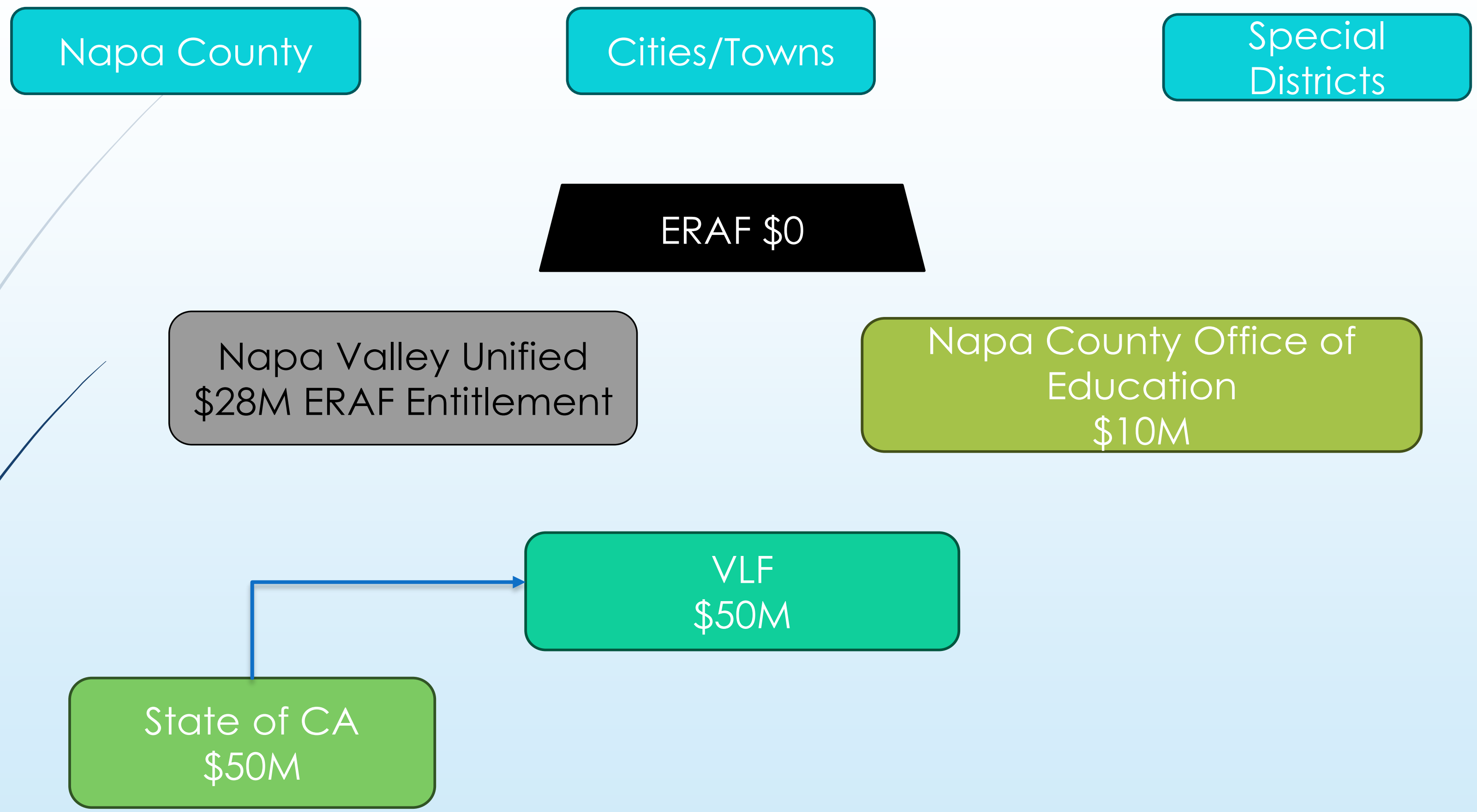

Napa County
Cities/Towns
Special Districts
ERAF $47M
Napa Valley Unified
$28M ERAF Entitlement


Napa County
Cities/Towns
Special Districts
ERAF $47M
Napa Valley Unified $28M ERAF Entitlement
VLF $28M (still needs $22M)


Napa County
Cities/Towns
Special Districts
ERAF $0
Napa Valley Unified
$28M ERAF Entitlement
Napa County Office of Education
$10M
VLF
$28M (still needs $22M)


Napa County
Cities/Towns
Special Districts
ERAF $0
Napa Valley Unified
$28M ERAF Entitlement
Napa County Office of Education
$10M
VLF
$50M-$28M = **$22M**


Napa County
Cities/Towns
Special Districts
ERAF $0
Napa Valley Unified
$28M ERAF Entitlement
Napa County Office of Education
$10M
VLF
$50M
State of CA
$50M to NVUSD


Napa County
Cities/Towns
Special Districts
ERAF $0
Napa Valley Unified $28M ERAF Entitlement
Napa County Office of Education $10M
VLF $50M
State of CA $50M

NVUSD's Trek Towards Basic Aid

	2022-23 Actual	2023-24 8.00% COLA	2024-25 0.76% COLA	2025-26 2.46% COLA	2026-27 2.50% COLA
LCFF	$195,509,000	$210,500,000	$204,521,000	$203,300,000	$205,527,000
State Categorical Hold-Harmless	(14,995,000)	(14,995,000)	(14,995,000)	(14,995,000)	(14,995,000)
LFCC Funding Need	180,514,000	195,505,000	189,526,000	188,305,000	190,532,000
Local Property Taxes	(158,858,000)	(169,738,000)	(174,749,000)	(184,200,000)	(191,437,000)
ERAF Entitlement	$21,656,000	$25,767,000	$14,777,000	$4,105,000	$(905,000)
					Basic Aid

31

Proposed Legislative Fix

- The proposed legislative fix would create a continuous appropriation to plug the VLF hole. This fix would impact Alpine and San Mateo Counties immediately and remove the uncertainty facing municipalities in Napa County.
- The proposed legislation provides for payments to be made to counties twice a year with true-up provisions which will be subject to audit by the State Controller's Office. The proposal included payment deferrals during periods where the State was in budget crisis.

32

Impacts to School Funding

Despite past assertions made, our proposed legislative fix has **no** impact on School Funding:

- The bill has no impact on the Prop 98 Guarantee.
- Education funding is specifically held harmless from the impacts of the VLF Swap.
- All public schools in Napa County are currently funded to their Local Control Funding Formula Limit using local property tax dollars.
- NVUSD, the county's only non basic aid school district, is currently only backfilled by the State for property tax dollars shifted from the District to fund the State's VLF Swap Obligation, in accordance with law.

Summary

- The State promised to reimburse local government for lost VLF revenues in negotiations to help the State through the 2004 budget crisis.
- The State currently reimburses 56 of the 58 California counties (including Napa) through current statutes.
- 100% of Napa County schools are funded to the LCFF guarantees using local property tax dollars.
- NVUSD, Napa County's last non-basic aid school district, is trending towards basic aid status.
- Once NVUSD turns basic aid, there is no statutorily defined funding source for the State's VLF Swap obligation owed to Napa County.
- The State is currently paying VLF in Napa County, they are simply funneling it through the school financing mechanism.

Thank you!!

SMART Meter Replacement Project Follow Up Questions

City Council Meeting

March 11, 2025

Question 1: 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)

Product Data Sheet

- Batteries are fully encapsulated within register housing and are not replaceable.
- Future reference: Specifications for meters included in 2/11/25 agenda packet

Question 2: Ongoing Costs

Meter Replacements:

- **5/8” Meter: $218 per each**
- **1” Meter: $256 per each**

Meters & Hydrants Annual budget

GL: 561-50-31-22-19 = $24,000 per year

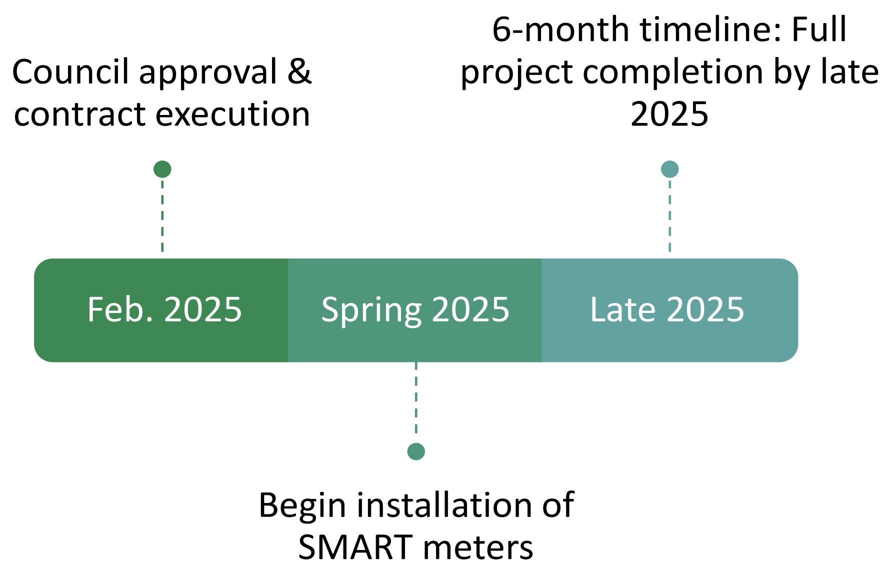
Question 3: Contract Review

Completed

A full contract review has been completed by the City Attorney's office to include:

- Contract Document
- All bid specification documents
- All pre-qualification documents
- All addendums
- Bond documents.

Implementation Timeline



Supplemental Slides

Financial Summary (as proposed)

Total Project Cost: $2.3 million

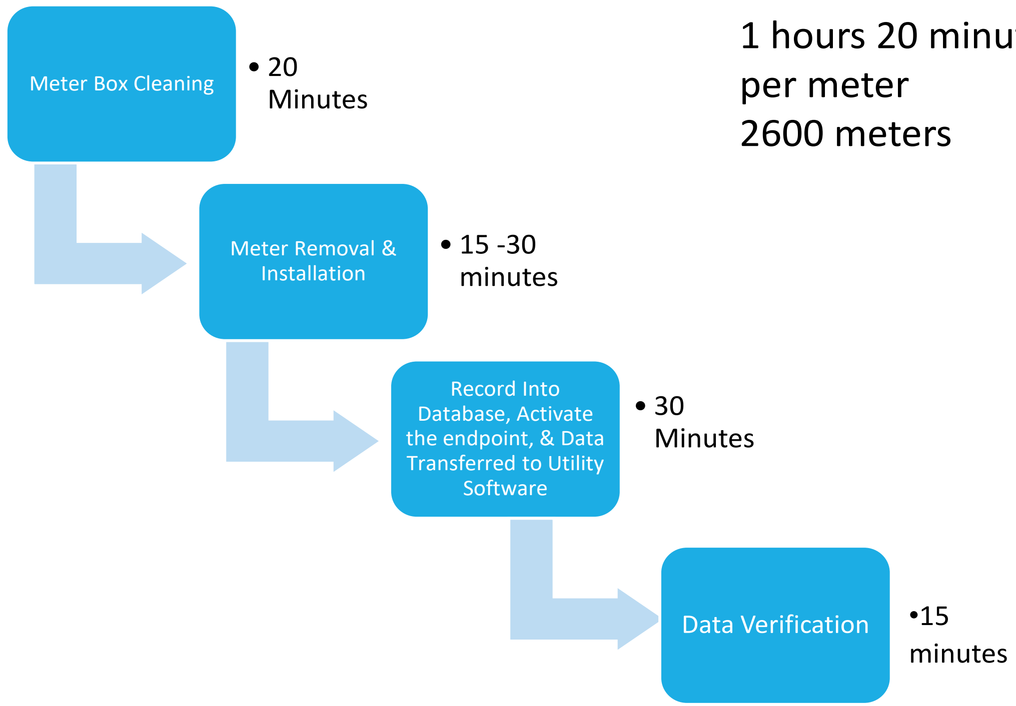
Funding secured through Water Revenue Bonds

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	February 11, 2024
Construction Contingency 15%	$73,704	February 11, 2024
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*

Meter Installation Process



1 hours 20 minutes
per meter
2600 meters

Agenda Report to the City Council

Agenda Section: CONSENT ITEMS

Department: Administration

DATE:	March 11, 2025
FROM:	Anil Comelo, City Manager
SUBJECT:	Approval of the City of St. Helena Statement of Community Values.
RECOMMENDED ACTION:	Approve the City of St. Helena Statement of Community Values
PREVIOUS COUNCIL ACTION:	April 11, 2017 - Community Statement on Immigration. February 25, 2025 - Special City Council Meeting - Study Session on Statement of Community Values.
STATEMENT OF THE PURPOSE:	The purpose is to approve the City of St. Helena's Statement of Community Values.
FINANCIAL IMPACT:	None.

BACKGROUND:
During the last couple of months, several public agencies have made proclamations in support of or against the new administration's policy of making deportation of undocumented immigration a priority. After the County of Napa Board of Supervisors approved a proclamation in support of immigrants and other groups, some members of the community requested that the City of St. Helena make a similar proclamation. In response, Mayor Dohring and Vice Mayor Deasy volunteered to draft a statement of values.

DISCUSSION:
A special meeting of the City Council was held on February 25, 2025 to receive input from the community. During the meeting, the City Council discussed the issues and received input from members of the public in a study session format. Attached is the resulting document which has benefited from that discussion.

A related document can be found at the following link: Community Statement on Immigration of April 11, 2017.

ENVIRONMENTAL REVIEW: None.

GOAL:

Miscellaneous/Other

DOCUMENTS ATTACHMENTS:

Statement of Values

City of St. Helena
STATEMENT OF COMMUNITY VALUES

WHEREAS, St. Helena is a community with a deep history, shaped by the contributions of all who call it home.

WHEREAS, we affirm our faith in fundamental human rights, in the dignity and worth of the human person, and in the equal rights of all community members.

WHEREAS, we recognize that recent changes in policies—both locally and beyond—have created uncertainty and concern for some residents. We are committed to ensuring that St. Helena remains a welcoming and supportive place where all residents feel safe, valued, respected, and included in community life.

