

SUPPLEMENTAL REPORTS & COMMUNICATIONS I
Office of the City Clerk

City Council of the City of Napa
Regular Meeting
February 15, 2022

FOR THE CITY COUNCIL OF THE CITY OF NAPA:

AFTERNOON SESSION:

5. ADMINISTRATIVE REPORTS:

5.B. Fiscal Year 2021/22 Mid-Year Report

- PowerPoint Presentation from City Staff.

5.C. Enterprise Resource Planning (ERP) Software Implementation

- PowerPoint Presentation from City Staff.

5.D. Condition of City-Owned Buildings

- PowerPoint Presentation from City Staff.

City Council Meeting

2/15/2022

Supplemental I - 5.B.

From: City Staff



**Mid-Year Report
FY 2021/22**



FINANCIAL STATUS

Fiscal Year 2021/22

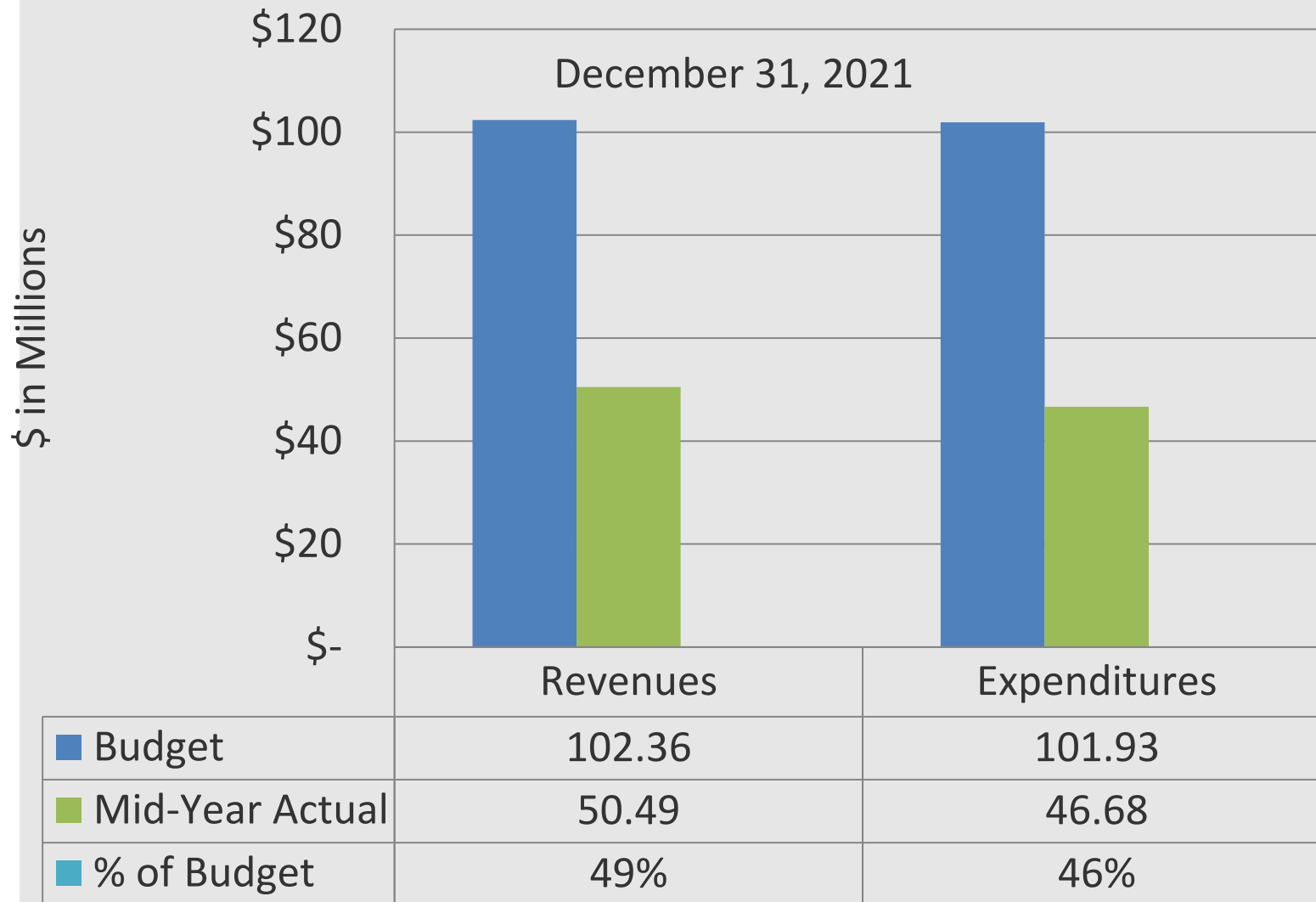
- **General Fund**
- **Non-Recurring General Fund**
- **CIP Project Fund**
- **Enterprise Funds**



