



City of St. Helena

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

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September 28, 2017

Brendon Freeman
Executive Officer
Local Agency Formation Commission of Napa County
1030 Seminary Street, Suite B,
Napa, CA 94559

Dear Mr. Freeman

Thank you for your September 12, 2017 informational update to the St. Helena City Council regarding the Local Agency Formation Commission of Napa County's (Napa LAFCo) forthcoming St. Helena Municipal Services Review and Sphere of Influence Update (MSR/SOI).

City staff and Council Members subsequently reviewed the draft document and identified numerous corrections and/or updates necessary to improve the document's accuracy (see attached September 26, 2017 staff report). Given that the City Council has only had an opportunity to learn about this important update in the past few weeks (which last occurred in 2008), the City is respectfully requesting Napa LAFCo postpone their October 2, 2017 preliminary discussion of St. Helena's MSR/SOI to your December 2, 2017 meeting. It is our hope that this will allow time for Napa LAFCo staff to review the City's comments and update the document accordingly. The City Council also respectfully requests an additional 30-day comment period be provided for public feedback on the resulting updated document.

Please contact me at (707) 312-0252 with any questions. Thanks you!

Respectfully,

Mark T. Prestwich
City Manager

Attachment



**Report to the City Council
Council Meeting of September 26, 2017**

Agenda Section: **New Business**

Subject: **City of St. Helena Municipal Service Review and Sphere of Influence Update**

CEQA Determination: **Not a CEQA project**

Prepared By: Noah Housh, Planning & Community Improvement Director

Reviewed By: Mark Prestwich, City Manager

Approved By: Mark Prestwich, City Manager

BACKGROUND

On September 12, 2017, Napa Local Agency Formation Commission (LAFCO) Executive Officer Brendon Freeman provided the City Council with an informational update on Napa LAFCO's draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update. Napa LAFCO is responsible for completing municipal service reviews and for determining the City's sphere of influence (probable physical boundary and service area). Napa LAFCO intends to discuss the draft St. Helena MSR/SOI on October 2, 2017 before the public comment period concludes October 13, 2017, with formal action on the city's MSR/SOI planned for December 2, 2017.

DISCUSSION

Given that the document is intended to (among other things) inform decisions on local land use in and around St. Helena, determine the need for public services and facilities, based on current capacity and adequacy of services (provided by the City) and generally forms the basis for specific judgments about City governance, it is critical that the information in the report be as accurate and update-to-date as possible.

The City has completed a preliminary review of the draft MSR/SOI and unfortunately, has found the current draft contains a number of inaccurate and/or out-dated statements (see attachments). Specifically, the City has found inaccuracies in revenue projections, residential and commercial growth projections, City staffing and governance

structures and other elements of City governance included in the report. Attached to this report is a list of some of the items that require revision and/or clarification to ensure the accuracy of the document. Given the scope and breadth of the inaccuracies identified, staff recommends the City request Napa LAFCO postpone their planned October 2, 2017 St. Helena MSR/SOI discussion until the document is accurately updated.

FISCAL IMPACT

Not applicable.

RECOMMENDED ACTION

Authorize staff to communicate preliminary feedback on the draft MSR/SOI to NAPA LAFCo and request a postponement of the planned October 2, 2017 LAFCO discussion of the St. Helena MSR/SOI until an accurate document is presented for review.

ATTACHMENTS

[MSR-SOI Comments](#)