NOW, THEREFORE, BE IT RESOLVED, that:

- **Our Community is Stronger When Everyone Feels Secure** – We recognize that uncertainty about the future can create anxiety, and we are committed to fostering a sense of stability and trust for all residents.
- **Access to Opportunity is Important for Everyone** – We strive to ensure that every person in St. Helena—regardless of heritage, identity, background, income, or occupation—has access to public resources, services, and opportunities and the right to freely participate in local government and the civic and cultural life of our community.
- **Open Dialogue Builds Trust** – We acknowledge that not all residents experience change in the same way. We are committed to listening and engaging in thoughtful conversations, affirming freedom of thought, conscience, religion, opinion, expression, peaceful assembly, and association, and working together to address concerns that impact our community.
- **Respect and Belonging Matter** – Every person in St. Helena should feel safe and valued. Our city government, schools, businesses, and community organizations play a critical role in fostering an environment where all residents can thrive.
- **A Resilient Community Works Together** – As St. Helena continues to evolve, we remain committed to preserving what makes our town special while ensuring that all residents—longtime and new—can feel a sense of belonging and stability.

BE IT FURTHER RESOLVED that this statement reflects our commitment to supporting the well-being of all who live and work in St. Helena. We pledge to keep these basic norms, rights and freedoms constantly in mind in our deliberations, decision-making and allocation of resources. We invite every member of our community to be part of the ongoing conversation and to work together to strengthen our shared future.

Dated: March 11, 2025

____
Paul Jamison Dohring, Mayor
City of St. Helena

From: Maria Phelps
To: Public Comment
Subject: [External] Values statement
Date: Saturday, March 8, 2025 12:23:29 PM

I am unable to be at the City Council meeting on 3/11, but would like to express my support for the Values Statement as drafted. I approve of this statement and am grateful it has been drafted and will hopefully be approved.
Thank you!
Maria Phelps

From: Pat Friday
To: Public Comment
Subject: [External] Community Statement on Immigration
Date: Saturday, March 8, 2025 4:10:20 PM

I urge you to pass the statement on immigration.

Immigrants are such an important part of our town and I value each one.   I want them to know that our town values them too; their safely, their well-being, access to opportunity and respect for them is important to communicate.

Please make a public statement in support of all of our marginalized neighbors. It's a small town. We all want to know that each of us is valued.

Thank you,
Pat Friday

Pat Friday
1430 Wallis Court
St. Helena, CA 94574

From: Pam Krell
To: Public Comment
Subject: [External] Values statement
Date: Saturday, March 8, 2025 4:27:56 PM

I am not able to attend the upcoming meeting but fully support the values statement.

Thank you for your attention to this.

Pam Krell
1455 S Whitehall Lane
St. Helena, CA 94574

From: Brooke Casey
To: Public Comment
Subject: [External] statement of values
Date: Sunday, March 9, 2025 6:09:26 PM

Dear City Council members,
I am unfortunately not able to attend the meeting this week and wanted to communicate my support of the Statement of Community Values proposed by Mayor Dohring and Vice Mayor Deasy. I am grateful for the time and attention the Council has given to this matter in the form of the community meeting, which I attended, and in drafting this statement. While I wish the statement had been more inclusive in terms of populations mentioned, I appreciate the thoughtful language and sentiments this more specific version offers. I believe it is incredibly important at this time to address some of the concerns and fears many members of our community are experiencing. Thank you for your consideration.
Best,
Brooke Casey

Agenda Report to the City Council

Agenda Section: CONSENT ITEMS

Department: Public Works

DATE:	March 11, 2025
FROM:	Rebecca White, Administrative Assistant
SUBJECT:	Consideration and approval of a resolution authorizing (1) a temporary closure of Adams Street and Library Lane on Sunday, June 15, 2025, from 6:00 a.m. to 6:00 p.m.; and (2) mobile food vendors to park and operate on Library Lane during the car show event; and (3) a permit allowing the possession of open alcoholic beverages on the closed portions of Adams Street and Library Lane for the Rianda House Car Show event.
RECOMMENDED ACTION:	Staff recommends approval of the attached resolution.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE PURPOSE:	Authorize the road closure of Adams Street and Library Lane, allow for mobile food vendors to park and operate on Library Lane, and allow for the possession of open alcoholic beverages on the closed portions of the streets for the Rianda House Car Show.
FINANCIAL IMPACT:	The Financial Impact is $2,175 resulting from the applicant submittal of a Request for Fee Waiver form for 6 permits related to this event including two encroachment permits, a banner permit, a road closure permit, and a raw water permit.

BACKGROUND:

The Rianda House Car Show is presented by the Gunilda Rianda Senior Center Association ("Rianda House") for the purposes of raising awareness of the needs of older adults in the community and raising funds to support Rianda House's programs and services.

The event will require the temporary closure of Adams Street east of 1001 Adams Street to the dead end, and Library Lane. The closure will occur from 6:00 a.m. to 6:00 p.m. on Sunday, June 15, 2025, with the event itself expected to take place from 10:00 a.m. to 4:00 p.m. The closure will allow for the event, which is planned to display 75 classic cars and vintage trucks, as well as set-up and clean-up of the event. Additionally, it will allow for mobile food vendors to operate on Library Lane during the event.

DISCUSSION:
Rianda House will be taking the lead on communicating and coordinating with all residences and businesses within a 1,000-foot radius of the of the road closure, per the conditions of the road closure form, and will coordinate to ensure alternate access for any commercial driveways affected by the closure.

There will be a barricade equivalent to K-rail that will prevent errant vehicles driving through the closed portion of Adams Street for the actual event. The entrance fee has not yet been determined. Rented restrooms and trash cans will be placed in the closed portions of the street, and mobile food vendors will operate on Library Lane, which may include vendors selling alcohol. Rianda House is responsible for coordinating with their vendors to secure the necessary ABC licensing for the sale of alcohol at this event. Vehicles in the car show will be lined up along the closed portion of Adams Street.

Members of the Rianda House team are working to secure sponsors from local businesses and will begin advertising the show 45 days in advance.

The event will require a permit from the Police Department if amplified music is being utilized and will require security should the gathering be planned for an excess of 250 people.

The event organizers will continue to coordinate and update City staff members from the Police and Public Works Departments and follow through with any additional requirements that staff may have for the actual event.

ENVIRONMENTAL REVIEW: None.

GOAL:

Goal 5: Enhance Quality of Life

DOCUMENTS ATTACHMENTS:

Resolution

CITY OF ST. HELENA

RESOLUTION NO. 2025-

CONSIDERATION OF A RESOLUTION APPROVING (1) A TEMPORARY CLOSURE OF ADAMS STREET AND LIBRARY LANE ON SUNDAY, JUNE 15, 2025, FROM 6:00 A.M. TO 6:00 P.M., FOR THE RIANDA HOUSE CAR SHOW; (2) MOBILE FOOD VENDORS TO PARK AND OPERATE ON LIBRARY LANE DURING THE RIANDA HOUSE CAR SHOW EVENT; AND (3) A PERMIT AUTHORIZING THE POSSESSION OF OPEN ALCOHOLIC BEVERAGES ON THE CLOSED PORTION OF ADAMS STREET AND LIBRARY LANE.

RECITALS

A. Rianda House Senior Activity Center is planning the Rianda House Car Show to bring the community together for the purpose of raising awareness of the needs of older adults in the community and raising funds to support Rianda House's programs and services ; and

B. The St. Helena Public Works Department has requested temporary closure of Adams Street, east of 1001 Adams Street to the dead end, and Library Lane for the event; and

C. Closure of the City streets in the area will provide space for event activities; and

D. A request has been made by Rianda House for mobile food vendors to park and operate on Library Lane during the event; and

E. St. Helena Municipal Code Section 9.04.010 authorizes the Council, by permit, to allow possession of open alcoholic beverages on public streets or any private or public off-street parking lot; and

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

RESOLUTION

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

1. The City Council finds that the benefits derived from the temporary closing of the City streets for the Rianda House Car Show outweigh the anticipated inconveniences to the neighborhood and citizens, and authorize the closures of Adams Street, east of 1001 Adams Street to the dead end, and Library Lane on Sunday, June 15, 2025, from 6:00 a.m. to 6:00 p.m.
2. Mobile food vendors are permitted to park and operate on Library Lane while the event takes place.
3. Temporarily closing a portion of the subject street is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.
4. The possession of open containers of alcohol is permitted on public streets and parking lots encompassed by this event.
5. The City Manager is directed to provide reasonable levels of City staff support to accomplish the closure of streets and related activities.

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

Mayor Paul Dohring: _____
Vice Mayor Michele Deasy: _____
Council Member Billy Summers: _____
Council Member Aaron Barak: _____
Council Member Kate Spadarotto: _____

APPROVED: ATTEST:

______________________ ______________________
Paul Jamison Dohring, Mayor City Clerk

Agenda Report to the City Council

Agenda Section: CONSENT ITEMS

Department: Public Works

DATE:	March 11, 2025
FROM:	Rebecca White, Administrative Assistant
SUBJECT:	Consideration of a resolution approving (1) a temporary closure of Adams Street from Friday, May 16, 2025, at 6:00 p.m., to Sunday, May 18, 2025, at 6:00 p.m.; and (2) authorizing possession of open alcoholic beverages on this public street for the Neighborhood Community Table Event scheduled for Saturday, May 17, 2025, from approximately 5:00 p.m. to 9:00 p.m.
RECOMMENDED ACTION:	Staff recommends approval of the attached resolution.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE PURPOSE:	Authorize the road closure of Adams Street and allow for possession of open containers on said street for the Neighborhood Table Event.
FINANCIAL IMPACT:	The Financial Impact is $2,175 resulting from the applicant submittal of a Request for Fee Waiver form for 6 permits related to this event including two encroachment permits, a banner permit, a road closure permit, and a raw water permit.

BACKGROUND:

The Neighborhood Table is presented by St. Helena Hospital Foundation to bring the community together in the spirit of health and connection while bringing awareness to Adventist Health St. Helena's mission and animating downtown St. Helena. This project is a collaboration to highlight the work being done by dynamic health and community visionaries who are committed to investing in each of us and our wellbeing, so that we may heal and create our most vital and connected lives. This is the 5th year the St. Helena Hospital Foundation has produced The Neighborhood Community Table on Adams Street.

The event will require the temporary closure of Adams Street, east of Library Lane to the dead end. The closure would occur from Friday, May 16, 2025, at 6:00 p.m. to Sunday, May 18, 2025, at 6:00 p.m., with some local access to allow for set-up and tear down with the actual dinner taking place on Saturday, May 17, 2025, from approximately 5:00 p.m. to 9:00 p.m. The closure would allow for the event, as well as the authorization for possession of open alcoholic beverages on the public street, which occurs for the duration of the meal event only.

DISCUSSION:
The St. Helena Hospital Foundation will be taking the lead on communicating and coordinating with all adjacent businesses on the south side of Adams Street once an encroachment permit is approved to ensure alternate access for any commercial driveways affected by the road closure throughout the event.

The event will include large rentals such as executive restrooms, dining tables, and chairs that will begin set up on Friday evening and Saturday morning. There will be a barricade equivalent to K-rail that will prevent errant vehicles driving through the actual dinner event. The event itself will be a family style dinner catered by Tre Posti. Guests will bring their own wine and will serve themselves. Since alcohol is not served at this event, an ABC license is not required. All guests are twenty-one years of age or older and no one under twenty-one years of age is permitted to enter the event. Per ABC direction, guest ID's are checked at the door prior to entrance of the event. While the ticket price has not been finalized yet, there will be two tiers to make the event accessible to the entire community. The clean-up and pick-up will be completed on Sunday, May 18, 2025, by 6:00 p.m. The event organizers will be utilizing their own staff and volunteers for the entirety of the event.

The event will require a permit from the Police Department if amplified music is being utilized and will require security should the gathering be planned for an excess of 250 people. The event organizer has been compliant with both of these matters every year.

The event organizers will continue to coordinate and update City staff members from the Police and Public Works Departments and follow through with any additional requirements that staff may have for the actual event.

In response to public comment from past years, the permittee has agreed to place generators and mobile kitchens on the south side of Adams Street and to use whispering generators that operate at 64dB (A) which is below the 65 dB (A) allowed in the City's municipal code. The applicant has also agreed to include all residences on the even numbered side of the 900 block of Hunt Avenue in the mid-April notification which will remind the businesses and residents of the event set-up, the event day, and the tear down. This is standard operating procedure since 2022.

ENVIRONMENTAL REVIEW: None.

GOAL:

Goal 5: Enhance Quality of Life

DOCUMENTS ATTACHMENTS:

Resolution

Letterhead - TNT 2025-City of St Helena

CITY OF ST. HELENA

RESOLUTION NO. 2025-

CONSIDERATION OF A RESOLUTION APPROVING (1) A TEMPORARY CLOSURE OF ADAMS STREETS FROM FRIDAY, MAY 16, 2025, AT 6:00 P.M. TO SUNDAY, MAY 18, 2025, AT 6:00 P.M. FOR THE MAY 17, 2025, NEIGHBORHOOD COMMUNITY TABLE EVENT; AND (2) AUTHORIZING POSSESSION OF OPEN ALCOHOLIC BEVERAGES ON THE PUBLIC STREET FOR THE NEIGHBORHOOD COMMUNITY EVENT SCHEDULED FOR SATURDAY, MAY 17, 2025, FROM APPROXIMATELY 5:00 P.M. TO 9:00 P.M.

RECITALS

A. The St. Helena Hospital Foundation is planning the Neighborhood Community Table event to bring the community together in the spirit of health and connection; and

B. The Neighborhood Community Table Event is anticipated to continue to be an annual event; and

C. The St. Helena Public Works Department has requested temporary closure of Adams Street from East of Library Lane to the dead end of Adams Street for the event; and

D. Closure of the City street in the area will provide space for event activities; and

E. St. Helena Municipal Code Section 9.04.010 authorizes the Council, by permit, to allow possession of open alcoholic beverages on public streets or any private or public off-street parking lot; and

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

RESOLUTION

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

1. The City Council finds that the benefits derived from the temporary closing of the City street for the Neighborhood Community Table Event outweigh the anticipated inconvenience to the neighborhood and citizens, and authorize closure of:

    - Adams Street from East of Library Lane to the dead end of Adams Street from May 16, 2025, at 6:00 p.m. to May 18, 2025, at 6:00 p.m., with some local access to allow for set-up and tear down with the actual dinner taking place on May 17, 2025.

