

SUPPLEMENTAL REPORTS & COMMUNICATIONS I
Office of the City Clerk

City Council of the City of Napa
Regular Meeting

June 2, 2020

FOR THE CITY COUNCIL OF THE CITY OF NAPA:

EVENING SESSION:

11. PUBLIC COMMENT:

- Email from Paul Kvitek received on June 2, 2020.

12. ADMINISTRATIVE REPORTS:

12.A. 2020 Updated Long Term Financial Forecast.

- PowerPoint Presentation by City Staff.

12.B. Capital Improvement Program Funding Overview.

- PowerPoint Presentation by City Staff.

****EMAIL OR HANDWRITTEN COMMENTS WILL BE READ INTO THE RECORD BY CITY STAFF
DURING THE MEETING.***

City Council Regular Meeting

6/2/2020

Supplemental I - 11. Public Comment

From: Paul Kvitek

From: [Mary Lueros](#)
To: [Clerk](#)
Subject: Fwd: Slow streets for bikes
Date: Tuesday, June 2, 2020 2:59:21 PM

Sent from my iPad

Begin forwarded message:

From: Paul Kvitek [REDACTED]
Date: June 2, 2020 at 12:19:22 PM PDT
To: Mary Lueros <MLueros@cityofnapa.org>
Subject: Slow streets for bikes

[EXTERNAL]

Hello

I'm in favor of the proposed Slow Street program. We live downtown and we love to see the bike riders...people riding to work, families biking, exercise...just getting out of their cars. I don't blame many bike riders for using the sidewalks. More traffic, speeding, distracted drivers leads to a dangerous situation. Being a bike friendly city is a win – win ! Lets do it.

Thank you
Paul Kvitek

Sent from [Mail](#) for Windows 10



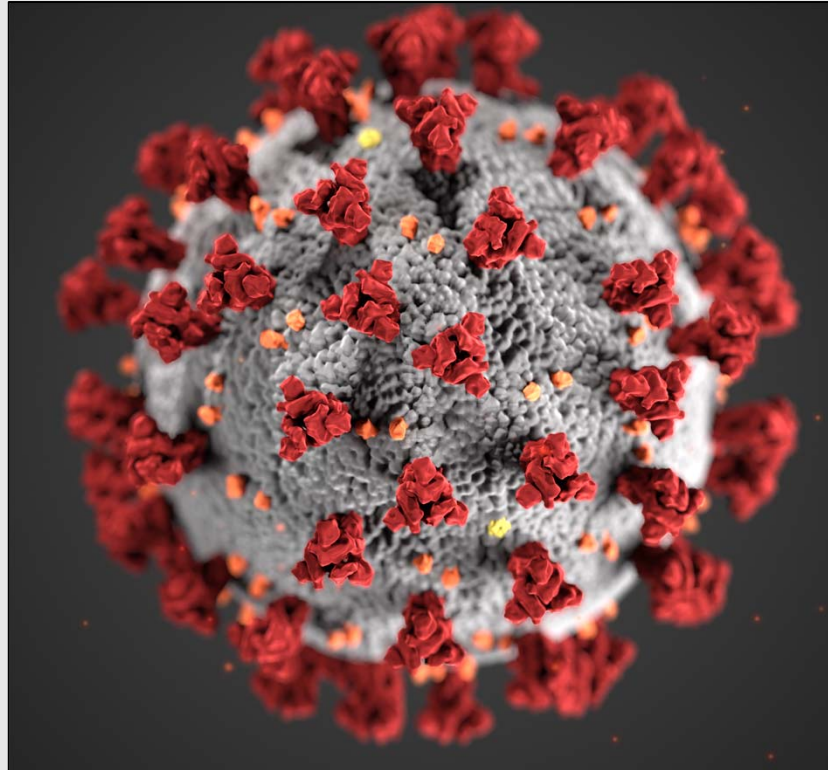
Long-Term Financial Forecast Update

June 2, 2020



Roadmap

- Introduction
- COVID-19
- Preliminary Long-Term Findings
 - Key Assumptions
 - Results
- Use of Reserves



Update to Long-Term Financial Forecast

- Last Forecast presented to Council in November 2019
- Current Forecast has been updated based on potential pandemic recovery scenarios
- 5-Year Forecast, 2 revenue and 2 expenditure scenarios

