

Mayor: Chris Canning  
Vice Mayor: Michael Dunsford  
City Council: Gary Kraus  
Irais Lopez-Ortega  
Donald Williams

# City of Calistoga Agenda



## CITY COUNCIL – SPECIAL MEETING Budget Study Session Thursday, May 9, 2019 - 12:00 P.M.

Calistoga Fire Station  
1113 Washington Street, Calistoga, CA 94515

### A) CALL TO ORDER – ROLL CALL

### B) SALUTE TO THE FLAG

### C) ORAL COMMUNICATION ON CONSENT ITEMS OR NON-AGENDA ITEMS

This time is set aside to receive comments from the public regarding matters on the Consent Calendar or matters of municipal concern not on the agenda. Pursuant to the Government Code Section 54954.3 (the Brown Act), however, the Council cannot consider any issues or take action on any requests during this comment period. Speakers are encouraged to limit their comments to (3) three minutes maximum so that all speakers have an opportunity to address the City Council.

### D) ADOPTION OF MEETING AGENDA

### E) GENERAL GOVERNMENT

1. Discussion regarding the FY 2019/20 Budget
  - City Manager Overview
  - Administrative Services Director presentation:
    - Budget/cash flow situation overview FY 2018/19 year-end projections;
    - Budget summary review FY 2019/20 (General Fund and Enterprise Funds)
  - Administration Budget Review
  - Finance Department Budget Review
  - Planning & Building Division Budget Review
  - Recreation Division Budget Review
  - Fire Department Budget Review
  - Police Department Budget Review
  - Public Works Budget Review
    - General Services
    - Water Enterprise
    - Wastewater Enterprise

- Capital and Special Projects Budget Review
- Non-departmental Budget Review
- Special Revenue Fund Budget Review
- Equipment Replacement Fund Budget Review
- Recap of budget workshop

Discussion of next steps

## F) ADJOURNMENT

If needed, as advertised, to an additional Budget Study Session scheduled for Friday, May 10, 2019, at 9:00 a.m., located at the Calistoga Fire Station, 1113 Washington Street, Calistoga.

The next regular meeting of the Calistoga City Council is scheduled for Tuesday, May 21, 2019, Calistoga Community Center, located at 1307 Washington Street, at 6:00 p.m.



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Irene Camacho-Werby, City Clerk

**NOTICE:** If you challenge a city's zoning, planning, or other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Judicial review of any City administrative decision may be had only if a petition is filed with the court not later than the 90th day following the date upon which the decision becomes final. Judicial review of environmental determinations may be subject to a shorter time period for Litigation, in certain cases 30 days following the date of final decision.

**PLEASE NOTE:** Any person who wishes to speak regarding an item on the agenda or make a comment under the "Oral Communication" portion of the agenda may voluntarily complete a "Speaker Card" and submit it to the City Clerk BEFORE that portion of the agenda is called. Speaker cards are available on the table in back of the room. Please observe the time limit of three minutes.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the public counter at City Hall located on the first floor at 1232 Washington Street during normal business hours.

**AMERICANS WITH DISABILITIES ACT:** Each City entity offers public programs, services, and meetings in a manner that is reasonably accessible to everyone, including individuals with disabilities. Each City entity complies with all applicable requirements of the Americans with Disabilities Act and California law, and does not discriminate against any person with a disability. Wheelchair access to the Council Chambers and speaker's microphone is available to all persons.

If any person has a disability and requires information or materials in an appropriate alternative format (or any other reasonable accommodation), or if you need any special assistance to participate in this meeting, please contact the City Clerk Department at 942-2807. For TTY/ Speech-to-Speech users, dial 7-1-1 for the California Relay Service, offering free text-to-speech, speech-to-speech, and Spanish-language services 24 hours a day, 7 days a week. You may also contact the City Clerk at [cityhall@ci.calistoga.ca.us](mailto:cityhall@ci.calistoga.ca.us) for more information.

In making any request for assistance, advance notice to the City forty-eight hours prior to the meeting will enable the City to make reasonable arrangements.

Se les pide por favor que avise con 48 horas de anticipación cuando haga un pedido para asistencia. Esto les da suficiente tiempo antes de la junta para permitir que la ciudad tome medidas razonables.