2. The possession of open containers of wine is permitted on public streets and parking lots encompassed by this event.

3. Temporarily closing a portion of the subject street is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.

4. The City Manager is directed to provide reasonable levels of City staff support to accomplish closure of streets and related activities.

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

Mayor Paul Dohring: _____
Vice Mayor Michele Deasy: _____
Council Member Billy Summers: _____
Council Member Aaron Barak: _____
Council Member Kate Spadarotto: _____

APPROVED: ATTEST:

______________________ ______________________
Paul Jamison Dohring, Mayor City Clerk

The
neighborhood table
Nourishing Our Community

December 5th, 2024

May 17th,2025
Downtown St. Helena

To **: Rebecca White-Administrative Assistant to Joseph Leach, Director of Public Works**
City of St. Helena | 1088 College Avenue | St. Helena CA 94574

Neighborhood Community Table 6th Annual activity outline for May 17th, 2025

The Neighborhood Table is presented by St. Helena Hospital Foundation to bring the community together in the spirit of health and connection. while bringing awareness to the Hospital's mission and animating downtown St. Helena. This project is a collaboration to highlight the work being done by dynamic health and community visionaries who are committed to investing in each of us and our well-being. so that we may heal and create our most vital and connected lives.

We launched the first Neighborhood Table event on May 19 2019. It was a big success and when tickets went on sale for May 2020 they sold out in 3 hours. Clearly our local community strongly supports this event. We did provide a curbside dinner pickup at Tre Posti when our live event was postponed due to Covid. We came back live in 2022, 2023 & again in 2024 to sold-out tickets which clearly illustrates our continued support from the community. We are super excited to continue this annual celebration on May 17th. 2025.

On Behalf of the St. Helena Hospital Foundation, we appreciate your continued assistance with this event.
Thank you

Susan M Duryea

The Neighborhood Table benefits St. Helena Hospital Foundation, a 501(c)3 organization • Tax ID #20-1384250
10 Woodland Road, St. Helena, CA 94574 • 707.963.6208 • Fax: 707.967.5620 • www.shhfoundation.org

Agenda Report to the City Council

Agenda Section: CONSENT ITEMS

Department: Public Works

DATE:	March 11, 2025
FROM:	Rebecca White, Administrative Assistant
SUBJECT:	Consideration of a Resolution to set a Public Hearing for 6:00 p.m. Tuesday, May 13, 2025, to consider objections to the proposed annexation of the property known as 1766 Sulphur Springs Avenue, St. Helena, CA (APN 009-350-024), into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 151.
RECOMMENDED ACTION:	It is recommended City Council approve the Resolution and set a Public Hearing for May 13, 2025, to consider objections to the proposed annexation of the property known as 1766 Sulphur Springs Ave (APN 009-350-024), into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 151.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE PURPOSE:	Consideration of a resolution to set a public hearing to consider objections to the proposed annexation into the St. Helena Municipal Sewer District No. 1.
FINANCIAL IMPACT:	None.

BACKGROUND:

Any property that wishes to connect and utilize the sanitary sewer system in the City of St. Helena must be annexed into the Municipal Sewer District No. 1. All applications for annexations shall be approved by the City Council pursuant to the requirements of state law (SHMC § 13.20.040). State law details the requirements for special district annexations in Health and Safety Code Section 4600. City Council approval of the annexation is the formal administrative process to change the property's tax rate area code from septic to sanitary sewer.

The process for a property to be annexed requires that a resolution be adopted ordering a public hearing by an affirmative vote of at least two-thirds of all the members of the City Council (HSC § 4643). The resolution is required to contain the following information and finding:

(a) Describe the boundaries of the territory proposed to be annexed.
(b) Designate the proposed annexation by an appropriate number.
(c) Declare that the area to be annexed to the district will be benefited by such annexation.

(d) Name the time and place for the hearing of objections by any person interested in the proposed annexation, to the inclusion in the district of any land described in the resolution.

Once adopted, the resolution, together with the names of the members of the City Council voting for and against it, must be published for two successive weeks in a newspaper of general circulation and published in the City. The first publication shall not be more than 60 days nor less than 30 days prior to the date fixed for the hearing. Additionally, copies of the resolution shall also be posted in three public places within the area to be annexed not earlier than the 60th day nor later than the 30th day prior to the hearing. Similarly, a copy of the resolution shall also be mailed, postage prepaid, to each person to whom land in the area to be annexed is assessed as such owner is shown on the last equalized county assessment roll, at the address as shown upon the roll, and to each person who has any interest in any land within the area to be annexed whose name and address and a designation of the land in which they are interested is on file in the office of the City Clerk.

At the time established for the public hearing, the City Council will hear and consider any objections to the annexation and exclude any territory which in the Council's opinion will not be benefited by the annexation. After making changes to the boundaries of the area to be annexed, if any, the City Council may then adopt a resolution approving the annexation of the property into the District, which will also require at least four affirmative votes. Upon a determination by the Council that the property will be benefited by the annexation, certified copies of the resolution will then be recorded and filed in the manner and with the same force and effect as provided in Section 4613. Upon recordation of the resolution, the property annexed becomes a part of the District and is subject to all the liabilities and entitled to all the benefits of the District. If the City Council approves the resolution following the public hearing on May 13, 2025, City staff will then process the annexation with Napa County and the State Board of Equalization to change the tax rate area code for the property. Staff will work with the applicant to collect outstanding fees and obtain required encroachment and building permits.

DISCUSSION:

The City of St. Helena Public Works has received an annexation application from the following party:

1766 Sulphur Springs LLC, owner of 1766 Sulphur Springs Avenue, St. Helena, CA (APN 009-350-024), has applied to be annexed into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 151.

The application fees have been collected. The location map for the property is attached. Staff request City Council to consider the applicant's annexation request and order a public hearing to be scheduled for May 13, 2025.

ENVIRONMENTAL REVIEW:

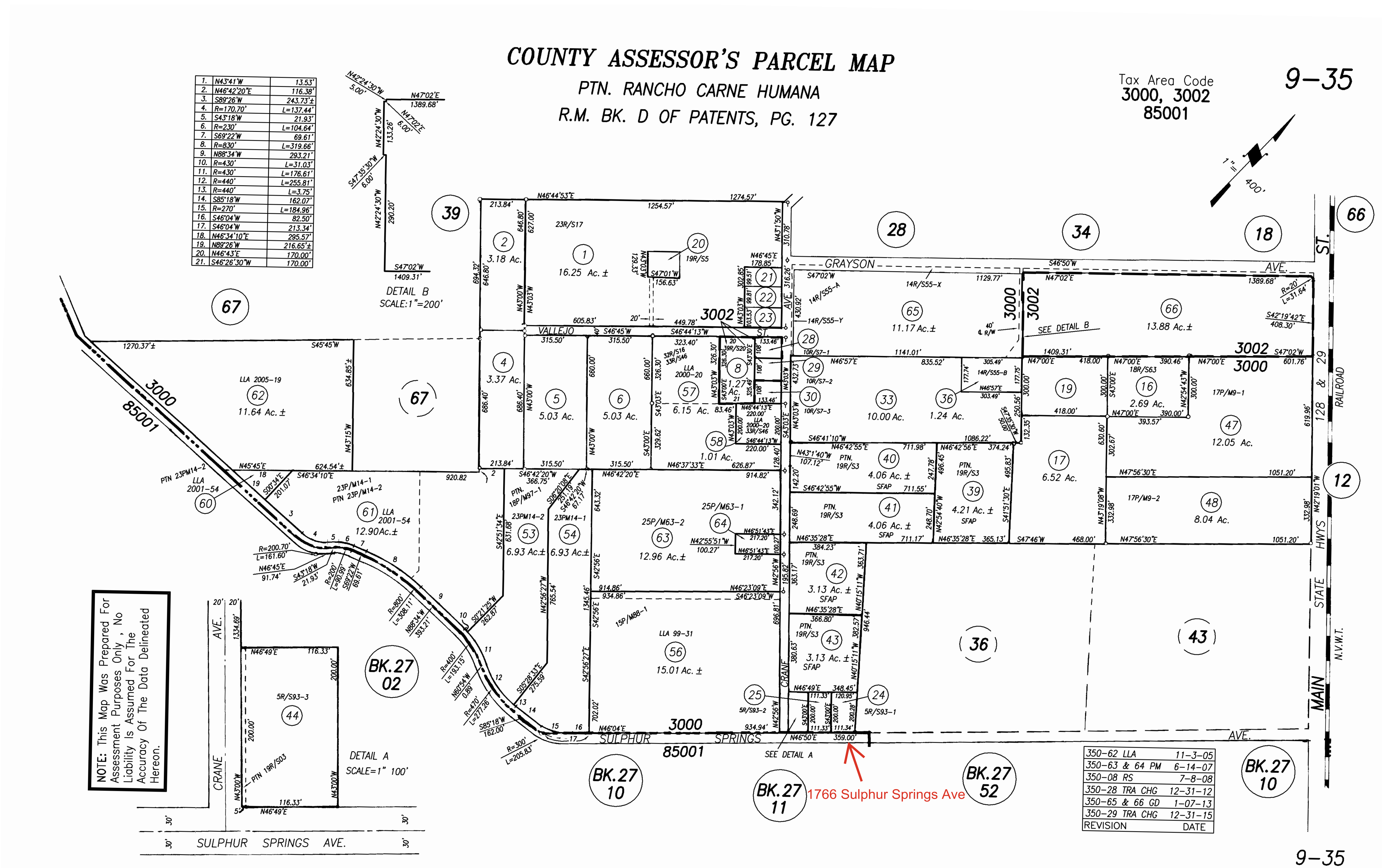
Annexations to the District provide access to the City's sanitary sewer and wastewater treatment facilities. The City is agreeable to the abandonment of the onsite wastewater treatment system (septic system).

GOAL:

Goal 2: Improve Infrastructure & Further Environmental Sustainability
Goal 3: Pursue Water Security & Sustainable Management of Water Resources
Goal 5: Enhance Quality of Life

DOCUMENTS ATTACHMENTS:

Exhibit A
Resolution


COUNTY ASSESSOR'S PARCEL MAP
PTN. RANCHO CARNE HUMANA
R.M. BK. D OF PATENTS, PG. 127
Tax Area Code
3000, 3002
85001
9-35
1" = 400'
DETAIL B
SCALE: 1"=200'
DETAIL A
SCALE=1" 100'
NOTE: This Map Was Prepared For Assessment Purposes Only, No Liability Is Assumed For The Accuracy Of The Data Delineated Hereon.
GRAYSON AVE.
VALLEJO ST.
CRANE AVE.
SULPHUR SPRINGS AVE.
MAIN ST.
STATE HWYS 128 & 29
RAILROAD
N.V.W.T.
SEE DETAIL A
SEE DETAIL B
BK. 27 02
BK. 27 10
BK. 27 11
BK. 27 52
BK. 27 10
1766 Sulphur Springs Ave
350-62 LLA 11-3-05
350-63 & 64 PM 6-14-07
350-08 RS 7-8-08
350-28 TRA CHG 12-31-12
350-65 & 66 GD 1-07-13
350-29 TRA CHG 12-31-15
REVISION DATE
9-35

CITY OF ST. HELENA

RESOLUTION NO. 2025-

CONSIDERATION OF A RESOLUTION TO SET A PUBLIC HEARING FOR 6:00 P.M. ON TUESDAY, MAY 13, 2025, TO CONSIDER OBJECTIONS TO THE PROPOSED ANNEXATION OF THE PROPERTY KNOWN AS 1766 SULPHUR SPRINGS AVENUE, ST. HELENA, CA (APN 009-350-024), INTO THE ST. HELENA MUNICIPAL SEWER DISTRICT NO. 1, MSD ANNEXATION NO. 151

RECITALS

A. The owner of 1766 Sulphur Springs Avenue, St. Helena, CA (APN 009-350-024) has requested annexation into the St. Helena Municipal Sewer District No. 1, MSD No. 151; and

B. The legal boundary for the property to be annexed is provided in Exhibit A.

RESOLUTION

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

1. The City Council declares that the areas to be annexed to the district will be benefited by such annexation.
2. A hearing to consider any objection to the proposed annexation of the property into the City of St. Helena Municipal Sewer District No. 1 is hereby set for Tuesday, May 13, 2025, commencing at 6:00 p.m. or soon thereafter as the matter can be heard, at the Vintage Hall Board Room, 465 Main Street, St. Helena, CA.
3. The City Clerk shall cause a certified copy of this resolution, together with the names of the members of the City Council voting for and against it, to be published once a week for two consecutive weeks in a newspaper of general circulation in accordance with Health and Safety Code Section 4610.
4. The City Clerk shall cause a certified copy of this resolution to be mailed to each person to whom land in the area to be annexed is assessed as such owner as shown on the last county assessment roll in accordance with Health and Safety Code Section 4610.

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

Mayor Paul Dohring: ______
Vice Mayor Michelle Deasy: ______
Council Member Billy Summers: ______
Council Member Aaron Barak: ______
Council Member Kate Spadarotto: ______

APPROVED: ATTEST:

______________________________ ______________________________
Paul Jamison Dohring, Mayor City Clerk

Agenda Report to the City Council

Agenda Section: OLD BUSINESS

Department: Administration

DATE:	March 11, 2025
FROM:	April Mitts, Assistant City Manager
SUBJECT:	Discussion and direction to have a non-voting City Council liaison to Water/Wastewater Advisory Committee.
RECOMMENDED ACTION:	Discuss and assign a City Council member to the Water/Wastewater Advisory Committee as a non-voting liaison.
PREVIOUS COUNCIL ACTION:	1/14/24 - City Council Approved the Formation of Water/Wastewater Advisory Committee 2/11/25 - City Council appointed 5 members and 1 alternate to the Water/Wastewater Committee 2/25/25 - City Council requested an item be brought back to designate a non-voting liaison
STATEMENT OF THE PURPOSE:	Designate a City Council non-voting liaison to the Water/Wastewater Advisory Committee.
FINANCIAL IMPACT:	None

BACKGROUND:

The City Council annually, and as needed, reviews the list of assignments to determine interest in serving as the City's representative to the various boards, commissions, and committees throughout the County.

Unless predetermined through bylaws and/or policy, the Council's practice has been to determine assignments (representatives and alternates) through a process of discussion and consensus.

