City of St. Helena Municipal Service Review

Napa LAFCO
Draft – August 3, 2026

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BETTER COMMUNITIES.
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ACRONYMS USED IN THIS MSR

This municipal service review uses several common acronyms familiar to readers who have knowledge of local government. These acronyms used in this document include the following:

ADWF	Average Dry-Weather Flows
AMR	American Medical Response
APR	Annual Progress Report
BOS	Board of Supervisors
CalPERS	California Public Employee Retirement System
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
GASB	Government Accounting Standards Board
GPM	Gallons per Minute
HCD	California Department of Housing and Community Development
HHS	Department of Health and Human Services
LAFCO	Local Agency Formation Commission
MSR	Municipal Service Review
PG&E	Pacific Gas and Electric Company
PVC	Polyvinyl Chloride
RSG	RSG, Inc.
SCO	State Controller's Office
SECAP	System Evaluation and Capacity Assurance Plan
SOI	Sphere of Influence

EXECUTIVE SUMMARY

The Napa County Local Agency Formation Commission ("Napa LAFCO" or "Commission") retained RSG, Inc. ("RSG") to prepare this Municipal Service Review ("MSR") and Sphere of Influence ("SOI") update for the City of St. Helena in Napa County.

PURPOSE OF THIS MSR

The scope of this MSR is established by statute and Commission policy. Specifically, this MSR evaluates the current and future relationship between availability, demand, and adequacy of the municipal services within the City's service area and SOI. To the extent feasible, Napa LAFCO will revisit the MSR and key findings on a regular five-year basis consistent with the timetable set by the Legislature and further memorialized under adopted Napa LAFCO policy.

The MSR's underlying purpose is to produce an independent assessment of the municipal services provided by the City of St. Helena historically and over the next few years, consistent with the Commission's regional growth management duties and interests. The Commission will use the information collected as part of the report in (a) guiding sphere of influence updates, (b) informing of potential boundary changes and out-of-agency services, and if merited, (c) initiating government reorganization, such as special district formations, consolidations, and/or dissolutions.

SUMMARY OF DETERMINATIONS

Napa LAFCO's pertinent determinations, as required by Government Code Sections 56425 and 56430, for the City of St. Helena can be found at the end of the agency's profile.

A summary of key determinations follows:

- St. Helena has experienced a recent period of population decline since 2010 which has led to less demand on services and likely assisted the City manage increasing service costs and demands on older infrastructure.
- Water and Wastewater systems operated by the City are relatively small and face financial and capital investment pressures. LAFCO should consider continued exploration of other service delivery models to assist the City and the region, as outlined in 2020 Water and Wastewater Services MSR.
- The City has successfully transitioned to a career firefighter model which has stabilized staffing of the St. Helena Fire Department, although this has resulted in increasing operational costs, and to a lesser extent, increased pension obligations.
- Pension obligations are relatively satisfactorily funded for public safety, but other personnel pension obligations are underfunded and addressing the shortfall is anticipated to cause the City to use reserves to fund annual costs.

BACKGROUND

State law requires local agency formation commissions throughout California complete municipal service reviews regularly. This section describes the requirements of these MSRs, as well as relevant information about Napa LAFCO, which conducts service reviews of cities and special districts within Napa County.

LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56430 et. seq., ("CKH") requires LAFCOs to prepare periodic reviews of services provided by most local agencies and provides discretion on the manner in which a commission undertakes these reviews. The reviews are instrumental in making determinations on jurisdictional and SOI boundaries, as well as informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

LAFCO RESPONSIBILITIES

CKH directs LAFCOs to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and preserve agricultural land. LAFCOs act as the county-wide oversight agency responsible for considering logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review spheres of influence for local agencies through a process known as a municipal service review ("MSR") and sphere of influence ("SOI") update.

SPHERE OF INFLUENCE

Since 1972, LAFCOs in California have been responsible for determining and overseeing the sphere of influence ("SOI") for local government agencies. A SOI is defined as "a plan for probable physical boundaries and service area of a local agency, as determined by the Commission." Consistent with Commission SOI policies, an SOI can be (a) coterminous to agency boundaries as the ultimate foreseen configuration of the agency in anticipation of no future growth, (b) extended beyond the agency boundaries in anticipation of future growth, (c) be smaller, indicating the need to detach areas from the agency boundaries, or (d) be designated a "zero sphere", which indicates a potential dissolution of the agency. To amend the sphere of influence boundaries, formal approval from the Commission is required. Factors considered in a SOI include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, a SOI shall consider and prepare a written statement of its determinations of the following factors:

1. Present and planned land use in the area, including agricultural and open space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. Present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of a SOI is to ensure efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs consider the orderly development of a community by reconciling differences between different agency plans. This is intended to ensure that the most efficient urban service arrangements are created to benefit area residents and property owners.

Disadvantaged Incorporated Communities

As part of the MSR, RSG considered the impact of the SOI relative to Disadvantaged Unincorporated Communities ("DUC"). A DUC is defined by Government Code Section 56033.5 as an area of inhabited territory located within an unincorporated area of a county within a "disadvantaged community." A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income that is less than 80 percent of the statewide median household income. Government Code Section 56046 defines "inhabited" as territory with 12 or more registered voters.

Napa LAFCO adopted a policy on DUCs in 2018. The policy establishes that identifying and engaging with DUCs is an essential component of the State's environmental justice framework and acknowledges that the Cortese-Knox-Hertzberg Act requires LAFCOs to identify the location and characteristics of DUCs in the County. The Commission's policy defines a DUC as territory that:

1. Is substantially developed with primarily residential uses, as defined in Government Code Section 56375.3(b)(4);
2. Does not have reliable public water, sewer, or structural fire protection service available;
3. Meets the definition of inhabited territory pursuant to Government Code Section 56046, meaning that it has at least 12 registered voters; and

4. Has a median household income level of less than 80 percent of the statewide median household income based on available data provided by the American Community Survey.

Based on RSG's analysis of ACS 2018–2022 five-year estimates and LAFCO policy, no disadvantaged unincorporated communities have been identified within or contiguous to the City of St. Helena's SOI. Surrounding unincorporated lands consist primarily of Agricultural Preserve areas with dispersed, low-density development and do not form qualifying communities for DUC consideration.

MUNICIPAL SERVICE REVIEW REQUIREMENTS

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, as necessary; the vehicle for doing this is known as a Municipal Service Review ("MSR"). Prior to or in conjunction with SOI reviews, a MSR must be prepared pursuant to Government Code Section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. Pursuant to Government Code Section 56430, MSRs are to make determinations considering the seven required topics based on CKH. These seven areas include:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).
3. Present and planned capacity of public facilities, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including government structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCO policy.

The focus of this MSR is to describe how local governmental services are being carried out and to determine if the residents of the community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes, such as sphere changes, as well as consolidation or dissolution of service providers to provide the best service possible to the population.

NAPA LAFCO

Napa Local Agency Formation Commission ("Napa LAFCO" or "Commission") is the independent countywide agency responsible for overseeing changes in local government organization, boundary modifications, and municipal service planning in Napa County under the Cortese-Knox-Hertzberg Act. Napa LAFCO is comprised of five regular members and three alternate members, representing cities, the county, and the general public. Regular terms are four years in length and begin on the first Monday in May, with members appointed by the County of Napa Board of Supervisors, the City Selection Committee, and LAFCO members for public seats.

Napa LAFCO holds its regular Commission meetings on the first Monday of even-numbered months (February, April, June, August, October, and December) with sessions beginning at 2:00 PM. Meetings are conducted in the Napa County Board of Supervisors Chambers, 1195 Third Street, 3rd Floor, Napa, California, and agendas, staff reports, and meeting materials are posted in advance on the Commission's website for public access.

SPHERE OF INFLUENCE UPDATES AND LAFCO POLICY

A sphere of influence ("SOI") may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH and, in some cases, further refined by the Commission's own guidelines. Pursuant to Government Code Section 56430, the Commission must first conduct a municipal service review prior to updating or amending a SOI.

From time-to-time, an SOI may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH, and in some cases, further refined by a Commission's own guidelines. Pursuant to Government Code Section 56430, a commission must first conduct a municipal service review prior to updating or amending a SOI.

The Commission adopted a "Policy on Spheres of Influence" on June 7, 2021 and most recently amended on February 2, 2026, which provides a timeline and framework for SOI updates and the completion of MSRs. In updating spheres of influence, the Commission's general policies are as follows:

- The Commission will review all spheres of influence at least once every five years for governmental agencies providing municipal services, consistent with Government Code Section 56425(g).
- Spheres of influence should reflect existing and planned service capacities of affected agencies, including the adequacy of public facilities and services and adopted plans to address service deficiencies.
- In reviewing spheres of influence, the Commission considers land use factors such as consistency with the Napa County General Plan and the general plans of affected cities and towns, the amount of vacant or underdeveloped land within existing SOIs, and policies that promote infill development and protect agricultural and open-space lands.

METHODOLOGY

RSG worked with Napa LAFCO staff throughout this MSR. Key tasks and activities in completing this MSR include data collection, interviews with City staff, City and District profile development, determination analysis, public review of MSR, and the adoption of the final MSR.

City staff were initially cooperative and responsive to RSG's information requests and demonstrated a willingness to collaborate during the early stages of the MSR process. However, as the process progressed, responsiveness declined, which resulted in delays and limited access to certain requested materials. These challenges appear to be attributable in part to structural constraints within the organization, including reliance on part-time or contract personnel and limited institutional continuity.

Despite follow-up efforts, some documentation related to the Sewer District's operations and governance structure was not made available prior to completion of this report. As a result, RSG's evaluation of the Sewer District function is based on the information that was obtainable at the time of analysis.

DATA COLLECTION

To fully understand key factors and current issues involving St. Helena, RSG conducted an initial working session with Napa LAFCO staff to determine the project scope and formalize overall MSR objectives, schedules, policy and fiscal criteria, service standards, and roles and responsibilities.

The MSR began with a complete and thorough review of available data and documents, including adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, management plans, and fee schedules. These documents were assessed to develop a comprehensive overview of each cemetery district. In addition, various reports and documents were utilized from the California State Controller's Office, the Census Bureau, Napa LAFCO, and ESRI Business Analyst.

RSG reviewed the City of St. Helena annual audited financial statements for Fiscal Years ("FY") 2020 through 2024 (where available) to evaluate historical operating revenues and expenditures. RSG analyzed this data to assess the fiscal health of the City, including revenue and expenditure trends. Supplemental information reviewed included fee schedules, CalPERS actuarial reports, and property tax revenue data.

INTERVIEWS

In coordination with Napa LAFCO in August 2025, RSG met virtually with executive leadership, This interview allowed RSG to gain insight into the agencies' current operations and any unique challenges.

The content of the interview included the following topics:

- Financing constraints and opportunities
- Growth and population projections
- Infrastructure needs or deficiencies
- Cost avoidance opportunities
- Opportunities for rate restructuring regarding services provided
- Opportunities for shared facilities with other cities or agencies
- Government structure options, including advantages or disadvantages of consolidation or reorganization of service providers
- Evaluation of management efficiencies
- Local accountability and governance, specifically the structures in place to support public engagement and participation

ADMINISTRATIVE AND AGENCY REVIEW

Using the data and information collected from publicly available sources and interviews with City staff, RSG developed this MSR consistent with statute and Napa LAFCO policy. This involves dissemination of an administrative draft MSR to City staff for review and comment prior to completion of a public draft MSR that will be made available for public review. LAFCO staff will review and address any comments received on the draft MSR and incorporate any final comments or corrections into a final MSR to be adopted by the Commission at a future meeting.

AGENCY INFORMATION

St. Helena is among the less populated areas of the County, yet accounts for a relatively high percentage of business activity.

One of five incorporated cities in Napa County, St. Helena has a population of approximately 5,160 residents (or 3.7 percent of the County total), according to the State Department of Finance January 2025 population estimates as revised May 1, 2025. The City's population is roughly the same as Calistoga (5,349 residents) to the north, and larger than that County's smallest city (Town of Yountville, population 2,638), to the south. Napa County itself has a population of 136,124 residents, 22,845 live in unincorporated areas and the balance in one of the five cities, with most residents living in the southernmost incorporated cities of Napa and American Canyon.

St. Helena has long served as the commercial and cultural center of the Valley's northern communities. According to the commercial real estate service Costar, St. Helena has approximately 1.7 million square feet of commercial real estate (5.5 percent of the total 30.5 million square feet reportedly in Napa County), including industrial, retail, and office uses, which is more than double the total of Calistoga and Yountville combined.

According to the US Census Bureau's American Community Survey 5-Year Estimates as of 2023, the local civilian workforce is 2,849 persons (3.9 percent of the County total), of which 4.4 percent were unemployed, which is slightly higher than the reported unemployment rate of the County of approximately 3.7 percent. The California Employment Development Department reports that as of 2026, three St. Helena businesses are among the major employers in the County: Adventist Health St Helena (hospital) and two wineries (Sutter Home Winery and Trinchero Family Estates).