**POSTING:** I declare a copy of this agenda was posted at City Hall, 1232 Washington Street, Calistoga, among other locations in the city limits of Calistoga, by Wednesday, May 8, 2019, 12:00 p.m.



# CITY OF CALISTOGA

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## STAFF REPORT

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**TO:** Honorable Mayor and City Council  
**FROM:** Gloria Leon, Administrative Services Director  
**DATE:** May 9, 2019  
**SUBJECT:** Discussion regarding Draft Fiscal Year 2019-20 Budget

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**SIGNATURE:**

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**MICHAEL KIRN, Acting City  
Manager**

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**DESCRIPTION:** To discuss the draft budget for Fiscal Year 2019-20.

**RECOMMENDATION:**

To review and provide feedback and direction regarding the Fiscal Year 2019-20 draft budget proposal.

**BACKGROUND:**

In June 2018 the Fiscal Year 2018-19 Budget was presented to and adopted by the City Council. In February 2019 a Mid-Year Financial Update was presented to the Council. At that time several budget adjustments were brought forward and adopted. That analysis has served as a starting point for development of the Fiscal Year 2019-20 Budget.

This budget workshop is to provide the City Council with the opportunity to review the proposed Fiscal Year 2019-20 budget and provide input to staff as to any recommended changes or adjustments.

**DISCUSSION:** In today's workshop we will be discussing the individual departmental budgets, operating and capital, as listed in the agenda. Following a brief introduction by the Acting City Manager, the Administrative Services Director will give a brief overview

of the budget expenditures and revenues. This will be followed by an overview by each Department/Division head on the status of the department. The Council then will be asked to give input.

As we move forward into the new fiscal year it is important to remember that the City's budget will, once again, be very tight. The proposed Fiscal Year 2019-20 budget contains cuts in expenditures and Capital Improvement Projects over what was initially requested by most of the departments. However, several Capital Improvement Projects (CIP's) are recommended for funding. These are urgently needed projects that are a result of deferred maintenance. Also, the City must continue to respond to a Cease and Desist Order (CDO) from the state related to operations of the wastewater treatment plant. The high cost and accelerated schedule to address issues presents a severe challenge to the Wastewater Fund and time commitment of staff.

Staff will be recommending several adjustments to the Fiscal Year 2018-19 budget which will be brought back in June for City Council approval. Those adjustments are incorporated in the draft of the Fiscal Year 2019-20 budget which is before you in this workshop.

The City is anticipating that several private development projects will initiate or complete construction in Fiscal Year 2019-20 and will bring development impact fees. These projects include the Silver Rose Single family residence homes, and two (2) single family residence homes. It is anticipated these projects will bring forth the following in impact fees:

|                          |                 |
|--------------------------|-----------------|
| Water Capital Fund       | \$ 204,800      |
| Wastewater Capital Fund  | \$ 550,500      |
| Cultural/Recreation Fund | \$ 65,000       |
| Transportation Fund      | \$ 21,800       |
| Fire Fund                | \$ 45,000       |
| Police Fund              | \$ 41,330       |
| City Administration Fund | <u>\$ 6,000</u> |
| Grand Total              | \$ 934,430      |

See the attached table in Attachment 1 to this staff report that shows detailed development impact fees from various projects that are anticipated in Fiscal Year 2019-20.

This proposed budget continues to maintain the existing level of service and reliability to the community through our infrastructure systems and facilities. However, as previously indicated, there are many facilities that are not receiving maintenance and replacement as they should. There are no anticipated layoffs of staff.

## **General Fund**

The City Council adopted goals and objectives for Fiscal Year 2019-20 which calls at a minimum for a 50% reserve in its General Fund by Fiscal year 2019-20 (or \$5,415,935). Based on staff recommendations the City will end Fiscal Year 2019-20 with a fund balance of \$5,431,610 which is 50.1% of the 50% objective. The first draft of the budget does not include any transfers to the enterprise funds, other than a \$20,000 transfer to cover low-income subsidies.

The Koff Study of May 2018 recommended the part-time firefighters be recognized for the level and scope of work performed and that they are paid on a fair and competitive basis that allows the City to recruit and retain a high-quality staff. Based on their findings, staff is recommending the following hourly steps be implemented for part-time firefighters:

1. \$21.18
2. \$22.29
3. \$23.47
4. \$24.70
5. \$26.00

The additional cost is approximately \$74,000 per year for both salary and benefits based on approximately 14,373 hours (includes overtime hours).