St. Helena MSR/SOI Comments

- Page 2-2 makes reference to Table 2-3 as being staffing levels - Table 2-3 actual refers to Jurisdictional Changes
- Page 2-2 gives the staffing level from the FY 2016 budget Should be updated to FY 2018
- Page 2-13 – the staffing levels should be updated
- Page 2-13 – refers to Figure 2-2 – this should be Table 2-4
- Page 2-13 – says there are 74 employees, the number is inconsistent with what it says in the table above which is 78.68 – in either case, these should be updated.
- Page 2-15 – there were a lot more administrative accomplishments since 2008 - the budget pages track the accomplishments
- Page 4-1 – under customers suggest changing the third sentence to state, “residents of neighboring communities often utilize the Recreation Department and Library services”
- Page 4-3 – update to FY 15/16 audit financial information (instead of FY 13/14 and 14/15)
- Page 4-12 – The City provides water to 2,549 connections – change number
- Page 5-1 – updated financial information. Also remove comment stating the audit and budget were not on the website.
- Page 5-1 – bottom – add additional fiscal policies
 - Capital Asset and Deprecation
 - Sale of Surplus Property
 - Escheat Policy
- Page 5-2 – update financial information and litigation information
- Page 5-3 – update financial information
- Page 5-4 – update financial information
- Page 5-11 – update financial information
- Page 5-22 – update financial information
- Page 6-3 – item 23 – City did present information on a major recession
- Page 6-3 – item 25 – update financial information
- Page 6-4 – items 35 and 35 – update financial information

1. Starting with the reference on pg. 2-13, the draft SOI/MSR includes numerous references to the City of St Helena General Plan that are incorrect and/or out-of-date. Specifically, the General Plan document is the St Helena 2035 General Plan update.

2. St. Helena Police Department maintains a log of all complaints filed with the Department.

3. Planning and Community Improvement Director is the correct title for the Department head referenced on pg. 2-16.

4. On pages 2-17 and 4-46: it states that the Robert Louis Stevenson Museum is located in a separate building. The Museum shares our building.

5. Also on page 4-46: It states that the Library has a staff of 6 FTE and then goes on to list all 6 full time staff and closes by stating there are 8 part-time employees that equate to 1.99 FTE. This is a confusing way to state the Library has 7.99 FTEs and what they are composed of.

6. General Plan Land Use Graphic on pg. 3-3 is inaccurate in that it includes land use changes proposed in the 2035 General Plan update.
7. The project list on pg. 3-5 is outdated. Turley Flats was approved in 2013 and is under construction; the Our Town St Helena project was approved; 632 McCorkle is an 8-unit project that was also approved and there has been no formal application at 821 Pope St.
8. On pg. 3-5 the residential growth analyzed in the 2035 General Plan EIR is incorrectly identified as residential growth *projections*, when these numbers are in fact identified in the EIR as maximum potential residential growth, intended to facilitate a complete environmental impact analysis under CEQA.
9. The commercial growth numbers (pulled from the General Plan EIR) provided on pg. 3-6 and 3-7 are similarly intended to identify the maximum potential growth to facilitate a complete environmental impact analysis under CEQA. These numbers are in no way projections and are never categorized as such in any City document.
10. Change area graphic 3.4 is out of date. The City Council has eliminated the Low-Medium Density Residential district from the 2035 General Plan Update
11. Fiscal analysis and revenue projects are out-of-date and do not appear to have been updated with the most current information available, particularly the updated revenue projections resulting from the adoption of Measure D.
12. The statement on pg. 3-13 identifying that the decline in the City's growth rate was a result of infrastructure constraints is suspect and should be removed or supported by factual information.
13. Planning Dept. no longer staffs AT/S Committee. PW Staff now has that assignment (pg. 4-42).
14. Project list needs updating (see comment 7 above). Menegon Bldg. is 1380 Main St; Redmond Winery was approved; CIA was denied.
15. Planning staff also serves as Environmental Coordinator for the City and manages the Housing Authority contract (pg. 4-43).
16. Building Department entered into a Council approved agreement with the City of Calistoga for shared Building Official services during illness, vacation and other absences.

**Mayor's Comments on MSR/SOI Administrative Draft
Dated August 25, 2017**

1. Page 2-4: The text under Table 2-2 states that two parcels totaling 95 acres at Bell Canyon are within St. Helena's jurisdictional boundary. This is not

correct. See contrary statement on page 4-9, seventh line from the bottom (“The reservoir is located northeast of St. Helena in the unincorporated area.”)

