

# LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

## CITY OF ST. HELENA MUNICIPAL SERVICE REVIEW

**Final Report  
May 2008**

**Prepared by:**

**Baracco and Associates**  
40 Eureka Street  
Sutter Creek, California 95685

**LAFCO of Napa County**  
1700 Second Street, Suite 268  
Napa, California 94559

*Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.*

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## **I. INTRODUCTION**

### **A. Local Agency Formation Commissions**

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering California Government Code §56000 et seq., which is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to coordinate the orderly formation and development of local governmental agencies and services, preserve agricultural and open-space resources, and discourage urban sprawl. Duties include regulating governmental boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are also responsible for conducting studies to inform and direct regional planning activities and objectives. LAFCOs are located in all 58 counties in California.

### **B. Municipal Service Reviews**

Beginning January 1, 2001, LAFCOs are required to review and update each local agency's sphere of influence ("sphere") by January 1, 2008 and every five years thereafter as needed.<sup>1</sup> As a prerequisite to sphere reviews, LAFCOs must prepare municipal service reviews to determine the adequacy and range of governmental services that are being provided within their respective jurisdictions. The intent of the municipal service review is to evaluate the adequacy, efficiency, and effectiveness of services in relationship to local needs and circumstances. The municipal service review process culminates with LAFCO making determinations on a range of service and organizational issues and may lead the agency to take other actions under its authority.

### **C. Municipal Service Review of the City of St. Helena**

In accordance with California Government Code §56430, this report represents LAFCO of Napa County's municipal service review of the City of St. Helena. The report has been prepared by Baracco and Associates under the direction of the Executive Officer. The purpose of this report is two-fold: 1) evaluate the current level and range of services provided by St. Helena and 2) inform a subsequent sphere review of the City. Accordingly, the geographic area of the municipal service review includes all lands located within the urban planning area identified in the St. Helena General Plan, which is depicted in Attachment A.<sup>2</sup>

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<sup>1</sup> California Government Code §56076 defines a sphere as "a plan for the probable physical boundary and service area of a local agency, as defined by the commission."

<sup>2</sup> St. Helena is the primary municipal service provider within its planning area. Five other countywide local agencies also provide services in the planning area: County Service Area No. 4; Napa County Flood Control and Water Conservation District; Napa County Mosquito Abatement District; Napa County Regional Park and Open Space District; and the Napa County Resource Conservation District. The majority of the services provided by these agencies have been comprehensively reviewed by LAFCO as part of earlier municipal service reviews. Services provided by the Napa County Regional Park and Open Space District, which was formed in 2006, will be reviewed in the near future.

## II. OVERVIEW

St. Helena was initially settled in the 1830s and incorporated in 1876. It provides a full range of municipal services either directly or by contract with other governmental agencies or private companies. St. Helena is currently staffed by 74 full-time equivalent employees, and has an estimated resident population of 5,993.<sup>3</sup>

### A. Setting

St. Helena is located towards the northern end of the Napa Valley approximately 18 miles northwest of the City of Napa. St. Helena is bisected by the Sulphur and York Creeks that are year-round tributaries of the Napa River, which lies along the eastern border of the City. St. Helena is also bounded to the west and east by the Howell and Mayacamas Mountains, respectively. St. Helena serves as the regional economic and social anchor for the nearby unincorporated communities of Angwin and Deer Park as well as a commercial development near the intersection of Zinfandel Lane and State Highway 29.

### B. Growth and Development

The community of St. Helena began developing into a commercial center for nearby farmers and ranchers in the 1830s as a result of a land grant from Mexico to General Mariano Vallejo. By the 1860s, the Napa Valley Railroad Company, precursor to future branches of the Central Pacific Railroad and Southern Pacific Railroad Companies, was extended north from Napa to include stops in Yountville, Oakville, Rutherford, and St. Helena. The arrival of the railroad coincided with the expansion of St. Helena's commercial base as nearby vineyards began to flourish leading to the creation of a business district along Main Street.

St. Helena's emergence as a commercial center in the Napa Valley led to its incorporation in 1876.<sup>4</sup> St. Helena's incorporation was the first in Napa County and helped facilitate continued commercial and residential growth in the City over the next several decades.

Growth and development in St. Helena became stagnant beginning in the 1920s following the enactment of Prohibition. In 1930, the United States Census estimated St. Helena's population at 1,582. St. Helena's population grew modestly over the next few decades reaching 3,173 by 1970. It was between 1970 and 1980 when St. Helena experienced its most significant period of growth as its population increased by over half to 4,898 by 1980. St. Helena's growth rate, however, markedly declined over the next decade as the City responded to resident concerns by establishing several growth control policies. These actions coupled with infrastructure constraints involving water supplies and sewer treatment capacities contributed to decreasing St. Helena's population to 4,791 by 1990.

Since 1990, St. Helena has made a number of infrastructure improvements to increase its water supplies and sewer treatment facilities. These improvements paired with increasing demands for residential and tourist-related development has allowed St. Helena to experience a steady annual growth rate of approximately 1% over the past 18 years.

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<sup>3</sup> Population estimate provided by the California Department of Finance, January 1, 2007.

<sup>4</sup> St. Helena was reincorporated in 1889.

Similar to other incorporated communities in Napa County, St. Helena has established its own growth control measure to limit the rate of residential development within the City. The measure is in the form of an ordinance known as the Residential Growth Management System, which limits annual residential growth in the City to approximately 2%. Under this ordinance, no more than nine building permits for new housing may be issued in 2008.

### C. General Plan Policies

St. Helena's General Plan was comprehensively updated in 1993 and codifies land use policies for the City through 2010. The "General Plan" includes a total of 12 elements. This includes the seven mandatory elements required under Government Code §65302 – land use, circulation (transportation), housing, open space, conservation, noise, and safety (public health and safety) – along with five additional elements – tourism management, community design, historic resources, public facilities and services, and parks and recreation.

An underlying policy theme in the General Plan is to preserve the rural, small town quality, and agricultural character of St. Helena. With this premise in mind, the General Plan establishes policies with respect to the timing, delivery, and adequacy of public services in St. Helena. These policies restrict growth to a level consistent with the ability of St. Helena to plan and provide the additional services necessary for a larger population. The General Plan also includes an "urban limit line," which is a parcel-specific boundary that defines the interface between urban and non-urban uses within the City. Significantly, the General Plan does not designate land uses for territory located outside its incorporated boundary. Other key policies included in the General Plan are summarized below.