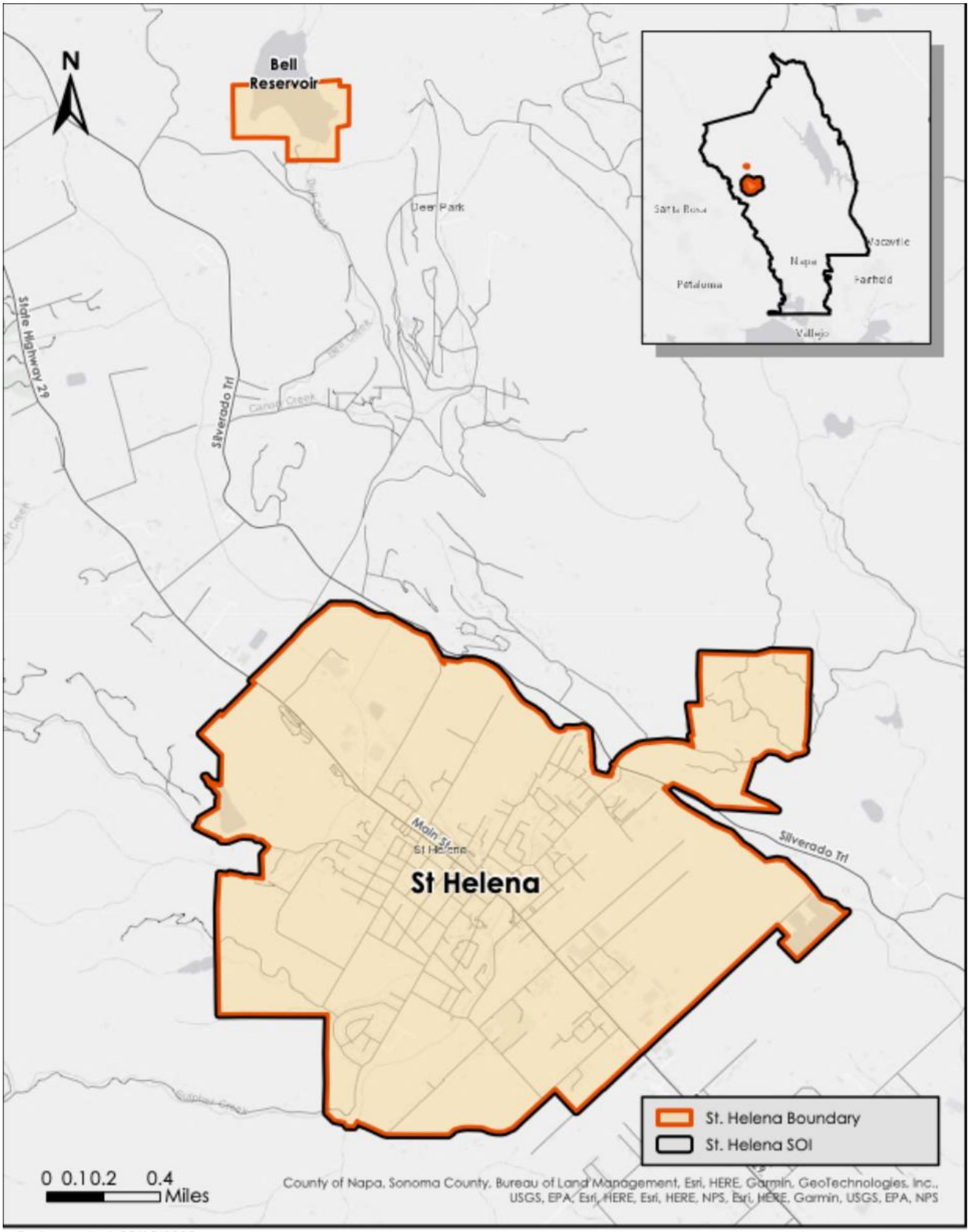
JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE

The City's corporate boundary encompasses approximately 4.9 square miles along State Route 29 in northern Napa Valley. Surrounding unincorporated areas are primarily designated for agriculture and open space under Napa County's General Plan and Agricultural Preserve. These Agricultural Preserve parcels on the periphery limit opportunity for SOI expansion.

The City's Sphere of Influence is coterminous with the 4.9 square mile incorporated area of the City. However, the SOI excludes an approximately 95-acre detached incorporated area that includes a portion of the City's Bell Canyon Reservoir located outside the main City limits.

Figure 1 shows the City's jurisdictional boundary and SOI as of June 2025. The Commission last adopted a comprehensive SOI update for the City in 2008. A map dated August 14, 2013, prepared by LAFCO staff, provides the current depiction of the City's boundary and SOI. In 2017, Napa LAFCO initiated a new MSR and SOI review for St. Helena, but the process was indefinitely delayed at the City's request. No subsequent amendments have been adopted.

Figure 1: City of St. Helena Boundary with Sphere of Influence



Date created: 05/15/2025

Map created by: RSG

DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN SOI

RSG confirmed that based on Napa LAFCO's adopted policies and review of American Community Survey 2018–2022 five-year estimates, no Disadvantaged Unincorporated Communities ("DUCs") have been identified within or contiguous to the City's Sphere of Influence.

St. Helena's Sphere of Influence is generally coterminous with the City limits, with the exception of the Bell Reservoir area, which contains no residential uses. As such, there are no populated unincorporated communities within the current SOI and, therefore, no disadvantaged unincorporated communities.

Surrounding unincorporated lands are primarily designated as Agricultural Preserve and do not meet statutory income thresholds for DUC designation.

CITY'S INTEREST IN FUTURE SOI EXPANSION AND ANNEXATION

As part of the process to prepare this MSR, RSG met with City staff on November 5, 2025, to collect insights into the City's services, fiscal situation, and future plans. As noted earlier, much of the City limits and current SOI are surrounded by protected agricultural areas that are not suitable for urban development.

During these discussions, City staff noted that several developed areas located outside the City limits currently receive some combination of municipal services from the City, including water, wastewater or emergency response services. Staff identified three areas where service relationships occur: the Meadowood resort property, the Madrone Knoll residential neighborhood, and the commercial corridor located along Highway 29, south of City limits. According to City staff, these areas are located adjacent to the City and have established service connections with City infrastructure. Additionally, these areas are all located outside the City's Urban Limit Line, as described in their General Plan, and outside the City's corporate boundary.

City staff indicated that the City may be interested in evaluating whether these areas could be considered in future discussions regarding the City's Sphere of Influence or potential annexation. While the scope of this MSR does not entail consideration of changes to the St. Helena SOI, LAFCO may consider the City's desire to expand boundaries, taking into consideration the information contained in this MSR regarding the City's ability to serve and the appropriateness of any expansion of the city limits.

HISTORY

The area now known as St. Helena[1] was originally home to the Wappo people, a Yukian-speaking group who were the region's earliest inhabitants. The local Callajomanes tribelet village, known as Annakotanoma or Anakanoma, was situated near the confluence of Sulphur Creek and the Napa River. Euro-American settlement began in the mid-19th century, including early settlers such as John York and David Hudson. A significant early landholder was Dr. Edward Turner Bale, a British surgeon who became a Mexican citizen and received a Mexican land grant of approximately 17,962 acres in Napa Valley in 1843. Following his death, portions of the Bale estate were subdivided and sold, contributing to the early commercial formation of the community.

The arrival of the railroad in 1868 established St. Helena as an important shipping hub for agricultural and mining products. During the 1860s, vineyards were planted and winemaking operations began to flourish, laying the foundation for what would become one of the world's premier wine-producing regions. By 1886, the population had grown to approximately 1,800 residents, reflecting continued immigration and economic expansion.

Historically, St. Helena functioned as the primary commercial center for central Napa Valley, serving surrounding communities including Howell Mountain, Pope Valley, Rutherford, and Oakville. Residents traveled into town for essential goods and services, education, civic meetings, religious services, and social activities. The City incorporated on March 24, 1876. The City's early identity was shaped not only by agriculture and commerce, but also by a strong sense of community and civic engagement.

Today, three blocks of downtown St. Helena are listed as a National Historic District on the National Register of Historic Places. The City has maintained a longstanding commitment to agricultural land preservation, helping retain its rural character while supporting a globally recognized wine industry. St. Helena continues to reflect its historic roots as a small town with deep traditions of community, hospitality, and agricultural stewardship.

DEMOGRAPICS AND LAND USES

St. Helena encompasses approximately five square miles and includes residential neighborhoods, a historic downtown commercial district, agricultural lands, and hospitality-related uses associated with the wine industry. While the City has experienced modest population decline in recent years, regional forecasts anticipate growth over the next two decades that may offset this trend. The City itself is a relatively built out community, with a population characterized by older and higher-income households.

[1] City of St. Helena history is sourced from the St. Helena public website

POPULATION

According to the January 2025 population estimates, the California Department of Finance ("DOF") reports that the total population of the City of St. is 5,160. Unlike the County which has generally had little population change since the 2010 Census, the DOF reports that St. Helena's population in 2010 was 5,814, equal to an annual average population decrease of 0.8 percent.

Despite the recent drop in residents, the Association of Bay Area Governments projects that St. Helena's population may grow modestly over the next 15 years. The population is projected to increase to about 6,535 by 2030 and 6,665 by 2040, with faster growth through 2029 and slower growth thereafter. By 2040, the City's population would be 29 percent greater than the January 2025 population, but less than 15 percent greater than the City's 2010 population. Thus, much of the projected growth would be making up for the population decreases in recent years.

Figure 2 provides a snapshot of population and household data for St. Helena and Napa County for context. The City covers about 5 square miles with a population density of 1,053 people per square mile. Additionally, the City has 2,891 housing units, averaging 1.85 persons per unit. The median household income is $148,750.

Figure 2: City of St. Helena Demographic Profile

	St Helena	Napa County
Population as of 2010	5,814	136,484
Population as of 2025	5,160	136,124
Annual Pop. Growth Since 2010	-0.8%	0.0%
Total Housing Units	2,891	55,601
Persons/Housing Unit	1.78	2.45
Land Area (Sq Miles)	5	748
Persons/Square Mile	1,016	182
Median Household Income	$148,750	$111,471
Projected Population in 2030	6,535	152,000
Annual Proj. Growth 2025-2029	4.84%	2.23%
Projected Population in 2040	6,665	158,100
Annual Proj. Growth 2025-2040	1.72%	1.00%

Sources: California Department of Finance (DOF), Demographic Research Unit Population and Housing Estimates, January 2025; U.S. Census Bureau American Community Survey 5-Year Estimates (Median Household Income); Association of Bay Area Governments (ABAG) Regional Growth Forecasts for

AGE DISTRIBUTION AND INCOME

RSG analyzed household data from ESRI Business Analyst for the City and County and provides a comparative analysis of these data in Figure 3. In short, relative to the County, St. Helena is generally older and wealthier.

According to ESRI, the City of St. Helena has a median age of 48.9 years, which is notably higher than Napa County's median age of 42.8 years, reflecting a relatively older population profile within the City. This demographic pattern is consistent with St. Helena's higher proportion of senior residents, and translates to lower average household sizes. According to ESRI, St. Helena has a total of 2,341 households and has an average household size of 2.25 persons per unit. By contrast, the County's average household size is 2.63 persons per unit.

The median household income in St. Helena is $148,750, which is approximately 36 percent higher than Napa County's median household income of $111,471. Furthermore, the City of St. Helena has a poverty rate of approximately 5 percent, which is lower than Napa County's poverty rate of approximately 8.4 percent.

Figure 3: City of St. Helena Household and Income Characteristics

Indicator	City of St. Helena	Napa County
Median Age	48.9 years	42.8 years
Median Household I	$148,750	$111,471
Households	2,341	49,663
Average Household	2.25	2.63
Poverty Rate	5%	~8.4%

Source: U.S. Census Bureau, American Community Survey 2018–2022

LAND USE PROFILE

Single-family housing is the predominant residential building type in St. Helena, representing approximately 77.8 percent of the City's 2,963 housing units according to the U.S. Census Bureau's 2018–2022 American Community Survey Approximately 51 housing units, or about 1.7 percent of the City's 2,963 housing units, have been constructed since 2010.

According to CoStar, commercial space in St. Helena is primarily industrial, retail, and office, with these land uses totaling around 92 percent of the aggregate commercial area. Industrial space represents the largest commercial use, making up approximately 39 percent of the commercial building area in St. Helena. Costar also reports only one commercial development is under construction within the City limits, a 3,600-square foot building at 61 Main Street.

Despite being surrounded by agricultural properties including some within the Napa County Agricultural Preserve, per the California Department of Conservation, Napa County did not report any parcels enrolled under the Williamson Act as prime agriculture land within the City's SOI. RSG did not identify any designated open space land within the SOI.

General Plan

The City of St. Helena City Council adopted its current General Plan in 2019 to guide long-term planning and development through the year 2040. Pursuant to Government Code Section 65300, all cities in California are required to maintain a comprehensive general plan to inform decision-making regarding land use, circulation, housing, conservation, open space, safety, and infrastructure. St. Helena's General Plan 2040 reflects the community's longstanding commitment to preserving its small-town character, agricultural heritage, and environmental resources while accommodating state-mandated housing growth and evolving community needs.

The General Plan prioritizes managed and limited growth within the City's established Urban Limit Line (ULL). The ULL generally aligns with, and in some areas is smaller than, the City limits and Sphere of Influence (SOI), reinforcing policies that direct growth toward infill and redevelopment rather than outward expansion into surrounding agricultural lands.

Consistent with other jurisdictions and the Napa County's Agricultural Preserve, St. Helena maintains strong policies protecting surrounding agricultural lands and open space. Thus, rather than sprawl, the General Plan emphasizes compatibility with existing neighborhoods, preservation of historic resources, and context-sensitive development, particularly within the downtown core.

Infrastructure planning under the General Plan focuses on maintaining reliable water and wastewater services, addressing deferred maintenance in streets and storm drainage systems, and enhancing long-term resiliency in response to drought, wildfire, and climate change risks. The Plan also promotes multimodal transportation improvements, pedestrian connectivity, and continued investment in public facilities to ensure that future development is supported by adequate public services. Overall, St. Helena's General Plan 2040 advances a growth management framework that balances housing obligations and economic vitality with environmental stewardship, agricultural preservation, and the maintenance of community charact

Housing Element

The Housing Element is one of the seven (7) mandated elements when composing the General Plan as identified under Government Code Section 65302(c). This section is used to address the existing and projected housing needs of the community. The section also identifies constraints and available sites for residential development, and establishes goals, policies, and implementation programs to ensure the City can accommodate its share of regional housing growth across all income levels.

In addition to preparing a Housing Element, cities in California are required to prepare an Annual Progress Report ("APR") pursuant to Government Code 65584 that documents the issuance of building permits, progress towards state-assigned housing targets, and implementation of Housing Element programs.[2] These housing targets are established through the Regional Housing Needs Allocation ("RHNA"), a process that distributes each jurisdiction's share of the region's projected housing demand across all income levels.