GENERAL FUND



FY 2021/22 Budget to Actual

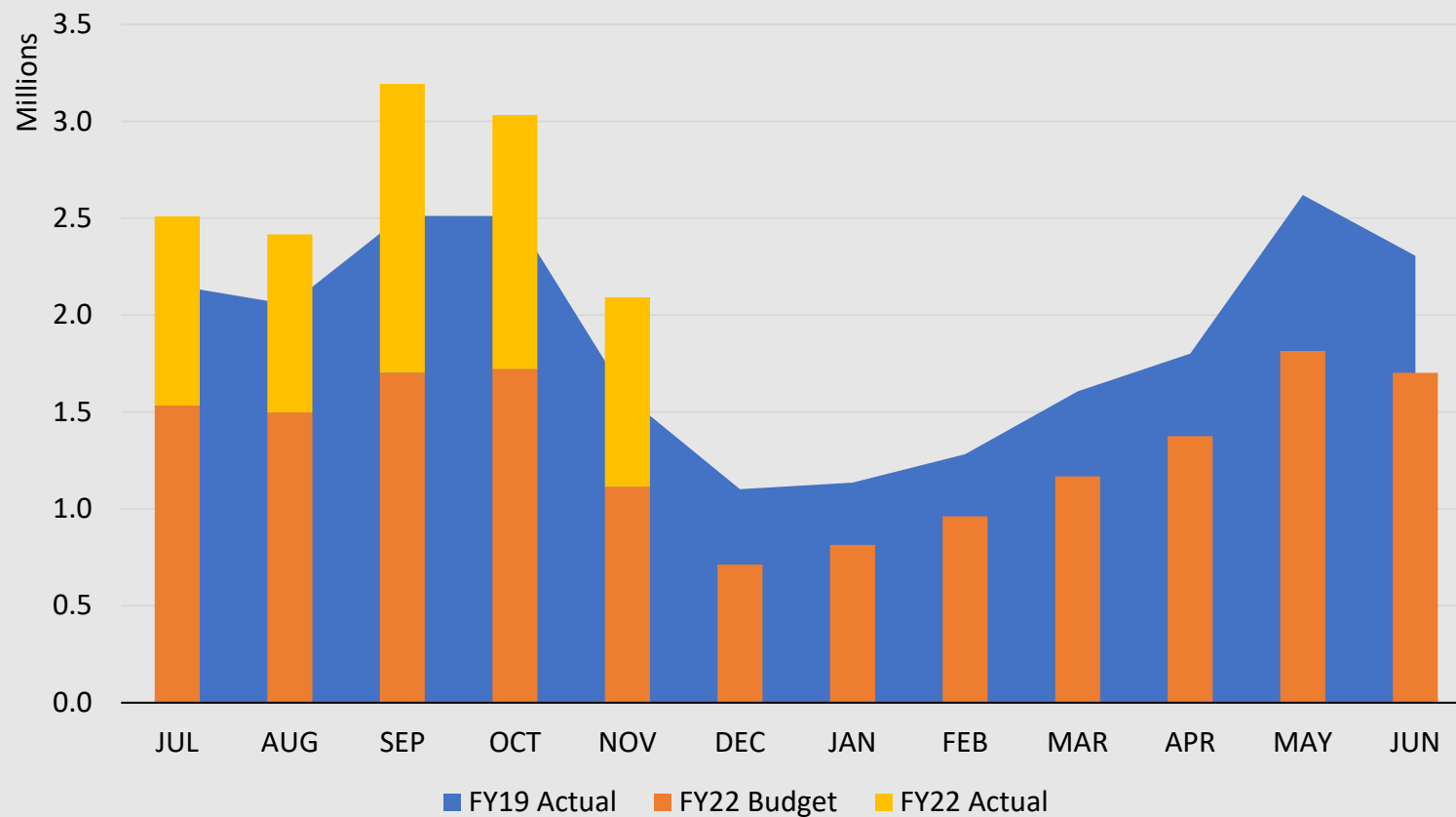


FY 2021/22 Revenue

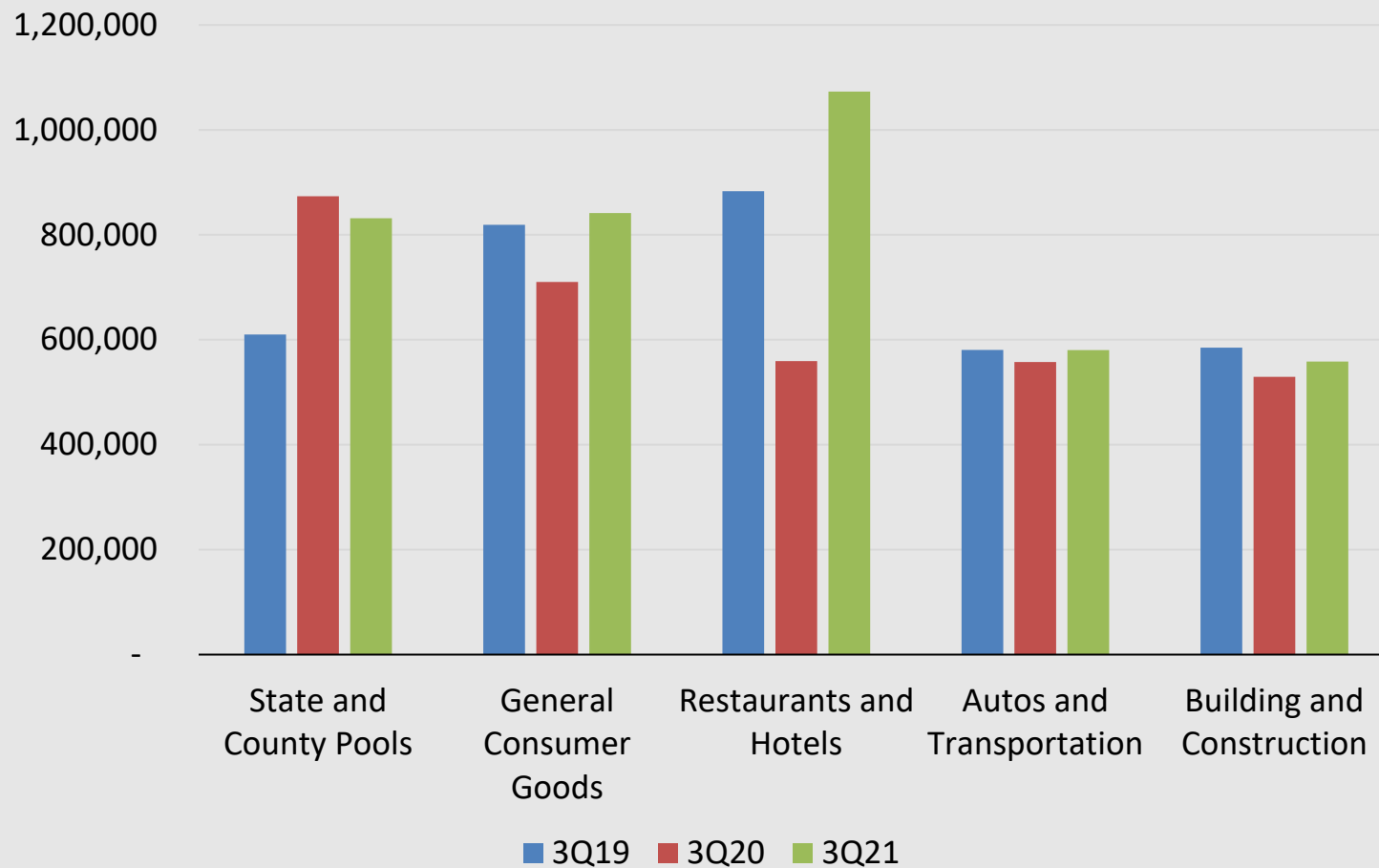
	Budget	Actual	YTD %
Property Tax	39.86	20.65	51.8%
Sales Tax	18.52	7.18	38.8%
Transient Occupancy Tax	16.12	12.28	76.2%
Business License Tax	3.48	1.59	45.8%
Charges for Services	5.37	1.68	31.2%
Licenses and Permits	2.00	1.32	66.1%
Other Operating Revenues	7.35	3.50	47.6%
Non-Operating Revenues	9.68	2.30	23.8%
Total Operating Revenue	102.36	50.49	49.3%



Transient Occupancy Tax



Sales Tax (Jul-Sep)



Recommended Revenue Adjustments

- Transient Occupancy Tax: increase budget by \$8.0 million
- Sales Tax: increase budget by \$1.7 million
- Charges for Services: increase budget by \$25,000
- Federal Revenue – American Rescue Plan Act: reduce budget by \$7.4 million
- **Net impact: increase of \$2.4 million**



FY 2021/22 Expenditures

	Budget	Actual	YTD %
Salaries & Wages & Benefits	73.90	36.10	48.8%
Materials & Supplies & Services	23.49	10.00	42.6%
Other Expenditures (Includes Transfers to CIP Reserves)	4.13	0.58	13.9%
Total Operating Expenditures	101.53	46.68	46.0%