DISCUSSION:

On February 25, 2025, Council Member Deasy, supported by the rest of the Council, requested an item be brought back to City Council to designate a non-voting City Council liaison to the newly formed Water-Wastewater Advisory Committee.

The Committee consists of five members and one alternate. The Committee will operate on a 24-month trial period starting in March 2025, meeting every two months (minimum of 10 meetings) with more frequent meetings initially.

The Committee had its first meeting on 2/28/25 and has scheduled additional meetings. The Water-Wastewater Committee will be dealing with several important issues and it would benefit from having a specific councilmember assigned as a liaison. The liaison's role is to take information to and from the committee and the council.

ENVIRONMENTAL REVIEW: N/A

GOAL:

Goal 4: Provide Effective Community Information & Opportunities for Engagement

DOCUMENTS ATTACHMENTS:

Resolution - Water.Wastewater Advisory Committee Composition

CITY OF ST. HELENA

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA UPDATING THE COMPOSITION OF THE WATER/WASTEWATER ADVISORY COMMITTEE TO INCLUDE ONE NON-VOTING COUNCIL MEMBER LIAISON.

RECITALS

A. The City of St. Helena is committed to promoting transparent governance and maintaining sound financial practices; and

B. In accordance with several City Council goals, staff was directed to bring a Water/Wastewater Advisory Committee recommendation to City Council for consideration; and

C. On February 11, 2025, the City Council appointed 5 members and one alternate member to the Water/Wastewater Advisory Committee; and

D. The Water/Wastewater Advisory Committee will be engaged with several important issues that would benefit from having a specific councilmember assigned as a liaison; and

E. On February 25,2025, the City Council requested and item be brought back to council to update the composition of the Committee to include a non-voting City Council liaison.

RESOLUTION

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

1. Updates the composition of the Water/Wastewater Advisory Committee to five residents as regular members, one resident as an alternate member, and one non-voting City Council liaison.

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

Mayor Paul Dohring: ______

Vice Mayor Michelle Deasy: ______

Council Member Aaron Barak: ______

Council Member Kate Spadarotto: ______

Council Member Billy Summers: ______

APPROVED:	ATTEST:
________________________	__________________________
Paul Jamison Dohring, Mayor	Cindy Tzafopoulos, City Clerk

Agenda Report to the City Council

Agenda Section: OLD BUSINESS

Department: Administration

DATE:	March 11, 2025
FROM:	April Mitts, Assistant City Manager
SUBJECT:	Provide an Updated Analysis of the City's Revenues and Expenditures to Determine the Extent of the Structural Deficit.
RECOMMENDED ACTION:	
PREVIOUS COUNCIL ACTION:	January 14, 2025 - Direction to staff to bring an information item back to City Council. January 28, 2025 - Staff updated City Council on anticipated timeline.
STATEMENT OF THE PURPOSE:	Provide information requested by City Council regarding the City's structural deficit.
FINANCIAL IMPACT:	None.

BACKGROUND:

On January 14, 2025, Council Member Barak requested that staff undertake an analysis to define the true extent of the structural deficit. In accordance with the adopted City Council rules of procedure for the conduct at Council Meetings any Council Member may request that an item be considered on a future agenda and, upon agreement by a second Council Member, the item shall be placed on the soonest practical regularly scheduled Council meeting as determined by the City Manager.

The purpose of the request is to have staff conduct an analysis that will create a basis for the understanding of the City's financial health, serve as the foundation for better decision-making on budgeting and revenue generation that could be brought to voters.

The request is to:

1. Provide a detailed accounting of all changes to the City's financial obligations over the past two fiscal years, including employee raises, additional headcount, and discretionary spending approved by the previous City Council.
2. Update the forecast for long-term liabilities, factoring in the fiscal impacts of recent decisions and how they align with earlier deficit projections.
3. Categorize costs transparently into essential services versus aspirational goals to provide clarity for both the Council and residents.

Following the Council meeting, staff reviewed the request and started the process of consolidating the requested information. On January 28, 2025, staff reported to City Council that this item would be brought back to Council no later than March 25, 2025.

DISCUSSION:

1. Provide a detailed accounting of all changes to the City's financial obligations over the past two fiscal years, including employee raises, additional headcount, and discretionary spending approved by the previous City Council.

A detailed list of various personnel actions is included in Attachment 1. The City's headcount has not changed since 2009 to 2024-a 15-year period-except for two positions in the Public Works Department and the conversion of staff in the Fire Department, which added 12.12 Full-time Equivalents (FTE) (6 full-time firefighters and 6.12 FTE part-time firefighters).

Recognizing the need for additional staffing support in Public Works field operations, the City added a Public Works Maintenance Worker to the Streets Division in Fiscal Year 2024. Additionally, a Public Works Financial Analyst position was created to assist with contract tracking for the City's large Capital Improvement Program.

In 2009, the City had 82.3 employees and currently the City has 93.7 authorized Full-time Equivalent (FTE) positions including 81 full-time positions and 40 factionalize positions. In 2024 the city added two positions in Public Works to enhance streets maintenance and assist with the financial accounting of capital improvement plan projects. These changes are reflected in Chart 1.

Chart 1 - YOY Change in Positions

Fiscal Year	Full-time Employees	Full-time Equivalent	Percentage Change in Full-time Positions
2004	66.3	75.9	
2009	74.3	82.3	12.1%
2015	59.1	67.4	- 20.5%
2019	70.7	83.2	19.6%
2023	78.8	91.7	11.5%
2024	80.8	93.7	2.5%

In 2024 the city added two positions in Public Works to enhance streets maintenance and assist with the financial accounting of capital improvement plan projects. These changes are reflected in Chart 1.

The request also seeks a list of "discretionary" spending. There are two broad categories of potentially discretional spending: (1) staffing and (2) other spending.

Staffing – As it relates to staffing, there are two categories: essential and non-essential (e.g. "discretionary"). A literal interpretation would categorize as non-essential services like Parks & Recreation and Library services/programming. These functions are vital for the community but are not essential in the same regards as public safety, human resources, finance, public works, and building and planning.

Other Spending – This category is very broad and can be defined many ways. One example is the Police Department budget. The City budgets for the replacement of police vehicles and also budgets for certain give-away items such as pens or gunlocks. Both expenses can be considered to be discretionary; however, the City would want to continue to purchase vehicles as well as purchase giveaways. This is a worthy discussion when there are insufficient revenues.

Every community needs to have some level of recreation, and a police department needs to be able to devote a small amount of money for giveaways. So, it may be helpful to have a council-level discussion on what the definition of “discretionary” is so that staff can provide data that is responsive to that intent. Arriving at such a definition will also be helpful in establishing parameters for future expenditures. For the purposes of this exercise, staff has interpreted that the current level and use of funds is an appropriate baseline budget.

2. Update the forecast for long-term liabilities, factoring in the fiscal impacts of recent decisions and how they align with earlier deficit projections.

The estimates of long-term liabilities/needs list has evolved over the last several years and now totals $145 million as of February 27, 2025. Of this amount the City has identified $77 million in funding leaving $68 million unfunded over the next 20-years. Not only should the list of items need to be verified to ensure their comprehensiveness and reasonableness, but the estimate of each item needs to be reevaluated for accuracy. Recently, it has become clear that the sewer system in the city is a greater state of disrepair than previously thought and continues to get overwhelmed during heavy rains. This will require a significant amount of investment and until they are completed, the city will likely be levied fines as a result of rainy season discharges into the Napa river. Additionally, the cost of rehabilitation of the stormwater system has not been included in the long-term needs of $145 million. Similarly, other items may also be underestimated. Therefore, this is an area that would benefit from a review from the new Finance Committee because a community-wide agreement is important to determining the annual financial obligation for these long-term liabilities/needs. Also, it would be helpful for the committee to identify options for revenue sources to address the needs.

3. Categorize costs transparently into essential services versus aspirational goals to provide clarity for both the Council and residents.

This request, a subset of the broader fiscal analysis, focuses on assessing the city's ongoing fiscal needs and structural deficit. The following attempts to calculate of costs for “essential services” vs. “aspirational goals”. As stated earlier, for the purposes of this exercise, staff is accepting the current expenditure and staffing levels as being the base level. The focus will be on providing analysis and estimate of the structural deficit.

Compensation

The 2023 BakerTilly report incorporated staff estimates of future needs, such as the anticipated hiring of up to 10 new positions and paying at the 75th. This was a proactive measure intended to create a budget standard to enable the city to meet community expectations as it relates to service delivery and maintenance of the built environment (non-water-wastewater enterprise funds). This was because the city was challenged with hiring and keeping employees and that was having a detrimental impact on service delivery and the city's ability to complete projects.

Increasing staff compensation to above median can be seen as aspirational; however, it can also be seen as essential due to the extreme staffing challenges experienced by the City as noted below.

The following chart shows the compensation level of three of the city's groups relative to the market in 2022. It shows double digit deviations and how significantly lower the city's salary was from the competition.

Chart 2 - Market Comparison

Classification Group	**Average % +/- Median**	**Average % +/- 75th Percentile**
SHEA	-12.2%	-19.2%
POA	-21.0%	-30.1%
Mid-Managers/Exec.	-12.4%	-19.4%

The Police Officer's Association (POA) was 21% below Market Median and 30% below the 75th percentile. General employees and mid-managers and executives were approximately 12% below the Market Median. This means that only 38% of comparative positions paid less than St. Helena. So, we could only hope to attract potential employees from the 38% who paid less. When our geographical location is factored, it made the city a less desirable employer. Unsurprisingly, the vacancy rate hit 19.7% in late 2022.

The chart illustrates that the city's employees were significantly underpaid relative to the market, hindering recruitment and retention of qualified staff. To address this, the city council and staff recognized the need for a compensation strategy that was competitive and incorporated the reality of the geographical location of the city was necessary. The below-market pay led to high turnover in certain roles, policy stagnation, internal inconsistency, loss of institutional knowledge, lack of documentation, and operational challenges. These issues resulted in a lack of progress on critical infrastructure projects, inadequate follow-through on planning efforts, and a generally short-term outlook. The insufficient compensation also prevented the city from attracting and retaining top talent, which exacerbated these negative outcomes and discouraged investment by developers/businesses.

City data shows recruitment and retention challenges spanning over a decade. At its peak, the city's nearly 20% vacancy rate meant that one in five positions remained unfilled, straining staff and causing burnout and contributing to resignations. The city at that point was operating with 20% fewer staff than authorized. Some departments, like the Police Department, faced even higher vacancies. The departure of experienced officers to jurisdictions offering significantly better compensation compounded this issue. In 2023, two out of eight Police Officer positions were vacant, with another on medical leave, forcing mandatory overtime and increasing physical and mental fatigue, morale issues, and an increased risk to public safety.

High vacancies also led to errors and delays, frustrating residents who experience disruptions in services. Frequent turnover disrupted team efficiency and contributed to internal inefficiencies, with about 60% of employees having less than 5 years of tenure. The chart below illustrates employee tenure by workgroup.

Chart 3 - Employee Longevity

Department	**Total Employees**	**Percentage < 5 Year**
Administrative Services	6	66.7%
City Clerk	2	50.0%
City Manager	2	50.0%
Community Development	5	40.0%
Community Services	7	71.4%
Fire	8	25.0%
Police	15	33.3%
Public Works - Administration	9	77.8%
Public Works - Buildings & Streets	4	100.0%
Public Works - Parks & Trees	5	80.0%
Public Works - Wastewater Treatment	2	50.0%
Public Works - Water Distribution	4	100.0%
Public Works - Water Treatment	3	66.7%
Total	**72**	**59.7%**

The longevity data above should be disconcerting for any public agency, where long-term institutional knowledge is particularly crucial. For instance, understanding the history of specific land development or relationships with long-standing community members can significantly impact decision-making and future interactions. For example, familiarity of a police officer with a youth at 15 can be invaluable when the same officer interacts with the person 10 years later at 25.

The city has historically struggled to attract qualified candidates for vacant positions. This was especially concerning in the Police Officer classification, where lowering standards was not an option. Only after the City Council approved an unprecedented

19% salary increase did the city begin to see an influx of qualified candidates. This pattern has been repeated in other departments. For example, the Finance Department is currently facing severe strain with three vacancies, adding pressure on the remaining three staff members as they work on the analysis for long-term financial decisions, labor negotiations, and the upcoming FY 2025-26 & FY 2026-27 budget. As a result of the city council increasing compensation to city employees, the vacancy rate has improved overall (as of March 1, 2025 9.9%), and stability in the City's executive team is now enabling progress in key areas.

In summary, the city's compensation philosophy needed to be evaluated. The high cost of housing in St. Helena, the limited availability of middle-market housing, and the city's location relative to population centers and lack of public transportation, all necessitate a compensation philosophy review.

Staff had previously recommended setting compensation at the 75th percentile of the market, aligning with the strategies of other jurisdictions aiming to be employers of choice and the delivery of excellent services. An alternative could be pegging salaries to the Market Median and then giving stipends (which are not tied to pensions and therefore cheaper for the city in the long run) or other incentives to induce employees to purchase a residence within a certain radius of the city. Regardless of which policy is eventually selected, it remains essential to adjust compensation for the region's high housing costs and the need to recruit employees from over 30 minutes away.

<u>Staffing Levels & Compensation</u>
If the goal is to determine the level of staffing that would provide for average level services to the community, the city's leadership team believes the City would needs about 98.2 FTE. We therefore consider this to be the base level of staffing. This means that 4.5 new positions would need to be added as follows:

Chart 4 - Additional Staffing Needs

	Classification	**Total Comp. Estimate**	**Count**	**Total**
1	Library Associate	110,000	1.0	110,000
2	Police Officer	200,000	1.0	200,000
3	Accounting Technician	125,000	1.0	125,000
4	Recreation Coordinator*	100,000	0.5	50,000
5	HR Manager	200,000	1.0	200,000
		735,000	**4.5**	**685,000**

**Increasing a part-time position to full-time position.*

In comparing the cost of future oriented, "aspirational" level of staffing (10 full time positions with a compensation philosophy of 75th percentile) and other costs, as shown below, we estimate that the marginal cost would be $3,039,222 million higher than the current level of cost for staffing. The more modest level of staffing (the addition to 4.5

positions and a compensation philosophy of Market Median) would cost approximately $1,396,119.