The City adopted their current Housing Element on May 9th 2023, and it was certified by the State Department of Housing and Community Development ("HCD") on September 25th 2023. HCD maintains a website that tracks the production targets and progress on fulfillment of housing element goals. According to HCD, for the 2023–2031 (6th Cycle) Housing Element period, the City of St. Helena has been assigned a total RHNA obligation of 256 units, including 104 very low-income units, 59 low-income units, 26 moderate-income units, and 67

[2] The Housing Element program outlines actions to facilitate housing production, remove constraints, and meet RHNA obligations.

above moderate-income units. The City's 256 units share is equal to 7 percent of the 3814 unit RHNA production goal within Napa County for the 6th Cycle.

HCD also receives from each agency by April 1 their annual progress reports on fulfillment of RHNA goals. As of the most recent data available for the current cycle (through the year ending June 30 2024, the City's Annual Progress Reports posted indicate that the City has permitted 24 units, representing approximately 9.4 percent of its total RHNA obligation. Production has been concentrated in the above-moderate income category, where 31.3 percent of the allocation has been attained, while progress in the lower-income categories remains limited.

Please see Figure 4 below for a summary of St. Helena's RHNA allocations.

Figure 4: City of St. Helena 2023-2031 RHNA Allocation and Progress

Jurisdiction	City of Saint Helena	Napa County
RHNA Allocation	256	3814
Permits Issued	24	814
% Attained	9%	21%

California Department of Housing and Community Development (HCD)

MUNICIPAL SERVICES AND REVIEW

This section of the MSR reviews how the City of St. Helena provides municipal services and includes an operational and fiscal overview of the City. The City operates as a full-service city, providing most municipal services within its jurisdictional boundaries, and in limited circumstances, outside its corporate boundaries.

While the City maintains primary responsibility for service delivery, it coordinates with Napa County and other regional agencies where appropriate to support efficient operations and regulatory compliance. Utility services, public safety functions, infrastructure maintenance, and administrative services are largely administered by City staff, consistent with its full-service designation. Other agencies that provide municipal services include two electrical utilities that serve St. Helena (MCE Clean Energy and Pacific Gas and Electric Company), as well as the Napa County Mosquito Abatement District, an independent special district.

FORM OF GOVERNMENT

The City of St. Helena ("St. Helena" or "City") is an incorporated general law city that operates under a Council-Manager form of government. The City Council consists of five members elected at-large to serve staggered four-year terms. The Mayor is directly elected by voters and serves a two-year term. The most recent City Council election was held in November 2024, and the next municipal election is in November 2026. The most recent City Council election was held in November 2024, and the next municipal election is in November 2026.

The City Council is responsible for establishing city policies, adopting ordinances, and providing overall legislative direction. The City Council also serves as the governing body for the Successor Agency to the former Redevelopment Agency.

COMMUNITY ENGAGEMENT IN GOVERNANCE

The City Council appoints volunteers to various Boards and Commissions, which according to the City's website includes the following:

- Active Transportation Advisory Committee to Napa Valley Transportation Authority
- Active Transportation and Sustainability Committee
- Finance Committee
- Library Board of Trustees
- Measure H Oversight Committee
- Parks and Recreation Commission
- Water and Wastewater Advisory Committee

The City of St. Helena engages the community through a variety of programs and outreach efforts. It operates a six-week Community Academy, offered through the City's website, to educate residents about city operations and encourage participation.

The City also conducts surveys and uses platforms such as FlashVote to gather feedback. St. Helena hosts public study sessions, budget workshops, and forums on key issues like water, housing, and infrastructure.

In addition, the City provides regular newsletters, social media updates, and open City Council meetings to promote transparency, while offering volunteer opportunities and library programs that strengthen direct involvement and collaboration with residents.

ORGANIZATIONAL COMPOSITION

The City Council also appoints a City Manager who is responsible for overseeing the day-to-day administrative operations of the City and implementing Council policies and directives. The City Council also appoints the City Attorney.

According to the City's current two-year budget, the City of St. Helena organizes its operations across the following six departments:

1. Administrative Services Department, consisting of the Finance, Human Resources, and Utility Billing Services Divisions
2. Community Development Department including the Building and Planning Divisions
3. Community Services Department, which oversees Arts, Culture, Library, Parks and Recreation, Grants, and Community Engagement
4. St. Helena Fire Department
5. St. Helena Police Department
6. Public Works Department, which oversees City infrastructure and facilities, including the City's water and wastewater enterprises.

The City Manager appoints department heads and key staff, including the Police Chief, Fire Chief, Administrative Services Director, Community Development Director, and Public Works Director. These Departments provide services through a combination of full- and part-time staff, as well as contract service agreements, which we discuss starting on page 24 of this MSR.

The City authorized approximately 90.95 full-time equivalent staff across all departments, including 12.95 full-time equivalent part-time positions. As of the date of this MSR, staffing vacancies include chief plant operator for the wastewater treatment plant, assistant planner, and two police officers. Current frozen positions include assistant city manager, city clerk, lead maintenance worker, and two library associates. St. Helena is a self-administered city that provides most municipal services in-house, including police, fire, water and wastewater utilities, library, public works, and planning services, rather than outsourcing these functions to external agencies.

EXTERRITORIAL SERVICES

The City's exclusively serves properties within the city limits, with some exceptions.

- Water Services Outside City Limits: The City of St. Helena provides extraterritorial water services through contracts and public safety services through mutual aid to some adjacent unincorporated areas. According to a map provided by Napa LAFCO, the City provides water service to approximately 331 connections outside the city boundary, largely along State Route 29, established through historical agreements predating LAFCO's authority under Government Code Section 56133. These connections are primarily concentrated in agricultural areas south of the City near Zinfandel Lane and Highway 29 (approximately 220 connections), with smaller clusters located near Pratt Avenue (approximately 51 connections), Lodi Lane (21 connections), Deer Park Road (17 connections), Bell Reservoir (13 connections), and Howell Mountain Road (9 connections). Notable examples include the Meadowood Resort and various winery parcels. While these legacy agreements remain active, St. Helena's Municipal Code prohibits new extraterritorial water connections except under limited circumstances (e.g., for emergency fire protection).

  RSG reviews the City's water services beginning on page 35 of this MSR.

- Wastewater Services: The City does not provide wastewater service outside its incorporated limits, however in 2025, the City and LAFCO began informal discussion on the potential to extend the City's wastewater services, though the City's St. Helena Municipal Services District, to the Highway 29/Zinfandel Lane corridor south of the City limits. This unincorporated area contains existing commercial, institutional, and residential uses that rely on local septic systems. On June 6, 2025, Napa County Environmental Health, in a communication with Napa LAFCO, has reported concerns with septic system performance and groundwater quality in the vicinity.

  The St. Helena Municipal Sewer District, was formed prior to the creation of LAFCO in 1963, with ordinances referencing the District dating back to 1955. The District remains in existence as a separate legal entity. In the 2020 Countywide Water and Wastewater MSR, Napa LAFCO determined that the District no longer provided a benefit to City operations and recommended its dissolution, with all functions to be absorbed by the City.

- Other Services: While not technically extraterritorial services provided by City, St. Helena does provide public safety services outside the city limits as is common under mutual aid agreements as described below.

  - As is common for public safety services, law enforcement response in surrounding areas is governed by mutual aid agreements between the City, the County, and other agencies to ensure that the nearest agency responds to calls for service.

- Napa County maintains a **fire services** agreement with the City of St. Helena allowing the City's Fire Department to respond to incidents in nearby unincorporated areas when it can provide the closest available response. The City does not serve as the primary fire protection provider for the surrounding unincorporated areas, which remain under the jurisdiction of Napa County Fire.

Any future extraterritorial service extensions require Napa LAFCO approval in accordance with its adopted Outside Service Agreement Policy, ensuring consistency with regional growth and service planning objectives.

MUNICIPAL SERVICES WITHIN ST. HELENA

This section of the Municipal Service Review evaluates the City's municipal services. The analysis considers available resources, infrastructure capacity, service demands, and operational performance to assess the adequacy and efficiency of service delivery within the City's jurisdiction and Sphere of Influence.

LAW ENFORCEMENT

The City of St. Helena provides law enforcement services through the St. Helena Police Department (SHPD), which is responsible for patrol, investigations, traffic enforcement, crime prevention, and emergency response within the city limits. The Department operates from its headquarters at City Hall (1088 College Avenue), following relocation from its former facility on Main Street in 2023, and is led by a Chief of Police appointed by the City Manager.

According to the City's Annual Consolidated Financial Report ("ACFR") for the year ending June 30, 2024, the Police Department has a total of 18 sworn and civilian employees, which is the highest level in the preceding 10 years.

The Department also participates in regional mutual aid agreements, which provide additional resources during emergencies or periods of increased service demand.

Shared Services: Calistoga Dispatch Shared Service

Recently, the Police Department ceased in-house dispatch and 911 services. Police dispatch and emergency communications services are now provided through a formal **shared services agreement** with the City of Calistoga. The St. Helena City Council approved this agreement on April 22, 2025, authorizing Calistoga to provide all police dispatch and 911 services for an estimated annual cost of approximately $716,371, funded by the General Fund. The agreement has a three-year term effective July 1, 2025 through June 30, 2028, with options for renewal. This arrangement was implemented after the City's former Public Safety Answering Point lost its certification and was unable to obtain recertification, requiring the City to secure an alternative dispatch provider. Under the agreement, Calistoga provides dispatch personnel, facilities, equipment, and communications systems to support 24-hour emergency response services. This shared service model allows the City to maintain continuous dispatch capability without operating its own certified dispatch center.

Infrastructure, Equipment & Facilities

The Police Department is located at City Hall where it houses administrative offices, evidence storage, and patrol operations. According to City budget documents, St. Helena relocated both the Police Department and former City Hall to 1088 College Avenue through a lease with Napa Valley College, where the City may explore either the purchase or long term lease of the property, while at the same time, freeing up former public property for economic development purposes.

From the current location, the Police Department maintains patrol vehicles, communications systems, and standard law enforcement equipment necessary to support daily operations and emergency response.

Based on publicly available information and staff interviews, the Police Department employs a total of 18 positions, including sworn officers supported by administrative personnel and reserve officers, consistent with staffing structures typical of similarly sized jurisdictions. Compared to the nearby City of Calistoga[3], which has a population roughly comparable to St. Helena and its own police department, both departments have the same number of sworn positions (14). As for St. Helena, RSG does note that despite the significant drop in City population, the number of Police Department personnel has remained relatively constant over the past 10 years.

Existing Demands and Capacity

The St. Helena Police Department provides law enforcement services to approximately 5,160 residents, in addition to the local workforce and visitors who travel to the City. The ACFR reported for the 12-month period ending June 30, 2024, the Police Department made 268 arrests, which was the lowest number since 2020, and issued 3,059 traffic violations, which was nearly 3 times the volume of violations in the prior year and well above recent history[4].

Public safety services represent a significant municipal function. According to the City's FY 2023-24 Annual Comprehensive Financial Report, public safety accounted for approximately 23 percent of total governmental expenditures.

In interviews with RSG representatives, City staff indicated that current staffing levels, facilities, and equipment are sufficient to meet existing service demands. However, staff noted that recruitment and retention of sworn personnel remains an ongoing challenge due to competition from larger agencies and the high cost of living in the region. Despite these

[3] City of Calistoga Annual Budget, page 51
[4] June 30, 2024 ACFR, page 153

challenges, the Department continues to maintain staffing levels sufficient to provide service coverage.

Future Demands and Capacity

Future demand for law enforcement services is expected to remain relatively stable, as the City is largely built out and population growth is projected to be modest.

However, according to the City's ACFR, public safety services represent one of the City's largest and fastest-growing expenditure categories, and maintaining adequate staffing and service levels will continue to be a significant financial commitment. Personnel costs, including salaries, benefits, and pension obligations, represent the majority of police department expenditures and are subject to ongoing inflationary and labor market pressures.

City staff indicated that recruitment and retention of sworn personnel remains challenging due to regional competition and the high cost of living, which may increase staffing costs over time. This reality puts pressure on the City's General Fund and the strength of the local tax base to support future cost increase, even if growth itself does not yield substantial impacts on Police Department services.

Finally, it is not yet known how the dispatch services agreement with Calistoga may change in the future, as the current agreement expires in 2028. While RSG believes that the dispatch services agreement would be expected to remain cost-effective, the two cities will need to negotiate terms in the near future to assure this remains the case.

FIRE PROTECTION, EMERGENCY MEDICAL, AND AMBULANCE TRANSPORTATION

The City of St. Helena provides fire protection, emergency medical response, and fire prevention services through the St. Helena Fire Department. The Department operates one fire station (Station 17, located at 1500 Main Street), which is staffed 24 hours per day and provides Basic Life Support emergency medical services, with Advanced Life Support transport provided by regional ambulance providers. Fire protection services are supplemented through automatic aid agreements with Napa County Fire Department and CAL FIRE, which provide coordinated regional response.

In recent years, the City has pivoted from a volunteer fire department to a career department. According to the ACFR, the Fire Department had a total of 14 full-time equivalent (consisting of full and part time) positions within the Department for the year ending June 30, 2024. By comparison, the Fire Department operated with only two personnel in 2015. This shift understandably was a primary reason for the increase in public safety (primarily Police and Fire) expenditures over that time period. In fiscal year 2014-15, the City's public safety expenditures were $3.8 million, but increased to nearly $7.0 million in fiscal year 2023-24, according to the ACFR.

As described on page 24, the City contracts dispatch services with the City of Calistoga under a shard services agreement.

Infrastructure, Equipment & Facilities

The St. Helena Fire Department operates one engine from a single fire station that houses personnel, firefighting apparatus, and emergency response equipment. According to the City's website and confirmed by City staff interviews, the Department utilizes a combination staffing model consisting of six full-time firefighters, approximately 18 part-time firefighters, a full-time Fire Chief, and a Fire Inspector. The station is staffed with a minimum of three personnel on duty at all times to provide continuous emergency response coverage.