Staff is also recommending \$500,000 be committed to the Public Employees Retirement System (PERS) for future rate increases and side fund payment and \$170,000 be committed to future retiree health benefits who stay on the CalPERS health plan. Staff is also recommending \$500,000 be set aside for unanticipated general liability claims, and unforeseen expenditures. If Council commits the funding for PERS rates, future retiree benefits, general liability claims, the general fund balance will be reduced to \$4,931,610 which is 45.5% of total operating expenditures and emergency and contingency reserves.

## **Water Operations**

The Water Operations Enterprise Revenue Fund is anticipating an ending balance of approximately \$155,894 as of June 30, 2019. Staff is recommending a transfer of \$250,000 from the general fund to the water operations fund to be able to meet debt coverage of 1.25 in Fiscal Year 2018-19. Based on activity during the fiscal year, it is anticipated that the water fund balance will end with a surplus balance of \$252,948 by June 30, 2020. Based on the anticipated water fund balance for Fiscal Year 2019-20, no general fund transfers are included other than the \$20,000 for subsidies.

## **Water Capital**

The Water Capital Fund is expected to end Fiscal Year 2018-19 with a working capital balance of \$0. The City anticipates water connection fees in the amount of \$204,800 for Fiscal Year 2019-20. Measure A will provide funds of \$50,000 for the Bypass Structure Project. The Fiscal Year 2019-20 budget shows an ending balance of \$0.

Projects in the amount of \$120,000 recommended by the Public Works Department for the Fiscal Year 2019-20 include the Automatic Meter Read Program and the Bypass Structure. The Bypass Structure project will be funded through Measure A funds. The meter read program will be funded through one-time impact fees.

At its goal setting meeting in March 2019 the City Council's objective is to increase the Water Fund reserves at a minimum of 20% and increase the CIP and Equipment replacement Fund reserves to meet anticipated needs over the next three fiscal years. At the minimum 20% in reserves would mean a fund balance of \$562,193 the combination of ending fund balances for the Water Operations Fund and the Water Capital Fund at Fiscal Year 2019-20 is a balance of \$252,948, therefore not meeting the 20% objective.

## **Wastewater Operations**

The Wastewater Operations Fund is expected to end Fiscal Year 2018-19 with a surplus balance of approximately \$867,921. The Fiscal Year 2019-20 budget shows an ending fund balance of \$500,493. Both the debt service payment and the equipment will be covered by the Wastewater Operations Fund.

## **Wastewater Capital**

The Wastewater Capital Fund is expected to end Fiscal Year 2018-19 with a surplus balance of \$753,652. The City anticipates wastewater connection fees in the amount of \$550,500 for Fiscal Year 2019-20. The Wastewater Capital Fund is expected to end Fiscal Year 2019-20 with a balance of \$144,152.

Projects in the amount of \$1,160,000 have been recommended by the Public Works Department. They include Sewer System Assessment & Master, Sewer Lateral Replacement, Palisades Lift Station Repairs, Geothermal Water Meters, Recycled Water Pump and Installation, Tank Removal Air Leak repair and Riverside Ponds River Restoration. All projects will be funded through one-time impact fees and grant funds for the Riverside Pond Restoration.

At its goal setting meeting in March 2019 the City Council's objective is to increase the Wastewater Fund reserves at a minimum of 20% and increase the CIP and Equipment Replacement Fund reserves to meet anticipated needs over the next three fiscal years. At the minimum 20% in reserves would mean a fund balance of \$515,188; the

combination of ending fund balances for the Wastewater Operations Fund and the Wastewater Capital Fund at Fiscal Year 2019-20 is a balance of \$644,645, therefore meeting the 20% objective in reserves.

### **Special Revenue Funds**

These are separate funds which segregate revenues and expenditures restricted for specific purposes such as a specific grant program, restrictions by City Council ordinances, special property assessments or just the need for separate budgeting and accounting of revenues for a specific purpose. The City will end the Fiscal Year 2019-20 with a combined fund balance of \$9,427,778, an increase of \$1,103,518 from Fiscal Year 2018-19. Part of the large increase is due to \$500,000 anticipated from the Measure D Affordable and Workforce Housing 1% Transient Occupancy Tax and \$500,000 from general fund for future unfunded retiree benefits. Most of the revenue sources for these funds will remain in the funds until projects are earmarked.