Recommended Expenditure Adjustments

- Finance Dept: increase budget by \$0.32 million for City-wide communications and new ERP system ongoing service maintenance contract
- Community Development Dept: increase budget by \$0.10 million for transfer to technology reserve
- Police Department: increase budget by \$20,000 for fuel costs



Recommended Expenditure Adjustments

- Fire Dept: increase budget by \$1.22 million for overtime and fuel costs
- Parks and Recreation Dept: increase budget by \$0.25 million for camps, special events, and parks operating
- General Government: increase budget by \$0.25 million for reserves
- **Net impact: increase of \$2.15 million**



FY 2021/22

Operating Position

	FY 2021/22 Adjusted Budget	FY 2021/22 Proposed Budget	FY 2021/22 Actual
General Fund (<i>\$ in millions</i>)			
Total Revenues	102.4	104.7	50.5
Operating Expenditures	98.6	100.8	46.7
Contributions to CIP Reserves	2.9	2.9	-
Contributions to General Fund Reserves	0.4	0.6	-
Projected Surplus / (Deficit)	0.4	0.4	3.8



FY 2021/22

Reserve Balances

	Target Balance at Year-End	Current Balance
Operating (5%)	4.98	4.66
Emergency (14%)	13.94	15.40
Contingency (1%)	1.00	0.68
Total	19.92	20.74
Budgeted Contributions to Reserves		0.58
Estimated General Fund Reserves at Fiscal Year-End		21.33



Staffing Plan Adjustments

- Delete 1 Management Analyst I/II position in the Finance Department's Information Technology Division and add 1 Systems Analyst position
 - No cost in FY22; minimal cost going forward (less than 1% increase in pay)



NON-RECURRING GENERAL FUND



Recommended Expenditure Adjustments

- Public Works Dept: \$0.15 million to develop updated neighborhood traffic management and traffic calming guidelines



FY 2021/22 NR General Fund

	FY 2021/22 Adjusted Budget	FY 2021/22 Proposed Budget	FY 2021/22 Actual
Non-Recurring General Fund (<i>\$ in millions</i>)			
Beginning Fund Balance	6.1	6.1	6.1
Revenues	3.9	3.9	1.9
Expenditures	8.3	8.4	2.5
Projected Ending Fund Balance	1.7	1.5	5.5



CIP PROJECT FUND



FY 2021/22 CIP Reserves

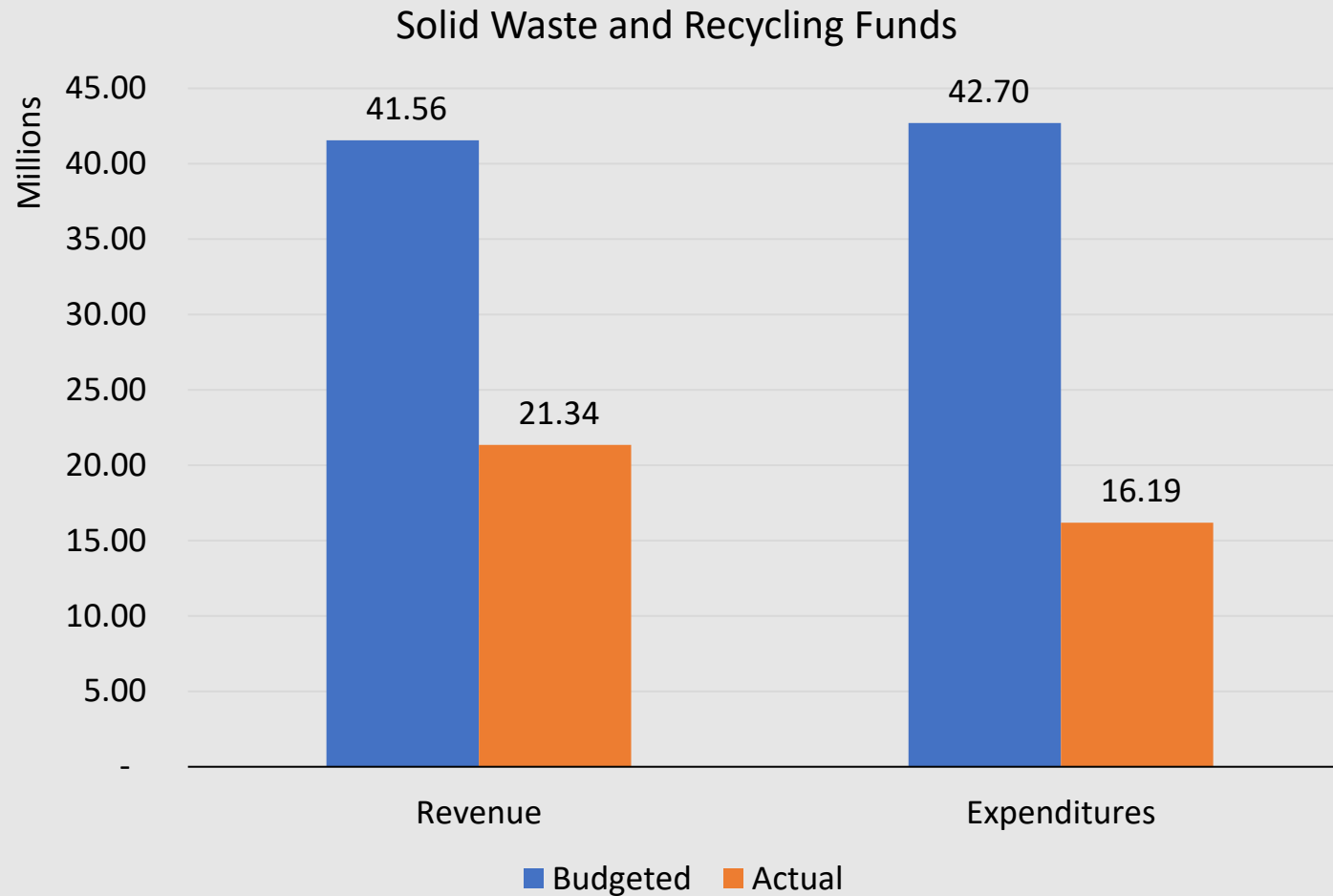
- CIP Facilities Reserve:
 - \$4.5 million in budgeted projects
 - \$1.4 million available for future projects and City facility maintenance
- CIP General Reserve:
 - \$6.8 million in budgeted projects
 - \$3.6 million earmarked for future projects (\$14.1 million needed for current 5-year CIP Plan)