Fire protection services are supplemented through a long-standing automatic aid agreement with Napa County Fire Department, including nearby Station 26 operated by CAL FIRE just outside the city boundary. Dispatch services are coordinated through the regional emergency communications system, allowing seamless coordination between responding agencies.

According to City staff, fire inspection and plan review services are supplemented through contract providers to assist with development review and fire code compliance activities.

The Fire Department also conducts fire prevention activities, including defensible space inspections, fire code enforcement, and public education programs, to mitigate fire risk throughout the community.

Existing Demands and Capacity

According to the ACFR for the year ending June 30, 2024, the St. Helena Fire Department responded to 939 fire/emergency calls for service in that year, which was generally in line with recent history. Over the prior 10 years, fire/emergency responses ranged between 763 (FY 2014-15) to a high of 1,003 (2020-21). Over that same period, the Fire Department extinguished between 23 (2017-18) and 44 (2022-23) fires, with the most recent FY 2023-24 data indicating that the Fire Department extinguished 38 fires.

Fire protection demand in St. Helena is significantly influenced by the City's location within a Very High Fire Hazard Severity Zone, which presents an elevated risk of wildfire. While the Department does not operate a dedicated wildland fire engine, it participates in vegetation management and fuel reduction efforts in coordination with Napa County and CAL FIRE. The City also participates in the Napa County Community Wildfire Protection Plan, which supports regional wildfire preparedness and risk mitigation.

Recent wildfire events have demonstrated the importance of regional coordination. In June 2024, the Crystal Fire burned approximately 60 acres near Crystal Springs Road in unincorporated Deer Park just outside the city limits and required a multi-agency response involving CAL FIRE, Napa County Fire Department, and St. Helena Fire Department. Similarly, the 2020 Glass Fire burned more than 67,000 acres across Napa and Sonoma counties, prompting evacuations and impacting emergency response resources serving the St. Helena area.

According to City staff, the Department's combination staffing model and automatic aid agreements provide sufficient capacity to respond to structural fire and medical incidents under current conditions. Regional coordination ensures continuity of service during larger or simultaneous incidents. Still, the City is not immune to increasing wildfire risk and cost escalation with the conversion to a career department.

Future Demands and Capacity

Future demand for fire protection services in St. Helena is expected to be driven primarily by wildfire risk, aging infrastructure, and ongoing emergency service needs rather than substantial population growth. Continued wildfire risk associated with climate conditions and surrounding open space areas will require ongoing coordination with Napa County and CAL FIRE.

According to City staff, the City is currently evaluating long-term funding strategies to support fire protection services, including consideration of potential revenue measures such as a parcel tax. Fiscal constraints and rising operational costs have created ongoing challenges for maintaining service levels.

According to City staff, the City does not currently maintain a formal fire department strategic plan or master plan. The absence of a long-range planning document may limit the City's ability to systematically plan for future staffing, apparatus replacement, capital improvements, and service level needs. RSG believes the Fire Department should also update its retirement cost forecasts to ensure that the new personnel added with conversion to career firefighters are appropriately considered in pension and other post-retirement employment benefits.

Continued financial planning, capital investment, and regional coordination will be important to maintain fire protection service levels and ensure long-term emergency response reliability.

ANIMAL CONTROL

Animal control services in the City of St. Helena are coordinated through the St. Helena Police Department. These services include responding to animal-related complaints, animal cruelty investigations, animal bite investigations, and the handling of stray or injured animals within the City.

The City previously contracted with Napa County Animal Services for animal control and shelter services. In 2015, the City discontinued that contract due to its increasing costs and service concerns. The police department subsequently assumed responsibility for animal control functions.

In May 2024, the City Council approved an agreement with We Care Animal Rescue to provide animal shelter and adoption services for animals recovered within the City. Under this agreement, We Care Animal Rescue operates the animal shelter located at 1345 Charter Oak Avenue in St. Helena and provides sheltering, care, and adoption services for impounded animals. The agreement has an annual cost of $8,000 and is funded through the police department budget.

Existing and Future Demands and Capacity

Demand for animal control services in St. Helena is generally associated with routine public safety and animal welfare concerns, including stray animals, injured animals, and animal bite incidents. The City's current service structure, which combines Police Department response with contracted shelter and adoption services through a local nonprofit organization, provides access to animal housing and care without requiring the City to operate and maintain its own shelter facility. Based on available information, the current arrangement appears adequate to meet existing service demands and is expected to continue meeting foreseeable needs.

PARKS AND RECREATION

The City of St. Helena Community Services Department manages the City's public parks, recreational facilities, and trail network within its jurisdictional boundary. The City currently maintains ten (10) parks, inclusive of community parks, neighborhood parks, and special-purpose facilities, along with several indoor community spaces and an expanding network of trails. These facilities support both passive and active recreation opportunities for residents and visitors.

According to the City's 2023-24 ACFR, the Park and Recreation Department expenditures totaled approximately $1.3 million, which is an increase from prior years due to increased community activities and moving a full-time position from the Administration Department to Parks and Recreation. The amount St. Helena spends on Parks and Recreation, including services and maintenance, is roughly comparable the nearby and similarly sized city of Calistoga (exclusive of the Calistoga Fairgrounds).

In 2008, the City adopted a Parks Business and Strategic Action Plan, which identified system needs, established service priorities, and outlined a financial strategy for future park investments. Building upon that foundation, the City initiated a comprehensive Parks, Recreation & Trails Master Plan in early 2025, scheduled for completion by Winter 2026. The Master Plan is intended to guide equitable access, facility maintenance, program development, and long-term system expansion.

Infrastructure, Equipment & Facilities

The City maintains 11 key park assets that range in size, use, and level of amenity. Figure 5 presents an inventory of the City's community parks, which range from less than one (1) acre to approximately 11 acres in size.

Crane Park, approximately 11 acres in size, serves as the City's primary community park and includes tennis courts, bocce courts, a baseball field, playground facilities, and community event space. Additional neighborhood and special-purpose parks provide open space, picnic areas, recreational amenities, and trail linkages.

In addition to outdoor facilities, the City manages several indoor community spaces that support recreational programming and community events. The City is currently conducting a Parks Condition Assessment and Prioritization Report to evaluate deferred maintenance needs and guide capital investment decisions. This assessment is intended to ensure that park assets are maintained at a high standard while strategically prioritizing rehabilitation and replacement needs.

Figure 5: City Parks and Recreational Facilities

Number	Park Name	Address	Size (Acres)	Attributes
1	Lewis Station	1113 Hunt Ave	0.1	Picnic Tables/Restrooms
2	Crane Park	360 Crane Ave	11.27	Baseball and Softball Fields/Picnic Areas/Playground/Restrooms/Tennis Courts/Volleyball Court
3	Jacob Meily	Pope Street	5.42	Picnic Tables/Playground/Restrooms/Walking Path
4	Lyman Park	1498 Main Street	0.89	Picnic Tables/Playground
5	Mary Fryer Park	1300 Mitchell Drive	0.84	Picnic Tables/Playground
6	Starr Baldwin Park	1591 Spring Street	0.76	Picnic Tables
7	Stone Bridge Park	Pope Street	0.75	Open Turf Area (No Amenities)
8	Wappo Park	201 Pope Street	5.32	Picnic Tables/Barbecue Facilities/Trails/Dog Park
9	Mennen Park	1649 Voorhees Circle	0.17	Picnic Tables
10	McCullagh Park	1758 Crinella Drive	0.14	Play Items, Seating
11	Hunt Ave. Lot	757 Hunt Ave	0.36	Open Turf Area (No Amenities)

Source: St. Helena Parks and Recreation

Existing and Future Demands and Capacity

Based on approximately 26.02 acres of parkland and a population of 5,160, the City provides approximately 5.04 acres of parkland per 1,000 residents. This metric provides a general indicator of parkland availability relative to the City's population. However, planning documents prepared by the City indicate that park system performance is influenced by factors beyond acreage alone, including park amenities, programming, maintenance capacity, and equitable distribution of facilities across the community.

The FY 2023–24 Capital Improvement Program (CIP) requested approximately $5.4 million for park-related projects, primarily allocated toward park amenity improvements, playground equipment replacement, and facility rehabilitation. Funding for planned improvements and ongoing maintenance is supported through a combination of City CIP allocations, Napa County Measure M parks sales tax revenues, grant funding, and user fees.

Although the City maintains a substantial inventory of parkland relative to its population, recent planning efforts indicate that additional investment is needed to address aging facilities and deferred maintenance. The Parks Condition Assessment and the forthcoming Parks, Recreation, and Trails Master Plan are intended to identify long-term maintenance needs, expand trail connectivity, and ensure equitable access to recreational amenities.

According to the draft Parks, Recreation, and Trails Master Plan Needs Assessment, several challenges remain within the park system. These include inconsistent investment in parks and programming across the City, limited amenities and park activation in several parks, and gaps in shade, seating, and recreational features. The assessment also notes that some playgrounds primarily serve younger children and that pedestrian paths within certain parks are inconsistent or in need of improvement.

Future demand for park and recreation services is expected to focus primarily on maintaining existing facilities, improving park amenities, and addressing deferred maintenance rather than significantly expanding park acreage. While ABAG projections indicate that the City's population could increase to over 6,600 residents by 2040, the City's parkland inventory is likely to remain sufficient to accommodate anticipated population growth. As the community's demographic profile continues to evolve, including an aging population, the forthcoming Master Plan will help guide future capital investments and programming to align with changing recreational needs. Overall, St. Helena appears to have adequate parkland relative to its population, though continued capital investment, maintenance, and amenity improvements will be necessary to maintain service quality and address identified system needs over time.

BUILDING, PLANNING AND ENGINEERING

St. Helena provides planning, building and engineering services through a combination of City staff and consultants. According to the ACFR for the period ending June 30, 2024, employment consists of 5 full-time equivalent positions. Based on information gathered from City staff directories and publicly available City documents, the City of St. Helena provides building and planning services through its Community Development Department, which includes staff such as a Community Development Director, Senior Planner, Assistant Planner, Chief Building Official, and permit technicians responsible for administering development review, permitting, inspections, and code enforcement. The City shared that they will retain outside planning consultants for specialized projects or peak workloads, as needed.

The Building Division provides plan review, inspections, and code compliance services with staff available during regular business hours. Planning staff are similarly available to assist with processing development applications and implementing the City's General Plan and zoning regulations.[5] Recently, the city has implemented paperless permitting (eTRAKiT) to further provide transparency during the permitting process

Existing Demands and Capacity

According to the FY 2023-24 ACFR, the number of building permits issued annually has varied over the past ten years, from a high of 688 (FY 2020-21) to a low of 434 (2022-23), with 492 permits issued in FY 2023-24. Total expenditures in 2023-24 were approximately $1.4 million, which was the highest level in the preceding ten years. While it is not unusual that the planning and building costs do not align with the number of building permits issued, the escalation of these costs may be an area of concern, particularly if charges for services do not keep pace. RSG noted that the ACFR for 2023-24 reported total Planning and Building revenues of approximately $159,000, or 11 percent of expenditures. RSG also notes that over the preceding three years, Planning and Building revenues consistently were similarly far short of annual costs: revenues were roughly 10 percent of expenditures in 2022-23, 8 percent in 2021-22, and 8 percent in 2020-21.

The City commissioned Willdan Financial Services to prepare the most recent (2023) Comprehensive User Fee Study, an effort that, according to City Council staff reports, began with the selection of the consultant in November 2015 and action by the City Council to increase and adjust several fees in October 2023. The cost allocation plan that was employed in that study was based on data for Fiscal Year 2019-20.

Therefore, for reasons including the increasing costs in recent years due to inflation felt by cities across California, as well as the passage of time, the City may wish to reconsider the timing of reviewing their fees to recover costs where appropriate for Planning and Building Services.

Future Demands and Capacity

Given the City's relatively small size and constrained growth outlook, development activity and associated permitting demands are generally moderate in scale. St. Helena is a small community of approximately 5,160 residents with limited projected growth. The City's 2040 General Plan estimates buildout of approximately 400 new dwelling units through the long-term planning horizon, while the City's RHNA target for the current 6th Round Housing Element Cycle calls for 256 units to be completed by 2031, although the City is not on pace to reach this 2031 target based on production thus far (see page 19 for more information on the City's progress on the current Housing Element).

[5] Source: City of St. Helena, Community Development Department, Planning and Building Division

Based on this information, the City's existing staffing structure and service delivery framework appear sufficient to accommodate current development levels. No significant service gaps or capacity constraints related to planning, building, or engineering services were identified through publicly available information.

PUBLIC WORKS (ROADS AND STREET MAINTENANCE)

The City of St. Helena is responsible for providing roadway and street maintenance services within its jurisdictional boundary. The City's Public Works Department oversees the design, construction, maintenance, and operation of essential infrastructure, including 4 public buildings, 30.3 miles of streets, and 536 street lights among other public infrastructure[6]. According to the ACFR, the quantity of these inventories have been generally constant over the past 10 years.

Storm drainage infrastructure consists of aging underground pipelines and open channels, many of which are estimated to be 50 to 70 years old. Portions of the system experience capacity limitations, particularly in downtown and other low-lying areas prone to localized flooding during heavy rain events. The City does not currently maintain a comprehensive Storm Drain Master Plan; however, storm drainage improvements are incorporated into roadway and capital improvement projects when feasible.

The City participates in the Metropolitan Transportation Commission's Pavement Technical Assistance Program ("P-TAP"), which supports pavement assessments approximately every two years. Assessment results are incorporated into the City's use of the StreetSaver pavement management system, enabling staff to prioritize cost-effective maintenance strategies.