### **Equipment Replacement Fund**

This fund accounts for all of the operating and maintenance costs related to the City's computer network, workstation system, maintenance and purchase of vehicles, as well as fixed and maintenance costs related to information technology that benefit all other City funds and programs.

City staff is recommending the renewal of subscriptions for Citzenserve, Auto Cad, Anti-Virus software, and iCompass. Staff is also recommending replacement of several computers, mobile data terminals for the police department, new mini-excavator, portable generator, and replacement of pumps. The General Fund will transfer \$151,943 to this fund for equipment and maintenance. This fund will have a fund balance of \$585,262 at the end of Fiscal Year 2019-20 for unanticipated expenditures and reserves.

At its goal setting meeting in March 2019 the City Council's objective is to increase the Equipment Replacement Fund reserves to meet anticipated needs over the next three fiscal years. At the minimum 20% in reserves would mean a fund balance of \$79,800; the ending fund balance for the Equipment Replacement Fund is \$585,262; therefore, meeting the 20% reserve.

### **Capital Projects**

Departments were asked to provide input on what they saw as needed projects to undertake in Fiscal Year 2019-20. You will find in the attachments what those requests were. Staff further refined the list and is recommending \$4,266,199 in capital projects and \$640,622 in equipment and information technology projects be approved for Fiscal Year 2019-20. Three of the largest projects the public works is recommending is \$1,450,000 be used for pavement maintenance; \$400,000 for Oak Hill Mine Entry Way;

\$600,000 for Palisades Lift Station Coating; and \$280,000 for geothermal water meters per cease and desist order (CDO). The general fund, Measure T and road maintenance SB1 will provide the funding for the pavement maintenance and Oat Hill Mine project. The Palisades Lift Station Coating project will be funded from one-time impact fees and Measure A will provide the funding for the Bypass Structure Project.

**Balance Summary for Fiscal Year 2019-20**

Attachment 2 to this staff report shows a detailed revenue and expenditure analysis for each of the major funds. The following summary table shows the list of the major funds and anticipated fund balance at the end of June 2020.

The following table shows in summary the Fiscal Year 2019-20 ending fund balances for each of the major funds of the City:

|                               | General Fund       | Water Fund      | Water Capital  | WWTP Fund        | WWTP Capital     |
|-------------------------------|--------------------|-----------------|----------------|------------------|------------------|
| Revenues                      | 11,672,185         | 3,306,680       | 204,800        | 3,118,246        | 550,500          |
| Expenditures                  | 10,831,869         | 3,341,065       | -              | 3,345,940        | -                |
| <b>Net Surplus/Deficit</b>    | <b>840,316</b>     | <b>(34,385)</b> | <b>204,800</b> | <b>(227,694)</b> | <b>550,500</b>   |
| Other Sources                 | 507,642            | 245             | 50,000         | -                | -                |
| Capital Projects Expenses     | (2,612,700)        | -               | (120,000)      | -                | (1,160,000)      |
| Equipment Purchases           | -                  | (106,500)       | -              | (104,145)        | -                |
| Debt Payments                 | (373,902)          | (307,306)       | (134,800)      | (805,580)        | -                |
| Transfers In                  | 534,927            | 20,000          | -              | -                | -                |
| Transfers Out                 | (647,943)          | -               | -              | -                | -                |
| Advance to WWTP               | -                  | -               | -              | -                | -                |
| Add non-cash Depreciation     | -                  | 525,000         | -              | 770,000          | -                |
| <b>Total Net Chg FY 19-20</b> | <b>(1,751,660)</b> | <b>97,054</b>   | <b>-</b>       | <b>(367,419)</b> | <b>(609,500)</b> |
| Beg Fund Balance 07/01/19     | 7,383,270          | 155,894         | -              | 867,912          | 753,652          |
| End Fund Balance 06/30/20     | 5,631,610          | 252,948         | -              | 500,493          | 144,152          |



## **Conclusion**

The City's financial outlook for Fiscal Year 2019-20 remains stable. There are potential demands and threats to the City finances that are not specifically addressed in this draft budget report. These include:

As aforementioned, the CDO from the state related to the wastewater treatment operations will result in several million dollars of capital improvement and a major commitment of staff time. While it is hoped that grant funds can mitigate some the cost, it represents a major threat to the viability of this fund.