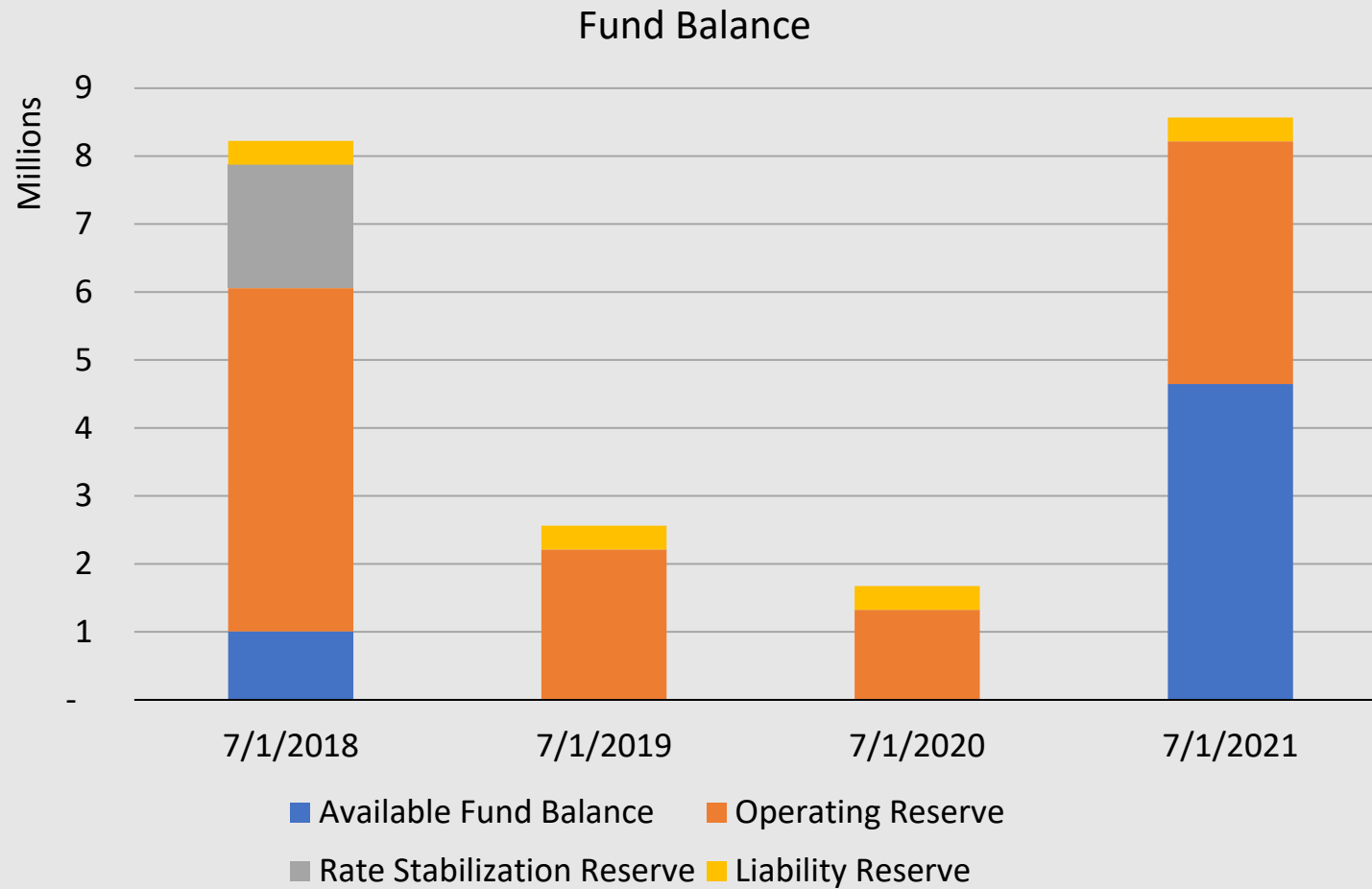
ENTERPRISE FUNDS



Enterprise Funds - SWR

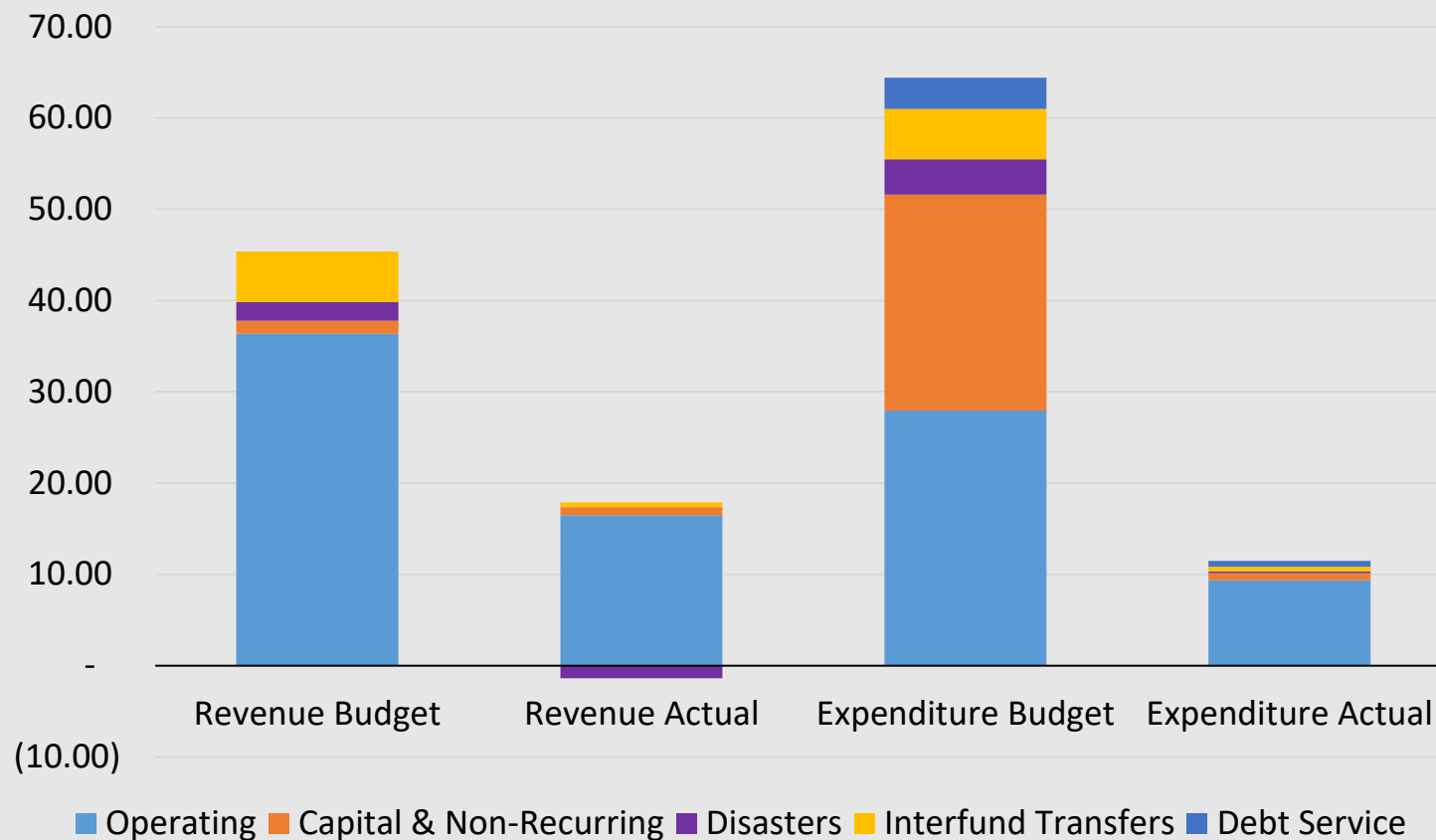


Enterprise Funds - SWR



Enterprise Funds – Water

Revenue and Expenditures as of 12/31/21

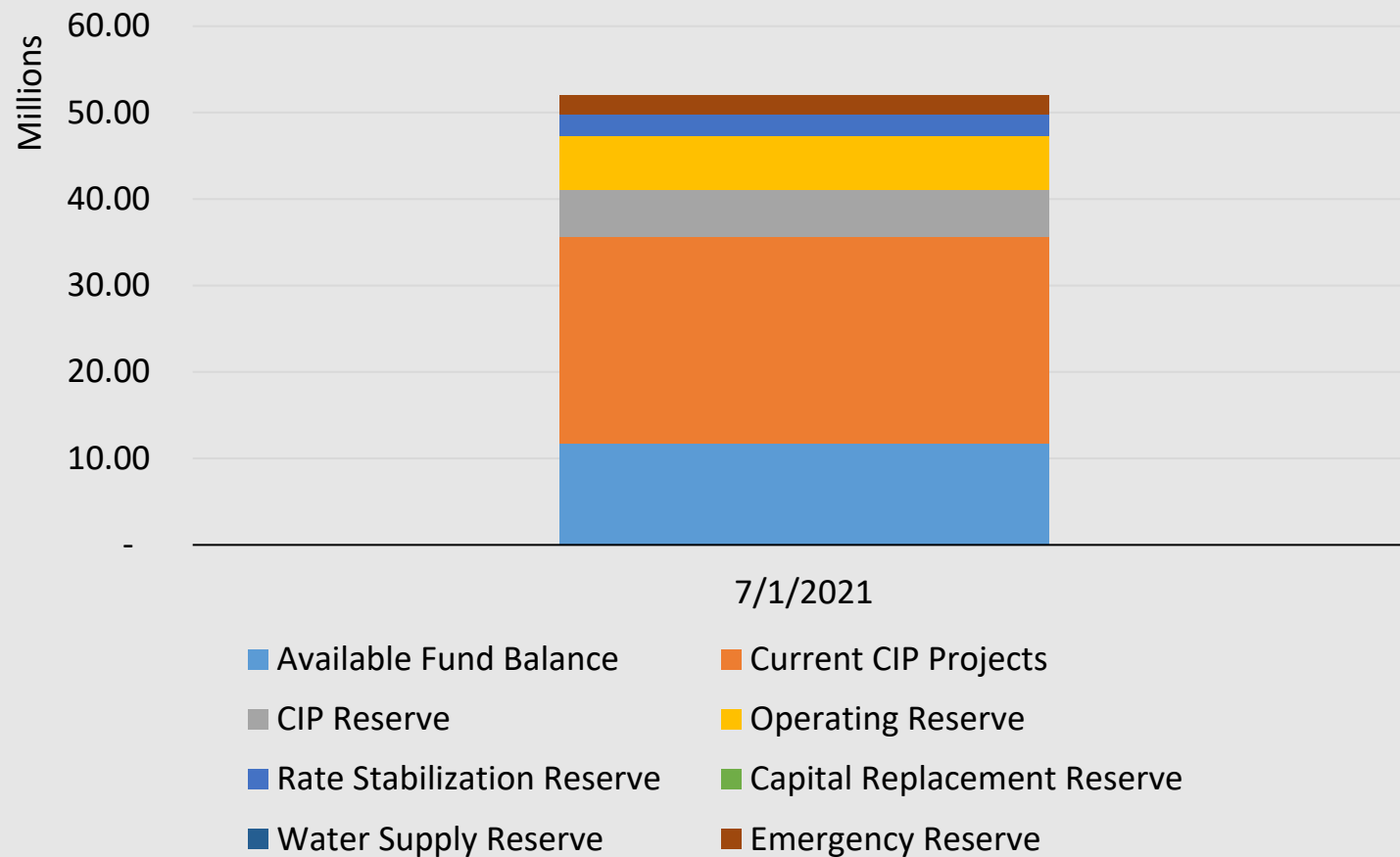


Recommended Expenditure Adjustment

- \$1.0 million increase for NBA Water Supply for capital projects and operating costs associated with State Water Project water



Enterprise Funds – Water



OTHER FUNDS



Other Recommended Adjustments

- Transfer of \$54,876 from the Damage Reimbursement Fund to the Fleet Replacement Reserve
- Increase of \$100,000 in the IT Fund (transfer in to CDD Technology Reserve from the General Fund)



Requested Action

Move to:

- Receive the City's Mid-Year Financial Report
- Adopt a resolution amending the City Staffing Plan and approving revenue and expenditure adjustments as documented in Budget Adjustment BE2202503





Mid-Year Report FY 2019/20



Enterprise
Resource
Planning (ERP)
Implementation

CITY OF NAPA
MONTHLY
SPOTLIGHT

ERP Implementation Project

- Enterprise Resource Planning System:
 - Human Resources
 - Payroll
 - Utility Billing
 - Cashiering
 - Financials
 - Budgeting
 - Accounts Payable
 - Accounts Receivable
 - General Billing
 - Purchasing
 - Grant Management





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- Replacing three outdated systems
- New system:
 - Increased functionality
 - Data sharing
 - Process efficiencies
 - Cloud based



Project Challenges

- COVID Environment
- City Team Composition
- Consultant Staff Changes
- Data conversion
- Change management
 - New procedures
 - New technology



Phase 1 – Human Capital Management (HCM) – Live November 2021

- Encompasses Human Resources & Payroll Programs
- New time entry system
- Alignment with policies & MOUs
 - Develop consistent practices
 - Integrate NeoGOV & public safety timekeeping systems



Phase 1 – HCM Cont.

- Human Resources Program
 - Creating the right systems for the right task
 - Position Control processes
 - Electronic processing of Personnel Action Forms (PAF)
 - Checks & Balances
- Next Steps





Phase 2 – Utility Billing Live – THIS WEEK

- Integrated cashiering, billing, and account management
 - Process efficiencies - eliminate redundancies
- Integrated field service work order
- Real time account and service updates
 - Enhanced reporting functions
- Expanded Customer access portal – Citizen Self-Service (**CSS**)



Your Water Bill is Changing

- ✓ Access your account online
- ✓ View balance in real time
- ✓ Go paperless

Learn more about your new online payment options and
get a sneak peek at the new City of Napa logo.