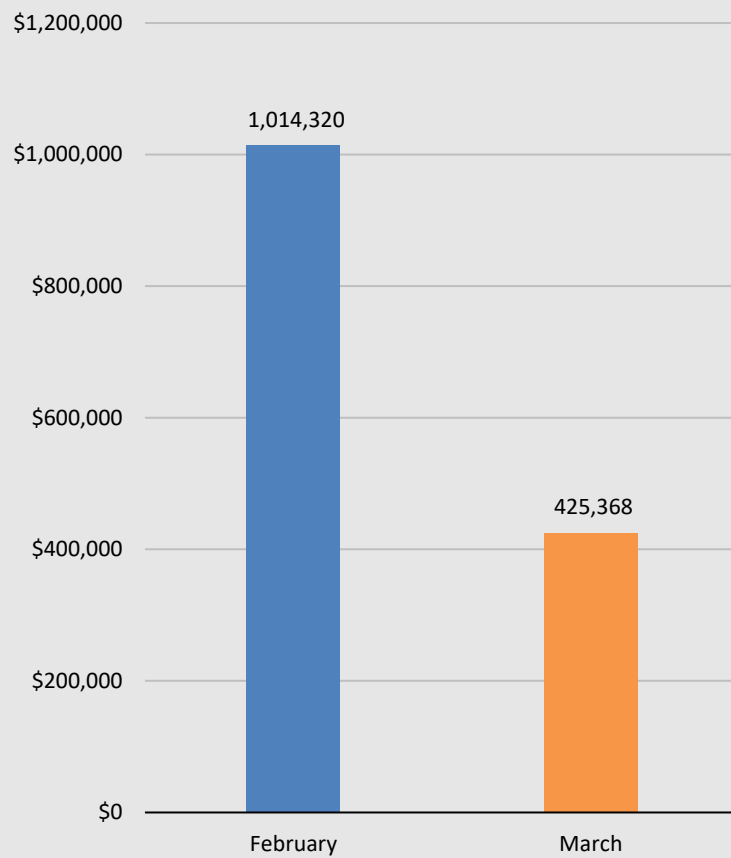


COVID-19

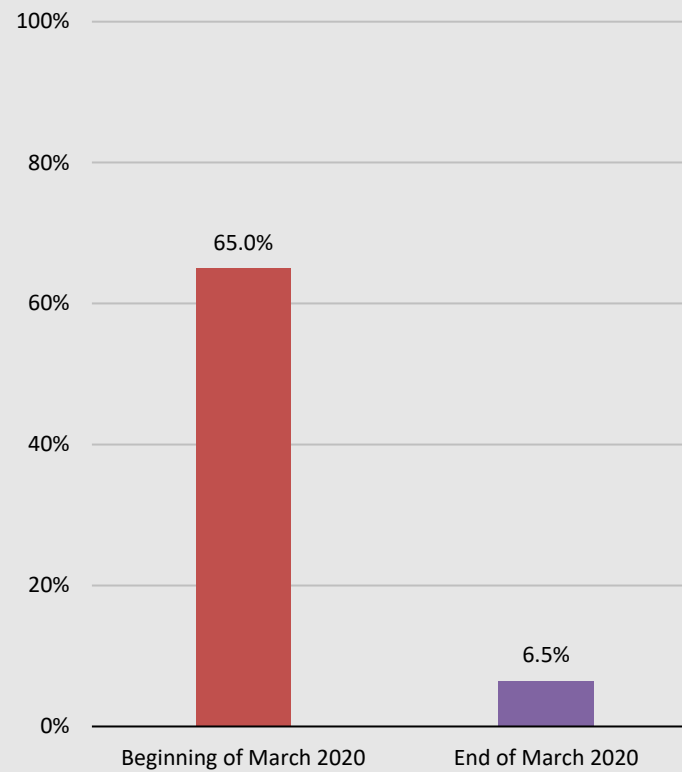
- What's Known
 - Sales Tax and Transient Occupancy Tax will be greatly reduced
- What's Unknown
 - Recovery Timeline
 - Cure/vaccine
 - When will people feel safe enough to travel/stay in a hotel
 - With a current CA unemployment rate of about 25%, when will people be able to afford to stay in a hotel
 - If recovery is slow, will local businesses survive

COVID-19 Impacts

Bradley Burns Sales Tax Received



Napa Valley Hotel Occupancy in
March 2020
per Visit Napa Valley



The Forecast

- What's Included
 - Economic Assumptions with 2 Pandemic Recovery Revenue Scenarios
 - Major Development Currently Underway plus Anticipated Growth
- What's Not Included
 - Potential loss of \$9 million annual VLF swap revenue
 - New FTE
 - Potential increases to CalPERS rates
 - Replenishing General Fund Reserves



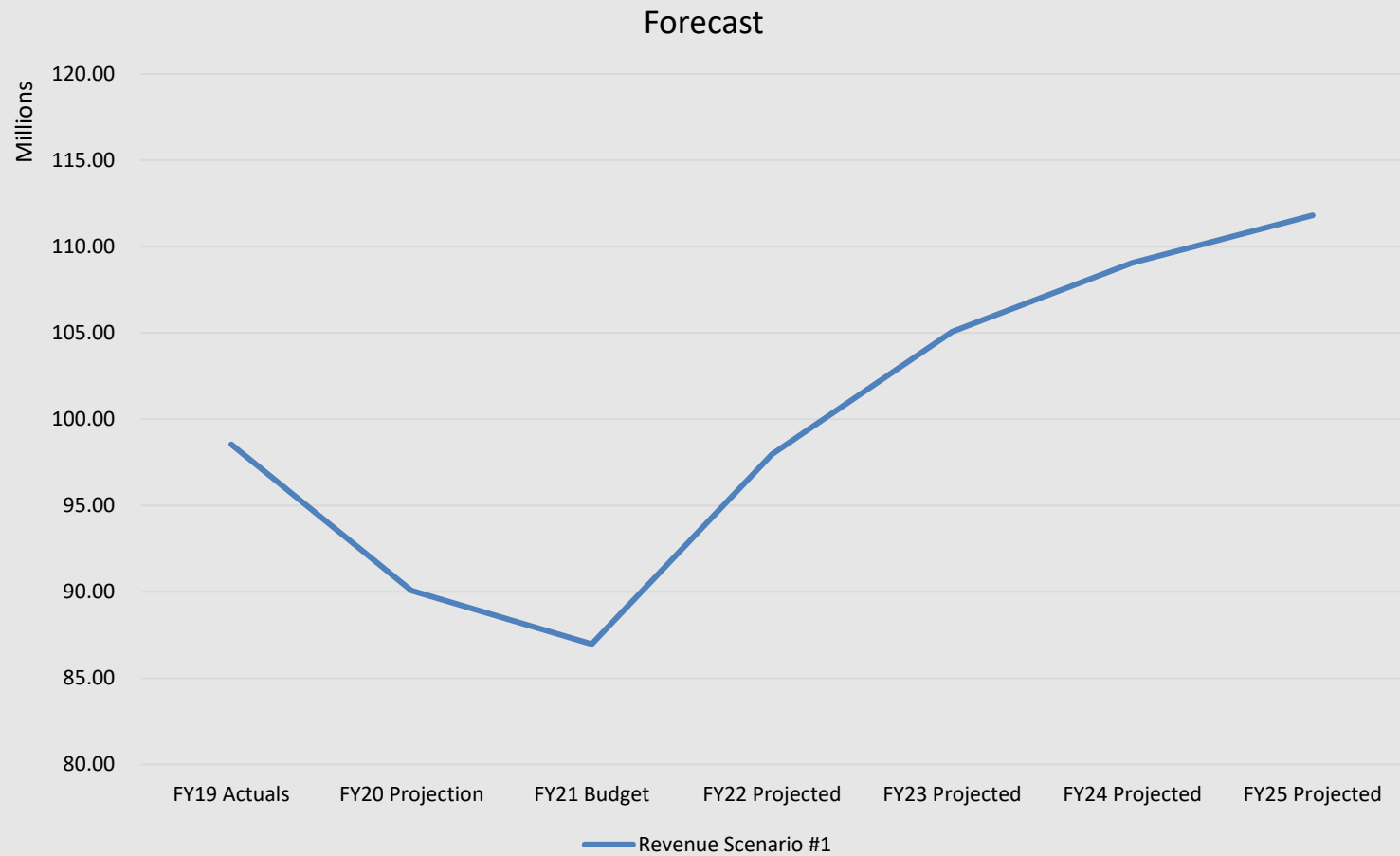
Forecast Assumptions

Revenue Scenario #1

- Changes from Prior LTFF
 - Sales Tax and Transient Occupancy Tax return to FY19 activity levels by end of **FY22**
 - Sales Tax: average annual growth of 2% from FY23 forward
 - Transient Occupancy Tax:
 - 1.5% annual increase from FY24 forward
 - Estimated projected new development
 - Business License Tax: 2% annual growth