2. Page 2-5: Figure 2-1 shows land around Bell Canyon Reservoir as being within City Limits. Map needs to be fixed. See point 1 above. See also Figure 7.3 (same map) on page 7-8.
3. Page 2-8: In first indented paragraph, fourth line, change “fie” to “fire (typo).
4. Page 2-10, last line: subject to check, the deferred compensation match is \$150 per month, not \$200.
5. Page 2-17: Have we received awards since 2014? Are the CAFR awards worth mentioning?
6. Page 3-1: The last paragraph lists five approved projects since 2008. These projects are more than “approved”; they are completed. Suggest as follows: “Several residential and commercial projects have been completed since the last Municipal Service Review within the City’s boundary including:”
7. Page 3-5: The fourth bolded point states that 632 McCorkle Avenue consists of ten units. Actual project is 8-units and was approved.
8. Page 3-18: The last line (beginning with “This equates”) states that affordable housing production is within the allowable growth management system limit. Affordable Housing units are specifically exempted from Growth Management Ordinance.
9. Page 4-3: The second paragraph references a 2010 Grand Jury report, and states that we are working (presumably in 2017) to address issues in that report. The issues are not identified. Suggest adding details or deleting the entire paragraph.
10. Page 4-8: The paragraph below Table 4-3 begins with: “Out of the 1950 acre-foot (AF) of total available water supply”. The safe yield is not related to “available “water supply. In any year our water supply may be more or less than 1950 AF. The safe yield sets a top limit on what we wish to supply with the goal to minimize supply problems in drought years. Suggest deletion of the introductory clause.
11. Page 4-8: Typo three lines up from bottom: change “reliable” to “reliably”.
12. Page 4-8: The definition of “safe yield” referenced in footnote 13 should be provided, along with a statement to the effect that it should not be confused with the “safe yield” definition that led to the 1950AF water supply cap. See page 4-16 for our definition of “safe yield.”

13. Page 4-9: The last sentence of the second paragraph under State Project states that our Napa water agreement “is effective through 2034, provided that the SWP maintains the agreement with the City of Napa (Napa County, 2013).” It is not correct that our contract is dependent on Napa maintaining its agreement with the SWP. It appears that the sentence as written is based on a misreading of term 1(b) of the (initial) Water Supply Agreement (September 12, 2006). Our contract (as amended), operates completely independently of water supply that comes to Napa from the SWP. Further, Napa does not contract with the SWP; it contracts with the Napa County Flood Control and Conservation District (“NCFCWCD”), which, in turn, is one of the several Water Districts around the State that contract with the SWP. Suggest deletion of “provided that the SWP etc.” language.
14. Page 4-11: Table 4-4 would benefit from 2016 data and, if the years are water years, 2017 data.
15. Page 4-13: Figure 4-1 presents average annual metered water demand in AF for classes of customers with the average based on fiscal years 2002-2008. A figure based on such stale data is of little or no value. Strongly suggest a revision based on the last available five-year averages.
16. Page 4-14: Figure 4-2 would benefit from 2016 data and, if in water years, 2017 data.
17. Page 4-15: Table 4-5 shows data through only 2009. It should be updated.
18. Page 4-18: Tables 4-7 and 4-8 from the 2010 Water Supply Plan, is out of date. This then led to the Safe Yield Committee and its determination that total demand should not be allowed to exceed 1950AF. See page 4-16.
19. Page 4-28: The paragraph following the four (bolded) points states that the SHPD operates with “unsafe working conditions for officers.” This statement, if correct, is a source of substantial and immediate concern to me, and we should be addressing it at Council. Please review with Chief Imboden.
20. Pages 4-39 & 4-30: The tables show 2014 data. It should be updated. The number of calls has greatly escalated since 2014.
21. Page 4-47: Suggest changing second sentence in first paragraph from “Also, the City is part of Joint Powers Agreements as follows:” to “The City participates in the following:” Some of the listed entities are not JPAs.
22. Page 4-47: In the sixth line down in the paragraph that begins with the Napa Housing Authority, suggest adding “coordination of” after “provide for” and “economical regional waste management services.” The Upper Valley Waste Management Agency does not itself provide waste management services.