- New development shall be required to occur in a logical and orderly manner within well-defined boundaries, and be consistent with the ability to provide urban services.
- Urban development shall be limited to lands within St. Helena's Urban Limit Line.
- Limit the approval of new residential development to a maximum rate of nine (9) dwelling units per year.
- Adjust the Residential Growth Management System to insure that total dwelling units does not exceed 2,850 by 2010.
- Promote the continuation of agricultural activities within and adjacent to St. Helena.
- Protect prime agricultural vineyard lands from premature and/or unnecessary urban encroachment.
- Approval of new development shall be contingent upon the ability of St. Helena to provide water without exceeding the safe annual yield of its water supply system.
- Prohibit water service to new customers outside St. Helena unless a potential threat to public health and safety can be demonstrated.

In January 2007, St. Helena initiated work on preparing a comprehensive update to its General Plan. Initial actions have included the establishment of an appointed 17-member Steering Committee to oversee and provide direction to staff in preparing the update. It is expected that the update will be presented for City Council adoption by late 2009.

### III. ADOPTED BOUNDARIES

#### A. Incorporated Boundary

St. Helena's incorporated boundary comprises approximately 3,285 acres, or 5.1 square miles. The Commission has approved a total of eight jurisdictional changes involving St. Helena since 1963. The last jurisdictional change was approved by the Commission in 1997 and involved the detachment of a portion of one parcel approximately 2.36 acres in size located southwest of the intersection of Deer Park Road and State Highway 29.

#### **Approved Jurisdictional Changes involving the City of St. Helena**

<b>Proposal Name</b>	<b>Action</b>	<b>Approval Date</b>
Indian Valley	Annexation	September 23, 1964
Mount La Salle Vineyards	Annexation	November 12, 1964
Stonebridge	Annexation	March 9, 1966
Sewer Treatment Plant	Annexation	December 13, 1966
Beroldo	Annexation	March 13, 1968
Stonebridge	Detachment	December 12, 1973*
St. Helena Lower Reservoir	Annexation	November 9, 1994
State Highway 29/Deer Park Road	Detachment	February 7, 1997

\* Detachment was terminated as a result of protest proceedings

#### B. Sphere of Influence

St. Helena's sphere includes approximately 2,929 acres, or 4.6 square miles. The sphere was established by the Commission in 1974 and is generally contiguous with St. Helena's incorporated boundary with the exception of excluding two separate incorporated areas. The first incorporated area lying outside the sphere includes approximately 245 acres located along Howell Mountain Road east of Silverado Trail. This area was annexed to St. Helena in 1966 in anticipation of a planned hillside residential subdivision. The subdivision, however, did not materialize and the area remains largely undeveloped with a small number of rural residences. The Commission excluded the area from the sphere at the time of its establishment at the request of St. Helena.<sup>5</sup> The second incorporated area lying outside the sphere includes approximately 95 acres noncontiguous and northeast of St. Helena and includes part of Bell Canyon Reservoir, which serves as the City's principal water source.

The last change to the sphere was approved by the Commission in 1994 as part of a current annexation involving St. Helena's Lower Reservoir area.

<sup>5</sup> The Commission conditionally approved an application from St. Helena to detach the Howell Mountain Road area from the City in 1973. Detachment proceedings were terminated as a result of protest proceedings.



## IV. GROWTH AND POPULATION PROJECTIONS

The Association of Bay Area Governments (ABAG) publishes population, household, job, labor force, and income projections for the nine-county San Francisco Bay Region. ABAG incorporates these projections in allocating housing need assignments to cities and counties in the Bay Area as determined by the California Department of Housing and Community Development. ABAG recently issued *Projections 2007*, which includes a range of growth-related estimates for St. Helena through 2035. ABAG projections for St. Helena relating to population, households, and jobs are listed below.

### Growth and Population Projections for the City of St. Helena

(Source: ABAG *Projections 2007*)

	2005	2010	2015	2020	2025	2030	2035
Population	6,100	6,100	6,100	6,100	6,200	6,200	6,200
Households	2,420	2,450	2,480	2,510	2,540	2,570	2,600
Total Jobs	5,810	5,850	5,970	6,100	6,190	6,290	6,400

On June 29, 2007, ABAG released its draft regional housing need allocation (RHNA) for the 2007-2014 planning period. Based on this draft, St. Helena will be responsible for accommodating a total of 121 new housing units as part of its seven-year housing element, which must be updated by June 2009. If developed, this amount would represent a 4% increase to St. Helena's existing number of housing units.<sup>6</sup>

## V. GOVERNANCE

St. Helena operates under the council-manager system of government. Decision-making authority under this system is equally distributed among a five-member City Council that includes a directly elected mayor. Elections are conducted by general vote; the mayor serves a two-year term while four council members serve staggered four-year terms. Key duties of the City Council include making policies, adopting an annual budget, enacting ordinances, appointing committee members, and hiring the city manager.

St. Helena City Council meetings are currently conducted on the second and fourth Tuesdays of each month beginning at 7:00 P.M. in the Vintage Hall Board Room at St. Helena High School, located at 465 Main Street. Meetings are open to the public and are also broadcast on local public access television. City Council agendas and minutes are posted at City Hall, 1480 Main Street, and are made available on St. Helena's website, [www.ci.st-helena.ca.us](http://www.ci.st-helena.ca.us).

### A. Advisory Boards, Commissions, and Committees

The St. Helena City Council has established local advisory bodies to assist the City in its decision-making processes. Specific responsibilities for each advisory body are established by their respective ordinance or resolution. St. Helena's six active advisory bodies are summarized as follows.

<sup>6</sup> Final RHNA allocations are scheduled to be adopted in June 2008.

### ***Planning Commission***

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The Planning Commission consists of five members appointed by the City Council to four-year terms. The Commission meets on the first and third Tuesdays of each month and is responsible for approving conditional use permits, parcel maps, and variances. The Commission also performs design review for proposed residential, commercial, and industrial development projects, and makes recommendations to the City Council on General Plan amendments, zoning changes, and subdivision maps.

### ***Parks and Recreation Commission***

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The Parks and Recreation Commission consist of five members appointed by the City Council to three-year terms. The Commission meets on the third Monday of each month and is responsible for advising the City Council and Recreation Director on matters relating to public recreation, park development, and park management.