Use online customer portal?

You will need to create a new account in our new system.



Use bill pay through your bank?

You need to update your account information with your bank's bill pay system by adding your new customer # AND account #.

Does your bill state you are on Auto Pay?

No action needed!



Su factura de agua está cambiando

- ✓ Vea su cuenta en línea
- ✓ Vea saldo en tiempo actual
- ✓ Viva sin papel

Obtenga más información sobre sus opciones nuevas de pago en línea y obtenga una muestra por adelantado de su factura de agua nueva a través de:
CityOfNapa.org/WaterBill

¿Usa el sitio de clientes en línea?

Deberá crear una cuenta nueva en nuestro sistema nuevo.



¿Utiliza el pago de facturas a través de su banco?

Debe actualizar la información de su cuenta con el sistema de pago en su banco agregando su número de cliente nuevo y número de cuenta nuevo.

¿Su factura indica "Auto Pay"?

¡No necesita hacer nada!



Phase 3 – Financials

Live July 2022

- Enhanced budget projection capability
- Increased internal controls and accountability
- Sophisticated reporting options
- Grant management & tracking module
- Centralized contract management



- Steve Potter
- Liz Habkirk
- Amy Walcker
- Elizabeth Cabell
- Ashley Titus
- Anette Huen
- Tracy Thompson
- Jessie Gooch
- Morgan Simone
- Linda Zvarcova
- Frank Herrera
- Scott Nielsen
- Owen Hershey
- MJ Tueros
- Gabby Peterson
- Joanne Fabia
- Heather Ruiz
- Brandon Alves
- Jaina French
- Andrea Guzman
- Anne Cardwell
- Christine Storbo
- Jennie Lathum
- Dina Castillo
- Jocelyn Ramirez
- Michele Huang
- Prapti Aryal
- Adriana Newberry
- Seth Anderson
- Susana Aguilar
- Ana Garibay
- Jen Lerma
- Jason Berens
- Shuree Egloff
- Matthew Garcia
- Ryan Garcia
- Sasha Payaslian
- Jeff Gittings
- Katrina Gregory
- Kelly Abernathy
- Luz Loney
- Kris Jenny
- Libby Clark
- Loriann Adoline
- Mike Berger
- Sarah Freeman
- Donna Whitney
- Garrett Brown
- Warren Craig
- Malia Legros
- Paulette Cooper
- Linda Button
- Sharon Quilon
- Gus Ulloth
- Sara Vavricka
- Miriam Bettencourt
- Christina Pavao
- Pat Costello
- Diana Carranza
- Claudia Chavez

Thanks to our team!





Condition Overview of City-Owned Building Facilities

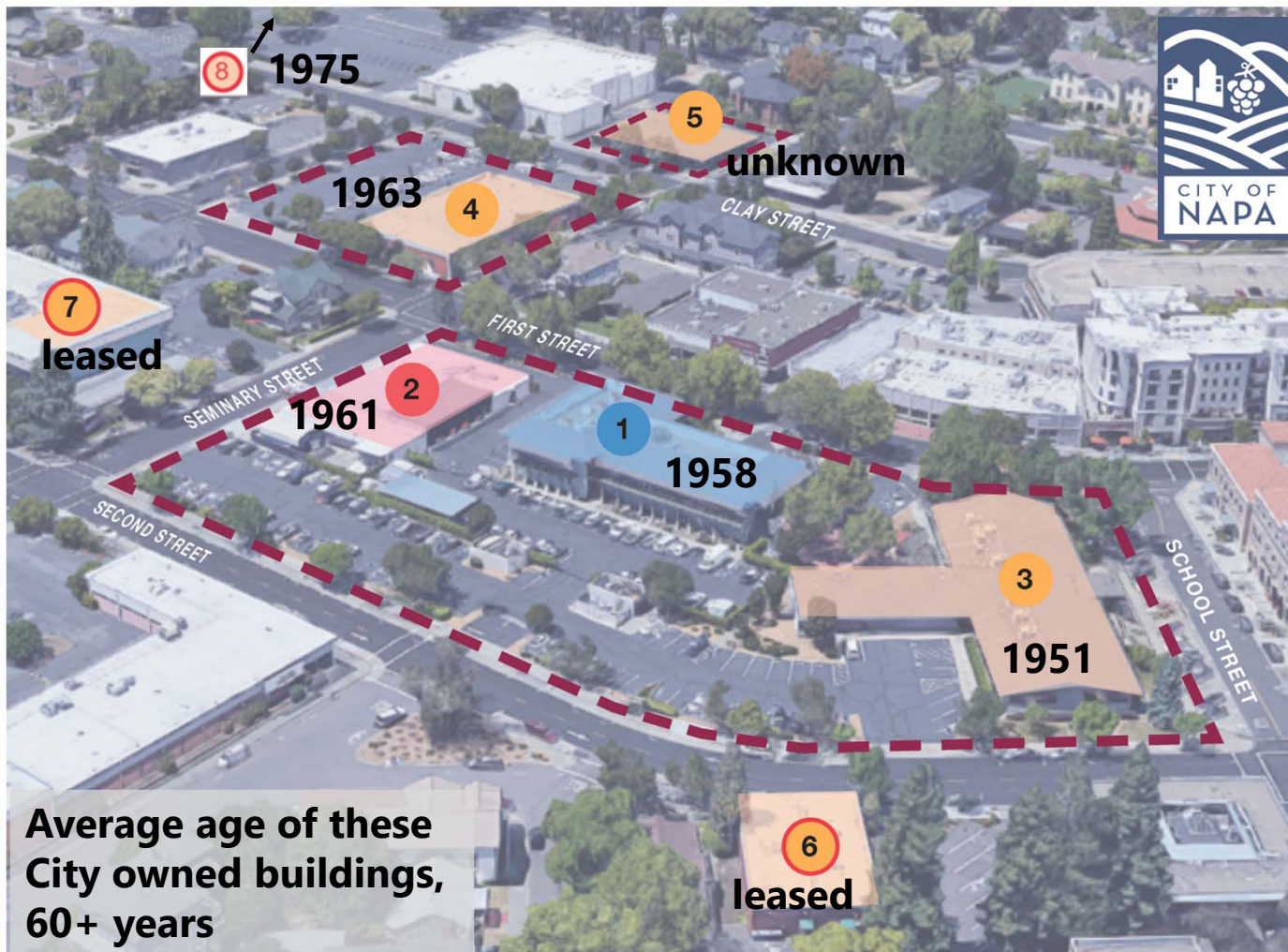
February 15, 2022



Presentation

- Council requested information about the condition of City-owned buildings during the February 1, 2022 meeting
- Facilities Condition and Access Assessments completed previously
- Information presented today was developed in 2019-2021