Revenue Scenario #1



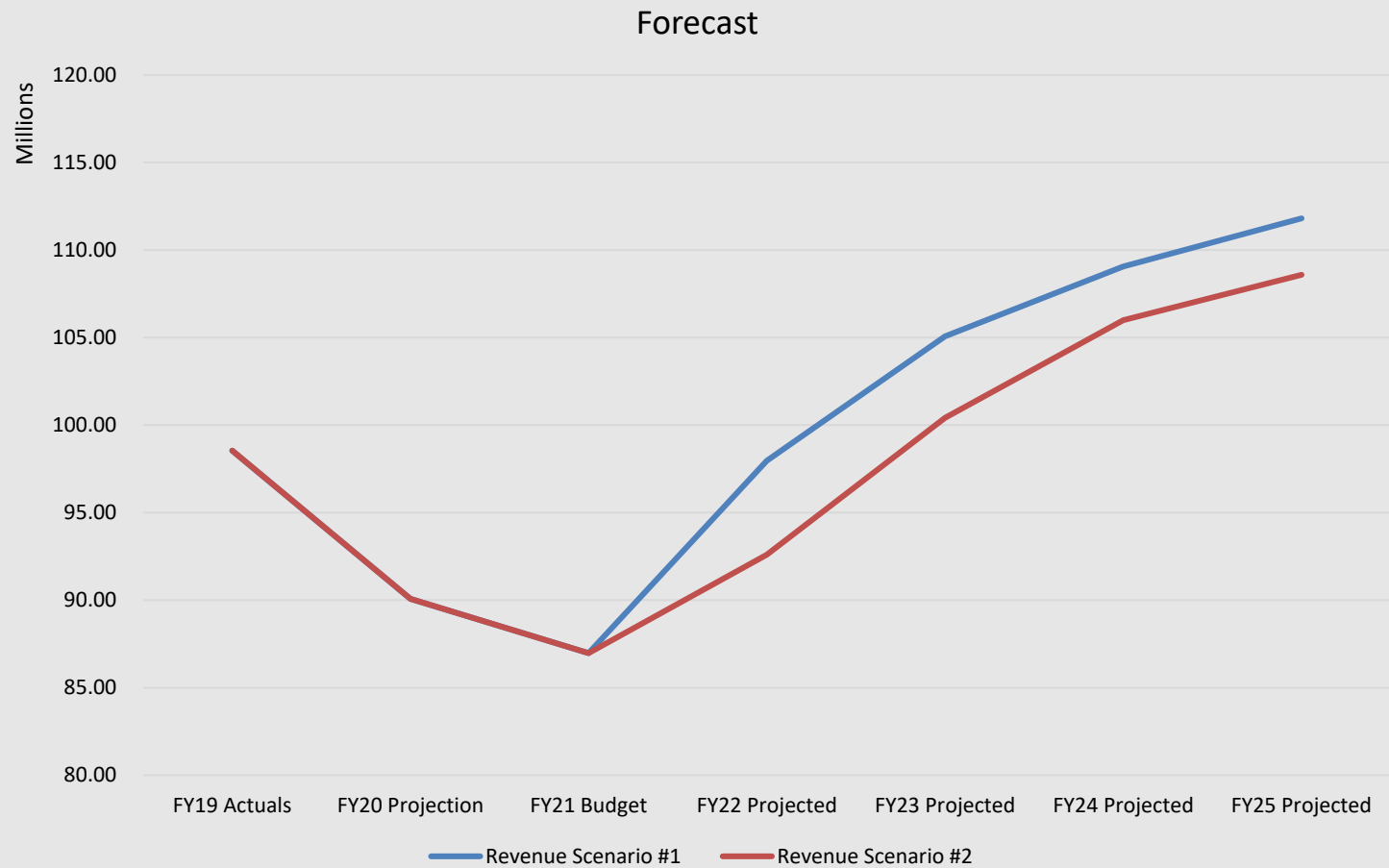
Forecast Assumptions

Revenue Scenario #2

- Changes from Revenue Scenario #1
 - Sales Tax and Transient Occupancy Tax return to FY19 activity levels by end of **FY23**
 - Sales Tax: average annual growth of 1% from FY24 forward
 - Transient Occupancy Tax:
 - 0.5% annual increase from FY25 forward
 - Estimated projected new development with slowed growth
 - Property Tax unchanged from scenario #1
 - All other revenues' growth rates reduced by half