### ***Library Board of Trustees***

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The Library Board of Trustees consists of five members appointed by the Mayor with consent of the City Council to three-year terms. The Board meets on the second Wednesday of each month and, subject to Council approval, establishes and enforces rules, regulations, and bylaws for the administration of the public library.

### ***Tree Committee***

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The Tree Committee consists of five members and two alternates appointed by the City Council to three-year terms. The Committee meets on the fourth Thursday of each month and serves as an appeal board for decisions made by the Director of Public Works on tree related issues. The Tree Committee also reviews and makes recommendations to the Planning Department on all subdivision and parcel map applications with respect to conforming to the procedures and requirements established under St. Helena's Tree Ordinance.

### ***Climate Protection Task Force***

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The Climate Protection Task Force was formed in 2006 to examine and make recommendations aimed at reducing global warming pollutants within St. Helena. The Task Force currently consists of fifteen members appointed by the City Council. Meetings are held on the third Wednesday of each month.

### ***Bocce Ball Committee***

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The Bocce Ball Committee was formed in June 2007 and consists of five members appointed by the City Council to three-year terms. The Committee meets regularly and advises the City Council and Recreation Director with respect to the maintenance and operation of St. Helena's bocce ball courts located at Crane Park.

## VI. ADMINISTRATION

The administration of St. Helena is the principal responsibility of the City Manager, who is appointed to oversee and implement policies on behalf of the City Council. The City Manager serves at-will and oversees St. Helena's eight municipal departments: 1) Administration; 2) Police; 3) Parks and Recreation; 4) Planning and Building; 5) Fire; 6) Public Works; 7) Library; and 8) Finance.<sup>7</sup> An overview of each municipal department is provided below.

### *Administration*

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Administration includes the City Manager and City Clerk/Administrative Assistant. Key duties for the City Manager include implementing City Council policies and directing staff resources. The City Manager also serves as the City Personnel Director. The City Clerk is responsible for preparing agendas and minutes, providing public notices, conducting general, municipal, and special elections, and maintaining official records. Administration also includes an Office Assistant position.

### *Police Department*

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The Police Department is responsible for providing all related law enforcement services in St. Helena. These services include crime prevention, parking and traffic control, youth education, community awareness, and criminal investigations. The Department is managed by the Chief of Police and includes three Sergeants, one Investigator, eight sworn officers, four dispatchers, and two Community Service Officers.

### *Parks and Recreation Department*

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The Parks and Recreation Department is responsible for providing a range of public leisure services in St. Helena. These services include offering youth and adult sports programs, vocational classes, arts and crafts, drama and music, park landscaping, and operating and maintaining a community pool and skateboard park. The Department is managed by the Recreation Director and includes one Recreation Supervisor, one Parks Supervisor, and four Maintenance Workers. The Department also utilizes temporary part-time employees to help operate a community teen center, weight room, swimming pool, and skateboard park.

### *Planning and Building Department*

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The Planning and Building Department is responsible for providing planning, building inspection, and code enforcement services in St. Helena. The Department is managed by the Planning Director and includes one Associate Planner, one Administrative Assistant, one Building Official, and a Building Permit Technician/Office Manager. A Senior Planner has also been recently hired to oversee the update to the General Plan.

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<sup>7</sup> St. Helena contracts with the local law firm of Coombs & Dunlap for legal services.

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### *Fire Department*

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The Fire Department is responsible for providing fire protection and emergency medical services in St. Helena as well as certain surrounding unincorporated areas pursuant to an agreement between the City and the County of Napa. The Department is staffed by volunteer firefighters and managed by Fire Chief formally appointed by the City Council. The Department currently includes 26 volunteer firefighters who are paid on a per-call basis.

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### *Public Works Department*

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The Public Works Department manages all public facilities and infrastructure in St. Helena. The Department is divided into nine operating divisions: 1) water treatment; 2) water distribution; 3) wastewater collection; 4) wastewater treatment; 5) streets; 6) garage; 7) government buildings and grounds; 8) flood control; and 9) administration. The Department is managed by the Public Works Director/City Engineer and includes two Associate Engineers, one Administrative Assistant, one Office Assistant, three Public Works Supervisors, seven Maintenance Workers, one Mechanic, two Chief Plant Operators, one Lead Worker, and four Plant Operators.

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### *Library Department*

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The Library Department operates the George and Elsie Wood Public Library located at 1492 Library Lane in St. Helena. The Department is managed by the Library Director and includes three Senior Librarians, one Librarian I, two Library Assistants, one Accounting Assistant, and part-time Library Associates and Library Shelves.

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### *Finance Department*

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The Finance Department is responsible for providing financial management and administrative services for St. Helena. This includes preparing financial reports, risk management, payroll, accounts payable and receivable, and purchasing. The Department also provides billing and collection for water and sewer services. The Finance Department is managed by the Finance Director-City Treasurer and includes an Accounting Technician and three Accounting Assistants.

## **VII. MUNICIPAL SERVICES**

St. Helena provides a full range of municipal services either directly or through contracts or joint power authorities with other governmental agencies or private companies. Municipal services provided directly by St. Helena include law enforcement, fire protection and emergency medical, water, sewer, streets, government buildings and grounds, planning and community development, and parks and recreation. Municipal services provided by St. Helena through contracts or joint-power authorities with other agencies or companies include garbage collection and specialized engineering services. An overview of these municipal services follows.

## A. Municipal Services Provided Directly

### *Law Enforcement Services*

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The St. Helena Police Department (SHPD) provides law enforcement services within the City. SHPD also responds to incidents in surrounding unincorporated areas based on separate mutual aid agreements with the California Highway Patrol and County of Napa. Patrol units are divided into eight ‘beats,’ with one officer per beat. Five patrol vehicles are operational at any given time and each is equipped with multi-frequency radio and video equipment.

SHPD is currently staffed by 13 sworn officers. This provides St. Helena with a relatively high ratio of sworn officers for every 1,000 residents of 2.32. The current average response time is less than three minutes from dispatch to arrival, which is well within St. Helena’s operating standard of five minutes. SHPD’s current budget is \$2.34 million. This amount accounts for 28% of St. Helena’s operating budget for the fiscal year and represents a per capita expense of \$389.