The following two charts provide the details of the two scenarios. The cost would go up by between $1.4 million and $3 million.

Chart 5 - Addition of 10 Positions and Wages at 75th Percentile

Description	**Estimated Costs**
Current Positions	17,180,029
Additional Positions (10)	1,490,800
Cost of 75th Percentile	1,548,422
Capital Asset Replacement	1,000,000
Unfunded Liabilities	500,000
Updated Cost	*$21,719,251*
Net Cost	**4,539,222**

Chart 6 - Addition of 4.5 Positions and Wages at Market Median

Description	**Estimated Costs**
Current Positions	17,180,029
Additional Positions (4.5)	726,599
Cost of Market Median	669,520
Capital Asset Replacement	1,000,000
Unfunded Liabilities	500,000
Updated Cost	*$20,076,148*
Net Cost	**2,896,119**

The summary chart below shows that the range of the structural deficit is approximately $6 and $8 million when the cost of new positions, market-oriented compensation philosophy, and prudent budgeting for liabilities and the replacement of capital items is added (excluding CIP).

Chart 7 - Structural Deficit Range

Description	**Market Median**	**75th Percentile**
Current Staffing Cost	17,180,029	17,180,029
New Total Cost	20,076,148	21,719,251
Difference	2,896,119	4,539,222
Current Deficit	3,200,000	3,200,000
Structural Deficit	***$6,096,119***	***$7,739,222***

As the chart above shows, when items such as unfunded liabilities, capital asset replacement, and cost of paying for all employees plus 4.5 additional positions are factored, the structural deficit is approximately $6.1 million.

This estimate does not consider the geographical location of the city. When that is factored, the compensation needs to be higher, perhaps as high as the 75th percentile. So, the range for the annual structural deficit is **between $6.1 million and $7.7 million**.

Capital Improvement Needs

The structural deficit noted above does not include investment in other general fund infrastructure as noted in the following reports:

- 2017 Facilities Needs Assessment
- 2021 Integrated Utility Master Plan
- 2017 ADA Transition Plan
- Adopted General Plan
- Adopted CIP (Years 1 – 5)
- Pavement Management Technical Assistance Program (P-TAP) Report

The February 2023 BakerTilly Report also included the long-term capital needs of the City utilizing the above resources. Staff has updated the 20-year infrastructure cost estimates and estimated revenues applying cost escalators based on CPI, the FY 2025 adopted CIP, and updated PTAP-24 Report (Roads). The comprehensive project list is included in Attachment 3 and the following chart provides a summary of the estimated costs, estimated funding available, and the estimated funding shortfall (20-year and annual). Please note there are several areas where studies are underway, and project estimates are unknown.

Chart 8 - Capital Improvement Needs

Capital Projects 20-Year	**FY25 Adopted CIP (Years 1 - 5)**			**Other Identified Projects (Years 1 - 20)**			**20-Year Shortfall**
	Budget	**Available Funding**	**Shortfall**	**Budget**	**Available Funding**	**Shortfall**	
Streets	14,307,804	14,307,804	-	79,476,055	50,124,241	(29,351,814)	(29,351,814)
Stormwater	1,364,986	1,364,986	-	19,182,000	10,500,000	(8,682,000)	(8,682,000)
Civic	964,418	865,051	(89,367)	30,260,120	-	(30,260,120)	(30,349,487)
Subtotals:	***16,627,208***	***16,537,841***	***(89,367)***	***128,918,175***	***60,624,241***	***(68,293,934)***	***(68,383,301)***
				General Fund Estimated Annual Shortfall (3,419,165)			

If the full range of projects are completed, the estimated 20-year deficit is $68 million, or approximately $3.4 million annually, which will be in addition to the staffing/compensation range identified above.

The above structural deficit amounts are without any allowance for unanticipated expenditures and one-time needs such as the items listed below which the City is currently unable to fund due to budget constraints in the General Fund. There are also severe constraints in the Water and Wastewater funds.

Cost of the unfunded GF CIP

- Improved lighting in library - $100,000
- Design, study, and/or installation of public EV chargers - $100,000

- Fire Station Repaint - $100,000 (unfunded amount $86,000)
- Asset Management System Development/Implementation - $115,000
- Increase height of Corporation Yard above flood level - $500,000

The following are examples of critical improvements needed in the water fund that are currently unfunded:

- Water Treatment Plant Condition Assessment - $100,000
- Bell House Valve Replacement - $470,000
- Water System SCADA Improvements - $800,000

November 2025 Ballot Measure - timeline

Based upon various discussions there seems to be a desire to create one of more stable revenue streams. Assuming that the city council wants to place a ballot item in this calendar year, it will require the declaration of a fiscal emergency and the scheduling of the measure on November 4, 2025. Council must call for the election at least 88 days prior to the intended election date which is Friday, August 8, 2025. However, this will be earlier due to the County's schedule.

Dates	**Item**
May 27, 2025 (Estimated Date)	Declare Fiscal Emergency
June 24, 2025	City Council Places Measure on Ballot (at least 88 days prior to election)
July 29, 2025	County BOS approval, permitting the county elections official to render specified services to the City relating to the conduct of an election
November 4, 2025	Election

Because the County does not hold off-year election this would be a city special election specific just for St. Helena and the City would contract with the county to conduct the election. Cost would range from $35,000 to $90,000 which is dependent on choosing a manual county or use of County voting system. This does not include cost for polling or public education consultants.

If the city council wants to explore the possibility of having a revenue measure for a November 4, 2025 off-cycle election, staff can be directed to return with additional information. This could include data on the revenue potential of each option, more detailed timeline, previous polling data and the conduct of new polling, etc.

<u>Committee Input</u>:

Staff requests the new Finance Advisory Committee and/or Water/Wastewater Advisory Committee consider the following topics for analysis and input. It would be ideal to receive recommendations from the committee which can be incorporated into policy formulation and budgetary considerations.

	Item	**Advisory Committee**

1	Verification of the list of long-term liabilities and needs	Finance
2	Propose revenue source for each tranche of liabilities/capital needs	Finance
3	Use of Cost Allocation Plan to determine allocation of personnel costs to various funds	Finance
4	Input on compensation philosophy to be competitive and address the geographical location of the City (Median, 75th Percentile, other)	Finance
5	Reprioritization of CIP projects to cope with reduced revenue collections in the Water Fund	Water/Wastewater
6	Evaluation of options to consider reduction of water rates	Water/Wastewater

ENVIRONMENTAL REVIEW:
None

GOAL:

Goal 1: Strengthen Financial Sustainability
Goal 5: Enhance Quality of Life
Goal 6: Improve Employee Recruitment, Retention, & Morale
Goal 7: Enhance Organizational Effectiveness

DOCUMENTS ATTACHMENTS:

Attachment 1 - Staffing Updates
Attachment 3 - Long-term Capital Needs List

ATTACHMENT 1

Position	Date to CC	Cost/(Saving)				Justification
		101	561	571	TOTAL	
FREEZE /UNFREEZE						
Freeze HR Manager for Remainder of FY 23	9/13/2022	(121,774)	(37,469)	(28,102)		Position frozen to unfreeze the Parks & Trees Superintendent position. Still frozen position
Unfreeze Parks & Trees Superientedent for remainder of FY 23	9/13/2022	112,628	-	-		Meet community expectations
Freeze Assistant to the City Manager for remainder of FY 25	11/12/2024	(135,496)	(56,457)	(33,874)		To fund the Assistant Planner Position
Unfreeze Planner position in Community Development Department	11/12/2024	149,628	-	-		Aid with Economic Developments
SUB-TOTAL		***4,986***	***(93,926)***	***(61,976)***	***(150,916)***	
RAISE						
Increase Salary Range for Director of Public Works	9/13/2022	6,109	6,109	6,109		Aid with Retention & Align with Community Development Director Position
Increase Salary Range for Senior Civil Engineer	9/13/2022	16,802	5,469	5,498		Aid with Recruitment & Retention, never filled and downgraded to CIP Project Manager Position.
Increase Salary Range for Finance Manager	1/10/2023	-	-	-		**Note: Budget was for Assistant Administrative Services Director action had no budget impact.
Chief Building Official receive a 12.8% increase and other Unrepresented receive 10% increase	7/25/2023	145,906	21,145	15,337		Aid with Retention
Underground Utilities position be brought to Market Median	7/25/2023	-	63,000	56,000		Aid with Recruitment & Retention, *position still unfilled
Treatment Plant Classifications be brought to the 75th percentile	7/25/2023	-				Aid with Recruitment & Retention, *CPO for Wastewater still not filled
Police Officer & Sergeant classifications receive a 19.4% increase and 14.8% increase respectively	7/25/2023	133,917	-	-		Aid with Recruitment & Retention
Adopt Pay Schedule for PT Firefirefights to match FT Firefighter Hourly Rates	8/22/2023	66,500	-	-		Aligned salaries with Full-time salaries (same duties and responsibilities)
Band Project Manager, PW Ops Manager, Senior Planner, and Treatment Manager Positions	8/22/2023	18,700	1,600	1,700		Aid with Recruitment & Retention and similarities of positions.
Underground Utilities position to be brought above market median	2/27/2024	879	5,271	2,635		Aid with Recruitment & Retention. Ongoing vacancy, unable to fill position
Sign-on and Retention Bonus for the Water CPO and WW CPO	4/23/2024		25,000	25,000		Ongoing difficulty filling the position - Paid over 36-month period
SUB-TOTAL		***388,813***	***127,594***	***112,279***	***628,686***	
RE-CLASSIFICATION/NEW CLASSIFICATION						
Reclassify Planning & Building Director to Director of Community Development	9/13/2022	15,308	-	-		Additional duties added to position
Reclassification of Parks & Recreation Director to Community Services Director	4/9/2024	10,246	-	-		Additional duties added to position
Reclassification of Library Director to Deputy Community Services Director - Library	4/9/2024	7,152	-	-		Product of new Community Services Department and aid Succession Planning
Reclassification of Assistant to the City Manager to Program Manager	4/9/2024	7,748	-	-		Additional duties added to the position and aid with new functions of the Community Services Department
Reclassify Vacant Recreation Supervisor Position to Recreation Coordinator Position	5/14/2024	-	-	-		**Note - Did not fund position
Reclassify Assistant Public Works Director - Operations to Deputy City Manager	11/12/2024	2,142	1,606	1,606		Aid with Recruitment & Retention
Reclassify CSO to Property & Evidence Technicial and increase position from 0.75 to 1	11/12/2024	5,298	-	-		Aid with Recruitment & Retention and better aligns with position duties
Human Resources Analyst Classification & Establish Salary Range	9/13/2022	17,072	5,283	3,940		**Note: Downgraded back to HR Techncian, cost decrease noted in FY 25 mid-cycle budget update
Administrative Analyst Position Classification & Establish Salary Range	9/13/2022	28,207	8,059	4,030		Aid with Recruitment & Retention
Part-Time Revised Salary Schedule Casual Worker	12/12/2023	11,126	-	-		COLA adjustment
Addition of Part-time Associate Classifications (Technical, Professional, and Executive)	12/12/2023	-	-	-		Provide City flexibility when vacancies occur - No Budget associated, use vacancy savings to fund
SUB-TOTAL		***104,299***	***14,948***	***9,576***	***128,823***	
REALLOCATION OF FUNDING						
Reallocate funding from vacant PW Mgmt Analyst to fund an additional Assistant to the CM Position	4/11/2023	51,561	(16,214)	(3,264)		Several failed recruitments for PW Mgmt Analyst. Utilized additonal Asst. to the CM position to assist with PW Mgmt. Analyst duties
SUB-TOTAL		***51,561***	***(16,214)***	***(3,264)***	***32,083***	
NEW POSITION						
Addition of Recreation Manager	2/13/2024	59,120	-	-		Aid with retention and succession planning.
Temp Overhire Police Officer	9/12/2023	86,950	-	-		Operational necessity
Officer - DUI Grant	1/23/2024	98,069	-	-		**Note: This is grant funded
Temp Overhire Underground Utilities Superintendent	9/12/2023	-	26,900	13,450		**Note: Did not do, incumbent resigned before recruitment was posted
Part-Time Recreation Staffing	1/23/2024	15,000	-	-		Operational necessity due to additional programming (e.g. summer concerts, programs, and holidays). Offset by increased revenue collections.
Addition of Public Works Financial Analyst Position	1/23/2024	47,539	71,309	39,616		Operational necessity
SUB-TOTAL		***306,678***	***98,209***	***53,066***	***457,953***	
TOTALS		856,337	130,611	109,681	1,096,629	

ATTACHMENT 3

UNFUNDED				
Category	Project	Source Document	Estimated Costs	
			1 x costs	20-year costs
STORMDRAIN			1 x costs	20-year costs
FY 25 New	WWTP/Napa River Enbankment Rehab		500,000	-
FY 25 New	Dowdell Stormdrain Outfall		500,000	-
FY 25 New	Groundwater Recharge Study to Utilize Stormwater Runoff		200,000	-
	Stormwater Systems Improvements (SD-1A through SD-12)	2021 Integrated Utility Master Plan	9,600,000	-
	Stormwater Systems Rehabilitation and Replacement (SD-1A through SD-12)	2021 Integrated Utility Master Plan	950,000	-
	SDRR-1 Storm Drain Rehabilitation and Replacement	2021 Integrated Utility Master Plan	7,432,000	-
		STORMDRAIN TOTALS	***19,182,000***	***-***

CIVIC			1 x costs	20-year costs
	New City Hall*		15,000,000	-
	Carnegie Building - year costs	2017 Facilities Needs Assessment	-	1,632,137
	Fire Station - 20 year costs	2017 Facilities Needs Assessment	-	5,609,812
	Scout Hall - 20 year costs	2017 Facilities Needs Assessment	-	533,252
	Head Start Building - 20 year costs	2017 Facilities Needs Assessment	-	835,372
	Public Works Corporation Yard - 20 year costs	2017 Facilities Needs Assessment	-	1,256,444
	Signorelli Barn - 20 year costs	2017 Facilities Needs Assessment	-	208,965
	Library - 20 year costs	2017 Facilities Needs Assessment	-	3,220,781
	Lyman Park - 20 year costs	2017 Facilities Needs Assessment	-	631,141
	Lyman Park Upgrades/Maintenance**		170,000	-
Compliance	ADA Transition Plan - Facilities***	ADA Transition Plan 06.27.17 Esclators Applied through FY 25 (1.39) City Hall/Police Station/Vintage Hall Removed	-	1,056,678
Compliance	Install/maintain Recycling Receptacles downtown and in all public parks and major streets	General Plan - PF4.B	75,000	30,539
		CIVIC TOTALS	***15,245,000***	***15,015,120***

*Used Financing Civic Infrastructure Task Force 2020 report - City Hall costs $11 million + 5% escalator each year for 2021-2027. Rounded to $15 million
**TBD - based on Parks Master Plan scheduled for FY 24
***Park Upgrades may be include in the Parks Master Plan Document

STREETS			1 x costs	20-year costs
Health & Safety	Downton Sidewalk Improvements - Phase II & Phase III	FY 2022 CIP (Notes Section)	11,500,000	-
Enhancement	Pavement Restoration to PCI of 78 (currently at 53) years: 1 - 5	PTAP-24 Report, 20-Year CIP Original	-	10,798,090
Enhancement	Pavement Restoration to PCI of 78: years 6 - 20	PTAP-24 Report, 20-Year CIP Original	-	36,177,965
Health & Safety	Bridge: Oak Avenue extension to Grayson.		10,000,000	-
Enhancement	Bridge: Adams Street extension to Silverado Trail		8,000,000	-
Health & Safety	Bridge: New Pratt Avenue Bridge		3,000,000	-
		STREETS TOTALS	***32,500,000***	***46,976,055***

ANALYSIS OF STRUCTURAL DEFICIT AND FINANCIAL HEALTH

City of St. Helena – Fiscal Analysis Report

February 2025

AGENDA

- Review staffing data
- Receive estimates for Structural Deficit

PURPOSE OF THE REQUEST

- **GOAL:**
  - Conduct a detailed analysis to understand the City's financial health for better decision-making.
- **KEY OUTCOMES:**
  1. Analyze changes to financial obligations in the past two fiscal years.
  2. Update long-term liabilities forecast.
  3. Categorize costs into essential services vs. aspirational goals.
  4. Basis for potential November 2025 revenue measure.