Existing Demands and Capacity

Pavement conditions are evaluated using the Pavement Condition Index ("PCI"), a standardized rating system ranging from 0 to 100, with higher values indicating better pavement condition. The Public Works Department is responsible for routine roadway maintenance activities such as pothole repair, pavement rehabilitation, striping, signage replacement, and right-of-way upkeep. Historically, the City's roadway network experienced significant deterioration due to deferred maintenance and limited funding. In early 2023, the City's average Pavement Condition Index ("PCI") was 47, which falls within the "poor" classification. In response, the City Council allocated $500,000 in one-time reserve funding for pavement rehabilitation. By mid-2024, approximately 4.1 miles of pavement improvements were completed, raising the City's average PCI to 65 as of August 2024, moving the network into the "fair" classification. The improvement from a PCI of 47 to 65 reflects a measurable shift from reactive maintenance toward more proactive infrastructure management.

The City maintains a rolling five-year Local Streets and Roads Plan, which is regularly updated to align with pavement conditions and available funding. These planning tools, combined with

[6] ACFR for year ending June 30, 2024, page 154

participation in P-TAP and use of StreetSaver, provide a structured, data-driven framework for prioritizing roadway investments.

In addition to capital improvements, Public Works demonstrates operational responsiveness to maintenance demands. Following major winter storm events, the City implemented a focused pothole repair initiative, filling 87 potholes in a single week. Public Works crews also pre-clean and jet storm drains, identify critical inlets and manholes, sweep streets ahead of major storm events, monitor creek and Napa River water levels, stage pumps and barricades, and operate 24-hour sandbag distribution stations. During one recent storm event, the City distributed over 1,500 sandbags to residents and businesses. These efforts reflect active storm preparedness and response capacity.

Despite recent progress, storm drainage infrastructure remains an area of elevated need. Maintenance and improvements are funded through the general Public Works budget, as the City does not maintain a separate stormwater enterprise fund. Aging facilities and historic deferred maintenance continue to create ongoing reinvestment demands.

Future Demands and Capacity

Future demand for roadway and street maintenance services in St. Helena are expected to be driven primarily by asset preservation rather than roadway network expansion. For the foreseeable future, RSG does not expect the City's population to exceed peak levels from 2010 and there are no proposed commercial developments within the City's SOI that are of material size, so substantial expansion of the roadway network is not anticipated within the current planning horizon.

However, continued vehicular use, pavement aging, and weather exposure will incrementally increase maintenance demands over time. Sustaining the recent PCI improvements will require consistent reinvestment to prevent regression into the "poor" classification.

To guide future infrastructure investments, the City adopted a 2024–2028 Capital Improvement Program ("CIP") in September 2024, encompassing 106 distinct projects. Priority areas include continued pavement restoration, sidewalk gap closures, ADA-compliant curb ramp installations, utility system upgrades, and storm drain enhancements. Projects such as the Kearney Street and Madrona Avenue water main replacement reflect coordination between roadway rehabilitation and underground utility improvements, demonstrating an integrated infrastructure management approach.

The 2024–2029 CIP includes dedicated funding for storm drain upgrades, including pipeline upsizing and new inlet installations, often coordinated with street rehabilitation projects to maximize efficiency. While roadway conditions have improved substantially, the City has identified ongoing capital needs in storm drainage and street maintenance stemming from prior deferred maintenance. Sustained capital investment and proactive asset management will be necessary to maintain current service levels and ensure long-term roadway system reliability.

POTABLE WATER

The City of St. Helena provides potable water service through its Public Works Department, which operates and maintains the City's municipal water system, which based on the number of connections is a relatively small system that generally can struggle to achieve the economies of scale given the fixed asset costs. According to city staff, the system serves approximately 2,600 connections (including about 331 outside the City limits as described on page 23) and includes water supply, treatment, storage, and distribution infrastructure. The water utility operates as an enterprise fund and is supported by user fees designed to fund operations, maintenance, and capital improvements.

RSG notes that in 2020, LAFCO conducted a consolidated Water and Wastewater services review countywide, including the St Helena systems, which identified issues with fragmentation of the County's water and wastewater services and infrastructure. LAFCO has since explored the potential of consolidation of systems to achieve service resilience and economies of scale, including discussion of a special study completed by UC Berkeley in June 2024 on this topic. The City itself is also interested in new models for delivery of water services, as evidenced by Water and Wastewater Advisory Committee agenda items in 2026 related to the potential of a regional water system. While the future of how water services in St. Helena and for that matter much of Napa County are uncertain, the City continues to plan and operate its own water system.

Infrastructure, Equipment & Facilities

The City maintains approximately 47 miles of active water pipelines, along with storage tanks, pump stations, and treatment facilities necessary to deliver potable water throughout the service area. The City's water supply is derived from a combination of surface water stored in Bell Canyon Reservoir, groundwater wells, and treated water purchased from the City of Napa through the Rutherford intertie. City staff indicated that approximately one-third of the City's potable water supply is provided through the Napa intertie, with groundwater and surface water providing the remaining supply.

The distribution system includes transmission and distribution pipelines, storage tanks such as the Bell Canyon Reservoir tank, and associated system infrastructure. Public Works staff are responsible for operating and maintaining the system, including performing routine maintenance, repairing leaks, maintaining fire hydrants, and ensuring compliance with drinking water regulations.

Rates

Water operations are funded through user service charges consisting of fixed base fees and volumetric consumption charges based on metered water use. The base fee varies by meter size, while consumption charges are structured using a tiered rate system designed to promote water conservation and reflect the higher cost of supplying water at higher usage levels.

In 2019, the Napa County Grand Jury issued a report finding that at that time, St. Helena had the highest water (and wastewater) rates in Napa County, roughly double the cost of American Canyon and Napa for the same usage. Since that Grand Jury report, the City has raised their rates and yet continues to struggle with insufficient funding for the Water Fund to keep up with expenses particularly associated with a sizable Capital Improvement Program, as we illustrate on page 46 of this MSR.

Cities typically conduct rate studies every five years to inform potential new rates and annual escalations. St. Helena most recently completed a comprehensive Water and Wastewater Cost of Service and Rate Study in 2023 to evaluate long-term operational, maintenance, and capital needs. Following the 2023 study, the City Council approved a 28 percent increase in water rates, which took effect on September 1, 2023. The rate adjustments were necessary to address deferred maintenance, fund infrastructure rehabilitation, and support long-term financial sustainability. The adopted rate plan was developed to support substantial capital improvement needs identified in the City's Capital Improvement Program (CIP), including replacement of aging pipelines, pump stations, and water system facilities.

Despite these rate adjustments, the City's current Capital Improvement Program identifies a remaining funding gap of approximately $19.8 million for water-related capital projects, but even this amount may not be adequate based on information in the City's Water and Wastewater Advisory Committee's March 12, 2026 agenda packet that estimates a need for as much as $57.5 million in water capital system investment.

With limited funding, the City has been working on priorization of water capital projects around those needed for compliance While the rate increases provide additional revenue to address critical infrastructure needs, full implementation of the CIP will require continued financial planning, prioritization of projects, and identification of additional funding sources, which may include future rate adjustments, grants, or external financing.

The City's adopted rate plan represents a proactive effort to improve the financial condition of the water enterprise fund and ensure sufficient revenue to support ongoing operations, debt obligations, and capital maintenance. However, due to the magnitude of remaining capital needs, long-term financial sustainability will depend on the City's ability to continue implementing its capital and financial planning strategies, including increased rates and additional debt.

Existing Demands and Capacity

The water system currently provides adequate capacity to serve existing customers. Annual water production varies based on hydrologic conditions and conservation measures but generally meets system demand.

Drought conditions between 2020 and 2023 significantly reduced water production due to conservation requirements and operational issues affecting imported water supplies. System reliability improved in 2024 as reservoir storage recovered and intertie operations stabilized.

Figure 6 presents a summary of water production within the City for the five year period of 2020 through 2024.

Figure 6: City of St. Helena Water Production

Year	Total Water (Acre Feet)	Total Water (Million Gallons)
2019-2020	1170	381
2020-2021	1664	542
2021-2022	1237	403
2022-2023	1246	406
2023-2024	1417	462

Source: City of St. Helena Cumulative Water Reports 2020 - 2024

Annual deliveries averaged about 1,664 acre-feet in FY 2020–21 but dropped significantly in FY 2021-22 due to drought restrictions, conservation measures, and recurring failures at Napa's Rutherford Pump Station, which were documented in the City's monthly water reports beginning in late 2021. Roughly one-third of St. Helena's water supply is purchased water, so Napa County intertie disruptions had an outsized impact on total production. Deliveries increased to over 1,417 acre-feet in FY 2023-24 as Bell Canyon Reservoir refilled and the intertie stabilized.

The City maintains a diversified water supply portfolio consisting of both local surface water and imported supplies, which supports its ability to meet existing demands under normal operating conditions. However, recent drought conditions and imported supply interruptions highlight the system's partial reliance on external sources and associated infrastructure outside of the City's direct control. While supply conditions have improved and current production appears sufficient to meet existing demand, continued reliance on purchased water underscores the importance of maintaining interagency coordination, ensuring infrastructure reliability, and preserving local supply resilience to support long-term service stability.

More recently, in 2025, residents reported to the City brown-colored water coming from their taps. The City retained a consultant and began a process to investigate and address the water quality issues, which they reported to the City Council in October 2025. The factors that caused the events were attributed to elevated levels of metals due to antiquated equipment, the cadence of system flushing, the age and conditions of pipelines, the reliance on raw water, and the nature of treatment necessary. The City is working with a consultant on the execution of a short-term project to update controls, flushing activities, and consider reprioritization of capital improvements to fund improvements. However, long term investment may be substantially beyond the capacity of the current funding available.

Future Demands and Capacity

RSG expects that in the near term, St. Helena's water services will primarily focus on infrastructure rehabilitation, regulatory compliance, and system reliability needs rather than scaling for additional population growth since it may take several years to reach historic population levels. As a largely built-out community with modest growth projections, overall water demand is expected to remain relatively stable, and future capital needs are largely associated with replacement and modernization of existing infrastructure.

The City's most recent Capital Improvement Program identifies approximately $67 million in planned water system improvements, including pipeline replacements, storage facility upgrades, pump station rehabilitation, and treatment system improvements. These projects are intended to address deferred maintenance, improve system reliability, and ensure continued regulatory compliance. City planning documents also identify a significant funding gap associated with these improvements, reflecting the high cost of maintaining aging infrastructure relative to the City's limited ratepayer base.

In addition to infrastructure needs, the reliability of the City's water supply is influenced by its dependence on multiple water sources. The City receives water from Bell Canyon Reservoir, local groundwater wells, and purchased water from the City of Napa through an intertie connection. Purchased water represents a substantial portion of the City's overall supply, and reliance on this external source creates potential vulnerability during drought conditions, infrastructure failures, or regional supply constraints. As a result, continued coordination with regional partners and investment in local water system infrastructure will be important to maintaining long-term supply reliability.

City staff indicated that ongoing planning efforts, including updates to the Urban Water Management Plan and facility condition assessments, will guide future capital investment and infrastructure replacement priorities. While the City's water system currently has adequate capacity to meet existing and projected demand, continued capital investment and financial planning will be necessary to maintain reliable service and address aging infrastructure.

WASTEWATER

The City of St. Helena maintains and operates its own sanitary sewer collection system serving roughly 2,600 connections including residential, commercial, and institutional users, and operates its own Wastewater Treatment Plant ("WWTP") located on Chaix Lane, where wastewater collected within City limits is conveyed to the WWTP for treatment.

Sewer service is not currently extended beyond the City's jurisdictional boundary, although there have been informal discussions about extending the City's wastewater infrastructure to certain areas outside the City limits to address concerns with properties on deficient septic systems, as described on page 23.

As mentioned earlier on page 35, LAFCO previously conducted a municipal service review of countywide water and wastewater services in 2020. The MSR referenced a still-present issue related to the potential of extending the City's sewer system outside the City limits to address septic system deficiencies, but this topic does also put into focus the possibility of future annexations which the community has been divided on. Additionally, like water services, LAFCO's MSR recommended the exploration of a regional wastewater model particularly to help smaller cities including St. Helena and its neighbors Calistoga and Yountville, finance and maintain small independent systems; a regional model could be an alternative to the City separately exploring exterritorial services to provide sewer outside the city limits.

Infrastructure, Equipment, & Facilities

The City's wastewater collection system includes approximately 24 miles of gravity sewer mains and associated appurtenances. Wastewater is conveyed to the City's WWTP for treatment and discharge.

The current WWTP replaced an original facility constructed in the 1960s. In 2016, the San Francisco Bay Regional Water Quality Control Board issued a Cease-and-Desist Order after determining that the facility could no longer meet updated effluent discharge standards for the Napa River. In response, the City undertook a comprehensive facility upgrade.

In December 2024, the City completed construction of a new tertiary membrane bioreactor ("MBR") treatment facility at a cost of approximately $18.8 million. The upgraded facility provides advanced tertiary treatment and produces highly treated effluent suitable for unrestricted irrigation reuse. The City intends to utilize recycled water for irrigation of parks and roadway medians, reducing demand on potable water supplies and advancing water sustainability objectives. Existing ponds provide additional detention capacity during peak flow events, enhancing system reliability.

Notably, the City's prior 2008 Municipal Service Review identified wastewater capacity limitations and infrastructure constraints as factors influencing growth management policies at that time. Completion of the new tertiary treatment facility represents a substantial advancement in regulatory compliance, treatment reliability, and long-term system capacity relative to conditions documented in the prior MSR.

The City's wastewater infrastructure is also historically associated with St. Helena Municipal Sewer District No. 1, which was formed by City Council resolution in 1964 under the Municipal Sewer District Law of 1911 to finance and construct sewer system improvements. This District functions as an improvement district and the St. Helena City Council serves as its governing body. Because the District is an improvement district rather than a separate special district, it operates as part of the City's wastewater system and is not subject to LAFCO jurisdiction.

Rates

Wastewater operations are funded through sewer service charges consisting of fixed base rates and volumetric charges. Prior to the 2023 rate study, wastewater rates were not sufficient to fully fund increasing operational costs, infrastructure maintenance, and debt service associated with the City's new wastewater treatment plant. In response, the City completed a comprehensive Water and Wastewater Cost of Service and Rate Study in 2023.