### *Fire Protection and Emergency Medical Services*

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The St. Helena Fire Department (SHFD) is an all-volunteer department and provides fire protection and emergency medical services within the City. SHFD is also under contract with the County of Napa as first responder within an additional 20 square mile unincorporated area extending north to Bale Lane, east to Conn Valley Road, south to Whitehall Lane, and west to Langtry Road.

SHFD is currently staffed by 26 volunteer firefighters.<sup>8</sup> In 2007, SHFD responded to 714 calls, of which 63% related to emergency medical or rescue services. Only 8% of the calls in 2007 related to fires. The average response time from dispatch to arrival within St. Helena is 4 minutes and 40 seconds, which satisfies its adopted response time of five minutes. SHFD’s current budget is \$0.43 million. This amount accounts for 5% of St. Helena’s total operating budget for the fiscal year and represents a per capita expense of \$73.

- \* An expanded review of St. Helena’s fire protection and emergency medical services was prepared as part of LAFCO’s *Comprehensive Study of Fire Protection Services* (2006). The study is available at the LAFCO office or website: <http://napa.lafco.ca.gov>.

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<sup>8</sup> Volunteer firefighters are paid a \$14 stipend for each call.

### *Water Services*

St. Helena's Public Works Department is responsible for providing water services in the City and to several unincorporated properties located along State Highway 29. Water supplies are drawn from three sources: Bell Canyon Reservoir; two municipal wells collectively known as the "Stonebridge Wells;" and the City of Napa. Water drawn from the 2,350 acre-foot capacity Bell Canyon Reservoir is supplied by Bell Creek, a tributary of the Napa River. This water is treated at St. Helena's Louis Stralla Water Treatment Plant, which has a daily capacity of 11 acre-feet. The Stonebridge Wells have a combined daily operating capacity of almost 3 acre-feet and water produced is treated at an adjacent facility with a daily capacity of 0.2 acre-feet. Production from the Stonebridge Wells is limited to 20% of supply or less under normal circumstances by General Plan policy. St. Helena recently reached agreement with the City of Napa to purchase up to 400 acre-feet per year at a daily maximum rate of 3 acre-feet through an interconnection between the two agencies' water systems. Notably, St. Helena's ability to fully utilize this connection will be realized when the Rutherford Booster Pump Station replacement project is complete – currently scheduled for spring of 2009. St. Helena's total treated water storage capacity in the City is 13.22 acre-feet.

St. Helena currently provides water service to approximately 2,100 accounts within its incorporated boundary. St. Helena also provides water service to an additional 350 outside accounts extending along State Highway 29 north of the City to Lodi Lane and south of the City to Niebaum Lane.<sup>9</sup> Total water demand in 2007 was approximately 1,570 acre-feet, which represents an average daily amount of 4.3 acre-feet.

In 2007-2008, St. Helena's budgeted operating costs for its water enterprise is \$3.096 million. This amount represents a per account expense of \$1,264.

#### **City of St. Helena: Water System Capacities and Demands**

	<b>Acre-Feet</b>	<b>Gallons</b>
Annual Available Water Supply	3,845 <sup>(1)</sup>	1.25 billion
Available Daily Water Treatment Capacity	11.2 <sup>(2)</sup>	3.65 million
Available Treated Water Storage Capacity	13.22 <sup>(2)</sup>	4.31 million
Total Water Demand	1,570	511.6 million
Average Daily Water Demand	4.3	1.4 million

<sup>(1)</sup> Estimate based on the total projected holding capacity of Bell Canyon Reservoir (2,350 acre-feet), combined production capacity of the Stonebridge Wells (1,095 acre-feet), and maximum purchase from the City of Napa (400 acre-feet)

<sup>(2)</sup> Estimates reflect only the available treatment and storage capacities in St. Helena.

\* An expanded review of St. Helena's water system was prepared as part of LAFCO's *Comprehensive Water Service Study* (2004). The study is available at the LAFCO office or website: <http://napa.lafco.ca.gov>.

<sup>9</sup> St. Helena generally prohibits new water connections outside its incorporated boundary under its Municipal Code Section 13.04.050. St. Helena does allow new water connections for fire service under certain conditions under Municipal Code Section 13.04.200.

### *Sewer Services*

St. Helena's Public Works Department is responsible for providing sewer services in the City. The sewer system collects and provides secondary treatment of wastewater before it is discharged to the Napa River during the wet season (September through May) or used for local spray irrigation during the dry season (June through August). St. Helena's sewer treatment plant has a permitted dry-weather capacity of 0.5 million gallons, or 1.5 acre-feet. A scheduled expansion of the treatment plant to include some tertiary production is expected to increase the permitted dry-weather daily capacity to 0.65 million gallons, or 2.0 acre-feet. It is anticipated that the expansion and upgrade to the treatment plant will be completed by 2009 with the long-term goal of completely transitioning to tertiary production as funding permits.

St. Helena currently provides sewer service to approximately 1,700 accounts within its incorporated boundary, of which 82% are single family residential. St. Helena does not provide sewer service outside the City. St. Helena's current average dry-weather sewer demand is approximately 0.42 million gallons, or 1.3 acre-feet, and can be adequately accommodated by the City.

In 2007-2008, the operating expense budget for St. Helena's sewer enterprise is \$1.27 million. This amount represents a per account expense of \$749.

#### **City of St. Helena: Sewer System Flow Capacities and Demands**

	<b>Acre-Feet</b>	<b>Gallons</b>
Permitted Daily Dry-Weather Flow Capacity	1.5	0.500 million
Average Daily Dry-Weather Flow Demand	1.3	0.420 million
Average Daily Flow Demand (Dry and Wet)	2.8	0.900 million

\* An expanded review of St. Helena's sewer system was prepared as part of LAFCO's *Comprehensive Study of Sanitation and Wastewater Treatment Providers* (2005). The study is available at the LAFCO office or website: <http://napa.lafco.ca.gov>.

### *Street Services*

St. Helena's Public Works Department is responsible for maintaining the public right of way within incorporated limits in safe and accessible condition. St. Helena also provides minor street repair (potholes and patching, curb and gutter maintenance), sweeping, striping and street sign placement, replacement and repair, and storm drain maintenance. Primary funding for street related expenditures comes from St. Helena's General Fund as well as its proportional share of gas tax revenues. In 2007-2008, St. Helena budgeted a total of \$247,691 for street services.<sup>10</sup> This amount accounts for 3% of St. Helena's total operating budget for the fiscal year and represents a per capita expense of \$41.