KEY FINANCIAL OBLIGATIONS CHANGES

- **PERSONNEL CHANGES:**
  - 6 full-time firefighters added since 2009.
  - 2 additional positions in Public Works in 2024.
  - Resulting in staffing increase from 82.3 FTEs to 93.7 FTEs,
  - This includes 81 full-time positions.

SALARY DIFFERENTIAL – 2022

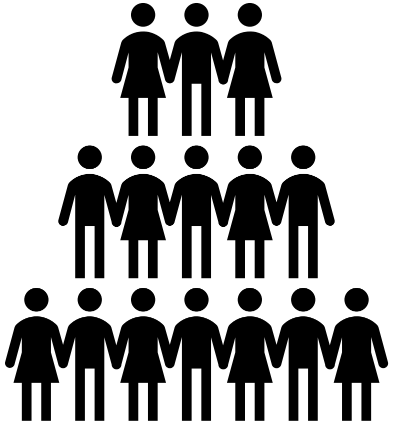
Classification Group	Average % +/- Median	Average % +/- 75th Percentile
SHEA	-12.2%	-19.2%
POA	-21.0%	-30.1%
Mid-Managers/Exec.	-12.4%	-19.4%

STAFF LONGEVITY

Department	Total Employees	Percentage < 5 Year
Administrative Services	6	66.7%
City Clerk	2	50.0%
City Manager	2	50.0%
Community Development	5	40.0%
Community Services	7	71.4%
Fire	8	25.0%
Police	15	33.3%
Public Works - Administration	9	77.8%
Public Works - Buildings & Streets	4	100.0%
Public Works - Parks & Trees	5	80.0%
Public Works - Wastewater Treatment	2	50.0%
Public Works - Water Distribution	4	100.0%
Public Works - Water Treatment	3	66.7%
Total	**72**	**59.7%**

RECRUITMENT AND RETENTION IMPACTS

- 20% vacancy rate in 2022, leading to operational inefficiencies.
- High turnover in key positions including Police and Finance.
- Additional pressure on remaining staff.
- Projects did not get completed and policy lethargy



CURRENT VACANCY RATE

- 9.9% at the time report was written
- As of today it is 8.7%

COMPONENTS OF BASE BUDGET

Items Included

- Current Staffing Cost
- Additional Positions
- Compensation philosophy
- Capital Asset Replacement
- Unfunded Liability

Items Excluded

- Vehicle License Fee (VLF) $1M
- Annual Cost of GF CIP $3.4M

ADDITION OF 4.5 POSITIONS & MEDIAN

Addition of 4.5 positions and wages at Market Median	
	Costs
Current Positions	17,180,029
Additional Positions (4.5)	685,000
Cost of Market Median	669,520
Capital Asset Replacement	1,000,000
Unfunded Liabilities	500,000
Updated Cost	*$20,034,549*
Net Cost	**2,854,520**

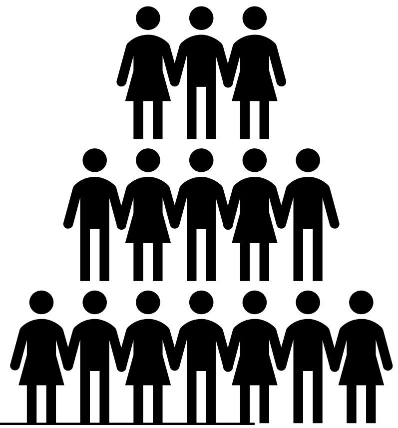
NEW POSITIONS

	Classification	Total Comp. Cost	Count	Total
1	Library Associate	110,000	1	110,000
2	Police Officer	200,000	1	200,000
3	Accounting Technician	125,000	1	125,000
4	Recreation Coordinator*	100,000	0.5	50,000
5	HR Manager	200,000	1	200,000
Total		735,000	4.5	685,000

* Increasing a part-time position to full-time position

STAFFING FOR BASE LEVEL SERVICE

- Estimated need for 4.5 full-time positions.
- Market Median = $1,354,520.
- Market Median salaries + stipends for local housing incentives.



STRUCTURAL DEFICIT RANGE

	Market Median
Current Staffing Cost	17,180,029
New Staffing Cost	20,034,549
Difference	2,854,520
Current Deficit	3,200,000
Base Structural Deficit	***$6,054,520***
General Fund CIP Need	3,400,000
Possible VLF loss	1,000,000
Total Structural Deficit	$10,454,520

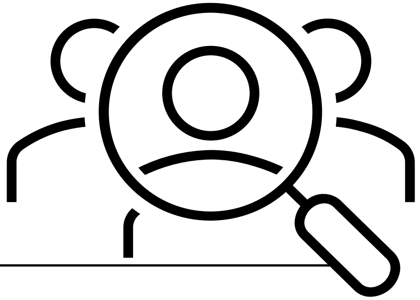
CAPITAL IMPROVEMENT NEEDS - GF

Capital Projects 20-Year	Other Identified Projects (Years 1 - 20)		
	Budget	**Available Funding**	**Shortfall**
Streets	79,476,055	50,124,241	(29,351,814)
Stormwater	19,182,000	10,500,000	(8,682,000)
Civic	30,260,120	-	(30,260,120)
Subtotals:	***128,918,175***	***60,624,241***	***(68,293,934)***
	General Fund Estimated Annual Shortfall		(3,419,165)

STRUCTURAL DEFICIT ESTIMATE

- $6 million to 10 million

- Excludes unexpected expenditures and one-time needs.



UNFUNDED GENERAL FUND CIP NEEDS

- Fire Station Repaint - $100,000 (unfunded amount $86,000)
- Asset Management System - $115,000
- Increase height of Corporation Yard above flood level - $500,000
- Design strategy for energy generation - $125,000
- Design, and/or installation of public EV chargers - $100,000

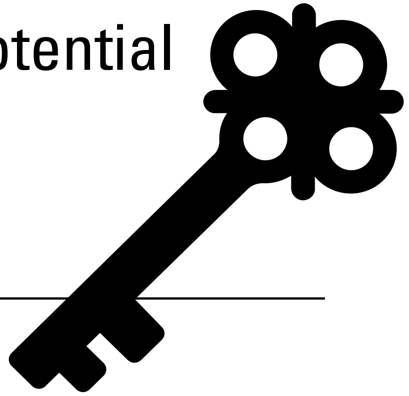
UNFUNDED WATER FUND CIP NEEDS

- Water Treatment Plant Condition Assessment - $100,000
- Bell House Valve Replacement - $470,000
- Water System SCADA Improvements - $800,000

KEY TAKEAWAYS

- Structural deficit range - $6-10 million.
- Staffing and compensation adjustments are key to addressing long-term financial health.
- Upcoming ballot measure preparation timeline.

- **NEXT STEPS:**
  - Further council discussions on financial strategies and potential revenue solutions.



POTENTIAL NEXT STEPS

- **Consider** additional revenue options.
- **Prepare** for November 2025 ballot measure.

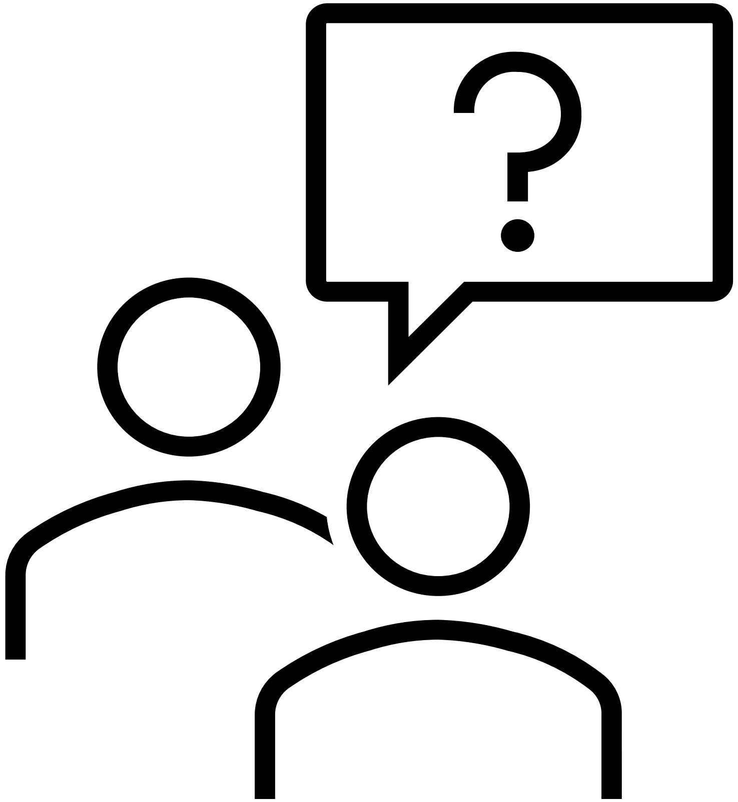
NOVEMBER 2025 BALLOT MEASURE - TIMELINE

Dates	Item
May 27, 2025 (Estimated Date)	Declare Fiscal Emergency
June 24, 2025	City Council Places Measure on Ballot (at least 88 days prior to election)
July 29, 2025	County BOS approval, permitting the county elections official to render specified services to the City relating to the conduct of an election
November 4, 2025	Election

POTENTIAL COMMITTEE ASSISTANCE

	Item	Advisory Committee
1	Verification of the list of long-term liabilities and needs	Finance
2	Propose revenue source for each tranche of liabilities/capital needs	Finance
3	Input on compensation philosophy to be competitive and address the geographical location of the city (Median, 75th percentile, housing assistance, other)	Finance
4	Use of Cost Allocation Plan to determine distribution of personnel costs to various funds	Finance
5	Re-prioritization of CIP projects to cope with reduced revenue in the Water Fund	Water/Wastewater
6	Evaluation of options to consider reduction of water rates	Water/Wastewater

QUESTIONS OR COMMENTS?



YOY CHANGE IN POSITIONS

Fiscal Year	Full-time Employees	Full-time Equivalent	Percentage Change in Full-time Positions
2004	66.3	75.9	
2009	74.3	82.3	12.1%
2015	59.1	67.4	- 20.5%
2019	70.7	83.2	19.6%
2023	78.8	91.7	11.5%
2024	80.8	93.7	2.5%

ADDITION OF 10 POSITIONS & 75TH PERCENTILE

Addition of 10 positions and wages at 75th Percentile

	Costs
Current Positions	17,180,029
Additional Positions (10)	1,490,800
Cost of 75th Percentile	1,548,422
Capital Asset Replacement	1,000,000
Unfunded Liabilities	500,000
Updated Cost	*$21,719,251*
Net Cost	**4,539,222**

Agenda Report to the City Council

Agenda Section: OLD BUSINESS

Department: Administration

DATE:	March 11, 2025
FROM:	Anil Comelo, City Manager
SUBJECT:	Consider a Temporary Freeze on all New Hires, Salary Increases not Contractually Obligated, Reclassifications, and Discretionary Spending.
RECOMMENDED ACTION:	Discuss and provide direction to staff
PREVIOUS COUNCIL ACTION:	January 28, 2025 - City Council directed staff to bring item back to City Council for possible action.
STATEMENT OF THE PURPOSE:	Provide direction to staff.
FINANCIAL IMPACT:	None associated with this report. Fiscal impact of implementation would be dependent on City Council direction.

BACKGROUND:

On January 28, 2025, Council Member Barak requested an item be brought back to City Council for discussion.

Discuss and consider issuing a temporary fiscal 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 this request.

DISCUSSION:

The original motion included several areas for which specific action(s) were desired. The following is staff's response and analysis which provides information and descriptions of likely impacts.

<u>Temporary Freeze on Vacant Positions</u>: Staff recommends continued recruitment to fill all the following positions except for the Assistant Planner and the Underground Utilities Lead positions.