Following the study, the City Council adopted a multi-year wastewater rate adjustment plan, which included an initial rate increase of approximately 50 percent, increasing average residential sewer bills from approximately \$60–\$70 per month to approximately \$90–\$105 per month. The adopted rate schedule also includes annual increases of approximately four percent through FY 2028-29. Wastewater revenues are projected to generate approximately \$4 million to \$5 million annually, supporting system operations, debt service, capital maintenance, and reserve funding.

These rate adjustments were necessary to address deferred maintenance, fund the recently completed wastewater treatment plant, and ensure long-term financial sustainability. While the City's relatively small customer base continues to create structural financial challenges, the adopted rate plan reflects proactive financial management and positions the wastewater enterprise fund to remain financially stable.

Existing Demands and Capacity

The upgraded WWTP has adequate treatment capacity to serve existing development and anticipated General Plan buildout within the City's Urban Limit Line. The tertiary MBR facility resolves prior compliance issues and brings the City into full conformance with Regional Water Quality Control Board discharge standards.

The City adopted a five-year Capital Improvement Program in 2024 totaling approximately \$57 million, including 15 major projects focused on water and wastewater infrastructure such as pump station improvements, pipeline replacements, and treatment system enhancements. Continued reinvestment in the collection system is necessary to maintain service reliability, particularly replacement of aging sewer mains and upgrades to pump stations.

Operational challenges remain due to staffing constraints identified during interviews with City staff conducted as part of this Municipal Service Review. Staff reported ongoing difficulty recruiting and retaining certified wastewater treatment plant operators. These challenges reflect broader workforce shortages within the water and wastewater industry statewide and are further compounded locally by housing affordability constraints within Napa County.

Despite completion of the new membrane bioreactor ("MBR") facility, the City continues to rely on contract operators to support wastewater treatment plant operations. Staff indicated that recruitment difficulties are influenced by competition from larger agencies offering higher compensation and benefits, as well as the specialized certification requirements associated with advanced tertiary treatment systems. The limited local labor pool further constrains hiring efforts.

The City is exploring strategies to improve recruitment and retention, including evaluating the feasibility of providing staff housing at or near treatment facilities. While current service levels remain compliant and stable, continued reliance on contract operators presents long-term considerations related to operational continuity, workforce stability, and retention of institutional knowledge.

Future Demands and Capacity

Based on available information, the upgraded WWTP appears capable of accommodating projected wastewater demands associated with General Plan buildout within the City's Urban Limit Line. Completion of the tertiary MBR facility provides sufficient treatment capacity and regulatory compliance for anticipated near- to mid-term growth.

Future demand considerations extend beyond treatment plant capacity. As incremental infill and redevelopment occur, flows within certain segments of the collection system may increase, potentially accelerating the need for pipeline rehabilitation and pump station upgrades. Continued reinvestment in the collection network will be necessary to ensure localized capacity constraints do not emerge over time.

Long-term financial sustainability will also influence the City's ability to maintain adequate service levels. Given the City's relatively small ratepayer base, infrastructure replacement costs must be distributed across a limited number of connections. Ongoing capital planning and periodic rate adjustments may be required to support system reliability and debt service obligations.

Workforce sustainability remains an additional consideration. Continued reliance on contract operators for wastewater treatment services presents operational risk if recruitment challenges persist. Maintaining a stable and qualified operations workforce will be essential to protecting the City's recent capital investment and ensuring long-term system performance.

Overall, the City appears well-positioned from a treatment capacity standpoint with the completion of the WWTP. However, the City still faces demands for other infrastructure replacement such as replacing conveyance infrastructure (such as old clay sewer pipe) and sustained capital reinvestment to support the system. Additionally, the City will continue to need prudent financial management and proactive workforce planning will be necessary to maintain reliable wastewater service over the long term.

OTHER SERVICES

Solid Waste (Refuse) Collection

The City of St. Helena maintains an exclusive franchise agreement with Upper Valley Disposal & Recycling Services ("UVDRS") for residential trash collection, recycling, composting, and bulky-item pickups (typically free once or twice a year). Napa County and the Upper Valley Waste Management Agency ("UVWMA"), a joint powers authority of the cities of St. Helena, Calistoga, Yountville, and Napa County, collectively provide solid waste oversight. UVWMA implements state waste-diversion programs (pursuant to AB 939, SB 1383), offering education and resources to help residents and businesses reduce and properly dispose of their waste.

Public Utilities

Public utility services in the City of St. Helena are provided by third-party utilities and include electricity and natural gas infrastructure. Electric service in St. Helena is provided through a community choice aggregation program. MCE Clean Energy, a public, not-for-profit electricity provider serving Napa County, procures electricity for customers within the City. Pacific Gas and Electric Company ("PG&E"), the incumbent investor-owned utility, provides transmission and distribution services, maintains the electric infrastructure, and issues customer billing. PG&E also provides natural gas service to all residential and commercial customers in St. Helena. Accordingly, electricity used by customers is generated or procured by MCE and delivered through PG&E's system, while natural gas service is provided solely by PG&E.7

Publicly available information did not reveal any documented, widespread complaints or formal evaluations regarding customer satisfaction with MCE Clean Energy in St. Helena. RSG had limited access to community satisfaction data specific to electricity generation services within the City, and the degree to which residents are satisfied with or concerned about the community choice aggregation program remains uncertain.

Vector Control

The Napa County Mosquito Abatement District, an independent special district, provides mosquito and vector control services in the City of St. Helena. The District delivers routine services including surveillance, prevention, and control of mosquitoes and other vectors through integrated vector management practices. It also responds to resident service requests for issues such as yellowjackets, ticks, and rodents. In addition, the District offers public education and outreach, including school presentations and community materials on vector safety. The City does not directly fund these services; they are supported by ad valorem property taxes, parcel-based benefit assessments, and contract revenues.

FISCAL HEALTH

The City of St. Helena ("St. Helena" or "City") contracted with Brown Armstrong Accountancy Corporation, an independent certified public accounting firm, to conduct the audit of its financial statements in accordance with governmental auditing standards. These audits evaluate the City's financial reporting, including its assets, liabilities, and net position, and assess compliance with U.S. Generally Accepted Accounting Principles ("GAAP"). According to the City's Fiscal Year 2024 Annual Comprehensive Financial Report, the independent auditor issued an unmodified opinion, indicating that the City's financial statements present fairly, in all material respects, the financial position of the City in conformity with GAAP.

Using expenditure data from the most recently published ACFRs, RSG prepared the following analysis of General Fund, Water Fund, and Wastewater Fund expenditures. The analysis

[7] Sources: City of St. Helena, Energy Services webpage; MCE Clean Energy, Service Area and Program Description; PG&E Service Overview.

covers a five-year period from fiscal year 2019–20 (year ending June 30, 2020) through fiscal year 2023–24 (year ending June 30, 2024). At the time of preparation of this MSR, the ACFR for fiscal year 2024–25 (year ending June 30, 2025) was not yet available on the City's website.

Although the General Fund reported a surplus in FY 2023-24, the City's adopted budgets for FY 2023-24 and FY 2024-25 anticipated expenditures exceeding revenues and relied on planned use of reserves to maintain balanced budgets. The City's FY 2023-25 Budget Message also references a February 2023 financial analysis prepared by Baker Tilly, which identified an estimated annual structural gap of approximately $6.5 million when accounting for long-term capital needs and staffing levels.

The City's financial planning documents indicate the presence of a near-term structural imbalance driven primarily by rising personnel costs, infrastructure investment needs, and revenue volatility. The City's Long-Range Financial Forecast projects General Fund operating deficits through approximately FY 2028, which would reduce reserves if unaddressed. However, the forecast also anticipates improvement over the long term due to a combination of corrective factors, including additional tax revenues from planned development projects such as the Farmstead at St. Helena hotel project, pension cost stabilization, and revenue increases including adopted utility rate adjustments. Based on these projections, the City is expected to restore structural balance later in the forecast period. While the City is currently managing fiscal pressures, its reserve levels remain strong, and long-term financial stability is anticipated with continued implementation of its financial planning strategies.

GENERAL FUND

The City's General Fund faces pressures from increasing costs due to personnel costs and pensions, which despite some cost cutting by the City Council, have resulted in some erosion of the general fund reserves (in 2023-24, and anticipated in the 2025-26 and 2026-27 budgets). In RSG's experience, these circumstances are not unique to St. Helena as many cities in California are facing the same challenges recently with rising costs. Still, the City's overall reserve levels appear to be adequate to absorb some of these impacts for a short term while the City plans for finding new sources of revenue and stimulate growth in the community.

Revenues

Figure 7 presents the City's General Fund revenues by source from FY 2019-20 through FY 2023-24. Over the five-year period, revenues increased by 37.1 percent.

Figure 7: General Fund Revenue History

General Fund Revenue	2019-20	2020-21	2021-22	2022-23	2023-24	%	Change
Property Taxes	$ 5,407,510	$ 5,978,661	$ 6,219,498	$ 6,640,878	$ 6,873,640	34.8%	*27.1%*
Sales and Other Taxes	7,237,906	6,523,098	10,652,729	10,304,106	10,347,783	52.3%	*43.0%*
Interest and Rents	305,202	(17,439)	(231,577)	258,663	623,404	3.2%	*104.3%*
Development Fees	19,360	20,800	13,600	7,200	9,600	0.0%	*-50.4%*
Licenses and Permits	876,734	926,000	796,305	907,196	996,165	5.0%	*13.6%*
Charges for Services	138,765	54,212	117,500	81,156	79,226	0.4%	*-42.9%*
Intergovernmental	199,394	2,322,213	2,379,401	137,213	460,594	2.3%	*131.0%*
Fines and Forfeitures	142,503	34,035	97,207	78,177	46,684	0.2%	*-67.2%*
Other Revenues	90,801	169,372	516,922	232,021	336,482	1.7%	*270.6%*
Total	**$ 14,418,175**	**$ 16,010,952**	**$ 20,561,585**	**$ 18,646,610**	**$ 19,773,578**	**100.0%**	**37.1%**
Change over Prior Year		*11.0%*	*28.4%*	*-9.3%*	*6.0%*		

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Revenues, Expenditures, and Changes in Fund Balance

Among the highlights in this data are a significant increase in interest earnings (104.3 percent from 2019–20 to 2023–24) and a 43.0 percent increase in sales and other taxes, both of which outpaced the average of all General Fund revenues.. Sales and transaction tax revenues are roughly 52.3 percent of Sales and Other Taxes listed in the table above. These sales taxes include the City's 1 percent share of the Bradley Burns sales tax and the City's additional 0.5 percent transactions and use tax (per Chapter 3.25 of the Municipal Code). At the same time, the ACFR reports that taxable sales volumes increased by 24 percent, which is a trend that realistically may be difficult to sustain without increases in tourism and population in RSG's experience.

But the biggest contributing factor to the growth in Sales and Other Taxes came from lodging. Transient Occupancy Taxes increased significantly to drive this total, going from $2.7 million in 2019-20 to $4.4 million in 2023-24, an increase of approximately 63 percent.

Property taxes increased below the average (34.8 percent), while Development Fees, Charges for Services, and Fines and Forfeitures all decreased. RSG attributes these decreases generally to the recent slowdown in construction activity, as well as the drop in local population.

In November 2024, the City placed two ballot measures before the voters that would change the City to become a charter city (Measure A1), and in turn request the voters to approve a supplemental real property transfer tax that would have increased the taxes assessed on property sales over $1 million by 1.5 percent and on property sales over $5 million by 3.0 percent. Had both measures passed, the City's general fund revenues could have increased by as much as $5.3 million annually according to the impartial analysis. However, both measures failed.

Expenditures

Figure 8 shows the actual General Fund expenditures from FY 2019-20 through FY 2023-24. Total General Fund expenditures amount to about $13.1 million in FY 2019-20 and increased to approximately $17.7 million in FY 2023-24, which represents an increase in expenditures of 34.9 percent over this period, below the increase in revenues.

Figure 8: General Fund Expenditure History

General Fund Expenditures	2019-20	2020-21	2021-22	2022-23	2023-24	%	Change
General Government	$ 3,275,582	$ 4,305,816	$ 3,989,423	$ 4,473,909	$ 4,369,613	24.7%	33.4%
Public Safety	4,635,211	5,171,896	5,611,868	6,181,336	6,776,184	38.3%	46.2%
Public Works	2,352,883	2,063,249	2,267,452	2,673,292	2,933,693	16.6%	24.7%
Parks and Recreation	798,100	621,288	563,639	792,728	1,097,858	6.2%	37.6%
Planning and Building	911,671	1,121,499	1,106,256	1,173,459	1,419,534	8.0%	55.7%
Library	994,165	948,578	828,899	908,441	880,855	5.0%	-11.4%
Capital Outlay	-	-	-	2,847,146	144,407	0.8%	NA
Debt Service Principal	138,466	127,168	58,222	61,284	61,225	0.3%	-55.8%
Debt Service Interest	3,918	7,180	5,097	3,482	1,939	0.0%	-50.5%
Total	**$ 13,109,996**	**$ 14,366,674**	**$ 14,430,856**	**$ 19,115,077**	**$ 17,685,308**	**100.0%**	**34.9%**
Change over Prior Year		*9.6%*	*0.4%*	*32.5%*	*-7.5%*		

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Revenues, Expenditures, and Changes in Fund Balance

The largest percentage cost increases over the five-year period are Planning and Building (55.7 percent increase) and Public Safety (46.2 percent increase). Other expenditures were closer to the total change in costs over the five-year period.

The two-year budget for fiscal year 2025-26 and 2026-27 indicates that the City expects short term reductions in service levels due to budget cuts necessary to balance the budget. According to the City Manager's budget message, these budget cuts come from increasing employee compensation costs and insurance, specifically general liability (by 20 percent) and property insurance (by 15 percent). As a result, the City Council approved the use of some of the City's reserves along with cuts in spending to achieve a balanced budget plan. Time will tell whether these measures are necessary and sufficient.

RSG understands that, with the shift to a career firefighter model, the increase in personnel and related costs in the Fire Department is one of the primary drivers of cost increases. The ACFR also notes that the City made "an accounting transaction to record changes in pension obligations," which further contributed to these cost increases.