<sup>10</sup> It is expected that an additional \$114,500 for street services will be provided to St. Helena in 2007-2008 from the State of California through the gas tax.

The Metropolitan Transportation Commission (MTC) recently issued an update to its annual report on the condition of the Bay Area's transportation system. The report includes evaluating and ranking current pavement conditions for all local agencies in the nine county Bay Area. The most recent update computing 2005 pavement conditions using special equipment measuring road vibrations ranked St. Helena as "good." Overall, St. Helena's finished 87 among the 107 agencies evaluated by MTC in the Bay Area.

### *Governmental Building and Ground Services*

St. Helena's Public Works Department provides maintenance and custodial services to all City-owned buildings, which currently includes approximately 65,000 square feet. These services include repairing and replacing roofs, floors, heating/cooling units, windows, lights, and general landscaping.

In 2007-2008, St. Helena budgeted a total of \$336,061 for government building and ground services. This amount accounts for 4% of St. Helena's total operating budget for the fiscal year and represents a per capita expense of \$56.

### *Planning and Community Development Services*

St. Helena's Planning and Building Department provides a variety of services relating to development review, building inspection, and code enforcement. This includes the review of all proposed improvement and development projects, such as General Plan amendments, rezoning requests, use permits, and parcel and subdivision maps.

In 2007, 2008, St. Helena budgeted a total of \$841,602 for planning and community development services, of which \$600,000 is associated with updating the General Plan. This amount accounts for 10% of St. Helena's total operating budget for the fiscal year and represents a per capita expense of \$140.

### *Parks and Recreational Services*

St. Helena's Park and Recreation Department provides a variety of public leisure services ranging from organizing community activities to offering specific programs for youth (summer camp, teen center), adults (gymnastics,), and seniors (golf, computers, day trips). This includes maintaining St. Helena's seven public parks.

In 2007, 2008, St. Helena budgeted a total of \$805,157 for park and recreational services. This amount accounts for 10% of St. Helena's total operating budget for the fiscal year and represents a per capita expense of \$134.<sup>11</sup>

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<sup>11</sup> Additional funding for park and recreational services is drawn from the Community Activity Fund (private donations), which is expected to amount to \$66,842 in 2007-2008.



## **B. Municipal Services Provided by Contract or through a Joint Power Authorities**

### ***Garbage Collection Services***

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Garbage collection in St. Helena is provided on a weekly basis by Upper Valley Disposal Service, Inc. (UVDS). UVDS is a private company under contract with the Upper Valley Waste Management Agency, a joint-powers authority that represents St. Helena, Calistoga, Yountville, and the County. UVDS' contract runs through 2025 and specifies that it is the exclusive contractor for the collection of garbage and rubbish in St. Helena. Current monthly charges for roadside collection are \$20.14, \$40.28, and \$60.42 for 35, 65, and 95-gallon toters, respectively. All customers also receive 96-gallon recycling and yard toters at no additional charge. These charges are consistent with the rates assigned to customers in neighboring communities.

### ***Specialized Engineering Services***

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St. Helena contracts with private companies to provide specialized engineering services as needed. In the past, this has included contracting with private firms for technical services relating to St. Helena's flood control improvement project.

In 2007-2008, St. Helena budgeted a total of \$147,000 for specialized engineering services. This amount accounts for 2% of St. Helena's total operating budget for the fiscal year and represents a per capita expense of \$26.

## **VIII. FINANCIAL**

### **A. Budget Process**

St. Helena practices a single-year budget process. As provided under its municipal code, the City Manager is required to submit an annual budget to the City Council by May 15<sup>th</sup> of each year. The adoption of the budget generally occurs in late June and is preceded by a process in which each municipal department submits a budget request to the Finance Department, which is then reviewed individually by the City Manager and Finance Director. The City Manager uses these requests, along with revenue projections prepared by the Finance Department, as the foundation in preparing a proposed budget for consideration by the City Council. The City Council conducts budget study sessions prior to adopting the budget to receive input from constituents as it relates to their desired level and range of municipal services for the upcoming fiscal year.

### **B. Budget Organization**

St. Helena's annual budget is divided into three units: 1) General Fund; 2) Enterprise Funds; and 3) Restricted Funds. General Fund revenues are primarily drawn from taxes and operating licenses and support discretionary general governmental services. Enterprise Fund revenues are collected from user fees and charges. Restricted Fund revenues are generated from a variety of sources, including grants and governmental subventions, and are used to fund specific programs or services.

### C. 2007-2008 Budget

St. Helena's adopted budget for 2007-2008 projects total revenues and expenditures at \$33.09 million and \$33.69 million, respectively. Existing fund balances are expected to cover the projected shortfall. Projected totals within St. Helena's three budget units are summarized below.

#### *General Fund*

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St. Helena anticipates total General Fund operating revenues and expenses in 2007-2008 at \$7.88 and \$8.24 million, respectively. These projected revenues and expenses reflect increases over the current fiscal year by 7.8% and 13.7%. St. Helena's largest projected revenue source is property taxes, which is expected to represent 34% of overall General Fund revenues. Other key General Fund revenues are expected from sales (31%) and transient occupancy (19%) taxes. The largest projected General Fund expense is attributed to law enforcement, which is expected to account for 29% of the total General Fund. Other prominent General Fund expenses include library (12%) and planning (11%) services.

#### *Enterprise Funds*

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Enterprise Funds account for St. Helena's municipal operations that are intended to be self-funding through the collection of user fees and charges. Enterprises in St. Helena include water and sewer services. St. Helena projects total revenues and expenses for the water enterprise in 2007-2008 at \$9.37 million and \$9.73 million. The majority of these revenues and expenses are dedicated and associated with capital improvements (\$3.29 million), impact fees (\$.09 million), and long-term debt (\$2.85 million).<sup>12</sup> Anticipated water operating revenues and expenses are budgeted at \$3.14 million and \$3.10 million, respectively. These amounts reflect an expected operating surplus of \$0.04 million. St. Helena projects total revenues and expenses for the sewer enterprise in 2007-2008 equally at \$3.09 million. A considerable portion of these revenues and expenses are dedicated and associated with capital improvements (\$0.94 million), impact fees (\$0.18 million), and long-term debt (\$0.70 million).<sup>13</sup> Anticipated sewer operating revenues and expenses are both budgeted at \$1.33 million.