Position	General Fund Full Cost	Water Fund Full Cost	Wastewater Fund Full Cost	Total Annual Cost
Recommend Filling Position Immediately				
Accounting Technician	84,900	35,375	21,225	141,500
Accounting Technician	84,900	35,375	21,225	141,500
Part-time Firefighters	23,000	-	-	23,000
Police Officer	197,000	-	-	197,000
CPO - Wastewater	-	-	204,886	204,886
Subtotal	***389,800***	***70,750***	***247,336***	***707,886***
Recommend Temporarily Under Filling to December 31, 2025				
Management Analyst - AS (Fill as Accounting Technician)	105,525	35,175	26,915	167,614
Subtotal	***105,525***	***35,175***	***26,915***	***167,614***
Recommend Delaying Recruitment to December 31, 2025				
City Clerk	179,347	22,418	22,418	224,183
Subtotal	***179,347***	***22,418***	***22,418***	***224,183***
Recommend Temporarily Freezing Position				
Assistant Planner	149,628	-	-	149,628
Lead Underground Utilities MW	12,800	77,000	38,500	128,300
Subtotal	***162,428***	***77,000***	***38,500***	***277,928***
Total Annual Costs	***837,100***	***205,343***	***335,169***	***1,377,612***

Any decision to not fill vacant positions that are represented, will require bargaining with the applicable union.

Although the recommendations would reduce the overall salary and benefit costs by $416,134, additional costs will be incurred that would reduce the overall savings as a result contracts to provide necessary support due to expertise required to perform some functions and overtime costs resulting from reduced staffing levels.

Temporary Freeze on Salary Increases (not contractually obligated): The City is currently in negotiations with all bargaining groups. The average inflation for 2024 was

2.9% and, at a minimum, making employees whole as it results to purchasing power will require a raise of 2.9%. This is compounded with each of the City's bargaining groups being below the Market Median by at least 4%. While there is no immediate detrimental effect prior to June 30, 2025, not receiving any raise for the next year will risk not only retention challenges but recruitment difficulties too.

Over the past two and a half years, the City has made considerable effort into providing raises to employees in an effort to improve recruitment, retention, and morale. This was done because the City has historically experienced periods of high vacancies and staff turnover which is highly disruptive and inefficient. It should be noted that it is due to the salary increases that the vacancy rate has dropped to 9.9% from a high of 19.7% in 2022.

If a freeze on salary increases is enacted, such actions tend to cause declines in morale and casts a longer-term pall on a workforce. The executive team and the previous City Council have taken many actions to show that the City's employees are valued, and a key component has been a commitment to pay competitive wages. If a pay freeze is not temporary and extends past June 30, 2025, it will undermine those previous efforts and create lack of trust. Such impacts have long-term detrimental effects including lower motivation and productivity.

<u>Temporary Freeze on Reclassifications</u>: No reclassifications are contemplated and any need for a reclassification will be brought to the City Council for approval.

<u>Temporary Freeze on Discretionary Spending</u>: The FY 2024-25 approved budget we developed to allocate monies strategically and invest in high-impact projects. Staff do not plan to initiate any discretionary expenditures which are not aligned with strategic initiatives. However, to align with Council's request, a clear definition of "discretionary" is important. Traditionally, discretionary spending refers to non-essential expenses based on preference and available revenue, unlike mandatory costs such as rent, utilities, or debt payments.

While some expenses are clearly discretionary, others may appear non-essential but serve a broader purpose. For example, Parks & Recreation and Library services are often categorized as non-essential compared to water and wastewater services. However, these community services play a vital role in the overall health and well-being of St. Helena.

It is important to remember: We want highly productive employees. High productivity comes from high motivation. High motivation comes from high morale.

ENVIRONMENTAL REVIEW: None

GOAL:

Goal 1: Strengthen Financial Sustainability
Goal 6: Improve Employee Recruitment, Retention, & Morale
Goal 7: Enhance Organizational Effectiveness

DISCRETIONAL SPENDING FREEZE

City Council Meeting – March 11, 2025

City Manager, Anil Comelo and Administrative Services Director, Mandy Kellogg

AGENDA

- Discussion on the following Temporary Measures:
  - Freeze on Vacant Positions
  - Freeze on Salary Increases (not contractually obligated)
  - Freeze on Reclassifications
  - Freeze on Discretionary Spending

FREEZE ON VACANT POSITIONS

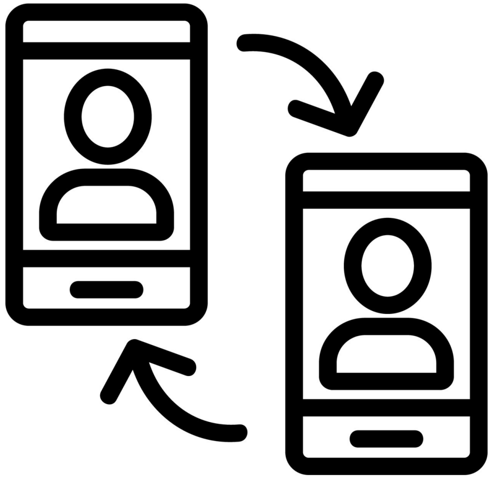
Position	General Fund Full Cost	Water Fund Full Cost	Wastewater Fund Full Cost	Total Annual Cost
Recommend Filling Position Immediately				
Accounting Technician	84,900	35,375	21,225	141,500
Part-time Firefighters	23,000	-	-	23,000
Police Officer	197,000	-	-	197,000
CPO - Wastewater	-	-	204,886	204,886
Subtotal	***304,900***	***35,375***	***226,111***	***566,386***
Recommend Temporarily Under Filling Until December 31, 2025				
Management Analyst – Underfill Acct. Tech	105,525	35,175	26,915	167,614
Subtotal	***105,525***	***35,175***	***26,915***	***167,614***
Recommend Delaying Recruitment Until December 31, 2025				
City Clerk	179,347	22,418	22,418	224,183
Subtotal	***179,347***	***22,418***	***22,418***	***224,183***
Recommend Temporarily Freezing Position				
Assistant Planner	149,628	-	-	149,628
Lead Underground Utilities MW	12,800	77,000	38,500	128,300
Subtotal	***162,428***	***77,000***	***38,500***	***277,928***
TOTAL ANNUAL COSTS	***752,200***	***169,968***	***313,944***	***1,236,111***

FREEZE ON SALARY INCREASES

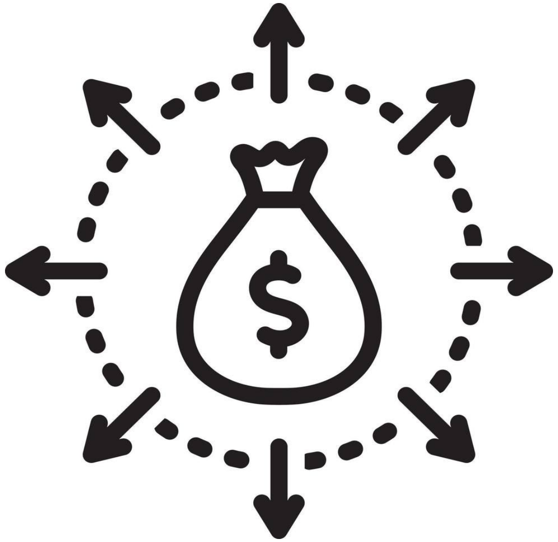
- Does not apply to contractually obligated increases
  - Currently in Negotiations with all Bargaining Groups
  - Average Inflation for 2024 was 2.9%

FREEZE ON RECLASSIFICATIONS

- No planned Reclassifications

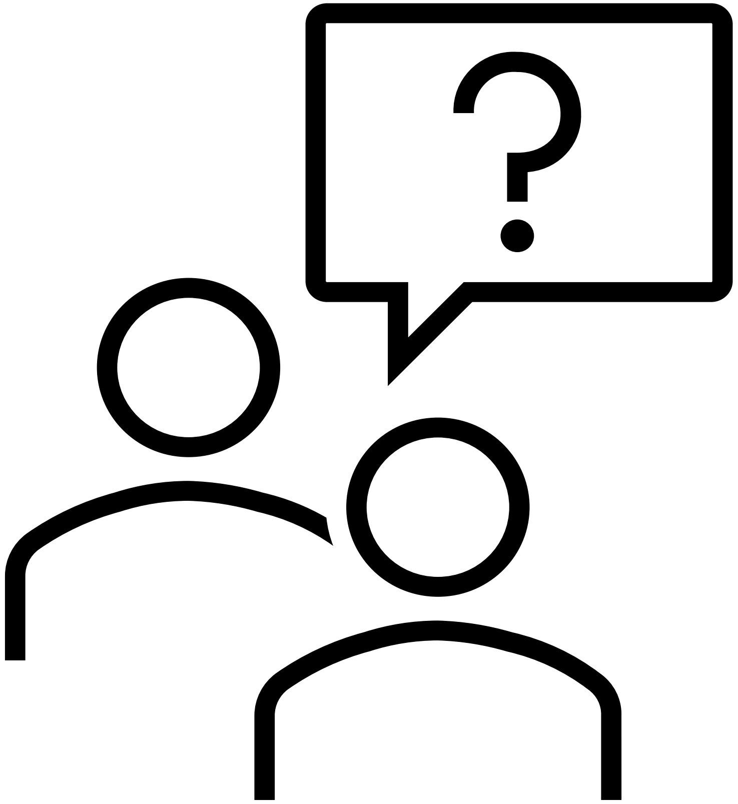


FREEZE ON DISCRETIONARY SPENDING



No Plans for Discretionary Expenditures that does not Align with Strategic Initiatives

QUESTIONS



Agenda Report to the City Council

Agenda Section: OLD BUSINESS

Department: Administration

DATE:	March 11, 2025
FROM:	April Mitts, Assistant City Manager
SUBJECT:	Review options to reduce water and/or wastewater rates and provide feedback to staff.
RECOMMENDED ACTION:	1. Staff will provide estimates of the magnitude of financial impact and possible rate reduction with which the City Council will be able to make informed decisions. Staff anticipates bringing the relevant data including results of the cost allocation study and rate reduction options to City Council on April 22, 2025. 2. Based on initial review of options, staff will likely recommend a combination of measures if the City Council continues to want a reduction in the Water/Wastewater Rates.
PREVIOUS COUNCIL ACTION:	January 28, 2025 - Provided direction to staff to agendize discussion.
STATEMENT OF THE PURPOSE:	Discuss, review, and provide direction on the current water and wastewater rates
FINANCIAL IMPACT:	None associated with this report; however, the fiscal impact is dependent on Council decision(s).

BACKGROUND:

On January 28, 2025, Council Member Barak requested an item be added to a future agenda as described below.

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 Capital Improvement Program (CIP) to access prioritization phasing and potential restructuring of projects to control costs and reduce ratepayer impact.

- Exploring immediate strategies to prevent the scheduled 8% rate increase in the fiscal year 2025 and assessing long-term options to lower future rate adjustments for residents.

DISCUSSION:

As part of the rate study process in 2022 and 2023, a committee of residents worked with a specialized consultant (Raftelis) and staff to recommend to the City Council new rates for the water and wastewater enterprises. The rates were approved by City Council effective September 2023 and increased water rates by 28% and wastewater rates by 50% in the first year. The five-year rate plan included increases each subsequent July 1st. On July 1, 2024, water rates increased by 8% and are scheduled to go up another 8% on July 1, 2025 and wastewater rates increased by 4% on July 1, 2024 and are scheduled to go up another 4% on July 1, 2025. The need for these steep increases is the severity of underfunding and underinvestment over the last couple of decades. The underinvestment has left the water and wastewater system (in addition to the stormwater system, which has no dedicated funding source other than Measure H General Obligation (GO) Bonds) in dilapidated states resulting in state fines, frequent pipe breaks, and discolored water in faucets among other detrimental effects.

The rate increases were anticipated to generate approximately $46.5 million for investment in the water and wastewater systems. This amount includes funds directly collected from ratepayers as well as issuance and payment of bonds which will fund approximately $33.5 million of the planned expenditures. In response to the request to propose ways to reduce the rates, staff developed the following matrix that describes the main options to reduce rates in the water and wastewater funds.

Water Enterprise Options:

During the rate study, Raftelis projected that with no rate increases over the study period the Water Enterprise's reserves will fall below the target reserve policy and fail to meet minimum debt coverage in all years of the study period. Without revenue adjustments, fund balances would be negative in every year of the study period and decrease greatly over time due to operating, maintenance, and capital expenses.

Key factors influencing the need for proposed revenue adjustments include:

1. Cost of inflation: Operating costs continue to increase year over year due to inflationary pressures.
2. Reduction in baseline water demand: Water sales are significantly lower relative to pre-drought years, resulting in lower baseline variable water rate revenues.
3. Planned capital expenditures: CIP project expenditures through FY 2028-29, including substantial repair and replacement projects, totaling $59.5M (i.e. per adopted 5-year CIP, FY25 - FY29, which equates to approximately $11.9M per year on average).

The table below represents a number of options and implications for Council consideration/discussion.

Option	Description	Impact
1	Shift base and use costs	Ratepayers with lower use will see savings, but it may result in revenue volatility.
2	Increase allocation of personnel charges from Water Fund to General Fund	Already burdened General Fund, will in effect, subsidize the enterprise funds.
3	Postpone CIP Projects	Delaying improvements of the water systems leads to project escalation costs and ever increasing risks of jeopardizing life/safety due to aging infrastructure.
4	Reduce reserve levels	Cash flow would be strained during emergency situations. May shift funding from scheduled CIP projects. Could impact debt coverage requirements.
5	Reduce operations budget	Any substantive reductions would have impacts on service delivery.
6	Move from bonds to State Revolving Fund (SFR) financing	SRF typically offers below-market interest rates, reducing overall borrowing costs. However, the process to secure funding is longer than the issuance of bonds. SRF funding involves a rigorous application process with specific eligibility requirements, which can be time-consuming and may not be suitable for all types of projects. The amount of SRF funding available can vary depending on federal funding allocations, potentially leading to project delays if sufficient funds are not available.

Wastewater Enterprise:

During the rate study Raftelis projected that with no rate increases over the five-year study period the Wastewater Enterprise's reserves would fall below the existing reserve policy and fail to meet its debt coverage requirement in each year of the study period.

Key factors influencing the need for the approved Wastewater Enterprise revenue adjustments included:

1. Cost of inflation: Operating costs continue to increase year over year due to inflationary pressures and the cost of staffing treatment facilities.
2. Planned capital expenditures: CIP project expenditures through FY 2028-29, including substantial repair and replacement projects, totaling $29.4M (i.e. per adopted 5-year CIP, FY25 - FY29, which equates to approximately $5.9M per year on average.
3. Reserve replenishment: the Wastewater Enterprise has reduced cash reserves during the past several fiscal years due to unforeseen operating costs as well as the completion of a significant capital project (i.e. the Wastewater Treatment Plant Upgrade Project).