Revenue Scenarios



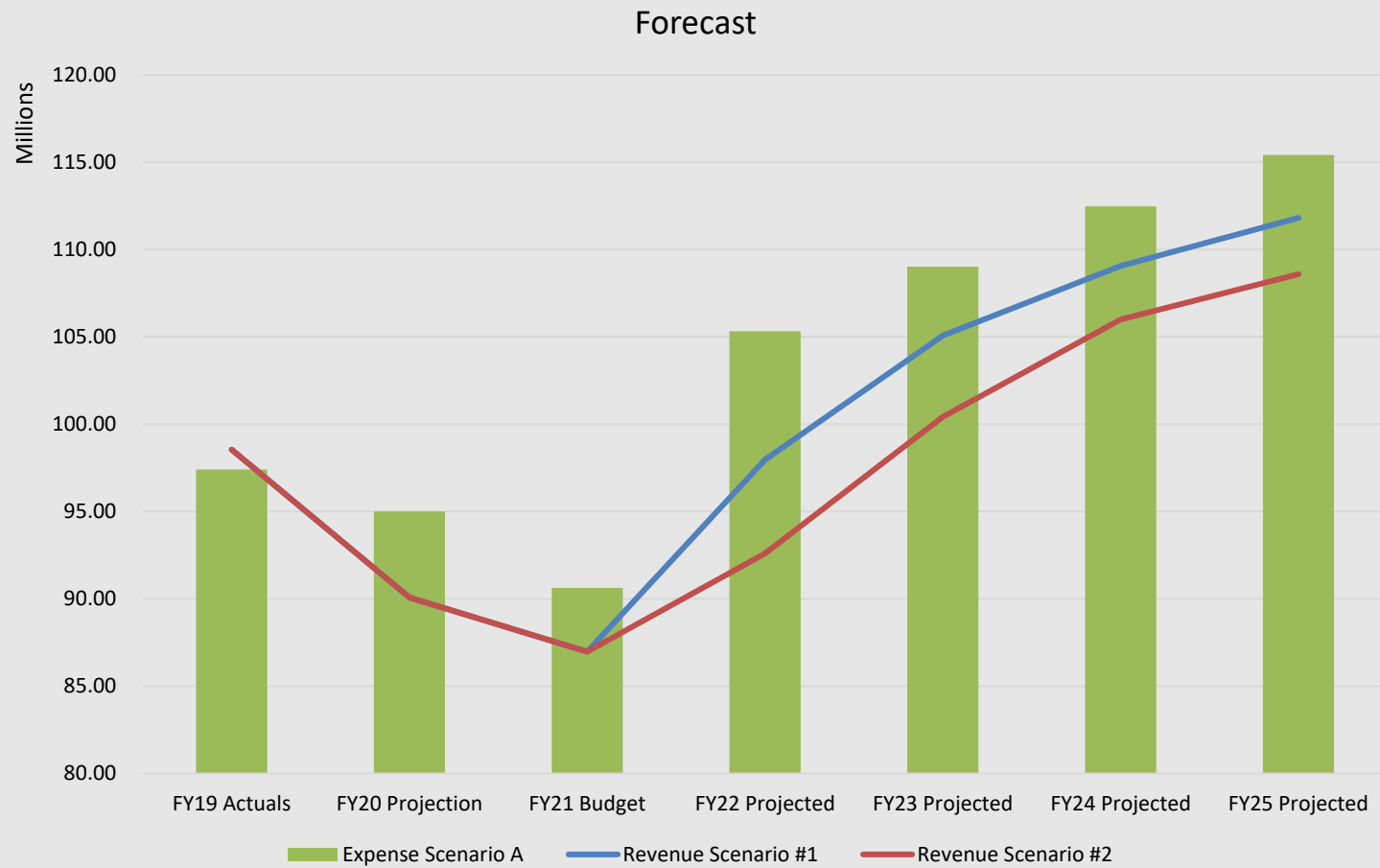
Forecast Assumptions

Expense Scenario A

- Changes from Prior LTFF
 - Frozen positions in FY21 are filled in FY22
 - Additional annual transfer of \$250k to Risk Management Fund
 - No transfer to Sidewalk Replacement Program
- Unchanged Assumptions
 - Staffing: No new positions. 3.3% combined rate for COLA and step increases. Using same CalPERS actuarial rates.
 - Other expenditure categories increasing by 1-3% annually