#### *Restricted Funds (Non Enterprise)*

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Restricted Funds account for non-discretionary monies designated by St. Helena for specific purposes. There are currently 33 funds within this category, most of which derive their monies from outside sources, including grants, governmental subventions, developer fees, and private donations. A smaller portion of these funds are supported through General Fund transfers. In 2007-2008, St. Helena projects revenues and expenses within these affected funds to total \$12.75 million and \$12.63 million.

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<sup>12</sup> Capital improvements to the water system include upgrading the capacity of the Rutherford Pump Station at a budgeted cost of \$1.12 million.

<sup>13</sup> Capital improvements to the sewer system include upgrading the wastewater treatment plant at a budgeted cost of \$0.75 million.

## D. Expenditure and Revenue Trends

The California State Controller's Office (SCO) publishes annual expenditure and revenue and information for all counties, cities, and special districts in California. Information reported by SCO is drawn from reports submitted by the local agencies and generally published two years after the end of the affected fiscal year. Key expenditure and revenue information for St. Helena over the last three reported fiscal years follows.

### Recent Expenditures and Revenues for the City of St. Helena

(Source: SCO's *Cities Annual Report 2002-2003 through 2004-2005*)

Fiscal Year	Total Expenses <sup>1</sup>	Total Revenues <sup>2</sup>	Operating Net
2002-2003	\$11,802,924	\$12,755,311	\$952,387
2003-2004	\$12,484,670	\$12,575,097	\$90,427
2004-2005	\$15,510,656	\$16,233,479	\$722,823

<sup>1</sup> Includes operating and capital outlays

<sup>2</sup> Includes general (non-dedicated) and functional (dedicated) revenues

### Principal General Revenue Sources for the City of St. Helena

(Source: SCO's *Cities Annual Report 2002-2003 through 2004-2005*)

Fiscal Year	Property Tax <sup>1</sup>	Sales Tax <sup>2</sup>	Transient Tax <sup>3</sup>
2002-2003	\$1,694,852	\$2,106,952	\$1,112,471
2003-2004	\$1,826,438	\$2,116,958	\$1,143,556
2004-2005	\$1,832,604	\$2,246,132	\$1,163,367

<sup>1</sup> St. Helena receives approximately \$0.16 for each \$1.00 of property tax collected within its incorporated boundary.

<sup>2</sup> St. Helena receives 1% of retail sales within its incorporated boundary.

<sup>3</sup> St. Helena's transient occupancy tax on all lodging business is 12%.

## IX. WRITTEN DETERMINATIONS

In anticipation of reviewing St. Helena's sphere, and based on the information included in this report, the following written determinations make statements involving the service factors the Commission must consider as part of a municipal service review.<sup>14</sup>

### A. Infrastructure Needs and Deficiencies

- 1) St. Helena has been diligent in developing plans to accommodate the municipal service needs of current and future constituents. St. Helena regularly reviews and updates its service plans to help ensure that infrastructure needs and deficiencies are addressed in a timely manner.

<sup>14</sup> The service factors addressed in this report reflect the requirements of California Government Code §56430(a) as of December 31, 2007. (This section was amended effective January 1, 2008 to revise the number of service factors the Commission must address as part of its municipal service review requirement from nine to six.)

- 2) St. Helena has sufficient water supply, storage, and treatment capacities to meet current service demands. These capacities appear sufficient to accommodate future system demands based on expected growth and demand within the timeframe of this review under normal conditions.
- 3) St. Helena benefits from having direct control over the majority of its water supplies, which measurably enhances the ability of the City to effectively plan for current and future system demands.
- 4) St. Helena has experienced an approximate 20 percent decrease in water usage over the last five years. This decrease can be attributed to recent infrastructure improvements curtailing water losses as well as a concerted effort to promote water conservation practices.

*In 2002, St. Helena's overall water usage was 1,956 acre-feet. In 2007, St. Helena's overall water usage was 1,570 acre-feet.*

- 5) St. Helena's sewer system is nearing capacity with regard to meeting existing wastewater flow demands. Improvements are needed to help solidify the ability of St. Helena to adequately collect, treat, and discharge existing service demands as well as to accommodate future service demands.

## **B. Growth and Population Projections**

- 1) St. Helena has been successful in implementing policies and programs aimed at controlling new growth and development within the City. Most notably, this includes establishing an urban growth boundary line that includes less than two-thirds of St. Helena's incorporated boundary.
- 2) The Association of Bay Area Governments estimates a slight population growth of 100 for St. Helena over the next 10 years, which represents an annual increase of less than 0.2%. This estimate, which is less than St. Helena's average annual rate of population growth of 0.8% over the last 10 years, reflects a regional assumption that growth in the Bay Area will increasingly migrate towards existing urban areas.
- 3) County of Napa's land use policies for unincorporated lands adjacent to St. Helena are generally restrictive and limit opportunities for new growth and development.

## **C. Financing Constraints and Opportunities**

- 1) St. Helena has experienced steady growth in property, sales, and transient-occupancy tax revenues over the last several years reflecting a relatively strong local economy. These tax revenue sources are generally proportionate and limit St. Helena's dependency on one particular funding stream.

- 2) St. Helena's recent and anticipated annual share of sale tax revenues is measurably higher than in neighboring municipalities in Napa County as measured by per capita.

*In 2007-2008, St. Helena anticipates collecting approximately \$313 per capita in sales tax revenues. Comparatively, the Cities of American Canyon, Calistoga, Napa, and Town of Yountville anticipate per capita sale tax revenues in 2007-2008 at \$104, \$146, \$177, and \$180, respectively.*

- 3) The limited amount of planned new growth and development in St. Helena presents a long-term financing constraint for the City in providing water and sewer services due the diseconomies of scale associated with having confined customer bases.

#### **D. Cost Avoidance Opportunities**

- 1) St. Helena benefits from participating in several cost-sharing programs with other local governmental agencies. These programs promote the benefits of regional partnerships and provide significant cost-savings in providing key governmental services, such as affordable housing, garbage collection, and public transit.
- 2) St. Helena has made a concerted effort to explore and implement cost-avoidance measures as part of its annual budget process. In order to better anticipate and consider short-term trends in revenues and expenditures, St. Helena may wish to undertake a two-year budget process.
- 3) St. Helena currently dedicates less than five percent of its operating budget on fire protection services as a result of utilizing volunteer staff. This staffing arrangement provides measurable cost-savings to St. Helena and helps the City fund a number of discretionary public services, such as its own public library, which are not available in neighboring municipalities.
- 4) St. Helena maintains and annually reviews a capital improvement plan to coordinate the financing and construction of needed infrastructure and facility improvements. This process helps St. Helena maximize its operational efficiencies while avoiding unnecessary expenditures associated with deferring improvements.