Option	Description	Impact
1	Increase allocation of personnel charges from Wastewater Fund to General Fund	Already burdened General Fund will, in effect, subsidize the enterprise funds.
2	Postpone CIP Projects	Delaying improvements of the wastewater systems leads to project escalation costs and ever increasing risks of jeopardizing life/safety due to aging infrastructure. Scheduled CIP are required by the negotiated Riverwatch Settlement Agreement.
3	Reduce reserve levels	Cash flow would be strained in emergencies and in emergency situations. May shift funding from scheduled CIP projects. Could impact debt coverage requirements.
4	Reduce operations budget	Any substantive reductions would have impacts on service delivery.

To better assess the impact of each option listed above and determine their potential to significantly reduce the financial burden on ratepayers, the following steps are being undertaken:

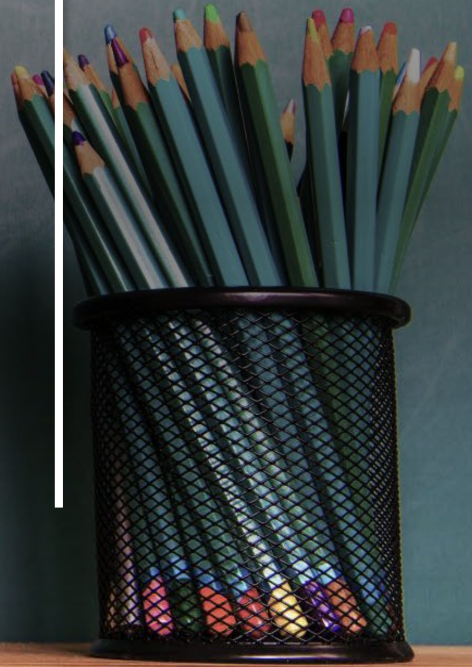
1. **Estimates for Each Option** - Raftelis has been tasked with evaluating the proposed options and providing an estimate of the potential savings or rate reductions for each scenario which should be received by the end of March.
2. **City's Legal Covenant to Bond Holders** - Any attempt to reduce rates must take into account the City's legal covenant to bond holders (i.e. both water and wastewater bond holders) which ensures the utility will generate enough revenue to pay back the bonds. This review is being conducted by Raftelis and will be received by the end of March.
3. **Cost Allocation Study** - This study, expected to be completed by April 2025, will provide updated financial data. The findings will be presented to the City Council for consideration and action on April 22, 2025.
4. **Existing Debt Evaluation** - City staff will work with the Municipal Advisor to evaluate if there are opportunities to restructure existing debt.
5. **Incorporating Council Decisions into Budget Planning** - Implementation of any of the ideas will result in budget implications. Based on Council's direction, staff will integrate the approved measures into the FY 2025-26 and FY 2026-27 biennial Operating and Capital Improvement Plan budgets.

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 5: Enhance Quality of Life

AGENDA ITEM 12.4 WATER & WASTEWATER RATE REDUCTION DISCUSSION



City Council Meeting – March 11, 2025

Joe Leach, PE, Director of Public Works/City Engineer

AGENDA

- Key Factors for Rate Adjustments
- Options for Consideration
- Next Steps

KEY FACTORS FOR RATE ADJUSTMENTS

- Cost of Inflation
- Reduction in Baseline Water Demand
- Planned Capital Expenditures (i.e. Risk Management)
- Reserve Replenishment

OPTIONS

Option	Description	Impact
1	Shift Base and Use Costs – Water Only	- Ratepayers with lower use will see savings - May result in revenue volatility
2	Increase Allocation of Personnel Charges to General Fund	- Already burdened General Fund - General Fund, in effect, subsidize the enterprise funds
3	Postpone CIP Projects	- Delays improvement of the systems - Delays will lead to project escalation costs - Jeopardize life/safety due to aging infrastructure - Most likely result in breach of Settlement Agreement(s) (e.g. River Watch, Water Audit, etc.)
4	Reduce Reserve Levels	- Challenging in emergencies - May shift funding from CIP projects - May affect debt coverage requirements

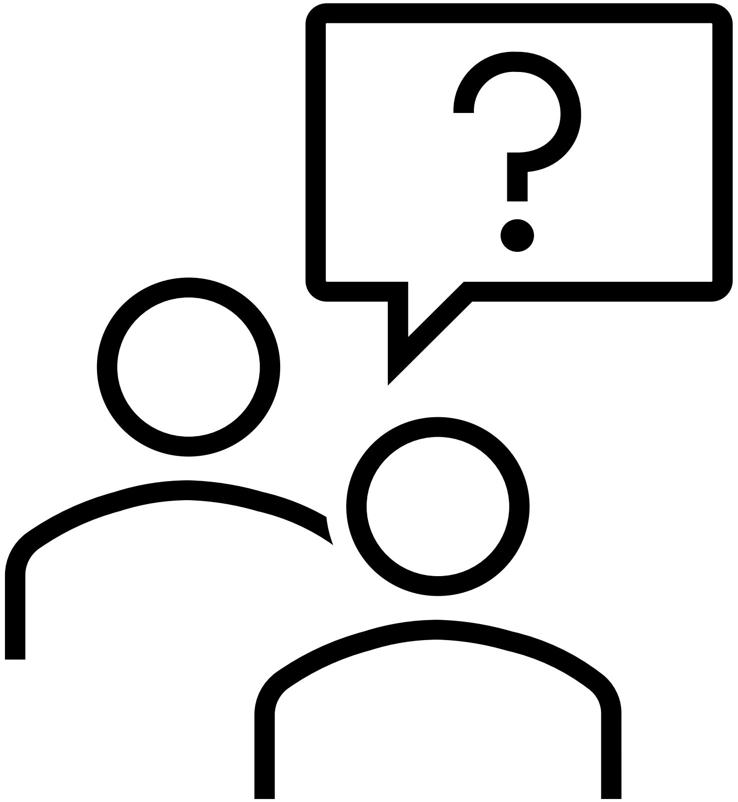
OPTIONS

Option	Description	Impact
5	Reduce Operations Budget	- Impacts on service delivery
6	Moving from bonds to State Revolving Fund (SRF) Financing – Water Only	- SRF typically offers below-market interest rates, reducing overall borrowing costs. - Process is longer than issuance of bonds. - Involves difficult application process with specific eligibility requirements. - Not suitable for all types of projects. - Amount of funding availability is dependent on federal funding allocations, potentially leading to project delays if funding is not available.

NEXT STEPS

Description	Responsible	Deliverable/Timeline
Estimates for Each Option	Raftelis	- Evaluate proposed options - Provide estimate of potential savings per option - Provide estimate of potential rate reductions per option - Timeline Estimate: Receive by end of March 2025
City's Legal Covenant to Bond Holders	Raftelis	- Review of current debt and debt schedules to ensure the utility will generate enough revenue to pay back the bonds - Timeline Estimate: Receive by end of March 2025
Cost Allocation Study	ClearSource	- Provide updated financial data - Timeline Estimate: Presentation to Council for consideration and action on April 22, 2025.
Existing Debt Evaluation	Municipal Advisor	- Evaluate existing debt for opportunities to restructure
Budget Planning	Staff	- Implement Council decisions regarding six options into the budget planning process.

QUESTIONS



From: agalbraith94574@gmail.com
To: City Clerk
Subject: [External] Public Comment: City Council Agenda Item 12.4 (water & wastewater options), March 11, 2025
Date: Friday, March 7, 2025 2:14:19 PM

> As I recall (but subject to check), the City's legal covenants to bond holders include a covenant that states, in substance, that the City will maintain its water and wastewater systems "in good operating condition." City staff reports that the water and wastewater systems are "in dilapidated states resulting in State fines, frequent pipe breaks, and discolored water in faucets among other effects." This is a plain admission that the systems are NOT in good operating condition.
> Since the City is obligated by covenant to maintain its systems in good operating condition, Raftelis Financial Consultants should be specifically tasked with assessing the rates levels required to bring the water and wastewater systems into compliance with "good operating condition." Specifically: (1) what rate levels are needed to come into compliance? (2) can the City reduce projected and/or current rates when it is in violation of the "good operating condition" covenant?
> As I see it, the legal issue (as referenced on the last page of the staff's (excellent) staff report is not just whether the enterprises "will generate enough revenue to pay back the bonds." The bond holders specifically bargained for and obtained a binding written promise that the enterprises would be maintained in good operating condition — a crucial component of their loan risk assessment. In short, rates must be sufficient to ensure that the City comes into compliance with its material promise to its bond holders. The issue cannot be avoided
>
> Respectfully submitted,
>
> Alan Galbraith
> St. Helena Mayor, 2014-18
>
>
>
>
> Sent from my iPad

From:	Kelly Wheaton
To:	City Clerk
Subject:	[External] Meeting item 12.4.Review options to reduce water and/or wastewater rates and provide feedback to staff.
Date:	Monday, March 10, 2025 1:36:47 PM

Erika,

I would appreciate this brief comment to be included in the packet for Item 12.4 of Tuesday's City Council meeting.

Mayor Dohring and City Council Members.

In the staff report for "**Review options to reduce water and/or wastewater rates**" The staff reports re WATER (pg 3):
Option 2: Increase allocation of personnel charges from Water Fund to General Fund. And then Notes Already burdened General Fund, will in effect, **subsidize** the Enterprise funds.
This is repeated as
Option 1 in the WASTEWATER Chart (Pg 4).

The Fact of the matter is the Water and Wastewater ENTERPRISES, in violation of Prop 218, have been SUBSIDIZING STAFF executive salaries. For a staff report to state this is a fact is hypocritical on its face, disingenuous and seems to be more like what one would expect from a propaganda agency rather than what is expected from supposedly unbiased, independent fact finding by city staff. Whomever propagated this **malarkey** needs a thorough talking to by the City Council. How can the City Council be EXPECTED to make GOOD DECISIONS with NONSENSE like this?

I hope the Council will take this opportunity to send this back to the staff and ask for something other than mythology.

Respectfully,
Kelly Wheaton
Inglewood Ave.

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Kelly Wheaton
a4est42@gmail.com
Beginners Guide to Genetic Genealogy
WheatonWood.com

03/11/2025
Agenda Item 12.42

Mayor Dohring and Members of the City Council,

As I didn't get my comment in in time for last night's meeting, I am sending it again for your consideration going forward.

In looking at Water and Wastewater Report prepared for the meeting, I have some questions and concerns. According to the report:

Key factors influencing the need for proposed revenue adjustments include:

1. Cost of inflation: Operating costs continue to increase year over year due to inflationary pressures.
2. Reduction in baseline water demand: Water sales are significantly lower relative to pre-drought years, resulting in lower baseline variable water rate revenues.
3. Planned capital expenditures: CIP project expenditures through FY 2028-29, including substantial repair and replacement projects, totaling $59.5M (i.e. per adopted 5-year CIP, FY25 - FY29, which equates to approximately $11.9M per year on average).

However, nowhere in this report are possible increases in costs due to staffing.

The following table is based on 2024. But what has this same table looked like for the last 4 – 8 years? Historically, has there been an increase or decrease in costs based on staffing levels? Are there some savings to be had by reducing staffing…particularly at the higher-salary end? Does the city manager *really* spend 50% of his time on water on wastewater issues? And does it actually take an additional Asst. City Manager (45%) and an Assistant to the City Manager (40%) to deal with the Water & Wastewater Enterprises? Has there ever been an audit done to verify how much time any of these people actually spend on Water & Waste Water? And what about the other costs of their employment, in addition to their actual salaries, which are not included in this table?

Job Title	% Salary paid by Water Enterprise	% Salary paid by Wastewater Enterprise	Total from Enterprises	Cost to Enterprises*
City Clerk	10	10	20%	$29,165
City Manager	30	20	50%	$134,500
Asst City Manager	25	20	45%	$103,950
(2) Asst to City Manager	25	15	40%	$113,747
Administrative Services Director	30	20	50%	$95,755
Senior Management Analyst	40	20	60%	$73,160
Total				**$550, 277**
City Council & Mayor	15	15	30%	$5,400

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And nowhere in this report is *reducing* staffing mentioned as an alternative. And, if it turns out that water & waste water customers are being charged for services they are *not* receiving, (i.e. 50% of the city manager's time; 85% (40+45%) of the 2 Assistants to the City Manager's time; etc.) isn't the city running afoul of CA Prop 218?

Instead, the report suggests the possibility of increasing the allocation of personnel to the General Fund. But under "Impact" the report basically dismisses this option by calling the general fund "Already burdened." This in itself is odd because it seems the general fund has been burdening the Water and Wastewater Enterprises for years to make *its* ends meet.

The table below represents a number of options and implications for Council consideration/discussion.

Option	Description	Impact
1	Shift base and use costs	Ratepayers with lower use will see savings, but it may result in revenue volatility.
2	Increase allocation of personnel charges from Water Fund to General Fund	Already burdened General Fund, will in effect, subsidize the enterprise funds.
3	Postpone CIP Projects	Delaying improvements of the water systems leads to project escalation costs and ever increasing risks of jeopardizing life/safety due to aging infrastructure.
4	Reduce reserve levels	Cash flow would be strained during emergency situations. May shift funding from scheduled CIP projects. Could impact debt coverage requirements.
5	Reduce operations budget	Any substantive reductions would have impacts on service delivery.
6	Move from bonds to State Revolving Fund (SFR) financing	SRF typically offers below-market interest rates, reducing overall borrowing costs. However, the process to secure funding is longer than the issuance of bonds. SRF funding involves a rigorous application process with specific eligibility requirements, which can be time-consuming and may not be suitable for all types of projects. The amount of SRF funding available can vary depending on federal funding allocations, potentially leading to project delays if sufficient funds are not available.

Given this, I hope that the council will seek an independent review…one that will also take into effect ways of reducing top level staff and include an audit of the actual amount of time spent by staff members specifically on Water and Wastewater Issues. We need to take a hard look at *all* of the ways costs can be realistically reduced before putting any more burdens on Water and Waste Water Customers. This report seems to fall very short of that mark.

Elaine de Man
St. Helena