23. Page 5-2: The next to last paragraph begins by stating that the most recent auditor's report was for FY 2014/2015. This needs to be updated.
24. Page 5-2: The litigation comments in the last paragraph are outdated and should be removed.
25. Page 5-3: The two (bolded) points at the top of the page are from the 2008 LAFCO report. The text is out-of-date.
26. Page 4-50: Table 4-24 presents stale data and should be updated.
27. Page 4-50: The first sentence under Table 4-24, stating that we have "routinely" adopted CIPS is, regrettably, not correct. My suggestion is that the paragraph be rewritten to discuss the CIP adopted in July 2017.
28. Page 5-1: The second paragraph about budgets and audits is out of date and should be revised.
29. Pages 5-3 through 5-9: The financial data should be updated. Also, as to completed fiscal years, the reserves are known; it would seem inappropriate for those years to present "estimated reserves", as shown in Table 5-5.
30. Page 5-9: The fourth line from the bottom states that the Nigro & Nigro firm "found sloppy accounting practices." This is not a professional statement in my estimation. It should be restated in proper professional language as stated by our outside auditor. Further, the description does not identify the specific years involved. It also seems to me that a sentence or two noting the significant progress since 2014 in implementing additional internal controls would provide important context.
31. Page 5-9: The last sentence about a combined grant seeker and manager now out-of-date. Suggest making clear that the Finance Department has procedures in place to ensure proper grant management.
32. Pages 5-11 & 5-12: Can we add 2016 data to Table 5-6 & 5-7?
33. Page 5-21: Change "General Funds" to "Enterprises" in sentence after the seven enumerated points.
34. Pages 5-25 through 5-36: The data should be updated. Further it is misleading to identify property, sales tax, and TOT revenue as a percentage of total revenue, as opposed to general fund revenue. City-to-city comparisons typically are made by looking at relative contributions of these revenue streams to their respective general funds.
35. Page 6-3: Point 24 is stated backwards. We recently enacted significant rate increases to avoid using General Fund monies to subsidize the Enterprise Funds [These rates are now slated to change again].

36. Page 6-4: Point 37 states that participating agencies provide garbage collection. No agency does so.
37. Page 6-5: The second circle point after 43 states that our City has utilized the General Plan and other planning tools to “[p]romote economic development.” Such a statement is should be backed up with some specific examples.
38. Page 6-5: The fourth circle point after 43 states we have used the General Plan and other planning tools to “Limit the obligations of government by strategic building and maintaining infrastructure through capital planning and investments.” The intent of this statement is unclear. Our General Plan statements are aspirational: e.g., ES1.3 on page 4 P-8 of the May 2016 Draft (“Ensure the long-term infrastructure needs and priorities of the community are met as part of an economic approach to economic vitality and sustainability.”). Aspirational statements are not “limiting.”
39. Page 6-6: Point 50 conveys the impression that the Police Department provides statistical information on a regular basis at our Council meetings. This is not the case. Also, is the statement that such information is not provided by the Department on its webpage correct?
40. Page 7-8: Figure 7-3 incorrectly shows land around Bell Canyon Reservoir to be within City limits. See Points 1 & 2 above.
41. Page 7-16: The second box (“Location”) states that study area #2 is northeast of the City when it is northwest.
42. Appendix E is the LRFF dated October 27, 2015. The LRFF was further updated on February 9, 2016. It seems to me that the update should also be included as an appendix.

Note One: Council member Dohring has contributed to and concurs in these comments.

Note Two: Council member Dohring and I have pointed out text and figures that are out of date. We make no claim that our review has been systematic. Our joint view is that the MSR must be based on currently available information. We think that the City can and should provide the relevant updated documents but it is the obligation of LAFCO Staff to do the updating.

Alan Galbraith
Mayor, City of St. Helena