Revenue & Expense



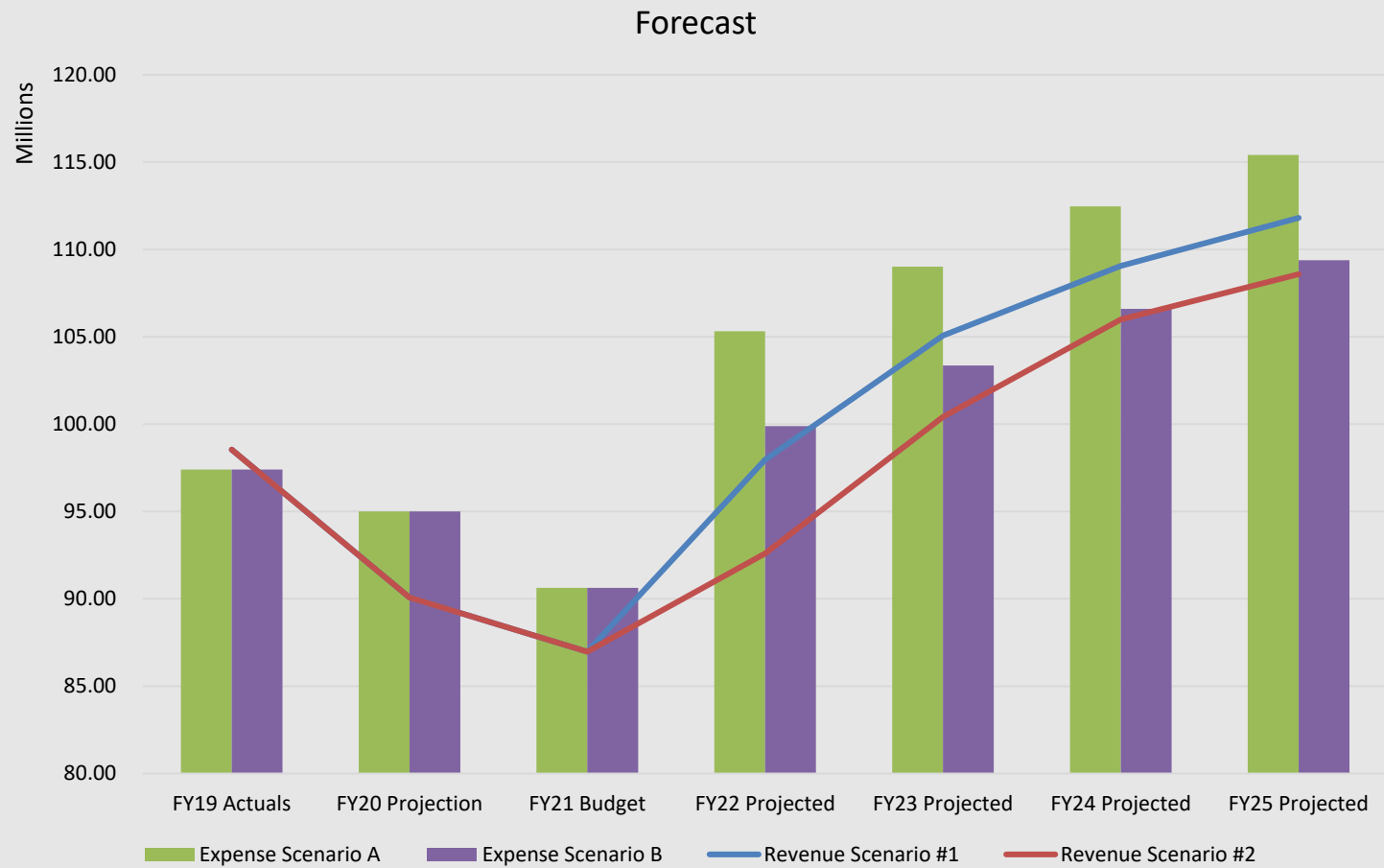
Forecast Assumptions

Expense Scenario B

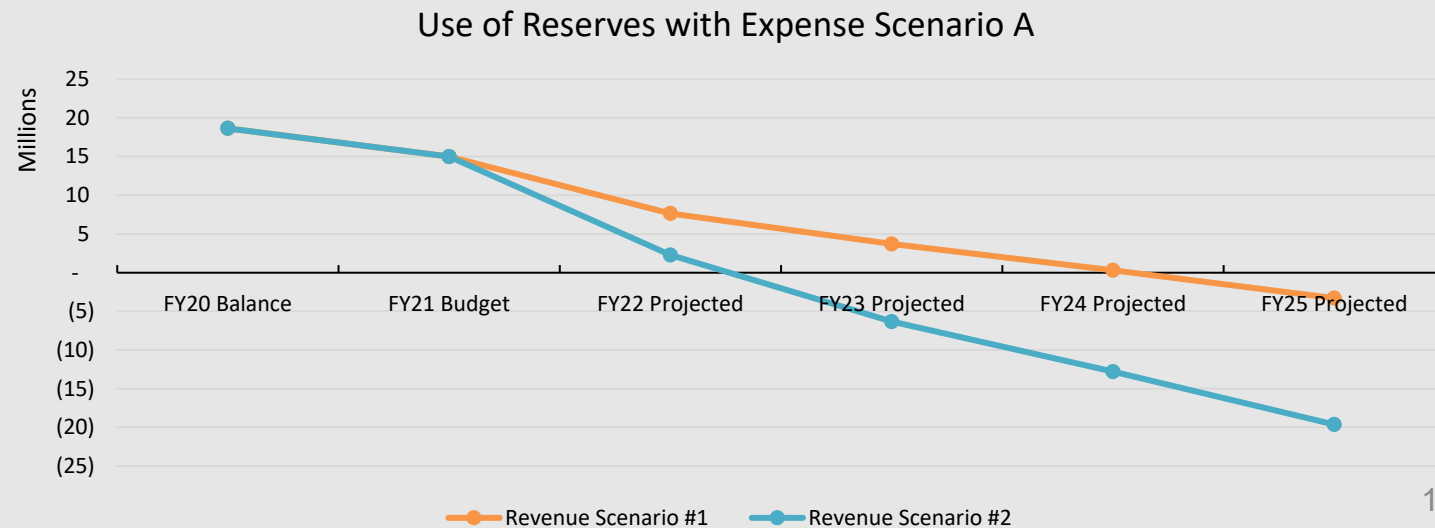
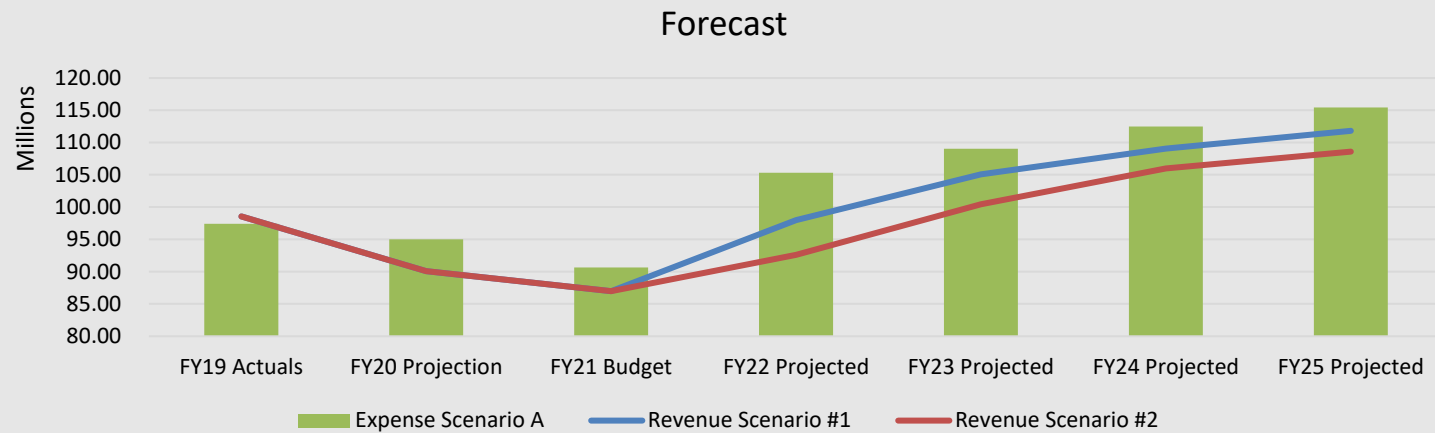
- Same as Expense Scenario A, except positions frozen in FY21 remain frozen throughout the forecast



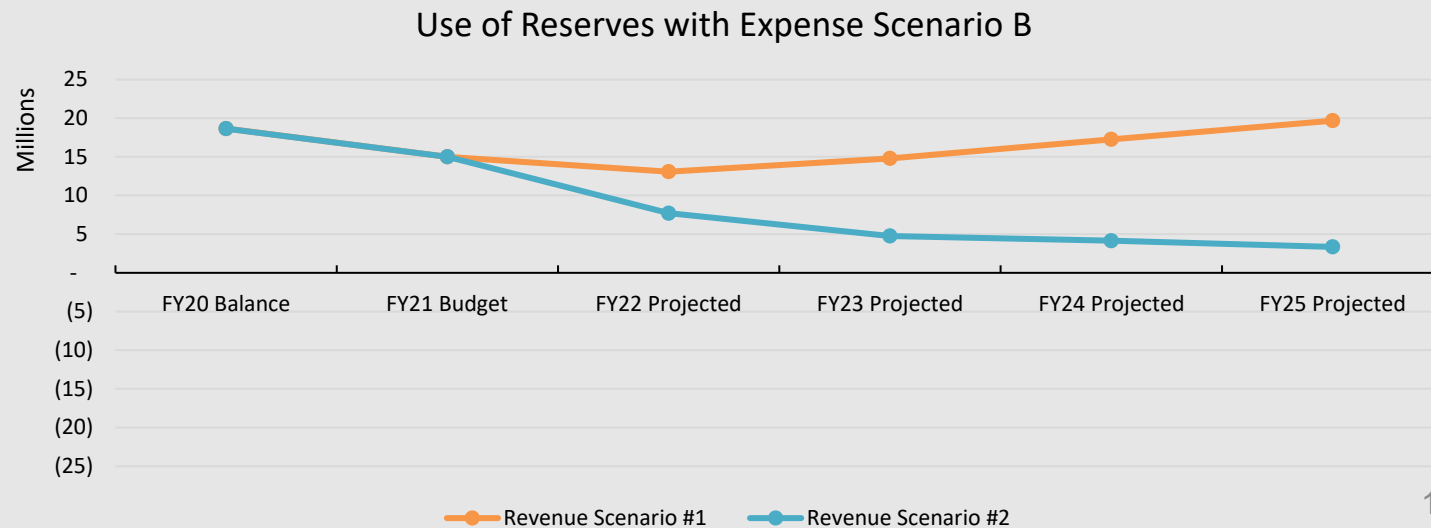
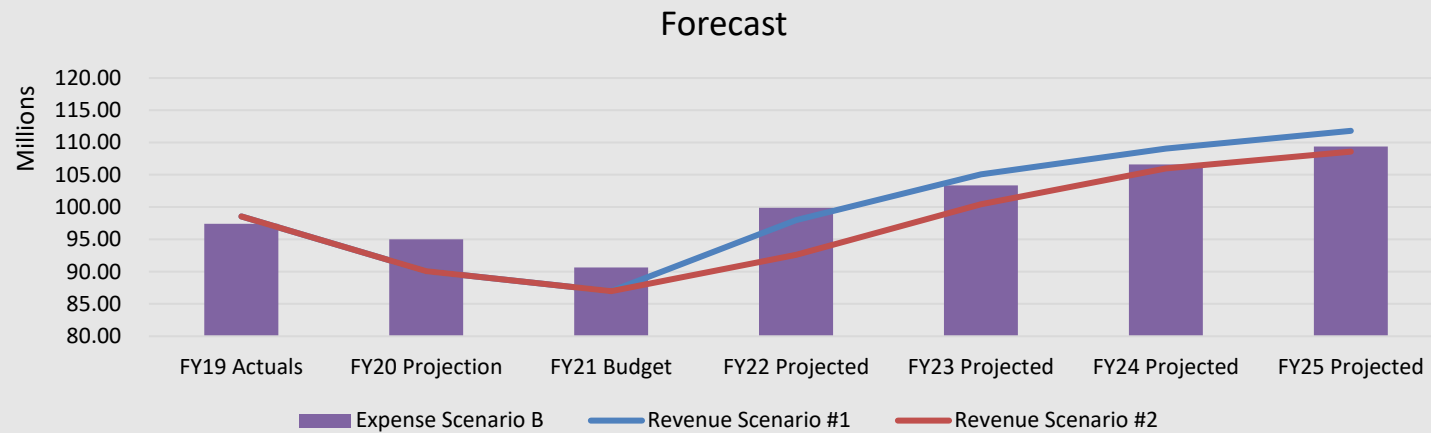
Revenue & Expense



Use of Reserves Expense Scenario A



Use of Reserves Expense Scenario B



Summary

- Without ongoing budget cuts the City will rapidly spend down its General Fund reserves
- Both rapid revenue recovery (Scenario #1) and deeply reduced expenses (Scenario B) are required in order to reach FY25 in a strong financial position
 - Without both of these conditions, the City will face a structural deficit without sufficient reserves
- This forecast will be updated throughout FY21 as new data is received



Comments / Questions?