Locations/Type	#	Description
Downtown	5 Buildings	City Hall, CSB, FS #1, Housing, Police Department
Corp Yard	6 Buildings	Main, Central Stores, Lube, Sign Shop, Parks, Facilities Shop
Fire Stations (excluding downtown)	4 Buildings	FS #2, #3, #4 & #5
Senior Center	4 Buildings	Center, Main Annex, 1518 & 1524 Jefferson
Recreation (Other)	4 Buildings	Las Flores, Head Start, Pelusi, Youth Services
Radio Towers	4 Facilities	Various Locations



Downtown: Public Safety, Department Administrative Offices, and City Hall



Overview

Serious need to replace the downtown City buildings was identified 10+ years ago

Limited investments in building maintenance over many years, deferred maintenance mounting

Previous City Hall & Public Safety Building Project suspended indefinitely in 2020

Necessary to invest in existing buildings to support current services for the community and support our workforce

Council policy to invest 2% of general fund operating budget into CIP facility reserve to address building conditions

Many of our buildings will not adequately serve our next generation of community members and staff

Building Facilities Deficiencies

Lack resiliency, security, and environmental sustainability features

Suboptimal customer service spaces

Scattered, inefficient, and overall lack of adequate space

Failing building systems and components



Today's
Discussion



Facility Condition and Access Assessment Reports

- Assessment of buildings, building systems, and infrastructure
 - In compliance with ASTM E2018-16
- Interviewed maintenance, engineering and other staff, reviewed building plans, reviewed any previous inspections and past facility improvement plans
- Conducted 'walk through surveys' of buildings
- Determined condition and estimated life expectancy of buildings and components
- Categorized deficient conditions and determined corrective actions
- Produced preventative maintenance plan and identified repairs needed

Facility Condition Assessment Process

- Trained and experienced facility professionals conducted 'walk through surveys' (less detailed than thorough inspections of each system)
- Captured visible deficiencies, problems reported by staff, and age of building components to determine estimated remaining service life
- Cost estimates do not fully capture project delivery costs and primarily cover only construction of replacement or repair
- Some additional items not fully captured are:
 - Code deficiencies that need to be corrected with projects
 - No contingency for damage unviewable (i.e. within walls or fully obstructed area)
 - Did not include engineering, bidding, contract & construction administration, inspection, etc. (full project delivery costs)
- Cost estimates reported today include 30% costs for project delivery, code compliance, and unidentified damage

Facility Condition Assessment Reports

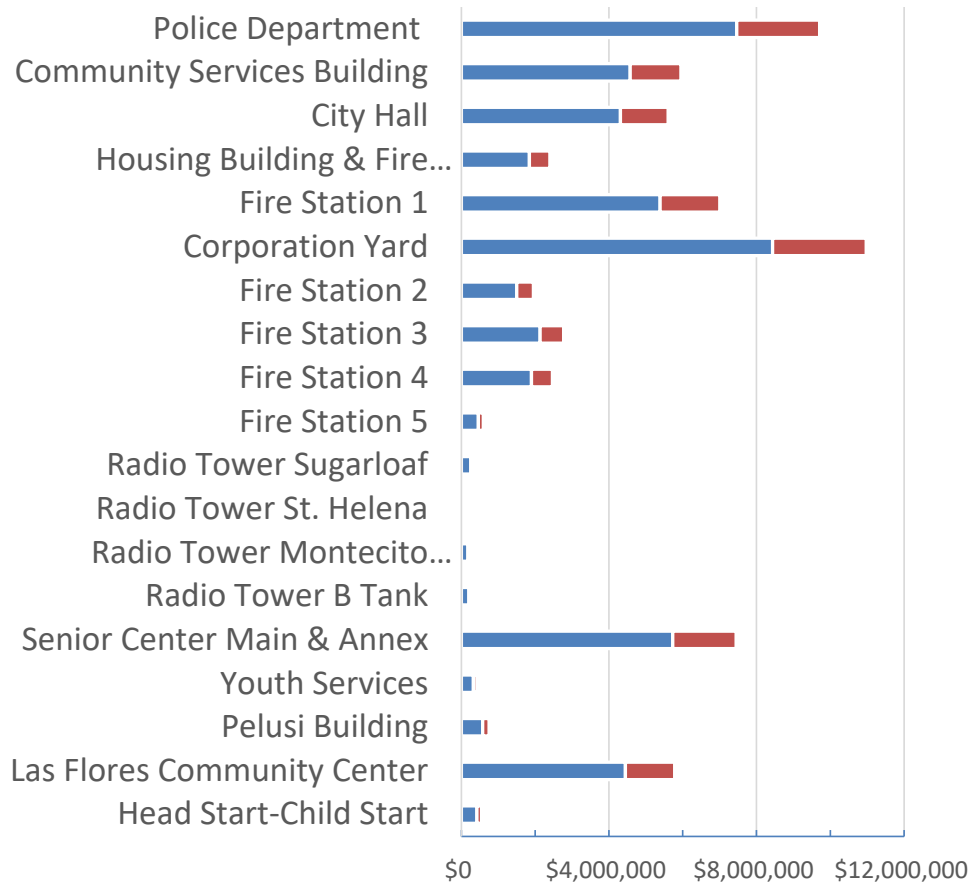
- FCA determined that City Hall is nearing the end of its serviceable life and the four other city-owned downtown buildings are at the end of their serviceable life
- Identified projects address deferred maintenance and repairs only
- Includes no improvements to meet other goals:
 - No functional, space or customer service improvements
 - No significant energy efficiency or sustainability elements
 - No seismic or security improvements
 - No downtown improvements or enhancements



Facility	10 year Facility Condition Index (FCI*)
Police Station	37.9%
Fire Station No. 1	30.5%
City Hall	27.7%
Community Services Building	30%
Housing	39.8%

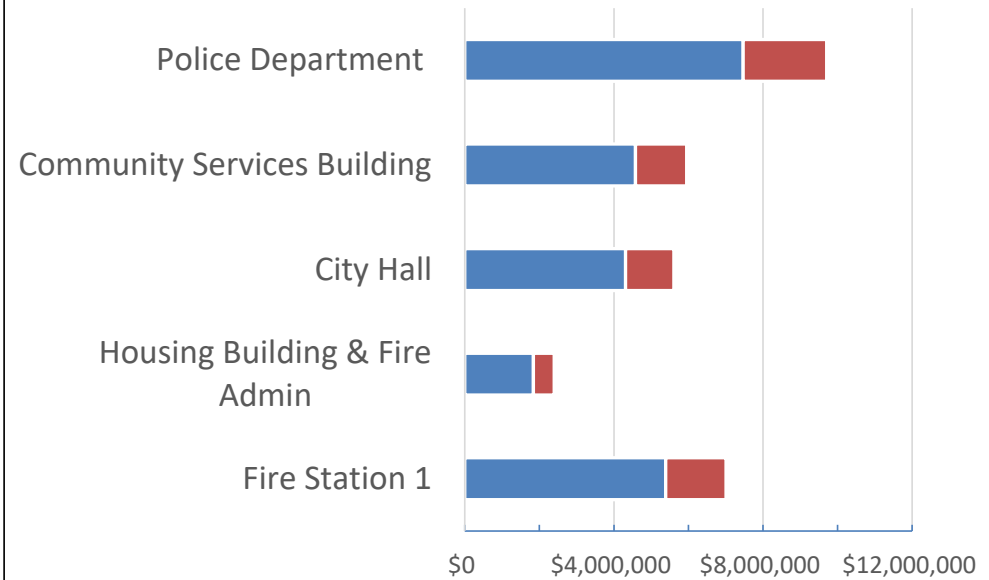
*FCI is an industry standard for the ratio of repair to replacement costs. An FCI above 10% indicates nearing end of serviceable life and above 30% indicates end of serviceable life.