City staff is recommending that \$1,000,000 be set aside for Fiscal Year 2018-19 and forward to CalPERS before May 30, 2019 to reduce the side funds for both Miscellaneous and Safety employees. By contributing \$600,000 towards the Miscellaneous Plan the amortization amount is reduced by approximately 85% or \$60,000 in rough numbers for Fiscal Year 2020-21. By contributing \$400,000 towards the Safety Plan the amortization amount is reduced by approximately \$50,000 in rough numbers for Fiscal Year 2020-21. The \$1,000,000 has been included in the Fiscal Year 2018-19 adjusted budget.

## **Next Steps**

This study session agenda addresses all departments and anticipates completion of the process in one study session. However, if the Council needs another study session to finish the process May 10, 2019 has been scheduled to start at 9:00 a.m., at the Fire Station.

The calendar of events for the remainder of the budget process is as follows:

Public Hearing on the Fiscal Year 2019-20 Budget: Regular City Council Meeting  
on June 4, 2019, 6:00 PM

City Council Adoption of the Fiscal Year 2019-20 Budget: June 18, 2019: 6:00  
PM

## **ATTACHMENTS**

1. Development Impact Fees Anticipated Fiscal Year 2019-20
2. Draft Fiscal Year 2019-20 Budget Proposal
3. Major Capital Projects Budget
4. Equipment and Information Technology Projects
5. Debt Schedule
6. City Council Goals and Objectives

FY 19-20 Preliminary Budget

Potential Development Impact Fees - Account 3269

| Project          | Water CIP<br>(Fund 12) | Wastewater<br>CIP (Fund 13) | City Admin.<br>(Fund 48) | Fire<br>(Fund 49) | Police<br>(Fund 50) | Transport.<br>(Fund 57) | Cult./ Rec.<br>(Fund 77) | Afford. Housing<br>(Fund 78) |
|------------------|------------------------|-----------------------------|--------------------------|-------------------|---------------------|-------------------------|--------------------------|------------------------------|
| 2 SFD - TBD      | \$34,044               | \$51,975                    | \$6,000                  | \$5,000           | \$1,330             | \$21,800                | \$6,856                  | n/a                          |
| Silver Rose SFDs | \$170,756              | \$498,525                   | n/a                      | \$40,000          | \$40,000            | n/a                     | \$58,144                 | n/a                          |
| <b>Totals</b>    | <b>\$204,800</b>       | <b>\$550,500</b>            | <b>\$6,000</b>           | <b>\$45,000</b>   | <b>\$41,330</b>     | <b>\$21,800</b>         | <b>\$65,000</b>          | <b>\$0</b>                   |
| Grand Total      | \$934,430              |                             |                          |                   |                     |                         |                          |                              |