End of Presentation





Capital Improvement Projects

Informational Presentation

Overview of Capital Improvement Program (CIP) purpose and process

Overview of funding sources within City's CIP

Presentation of the 38 projects funded with General Fund





CIP Purpose & Process

One-time projects for design, construction and purchasing property for major City facilities (new or improved elements of parks, buildings, streets, bridges, storm drainage, water facilities)

Each project approved by City Council

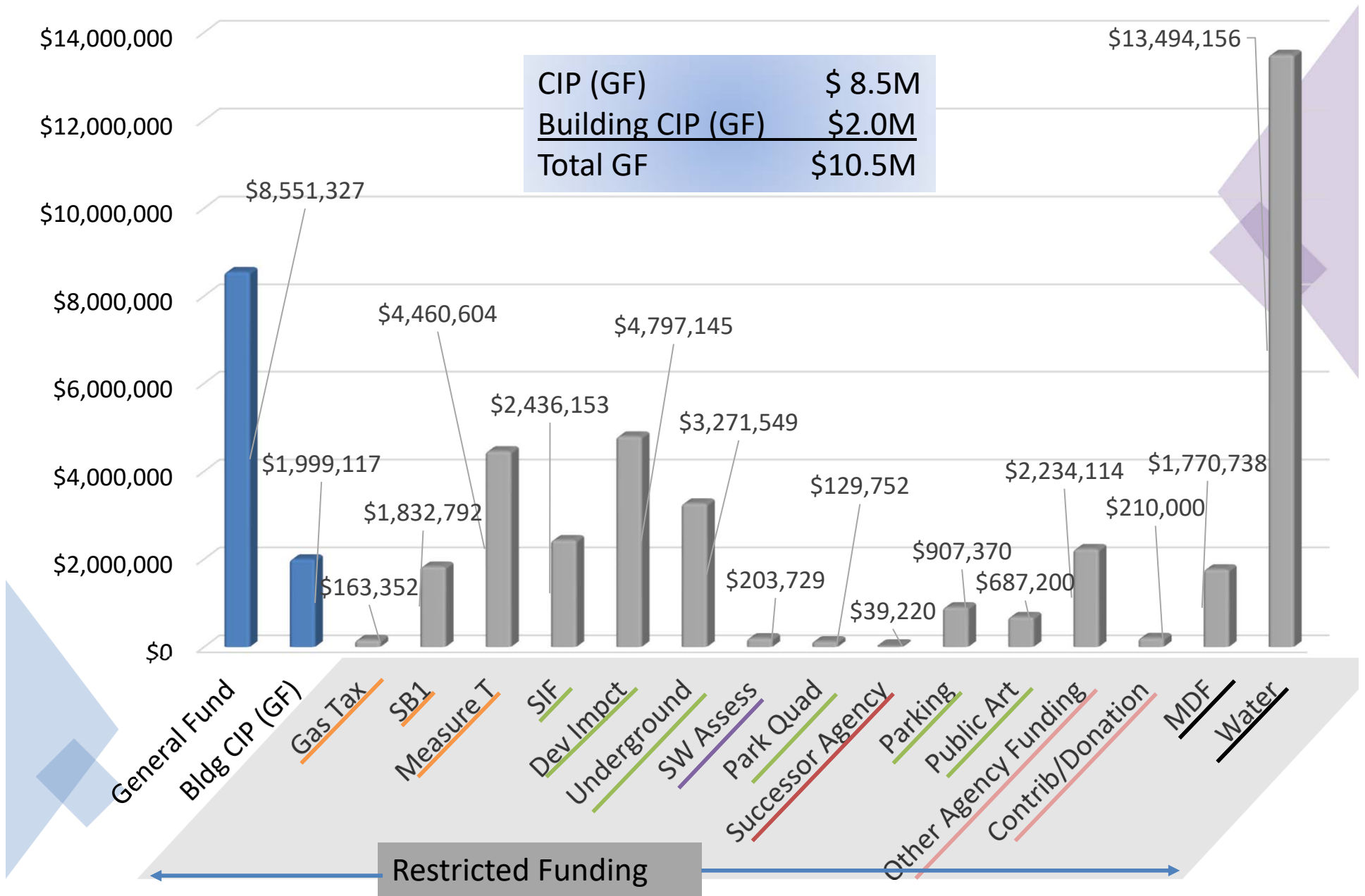
5-year CIP Plan developed for planning of staff resources and budgeting

Projects take multiple years to fund & multiple years to complete (presentation focuses on current funding on each project)





Current CIP Fund Balances (\$47.2M Total)





Fund Balances for Current CIP Projects

32 Projects CIP (GF), \$8.5M

6 Projects Building CIP (GF),
\$2.0M

77 CIP Projects with non-GF
Funding, \$36.7M

115 Total Projects Funded in CIP,
\$47.2M

Fund Balance

- Fund balances as of April 30, 2020
- All funding in project accounts
 - The amounts do not subtract executed contracts or other committed money (no encumbrances included)
- Balances do not reflect bills paid in May





CIP Project Costs

Staff salaries and benefits

- Positions: engineers, engineering aides/assistants, admin, managers, inspectors (22 positions in Public Works partially funded by CIP)
- Tasks: planning, budgeting, design, construction, contracting, inspection, paying bills, public outreach, etc.
- CIP projects not generally constructed by Public Works crews

Contracts

- Various: construction, materials/supplies, permit fees, specialized professional services-biologists, material testers, engineering, etc.