15-Year Maintenance Costs All Buildings

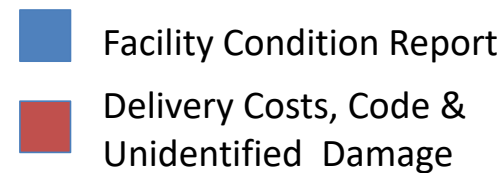


15-year total = \$65M; average annual cost \$4.3M
 30-year total = \$157M; average annual cost \$5.2M

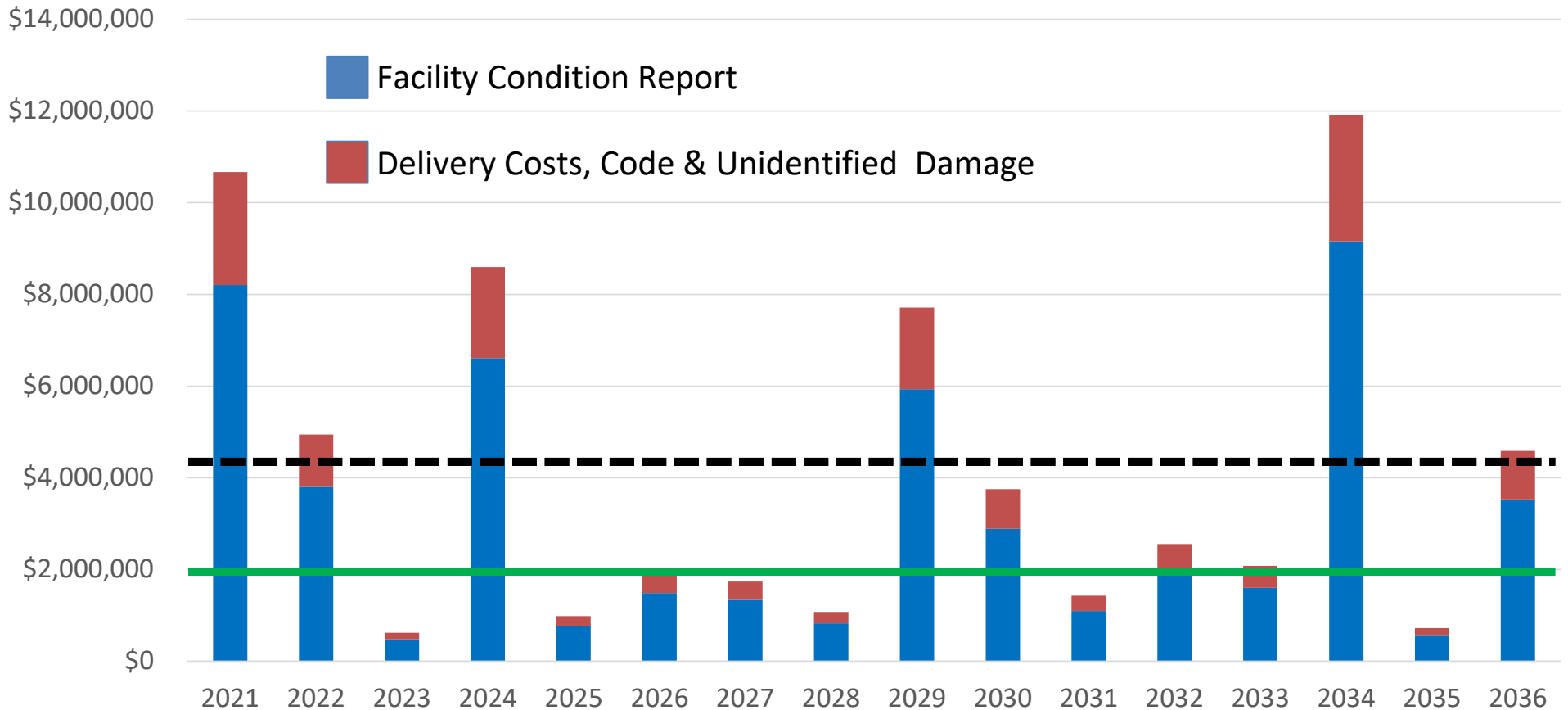
15-Year Maintenance Costs Downtown Buildings



15-year total = \$31M; Average annual cost ~ \$2.1M
 30-year total = \$65M; average annual cost ~ \$2.2M



Annual Maintenance Costs (15 Years)



- Average Annual Maintenance Costs over 15 years = \$4.3M per year (30-yr average is \$5.2M per year)
- Current GF Building Reserve Funding = 2% of General Fund Operating Budget ~\$2M per year

Capital
Improvement
Program Budget
FY 22 for
Facilities Projects

Source	Project #	Priority	FY 22
CIP Facilities Reserve			
Second Street Garage Elevator Modernization	FC13PR01	1	200,000
Facility Condition Assessment Study	FC20PW01	1	200,000
Police & Fire Admin Building HVAC Chiller	FC20PW03	1	750,000
City Hall Office Space Modification	FC21PW01	1	150,000
City Hall (Transformer, HVAC, Roof)	FC22PW01	1	750,000
Senior Center (paving, site work & ADA)	FC22PW02	1	750,000
Las Flores Community Center Paving and ADA	FC22PW03	1	400,000
Corp Yard Electrical System Evaluation and Plan	FC22PW04	1	200,000
CSB Electrical System Evaluation and Design	FC22PW05	1	200,000
Parking Facilities FCA and ADA Assessments	FC22PW06	1	100,000
Senior Center Pedestrian Bridge Repair	FC22PW07	2	100,000
Covered Canopy for Corp Yard Equipment Storage	PK18PR06	7	30,000
CIP Facilities Reserve Total			3,830,000

Current Work and Next Steps

- Review and update Facilities CIP Workplan for FY 23 Budget (in progress)
- Fill vacant Associate Engineer position for Facilities Program Manager for necessary focus (in progress)
- Prioritize more detailed scoping of highest priority building deficiencies to develop project specifications and accurate cost estimates
- For longer term planning, future work needed to study feasible options for building replacements to address:
 - Building conditions
 - Function, space and customer service improvements
 - Energy efficiency and sustainability elements
 - Security and seismic improvements

Questions and Discussion