City of Calistoga

Fiscal Year 19-20 Budget

| Major Capital Projects<br>Summary of Proposed Projects<br>Fiscal Years 2019-20 through 2023-24 |                            |  |                   |           |         |         |         |         |           |  |
|--|----------------------------|--|-------------------|-----------|---------|---------|---------|---------|-----------|--|
| Dept   | Funding Source             | Project Name                           | Account #         | 2019-20   | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total     |  |
| PW   | General Fund               | Pavement Maintenance                   | 01-5402-4905-4915 | 1,137,358 | -       | -       | -       | -       | 1,137,358 |  |
| PW   | Measure T                  | Pavement Maintenance                   | 01-5402-4905-4915 | 225,000   | -       | -       | -       | -       | 225,000   |  |
| PW   | Road Maintenance SB 1      | Pavement Maintenance                   | 01-5402-4905-4915 | 87,642    | -       | -       | -       | -       | 87,642    |  |
| PW   | General Fund               | Paving Corp Yard                       | 01-5408-4915      | 180,000   | -       | -       | -       | -       | 180,000   |  |
| PW   | General Fund               | Sidewalk Replacement                   | 01-5530-4915      | 100,000   | -       | -       | -       | -       | 100,000   |  |
| PW   | General Fund               | City Hall Remodel                      | 01-5501-4915      | 12,700    | -       | -       | -       | -       | 12,700    |  |
| PW   | General Fund               | Logvy Park Improvements                | 01-5569-4915      | 100,000   | -       | -       | -       | -       | 100,000   |  |
| PW   | Deutsch Proceeds           | Community Pool Facility                | 01-5451-4915      | 70,000    | -       | -       | -       | -       | 70,000    |  |
| PW   | General Fund               | Community Pool Facility                | 01-5451-4915      | 130,000   | -       | -       | -       | -       | 130,000   |  |
| PW   | General Fund               | Pioneer Cemetary                       | 01-5200-4915      | 40,000    | -       | -       | -       | -       | 40,000    |  |
| PW   | General Fund               | Railroad Tracks Repurpose              | 01-5562-4915      | 5,000     | -       | -       | -       | -       | 5,000     |  |
| PW   | General Fund               | Oat Hill Mine                          | 01-5565-4915      | 400,000   | -       | -       | -       | -       | 400,000   |  |
| PW   | General Fund               | Pedestrian Bridge at Gold              | 01-5565-4915      | 25,000    | -       | -       | -       | -       | 25,000    |  |
| PW   | General Fund               | Replace Culvert Feige Tank Access Road | 01-5599-4915      | 100,000   | -       | -       | -       | -       | 100,000   |  |
| PW   | General Fund               | Pioneer Park Pedestrian Bridge         | 25-5560-4915      | 12,000    | 28,000  | -       | -       | -       | 40,000    |  |
| PW   | MTC Grant                  | Pioneer Park Pedestrian Bridge         | 25-5560-4915      | 48,000    | 112,000 | -       | -       | -       | 160,000   |  |
| PW   | Wastewater Connection Fees | Sewer Systems Assmt & Master Plan      | 13-5437-4915      | 75,000    | -       | -       | -       | -       | 75,000    |  |
| PW   | Wastewater Connection Fees | Sewer Lateral Replacement              | 13-5452-4915      | 5,000     | -       | -       | -       | -       | 5,000     |  |
| PW   | Wastewater Connection Fees | Palisades Lift Station Coating         | 13-5514-4905      | 600,000   | -       | -       | -       | -       | 600,000   |  |