Still, RSG believes the City should also look closer at the increasing cost (and lower level of cost recovery) for the Planning and Building Department, given the trends and proportion of costs recovered by the City in recent years. As explained on in the municipal services analysis for the Department beginning on page 31, while the City did update building and planning fees in 2023-24, these fees were based on what RSG believes may be older data (2019-20) which by today's standards may not reflect the current cost of these services.

Net Revenue and Reserves

Using ACFR data, RSG summarized the last five years of actual General Fund activity, comparing revenues and expenditures and evaluating reported fund balance data, specifically the available reserves ratio reflecting the proportion of the unassigned General Fund fund balance to total expenditures each year. Figure 9 presents the results of this analysis.

Figure 9: General Fund Net Revenue and Reserves Analysis

General Fund Net Revenue	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**		***Change***
General Fund							
Total Revenue	$ 14,418,175	$ 16,010,952	$ 20,561,585	$ 18,646,610	$ 19,773,578		*37.1%*
Total Expenditures	13,109,996	14,366,674	14,430,856	19,115,077	17,685,308		*34.9%*
Net Revenue	**$ 1,308,179**	**$ 1,644,278**	**$ 6,130,729**	**$ (468,467)**	**$ 2,088,270**		***59.6%***
General Fund Fund Balance							
Nonspendable	$ 596,470	$ 744,340	$ 1,449,260	$ 1,477,492	$ 540,868	3.3%	*-9.3%*
Restricted	345,562	167,106	164,771	-	-	0.0%	*-100.0%*
Assigned	277,526	677,018	220,882	215,708	301,654	1.9%	*8.7%*
Unassigned	7,919,110	9,787,545	15,030,806	14,039,235	15,381,399	94.8%	*94.2%*
Available Reserves Ratio /1	*60.4%*	*68.1%*	*104.2%*	*73.4%*	*87.0%*		
Total	**$ 9,138,668**	**$ 11,376,009**	**$ 16,865,719**	**$ 15,732,435**	**$ 16,223,921**	**100.0%**	***77.5%***

Source: St. Helena Annnual Comprehensive Financial Reports, Balance Sheet
1/ Available Reserves Ratio is the Unassigned Fund Balance divided by the Total Expenditures

Overall, the General Fund has seen an increase in revenues compared to expenditures in recent years, and, apart from 2022-23, was able to increase each year its unassigned reserve from 60.4 percent to 87.0 percent. While the City does face pressures of increasing public safety, planning and building, and pension costs, most cities in California are facing some risk of a structural deficit as tax revenues have not kept pace with expenditures. The City will need to continue its efforts in long term financial planning to manage costs, particularly pension obligations as explained on page 50, while pursuing revenues and economic growth.

WATER FUND

Unlike the General Fund, the Water Fund is facing more acute financial pressures for several reasons, including recent revenue deficits and insufficient capital funding, which are not unique to small water systems.

Revenues

Virtually all of the water utility's revenues come from ratepayers, who shouldered 99.5 percent of the fiscal year 2023-24 costs of the Water Fund. The City increased water rates following a 2023 rate study which contributed to a 28 percent increase in rates and additional revenue over the last five years, but still FY 2023-24 revenue was below amounts received in 2020-21 and 2021-22. In 2022-23, the ACFR reports that revenues were 41.7 percent lower primarily because the City opted to waive Phase II Water Conservation penalties that were assessed in 2021-22.

See Figure 10 for a summary of Water Fund revenues reported in the City's ACFR.

Figure 10: Water Fund Revenue History

Water Fund Revenue	2019-20	2020-21	2021-22	2022-23	2023-24	%	Change
Charges for Services	$ 6,473,784	$ 7,291,624	$ 8,020,674	$ 4,714,157	$ 7,084,524	99.5%	9.4%
Other Operating Revenues	3,194	1,730,835	102,793	21,103	38,599	0.5%	1108.5%
Total	**$ 6,476,978**	**$ 9,022,459**	**$ 8,123,467**	**$ 4,735,260**	**$ 7,123,123**	**100.0%**	**10.0%**
Change over Prior Year		*39.3%*	*-10.0%*	*-41.7%*	*50.4%*		

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Revenues, Expenditures, and Changes in Net Position

According to City Council and Water and Wastewater Advisory Committee meeting minutes from the second half of 2025, the City would normally conduct a water rate study in 2027 but is considering advancing the study by one year to allow additional time to implement the next rate increase.

In addition to operating expenses, the City uses Water Fund revenues to fund debt service and pay-as-you-go capital projects to water infrastructure. According to the 2023-24 ACFR, the debt service obligations of the Water Fund consist of a 2019 $5.821 million loan with JPMorgan Chase Bank N.A, a 2012 $7.155 million installment purchase agreement with the California Statewide Communities Development Authority, and a 2022 $5.255 million GO Bond.

Expenditures

According to ACFR data from 2019-20 through 2023-24, Water Fund expenditures increased by 61.4 percent, primarily due to contracts related to Water capital improvement and increased insurance costs. See Figure 11 for summary of Water Fund expenditures over this five-year period.

Figure 11: Water Fund Expenditure History

Water Fund Expenditures	2019-20	2020-21	2021-22	2022-23	2023-24	%	Change
Personnel Services	$ 1,583,545	$ 1,693,156	$ 2,285,313	$ 2,731,912	$ 2,159,048	28.3%	36.3%
Purchased Water	1,554,099	1,238,825	1,028,272	1,683,300	1,671,320	21.9%	7.5%
Fuel and Utilities	182,559	199,721	200,725	205,016	219,187	2.9%	20.1%
Other Supplies and Expenses	793,640	1,955,388	1,710,767	1,597,424	2,705,997	35.5%	241.0%
Depreciation	611,423	577,948	762,220	857,694	869,177	11.4%	42.2%
Total	**$ 4,725,266**	**$ 5,665,038**	**$ 5,987,297**	**$ 7,075,346**	**$ 7,624,729**	**100.0%**	**61.4%**
Change over Prior Year		*19.9%*	*5.7%*	*18.2%*	*7.8%*		

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Revenues, Expenditures, and Changes in Net Position

The ACFR categorizes capital improvement costs in the category referred to as "Other Supply and Expenses", which have increased by approximately 241.0 percent between 2019-20 and 2023-24. This category now represents the largest proportion of all Water Fund spending; yet, the City's current Capital Improvement Program identifies $19.8 million of unfunded Water Fund projects.

More recently, the City has been facing increased pressure to address historic issues with brown water incidents due to the presence of iron and manganese in sourced water that have reached taps. During 2025, the City Council and Water and Wastewater Advisory Committee received several briefings from staff and consultants to discuss the causes of these incidents and potential remedies, as well as to revisit capital investment priorities and funding for infrastructure upgrades. According to the March 2026 agenda packet for the Water and Wastewater Advisory Committee, these capital costs may increase to $57.5 million and necessitate the City to issue a water bond to finance these improvements.

Net Position Analysis

According to the 2022-23 and 2023-24 ACFR, Water Fund revenues have fallen short of revenues, as shown in Figure 12 below.

Figure 12: Water Fund Net Position

Water - Net Revenue	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**		***Change***
Water Fund							
Total Revenue	$ 6,476,978	$ 9,022,459	$ 8,123,467	$ 4,735,260	$ 7,123,123		*10.0%*
Total Expenditures	4,725,266	5,665,038	5,987,297	7,075,346	7,624,729		*61.4%*
Net Revenue	**$ 1,751,712**	**$ 3,357,421**	**$ 2,136,170**	**$ (2,340,086)**	**$ (501,606)**		***-128.6%***
Water - Net Position							
Net Investment in Capital Assets	$ 7,773,471	$ 11,662,770	$ 7,118,003	$ 7,420,697	$ 8,597,177	49.0%	*10.6%*
Unrestricted	5,568,453	4,708,729	10,577,575	7,808,440	8,940,598	51.0%	*60.6%*
Available Reserves Ratio /1	*117.8%*	*83.1%*	*176.7%*	*110.4%*	*117.3%*		
Total	**$ 13,341,924**	**$ 16,371,499**	**$ 17,695,578**	**$ 15,229,137**	**$ 17,537,775**	**100.0%**	***31.4%***

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Net Position
1/ Available Reserves Ratio is the Unrestricted Net Position divided by the Total Expenditures

According to the ACFR, the shortfall in 2022-23 resulted in the City's decision to waive Phase II Water Conservation penalties assessed in FY 2021-22. However, water rates continue to fall short of annual expenditures, which RSG expects may draw down on the available reserves until water rates are studied and possibly increased again in 2027.

WASTEWATER FUND

Compared to the Water Fund, the fiscal position of the Wastewater Fund is somewhat better, with revenues sufficient to cover recent expenditures. As described in the services review of wastewater services beginning on page 38, the City has substantial challenges as it replaces older infrastructure over the coming years which will require continued investment in capital improvements.

Revenues

Wastewater ratepayers pay approximately 99.9 percent of all Wastewater Fund expenditures in St. Helena. Figure 13 provides a summary of Wastewater Fund revenues based on ACFR data from fiscal year 2019-20 through 2023-24.

Figure 13: Wastewater Fund Revenue History

Wastewater Fund Revenue		2019-20		2020-21		2021-22		2022-23		2023-24	%	Change
Charges for Services	$	3,293,689	$	3,387,088	$	3,335,043	$	3,314,086	$	4,642,942	99.9%	*41.0%*
Other Operating Revenues		15,568		30,977		19,323		12,518		3,886	0.1%	*-75.0%*
Total	**$**	**3,309,257**	**$**	**3,418,065**	**$**	**3,354,366**	**$**	**3,326,604**	**$**	**4,646,828**	**100.0%**	***40.4%***
Change over Prior Year				*3.3%*		*-1.9%*		*-0.8%*		*39.7%*		

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Revenues, Expenditures, and Changes in Net Position

Wastewater revenue increased by approximately 41 percent over the five-year period, due to the 50 percent increase in sewer rates instituted by the City following the 2023 rate study. The next rate study will be conducted in 2027.

Expenditures

Figure 14 provides a summary of annual Wastewater Fund expenditures between 2019-20 and 2023-24. While revenues increased by approximately 40.4 percent over this period, expenditures grew by 34.6 percent.

Figure 14: Wastewater Fund Expenditure History

Wastewater Fund Expenditures		2019-20		2020-21		2021-22		2022-23		2023-24	%	Change
Personnel Services	$	1,378,022	$	1,339,151	$	1,788,984	$	1,456,565	$	1,486,411	40.7%	*7.9%*
Purchased Water		-		-		-		-		-	0.0%	*NA*
Fuel and Utilities		113,617		128,705		119,119		168,984		123,898	3.4%	*9.0%*
Other Supplies and Expenses		769,499		767,581		867,502		837,344		1,893,747	51.8%	*146.1%*
Depreciation		454,781		316,828		299,168		293,601		151,981	4.2%	*-66.6%*
Total	**$**	**2,715,919**	**$**	**2,552,265**	**$**	**3,074,773**	**$**	**2,756,494**	**$**	**3,656,037**	**100.0%**	**34.6%**
Change over Prior Year				*-6.0%*		*20.5%*		*-10.4%*		*32.6%*		

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Revenues, Expenditures, and Changes in Net Position

The largest components of Wastewater Fund expenditures are for capital project costs (included in Other Supplies and Expenses) and Personnel Services, which increased by 51.8 percent and 40.7 percent, respectively between 2019-20 and 2023-24. Capital project costs generally drive the volatility in annual expenditures.

Net Position Analysis

For the past five years (2019-20 through 2023-24), Wastewater Fund revenues have exceeded annual expenditures. The available revenues ratio, equal to the amount of unrestricted net position to total expenditures, was a 83.4 percent, which is satisfactory to meet short term cash flow needs.

See Figure 15 for a breakdown of net revenues and net position for the Wastewater Fund.

Figure 15: Wastewater Fund Net Position

Wastewater Net Revenue	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**		***Change***
Total Revenue	$ 3,309,257	$ 3,418,065	$ 3,354,366	$ 3,326,604	$ 4,646,828		*40.4%*
Total Expenditures	2,715,919	2,552,265	3,074,773	2,756,494	3,656,037		*34.6%*
Net Revenue	**$ 593,338**	**$ 865,800**	**$ 279,593**	**$ 570,110**	**$ 990,791**		***67.0%***
Wastewater - Net Position							
Net Investment in Capital Assets	$ 3,644,278	$ 4,028,819	$ 8,609,326	$ 7,187,609	$ 7,327,391	70.6%	*101.1%*
Unrestricted	4,862,777	5,357,206	952,890	2,685,479	3,049,909	29.4%	*-37.3%*
Available Reserves Ratio /1	*179.0%*	*209.9%*	*31.0%*	*97.4%*	*83.4%*		
Total	**$ 8,507,055**	**$ 9,386,025**	**$ 9,562,216**	**$ 9,873,088**	**$ 10,377,300**	**100.0%**	**22.0%**

Source: St. Helena Annnual Comprehensive Financial Reports, Statement of Net Position
1/ Available Reserves Ratio is the Unrestricted Net Position divided by the Total Expenditures

PENSION OBLIGATIONS

The City provides a defined pension benefit to its employees through investment risk-pool contracts with the California Public Employee Retirement System ("CalPERS"). These contracts offer St. Helena employees specified retirement benefits based on the date of hire and placement into two categories: classic and non-classic, with the former including a second-tier category. This section of the report provides details regarding St. Helena's pension based on actuarial valuations for the City issued by CalPERS annual reporting process and covers information regarding City enrollees, formulas, contributions, and funded status.

Enrollees and Funding Formulas

The CalPERS actuarial valuation report for FY 2023 identifies a total of 293 participants enrolled in the City of St. Helena's pension program. This total includes 244 miscellaneous members, two safety fire members, and 47 safety police members.