General Fund Projects

- \$203,000 Required by environmental permits
- \$734,000 Safety, security, and access
- \$1,310,000 Funded partially by grants
- \$1,172,000 Projects more than 60% complete
- \$1,724,000 Other community & agency priorities
- \$3,550,000 Project completion & closeout stage
 - Release \$1,295,000 remaining after final bills
- \$1,855,000 Projects proposed for reduced fund
 - Release \$1,563,000—proposed at workshop

\$10,550,000 TOTAL

General Fund Projects

- \$203,000 Required by environmental permits
- \$734,000 Safety, security, and access

Environmental \$203,000

Trancas Bridge Scour Repair (\$37,000)

Stormwater Trash Reduction (\$150,000)

645 Soscol Ave Underground Storage Tank (\$16,000)

Safety, Security, and Access \$734,000

Corp Yard Gate & Cameras (\$100,000)

2nd Street Garage Elevator (\$118,000)

Creek Bank Repair @ Buhman Park (\$218,000)

Police & Fire HVAC Chiller (\$250,000)

Police Range Improvements (\$19,000)

Westwood Street Lights (\$29,000)

General Fund Projects

- \$203,000 Required by environmental permits
- \$734,000 Safety, security, and access
- **\$1,310,000 Funded partially by grants**

Grant Projects \$1,310,000

Hwy 29 Ped/Bike Undercrossing (\$467,000)

Vine Trail Gap Closure (\$724,000)

Electric Vehicle Charging Stations Lot A (\$119,000)

State will provide an additional \$1,193,000 to match City funding on these projects.

General Fund Projects

- \$203,000 Required by environmental permits
- \$734,000 Safety, security, and access
- \$1,310,000 Funded partially by grants
- \$1,172,000 Projects more than 60% complete

Nearing Completion, Significant Funds Already Spent \$1,172,000
General Plan Update (\$930,000)
Workorder Asset Management System (\$242,000)

Other priority projects \$1,724,000

Electric Garage Occupy Signs (\$147,000)

Training Room at Fire Station 2 (\$200,000)

Trower Storm Drain (\$570,000)

Arterial/Gateway Enhancement (\$686,000)

Corp Yard Cover for Equipment (\$71,000)

Browns Valley Ped Improvements (\$50,000)

- **\$1,724,000 Other community & agency priorities**

- **\$3,550,000 Project completion & closeout stage**

- Release \$1,295,000 remaining after final bills

- **\$1,855,000 Projects proposed for reduced fund**

- Release \$1,563,000—proposed at workshop

\$10,550,000 TOTAL

Completion & Closeout \$3,550,000

Opera House Plaza Recycling (\$6,000)
Demo of Residential Structures (\$9,000)
Downtown Streetscape (\$74,000)
1st 2nd & Cali Utility (\$125,000)
City Hall Consolidation Study (\$1,286,000)
Browns Valley Creek/Valley Glen (\$178,000)
Main St Exchange Ped Bridge (\$38,000)
Redwood Rd Erosion Repairs (\$67,000)
1st & 2nd Street Roundabouts (\$1,675,000)
Facility Condition & ADA Assessment (\$92,000)
Proposing \$1,295,000 reduction from projects
Remaining \$2,255,000 to pay outstanding bills

Projects to receive less funding \$1,855,000

Downtown Dwight Murray Plaza Park (\$68,000)
Sports Court Resurfacing (\$73,000)
Playground Equip Replacement (\$97,000)
Parks Site Furnishing Replacement (\$119,000)
Parks Parking Lots & Pathways (\$335,000)
Restrooms, Alston Park (\$384,000)
Park Shade Structures (\$750,000)
Replacement Field Lighting (\$31,000)

Proposing \$1,563,000 reduction from these
parks projects (including 20/21 budget
reduction)

- **\$3,550,000** Project completion & closeout stage
 - Release \$1,295,000 remaining after final bills
- **\$1,855,000** Projects proposed for reduced fund
 - Release \$1,563,000—proposed at workshop

\$10,550,000 TOTAL

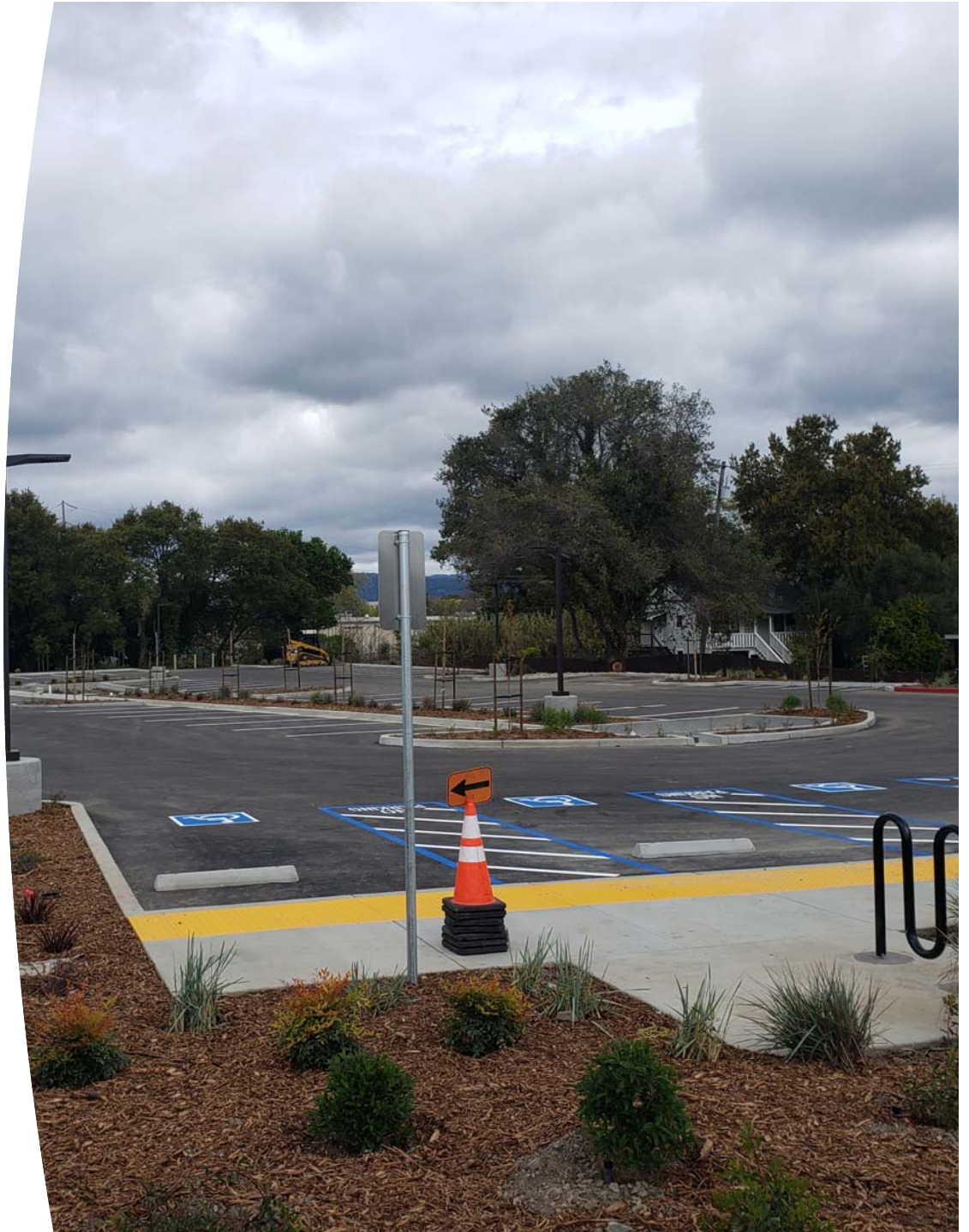
Unfunded: Increased Costs or Upcoming Project Phases (Preliminary Estimates)