#### **E. Opportunities for Rate Restructuring**

- 1) St. Helena's rates and fees for municipal services are established by ordinance or resolution. The ordinances or resolutions are based on staff recommendations and adopted by the City Council. Because of the limited funds provided by impact fees generated by new development, current user charges for services are one of the few ways to internally generate funds to improve municipal services.

- 2) St. Helena is currently considering new water supply policies, including rate restructuring to further reduce water consumption in the City. Increasing user fees will not necessarily enhance revenues but it should help maximize local water supplies by lessening overall system demands as well as reduce St. Helena's dependence on groundwater, which will benefit adjacent agricultural operations.

#### **F. Opportunities for Shared Resources**

- 1) St. Helena participates in joint-power arrangements with the Upper Valley Waste Management Agency, the Napa County Transportation and Planning Agency, and the Napa County Flood Control and Water Conservation District. These arrangements facilitate shared resources among participating agencies in providing garbage collection, public transportation, and flood control services within their respective jurisdictions.

#### **G. Government Structure Options**

- 1) St. Helena provides effective services through its council-manager form of government, and utilizes other governmental advising bodies, community organizations, and the general public to help inform its decision-making process.
- 2) St. Helena has established water service to several properties located outside its incorporated boundary. LAFCO and St. Helena must work together to ensure new and extended services provided by the City outside its jurisdiction is consistent with the provisions of California Government Code Section 56133.

*California Government Code §56133 was enacted in 1994 and requires cities and special districts to receive written approval from LAFCO prior to providing new and extended services by contract or agreement outside their jurisdictions.*

#### **H. Evaluation of Management Efficiencies**

- 1) St. Helena adopts its budget at noticed public meetings in which members of the public are allowed to comment with regard to expenditures and service programs. The budget process enhances the accountability of elected officials and provides a clear directive towards staff with regard to prioritizing local resources.
- 2) St. Helena has been diligent in developing policies and service plans addressing the existing and future municipal service needs of the community. These efforts provide effective performance measures and demonstrate a commitment by St. Helena to hold itself accountable to the public.
- 3) St. Helena has developed a detailed budget document clearly outlining the City's collection and allocation of public funds. This budget document reflects effective and transparent management practices.

## **I. Local Accountability and Governance**

- 1) St. Helena City Council meetings are held twice a month and are open to the public. Regularly scheduled meetings provide an opportunity for residents to ask questions of elected representatives and help ensure service information is effectively communicated to the public.
  
- 2) St. Helena is the first local governmental agency in Napa County to establish a task force dedicated to examining strategies to reduce environmental pollutants within the City. The establishment of this task force reflects a proactive and concerted effort by St. Helena to develop, promote, and legitimize sustainable living practices that are accountable to the long-term needs of its constituents.

## **X. REFERENCES AND RESOURCES**

### **Agency Contacts**

Bert Johansson, City Manager  
Kathleen M. Carrick Parks and Recreation Director  
Monty Castillo, Police Chief  
Jonathon Goldman, Public Works Director  
Carol Poole, Planning Director  
Karen Scalabrini, Finance Director  
Gail Sharpsteen, Administrative Assistant

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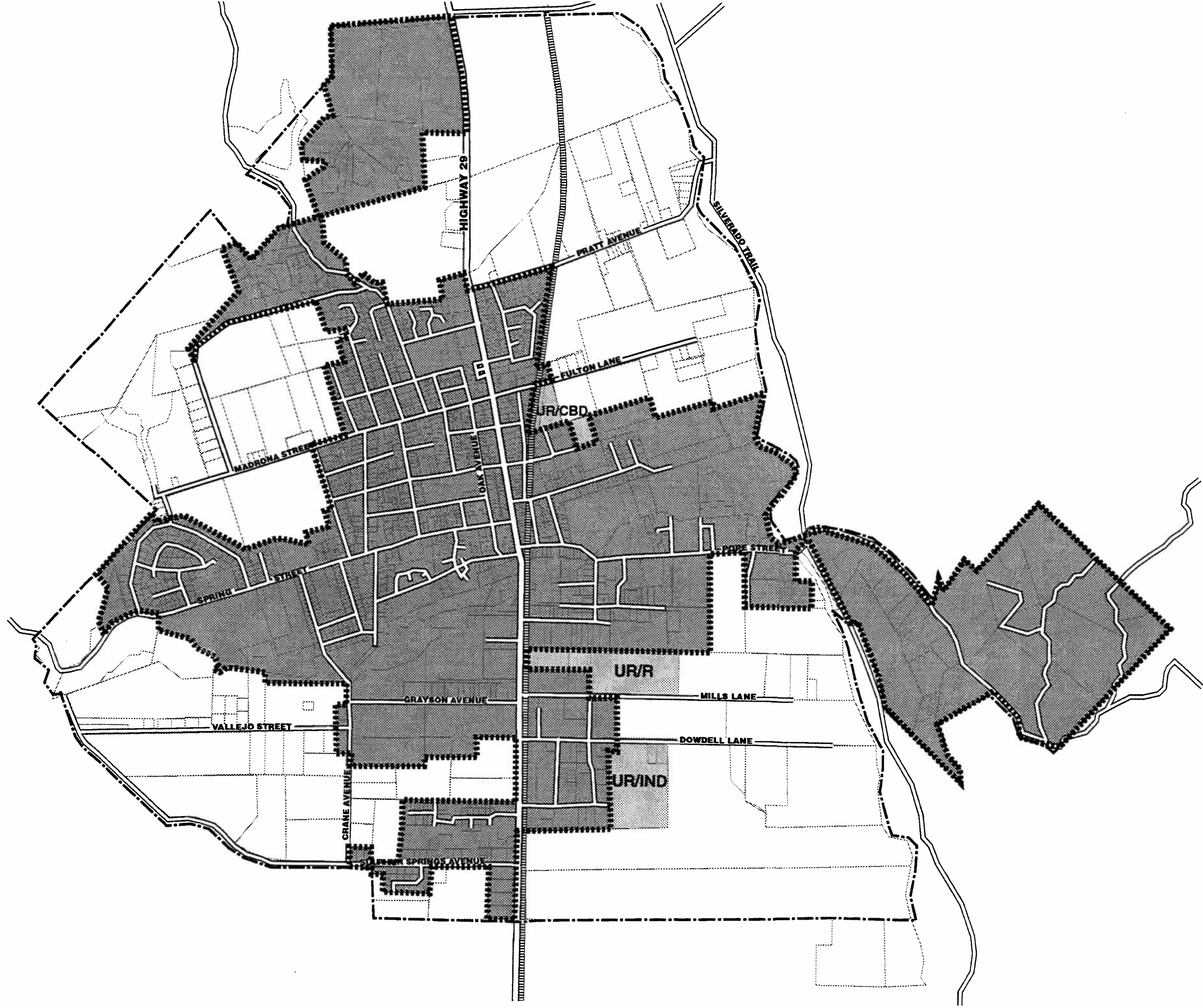
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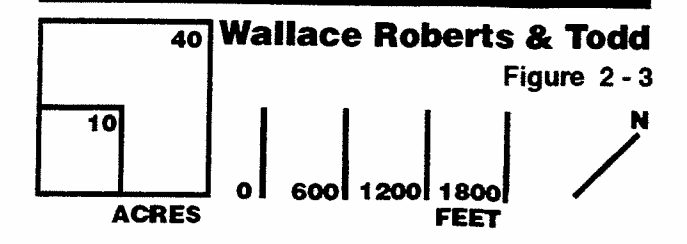
# Urban Service Area