- Employees hired prior to January 1, 2013 are classified as "Classic" members and participate in defined benefit formulas established prior to the Public Employees' Pension Reform Act (PEPRA). Classic miscellaneous employees receive a pension benefit based on approximately 2.0 percent of final compensation for each year of service beginning at age 55, while Classic second-tier miscellaneous employees receive benefits based on approximately 2.0 percent at age 60.
- Employees hired on or after January 1, 2013 are classified as PEPRA members and generally receive a defined benefit formula of approximately 2.0 percent of final compensation beginning at age 62. Safety police employees participate in a Classic safety formula of approximately 3.0 percent at age 55, while safety fire employees participate in either Classic or PEPRA safety formulas depending on hire date.

Miscellaneous Pension Plan

Figure 16 summarizes enrollee information for the City of St. Helena's miscellaneous pension plan between FY 2020 and FY 2023, including active members, retirees, and other participant classifications.

Figure 16: City of St. Helena Miscellaneous Pension Enrollee Information

	2020	2021	2022	2023	TREND
Type					
Active	54	45	44	51	-5.6%
Transferred	29	33	41	42	0.0%
Separated	43	51	52	56	30.2%
Retired	91	95	96	95	4.4%
Total	**217.0**	**224.0**	**233.0**	**244.0**	**12.4%**
...Active to Retiree Ratio	0.6	0.5	0.5	0.5	-9.5%

Source: CalPers Acturial Reports (FY 20 - 23)

As shown in the figure above, the City's miscellaneous pension plan reflects a relatively mature workforce profile. The number of retirees exceeds the number of active employees contributing to the system, resulting in an active-to-retiree ratio of approximately 0.5 to 1 in FY 2023. Mature pension systems often experience higher contribution requirements as the number of benefit recipients grows relative to active employees.

In addition to enrollee composition, an important indicator of pension system health is the funded status of the plan. Funded status reflects the relationship between the market value of pension assets and the actuarially accrued liabilities owed to current and future retirees. A higher funded ratio indicates a stronger financial position, while lower ratios indicate the presence of unfunded liabilities that must be addressed through future contributions.

Figure 17 summarizes the funded status of the City of St. Helena's miscellaneous pension plan between FY 2020 and FY 2023.

Figure 17: City of St. Helena Miscellaneous Pension Funded Status

	2020	2021	2022	2023	TREND
Category					
Market Value of Assets	$ 21,290,247	$ 25,751,017	$ 23,573,641	$ 24,721,866	16.1%
Accrued Liability	29,789,632	31,467,169	33,040,169	34,688,309	16.4%
Unfunded Liability	**(8,499,385)**	**(5,716,152)**	**(9,466,528)**	**(9,966,443)**	**17.3%**
...Funded Ratio	**71.5%**	**81.8%**	**71.3%**	**71.3%**	**-0.3%**

Source: CalPers Acturial Reports (FY 20 - 23)

As shown in Figure 18, the City's miscellaneous pension plan maintained a funded ratio ranging from approximately 71 percent to 82 percent between FY 2020 and FY 2023. In FY 2023, the plan reported approximately $24.7 million in assets compared to $34.7 million in accrued liabilities, resulting in an unfunded liability of roughly $10 million and a funded ratio of 71.3 percent. While the plan remains underfunded and will be an impact on budget planning in the near term, this funding level is generally consistent with many CalPERS municipal pension systems.

Police Personnel Pension Plan

In addition to the miscellaneous pension plan, the City participates in a separate CalPERS pension plan for police personnel. Figure 18 details the enrollee information for the police personnel pension plan through the review period.

Figure 18: City of St. Helena Police Personnel Pension Enrollee Information

	2020	2021	2022	2023	TREND
Type					
Active	9	9	12	13	44.4%
Transferred	8	7	6	4	-50.0%
Separated	5	5	3	2	-60.0%
Retired	27	27	26	28	3.7%
Total	**49.0**	**48.0**	**47.0**	**47.0**	**-4.1%**
...Active to Retiree Ratio	**0.3**	**0.3**	**0.5**	**0.5**	**39.3%**

Source: CalPers Acturial Reports (FY 20 - 23)

The total participants in the police personnel pension plan declined slightly during the review period, at 4.1 percent. While the total active members grew at 44.4 percent, the amount of transferred and separated members declined at 50.0 and 60.0 percent respectively.

Figure 19 summarizes the funded status of the City of St. Helena's police pension plan between FY 2020 and FY 2023.

Figure 19: City of St. Helena Police Personnel Pension Funded Status

	2020	2021	2022	2023	TREND
Category					
Market Value of Assets	$ 18,668,319	$ 19,758,179	$ 20,603,057	$ 21,576,016	15.6%
Accrued Liability	18,742,639	19,674,932	20,795,011	21,827,533	16.5%
Unfunded Liability	**(74,320)**	**83,247**	**(191,954)**	**(251,517)**	**238.4%**
...Funded Ratio	**99.6%**	**100.4%**	**99.1%**	**98.8%**	**-0.8%**

Source: CalPers Acturial Reports (FY 20 - 23)

As shown in Figure 19, the City's police pension plan remained nearly fully funded throughout the review period. The funded ratio remained close to 100 percent between FY 2020 and FY 2023, indicating that pension assets closely matched the plan's actuarial liabilities. In FY 2023, the plan reported approximately $21.6 million in assets and $21.8 million in accrued liabilities, resulting in a funded ratio of approximately 98.8 percent.

Fire Personnel Pension Plan

In addition to the miscellaneous pension plan, the City participates in a separate CalPERS safety pension plan for fire personnel. Figure 20 details the enrollee information for the fire personnel pension plan through the review period.

Figure 20: City of St. Helena Fire Personnel Pension Enrollee Information

Classic (Miscellaneous)	2020	2021	2022	2023	TREND
Type					
Active	2.00	2.00	2.00	2.00	0.0%
Transferred	-	-	-	-	0.0%
Seperated	-	-	-	-	0.0%
Retired	-	-	-	-	0.0%
Total	**2.00**	**2.00**	**2.00**	**2.00**	**0.0%**

Source: CalPers Acturial Reports (FY 20 - 23) and Safety Fire (ACFRs FY 20 - 23)

The number of enrollees in the fire personnel pension plan remained static during the review period with only two active members from FY 2020 to FY 2023. This represents the smallest membership between the City's three pension plans.

Figure 21 summarizes the funded status of the City of St. Helena's fire pension plan between FY 2020 and FY 2023.

Figure 21: City of St. Helena Fire Personnel Pension Funded Status

	2020	2021	2022	2023	TREND
Category					
Market Value of Assets	$ 18,668,319	$ 19,758,179	$ 20,603,057	$ 21,576,016	15.6%
Accrued Liability	18,742,639	19,674,932	20,795,011	21,827,533	16.5%
Unfunded Liability	**(74,320)**	**83,247**	**(191,954)**	**(251,517)**	**238.4%**
...Funded Ratio	**99.6%**	**100.4%**	**99.1%**	**98.8%**	**-0.8%**

Source: CalPers Acturial Reports (FY 20 - 23)

Since only recently shifting to the career firefighter model, the City's fire pension plan represents a very small portion of the overall pension system. Due to the limited number of participants, the plan's assets and liabilities are relatively small compared to the City's miscellaneous and police pension plans. Nevertheless, the funded ratio remained strong during the review period, indicating that plan assets generally kept pace with actuarial liabilities.

MSR & SOI DETERMINATIONS

Based on the analysis in this MSR and consistent with the requirements of Government Code Sections 56430 and 56425, RSG has outlined the following determinations for Napa LAFCO's consideration:

SERVICE PROVISION DETERMINATIONS

POPULATION PROJECTIONS AND GROWTH

The City of St. Helena has experienced a modest population decline since the 2010 Census; however, regional projections indicate that population growth is expected to resume gradually over the next two decades. The Association of Bay Area Governments projects that the City's population will increase modestly through 2040, largely offsetting recent population declines. Based on these projections, population growth within the City is expected to remain moderate and generally consistent with the City's current planning assumptions and service capacity.

DISADVANTAGED UNINCORPORATED COMMUNITIES IN OR CONTIGUOUS TO SOI

Based on the information reviewed as part of this Municipal Service Review, no Disadvantaged Unincorporated Communities ("DUCs") were identified within or contiguous to the City of St. Helena's Sphere of Influence. The areas surrounding the City are largely designated for agriculture and open space under Napa County's General Plan and Agricultural Preserve and do not contain communities meeting the statutory definition of a DUC.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES

The following statements apply to the City of St. Helena and address the availability, adequacy, and performance of the core municipal service functions evaluated in this report including:

Law Enforcement

Law enforcement services appear adequate to meet current demand. However, maintaining staffing levels and sustaining the shared dispatch services agreement will require ongoing financial planning given rising public safety costs and recruitment challenges associated with regional competition and the high cost of living.

The Police Department (and City Hall itself) operate out of property leased by Napa Valley College. In the coming years, the City will need to negotiate with the College for a long-term lease or find a permanent location, which may result in additional real estate and capital costs not yet known.

Fire Protection and Emergency Medical Services

The City's fire protection and emergency response services appear adequate to meet current demand. However, the City's recent transition from a volunteer fire department to a career staffing model has significantly increased public safety expenditures. As a result, the City will need to consider the appropriateness and timing of additional revenue sources to sustain current public safety service levels over the long term.

Planning, Building, and Engineering

Planning and building services appear adequate to accommodate existing development activity and anticipated growth levels. However, revenues from planning and building fees currently recover only a small portion of departmental costs, suggesting the City may wish to periodically review and update its fee structure to ensure appropriate cost recovery for development-related services.

Animal Control

The City's current service model appears adequate to meet existing demand. The combination of police response and contracted shelter services provides an efficient approach to animal control operations without requiring the City to operate its own animal shelter facility.

Parks and Recreation

The City's parks and recreation system appears adequate to serve existing residents and anticipated population growth. Continued capital investment and implementation of the forthcoming Parks, Recreation and Trails Master Plan will be important to address aging facilities, improve amenities, and ensure equitable access to recreational resources.

Public Works (Roads and Street Maintenance)

The City of St. Helena provides roadway and street maintenance services through its Public Works Department, which maintains approximately 30 miles of streets and associated infrastructure including storm drainage systems and street lighting. Recent pavement rehabilitation efforts have improved the City's average Pavement Condition Index from "poor" to "fair," reflecting progress toward proactive asset management.

With the exception of water and wastewater services addressed separately, general infrastructure and maintenance services appear adequate to meet current service demands. Continued capital investment and implementation of the City's pavement management program and Capital Improvement Program will be necessary to maintain recent improvements, address aging storm drainage infrastructure, and ensure long-term roadway system reliability.

Potable Water

The City of St. Helena provides potable water service through a municipally operated water utility serving approximately 2,600 connections, which include approximately 331 customers outside the City limits. While the system generally maintains adequate capacity to meet current demand, recent drought conditions, imported supply disruptions, aging infrastructure, and identified capital funding gaps highlight ongoing operational and infrastructure challenges.

LAFCO should continue to explore opportunities for regionalization of water services, as recommended in the 2020 Water and Wastewater Services MSR, given the challenges facing St. Helena and other small water systems in the County. Such exploration should include considerations of the impact on water rates and potential economies of scale.

Wastewater

The City of St. Helena owns and operates a municipal wastewater collection system and wastewater treatment plant serving approximately 2,600 connections within the City. Completion of the new tertiary membrane bioreactor wastewater treatment facility in 2024 significantly improved treatment capacity, regulatory compliance, and system reliability compared to conditions identified in the City's prior MSR.

Based on the information reviewed as part of this MSR, the City's wastewater system has adequate treatment capacity to serve existing development and projected growth within the City's planning area. Continued capital reinvestment in the collection system, long-term financial planning, and workforce recruitment efforts will be important to maintaining reliable wastewater service over time.

FINANCIAL ABILITY TO PROVIDE SERVICES

The City of St. Helena maintains a generally stable fiscal position supported by a diversified revenue base that includes property taxes, sales taxes, and transient occupancy taxes. General Fund revenues increased from approximately $14.4 million in FY 2019-20 to $19.8 million in FY 2023-24 and have generally kept pace with expenditure growth. The City also maintains strong reserve levels, with estimated reserves equal to approximately 81 percent of annual expenditures, well above the City's minimum reserve policy of 30 percent. This reserve should be able to absorb short term impacts associated with recent budget deficits and pension cost increases.

The City appears capable of maintaining existing municipal service levels in the near term. However, the City's long-range financial forecast anticipates operating deficits through approximately FY 2028, which may require continued use of reserves and implementation of corrective fiscal strategies. Long-term financial sustainability will depend on the City's ability to implement planned revenue enhancements, manage expenditure growth, and continue long-term capital and financial planning.

OPPORTUNITIES FOR SHARED FACILITIES

The City of St. Helena currently participates in several shared service arrangements that enhance operational efficiency and regional coordination. Examples include the shared police dispatch agreement with the City of Calistoga and automatic aid agreements for fire protection services with Napa County Fire Department and CAL FIRE. Other coordination with neighboring jurisdictions and regional agencies may provide additional opportunities for cost efficiencies and service enhancements where operationally feasible.

Other opportunities for shared services or other governance models for water and wastewater services should be explored by LAFCO to the extent they can address services deficiencies in surrounding unincorporated areas, manage growth to where it is appropriate while protecting agricultural area, and creating economies of scale.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS

The City of St. Helena is governed by an elected City Council that is responsible for establishing policy, adopting budgets, and overseeing the provision of municipal services. City operations are administered by professional staff under the direction of the City Manager. Public meetings, budget documents, and planning materials are made available to the public in accordance with state transparency requirements, providing residents with opportunities to participate in decision-making and communicate community service needs.

ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY LAFCO POLICY

Napa LAFCO does not have additional policies regarding necessary MSR determinations beyond the requirements of Government Code Sections 56430 and 56425, as addressed above.

SOI DETERMINATIONS

LAFCO will at a future date use the information in this MSR among other data and analysis to evaluate any changes to the St. Helena sphere of influence. At this time, LAFCO will be making no changes to the current St. Helena SOI.