- Roundabouts Utility Relocations (up to \$825,000)
 - Soscol Medians Completion (\$100,000)
 - 2nd Street Elevator Repair (\$250,000+)
 - Browns Valley Creek Slide Buhman Park (\$800,000)
 - 5-way Intersection (\$8,000,000)
 - Soscol Bridge over Tulocay Creek (\$3,000,000)
 - Trower Storm Drain Completion (\$1,500,000)
 - Rose Lane Sanitary Sewer/Drainage Separation (\$150,000)
 - Repairs for Napa River Trail North of Lincoln (\$500,000+)
 - Facilities Conditions Assessment Repairs (\$2,500,000/year)
 - Storm Drain Repair/Replacements (\$300,000/year)
- Total: \$15M one-time + \$2.8M annually

Recommendation

- Informational only
- On-going monitoring of budgets and close-out projects as final bills paid
- Evaluations of budgeting moving forward





End of Presentation

Critical Stage/Other Requirements: Environmental Requirements

Project	GF Balance	Description/Purpose
Trancas Bridge Scour Repair (BR05PW01)	\$36,941	Regulatory permit requirement for monitoring
Stormwater Trash Reduction (SW18PW01)	\$150,000	Project required for Water Board Permit compliance
645 Soscol Ave UST Investigation (MS06PW01)	\$16,203	Final efforts for funding reimbursement/close-out
	\$203,144	

Critical Stage/Other Requirements: Access, Safety, and Security Projects

Project	GF Balance	Description/Purpose
Corp Yard Gate & Cameras (FC20PW02)	\$100,000	Property/asset security
2nd Street Garage Elevator (FC13PR01)	\$117,581	Required public access
BV Creek Bank Repair @ Buhman Park (ST19PW10)	\$218,130	Bank slide involving city property
Police & Fire HVAC Chiller (FC20PW03)	\$250,000	Replacement of HVAC for Police Station
Police Range Improvements (FC13PD01)	\$18,605	Complete improvements to support police training
Westwood Street Lights (ST18PW04)	\$29,174	Adds to neighborhood improvements (other costs covered by Measure T)
	\$733,490	

Critical Stage/Other Requirements: Grant Funds Invested into City

Project	GF Balance	Grant Funding (Restricted)	Description/Purpose
Hwy 29 Ped/Bike Undercrossing (BP12PW01)	\$466,787	\$531,000	Trail connecting California Blvd to Coffield
Vine Trail Gap Closure (ST18PW08)	\$724,054	\$650,000	Completing facilities for Third St to Vallejo St
EV Charging Lot A (MS20CD01)	\$118,823	\$12,000	3 dual port vehicle charging stations
	\$1,309,604	\$1,193,000	

- City funding required to obtain \$1,193,000 in outside grants
- Failure to deliver projects would be expected to result in the granting agencies discounting future City grant applications

Critical Stage/Other Requirements: Multi-year Projects More than 60% Complete

Project	GF Balance	Description/Purpose
General Plan Update (MS18CD02)	\$929,760	Multi-year contract well underway for plan, including many public meetings and public advisory committee formed
Workorder Asset Management System (MS14PW01)	\$241,585	Signification investments spent, supports citizen reporting and tracking/prioritizing operations work, remaining funds needed to complete set-up
Total	\$1,171,345	

Other Priority Projects

Project	GF Balance	Description/Purpose
Electric Garage Occupy Signs (MS17CD02)	\$147,380	One of three garages completed
Training Room at Station 2 (FC20FD01)	\$200,000	Prefab building delivered on-site
Trower Stormdrain (SD17PW03)	\$570,299	Phase 1 completed; requires additional \$1,500,000 for next phase
Arterial/Gateway Enhancement (MS17PW01)	\$686,010	Funding for future implementation of Imola Bike/Ped Corridor Study
Corp Yard Cover for Equipment (PK18PR06)	\$71,193	Shade structure to protect parks maintenance equipment
Browns Valley Ped Improvements (ST18PW03)	\$50,000	Not started
	\$1,724,882	

Parks Projects Presented at Budget Workshops to Defund

Project	GF Balance	20/21 Budget	Reduced Funding	Proposed Balance
Downtown Dwight Murray Plaza Park (PK15RA01)	\$67,671	0	-\$67,671	\$0
Sports Court Resurfacing (PK16PR01)	\$72,527	0	-\$7,000	\$65,527
Playground Equip Replacement (PK18PR07)	\$96,705	\$75,000	-\$20,000	\$151,705
Parks Site Furnishing Replacement (PK18PR05)	\$118,699	\$125,000	-\$100,000	\$143,699
Parks Parking Lots & Pathways (PK16PR02)	\$335,303	\$225,000	-\$125,000	\$435,303
Restrooms, Alston Park (PK18PR02)	\$384,154	0	-\$384,154	\$0
Park Shade Structures (PK16PR04)	\$750,454	\$75,000	-\$825,454	\$0
Replacement Field Lighting (PK18PR01)	\$30,809	0	-\$7,000	\$23,809
TOTALS	\$1,856,322	\$500,000	-\$1,536,279	\$820,043

Project Completion & Close-outs

Projects	GF Balance	Balance to Release	Remaining Billings
Opera House Plaza Recycling (FC18PW02)	\$5,868	-\$5,500	\$368
Demo of Residential Structures (FC19PR01)	\$9,047	-\$9,047	\$0
Downtown Streetscape (MS14RA03)	\$74,402	-\$50,000	\$24,402
1st 2nd & Cali Utility (ST19PW03)	\$125,265	-\$75,000	\$50,265
City Hall Consolidation Study (FC15PW02)	< \$1,286,016 >	-\$1,000,000	\$286,016
Browns Valley Creek/Valley Glen (ST19PW09)	\$178,059	-\$50,000	\$128,059
Main St Exchange Ped Bridge (BR13RA01)	\$38,475	-\$38,475	\$0
Redwood Rd Erosion Repairs Lynn Drive (ST10PW04)	\$67,443	-\$67,443	\$0
1st & 2nd Street Roundabouts (ST14PW02)	\$1,675,113	\$0	\$1,675,113
Facility Condition & ADA Assessment (FC20PW01)	\$91,908	\$0	\$91,908
TOTALS	\$3,551,596	-\$1,295,465	\$2,256,131

Summary: Fund Balances—By Category

CATEGORIES	FUND BALANCES (GF)	PROPOSED RELEASE (GF)
Critical State or Other Requirements	\$5.2M	
Other High Impact Projects	\$1.7M	
Previously Proposed for Defunding	\$1.8M	\$1.5M*
Close-out	\$1.8M	\$1.3M
TOTAL	\$10.5M	\$2.8M

*includes funds budgeted for FY 20/21 CIP