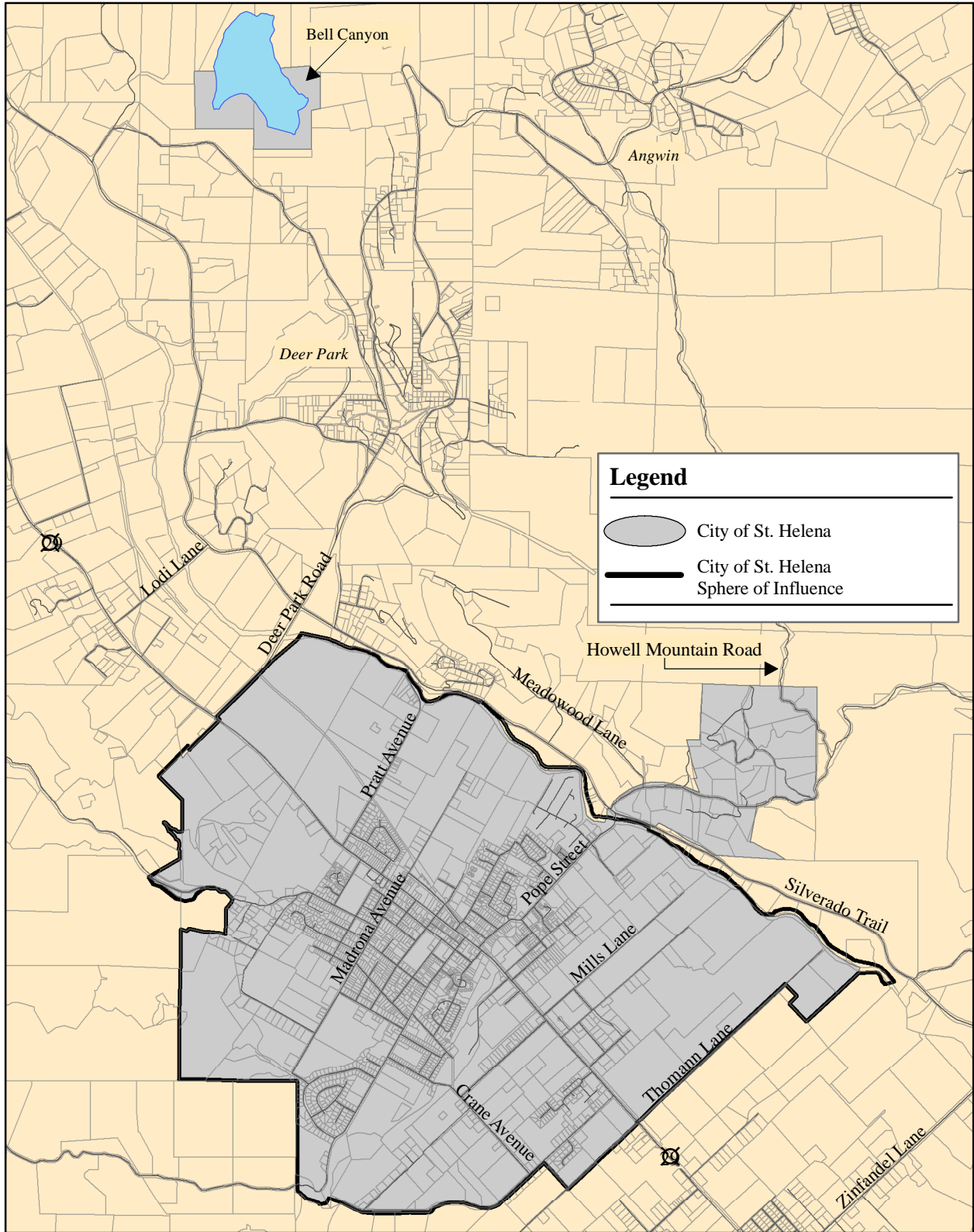
- ..... Urban Limit Line
- Urban Service Area
- UR/CBD Urban Reserve Area with Underlying Land Use Designation





==== Railroad

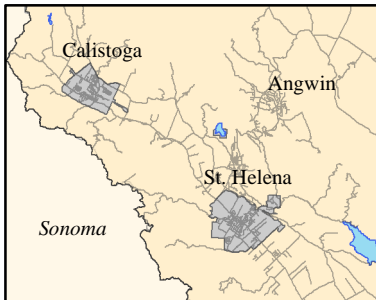
## St. Helena General Plan Update





**Legend**

-  City of St. Helena
-  City of St. Helena Sphere of Influence



*Not to Scale  
March 31, 2008  
Prepared by KS*

  
 LAFCO of Napa County  
 1700 Second Street, Suite 268  
 Napa, California 94559  
 (707) 259-8645  
<http://napa.lafco.ca.gov>