| Major Capital Projects<br>Summary of Proposed Projects<br>Fiscal Years 2019-20 through 2023-24 |                            |  |              |           |           |           |           |           |            |  |
|--|----------------------------|--|--------------|-----------|-----------|-----------|-----------|-----------|------------|--|
| Dept   | Funding Source             | Project Name                             | Account #    | 2019-20   | 2020-21   | 2021-22   | 2022-23   | 2023-24   | Total      |  |
| PW   | Wastewater Connection Fees | Geothermal Water Meters per CDO          | 13-5533-4915 | 280,000   | -         | -         | -         | -         | 280,000    |  |
| PW   | Wastewater Connection Fees | Riverside Ponds River Restoration        | 13-5540-4905 | 100,000   | 250,000   | 423,750   | -         | -         | 773,750    |  |
| PW   | HazMit Grant               | Riverside Ponds River Restoration        | 13-5540-4905 | -         | 750,000   | 1,271,250 | -         | -         | 2,021,250  |  |
| PW   | Wastewater Connection Fees | Recycled Water Pump & Installation       | 13-5556-4915 | 25,000    | -         | -         | -         | -         | 25,000     |  |
| PW   | Wastewater Connection Fees | Tank Removal, Air Leak Repair            | 13-5589-4915 | 75,000    | -         | -         | -         | -         | 75,000     |  |
| PW   | Water Connection Fees      | Automatic Meter Read Program             | 12-5476-4915 | 60,000    | -         | -         | -         | -         | 60,000     |  |
| PW   | Measure A                  | Bypass Structure                         | 12-5426-4915 | 50,000    | -         | -         | -         | -         | 50,000     |  |
| PW   | Water Connection Fees      | THM/HAA5                                 | 12-5574-4915 | 10,000    | 500,000   | -         | -         | -         | 510,000    |  |
| PW   | Water Connection Fees      | Generator & Transfer Switch              | 12-5575-4915 | -         | 125,398   | -         | -         | -         | 125,398    |  |
| PW   | HazMit Grant               | Generator & Transfer Switch              | 12-5575-4915 | -         | 376,193   | -         | -         | -         | 376,193    |  |
| PW   | Water Connection Fees      | Pope St Generator Elec Upgrade           | 12-5577-4915 | -         | 45,056    | -         | -         | -         | 45,056     |  |
| PW   | HazMit Grant               | Pope St Generator Elec Upgrade           | 12-5577-4915 | -         | 135,167   | -         | -         | -         | 135,167    |  |
| PW   | Water Connection Fees      | Relocate Dunaweal Booster                | 12-5586-4915 | -         | 800,000   | 2,000,000 | 2,000,000 | 1,700,000 | 6,500,000  |  |
| PW   | MTC Grant                  | Bicycle Pedestrian                       | 25-4994-4915 | 175,000   | -         | -         | -         | -         | 175,000    |  |
| PW   | MTC Grant                  | Lincoln/Braman St Crosswalks             | 25-5536-4915 | 58,701    | -         | -         | -         | -         | 58,701     |  |
| PW   | MTC Grant                  | Foothill/Petrified Forest Traffic Signal | 25-5537-4915 | 29,918    | -         | -         | -         | -         | 29,918     |  |
| PW   | Traffic Impact Fee         | Foothill/Petrified Forest Traffic Signal | 25-5537-4915 | 45,082    | -         | -         | -         | -         | 45,082     |  |
| PW   | MTC Grant                  | Bicycle Education Activity               | 25-4994-4905 | 4,798     | -         | -         | -         | -         | 4,798      |  |
|  |                            | TOTAL                                    | TOTAL        | 4,266,199 | 3,121,812 | 3,695,000 | 2,000,000 | 1,700,000 | 14,783,011 |  |

**Major Capital Projects**  
 Summary of Proposed Projects  
 Fiscal Years 2019-20 through 2023-24

| Dept | Funding Source        | Project Name | Account #     | 2019-20          | 2020-21          | 2021-22          | 2022-23          | 2023-24          | Total             |
|------|-----------------------|--------------|---------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|      | <b>FUNDING SOURCE</b> |              | <b>FUND #</b> | <b>2019-20</b>   | <b>2020-21</b>   | <b>2021-22</b>   | <b>2022-23</b>   | <b>2023-24</b>   | <b>Total</b>      |
|      | General Fund          |              | 01            | 2,242,058        | 28,000           | -                | -                | -                | 2,270,058         |
|      | Wastewater            |              | 13            | 1,160,000        | 250,000          | 423,750          | -                | -                | 1,833,750         |
|      | Water                 |              | 12            | 70,000           | 1,470,453        | 2,000,000        | 2,000,000        | 1,700,000        | 7,240,453         |
|      | Measure A             |              | 12            | 50,000           | -                | -                | -                | -                | 50,000            |
|      | Measure T             |              | 01            | 225,000          | -                | -                | -                | -                | 225,000           |
|      | Road Maintenance SB 1 |              | 22            | 87,642           | -                | -                | -                | -                | 87,642            |
|      | Deutsch Proceeds      |              | 01            | 70,000           | -                | -                | -                | -                | 70,000            |
|      | MTC Grant             |              | 25            | 316,417          | 112,000          | -                | -                | -                | 428,417           |
|      | HazMit Grant          |              | 12/13         | -                | 1,261,359        | 1,271,250        | -                | -                | 2,532,609         |
|      | Traffic Impact Fee    |              | 90            | 45,082           | -                | -                | -                | -                | 45,082            |
|      |                       |              | <b>TOTAL</b>  | <b>4,266,199</b> | <b>3,121,812</b> | <b>3,695,000</b> | <b>2,000,000</b> | <b>1,700,000</b> | <b>14,783,011</b> |

| <b>EQUIPMENT AND INFORMATION TECHNOLOGY PROJECTS</b> |   |                            |                   |                   |                   |                   |                   |              |                  |
|--|---|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|------------------|
| <b>Summary of Proposed Projects</b>                  |   |                            |                   |                   |                   |                   |                   |              |                  |
| <b>Fiscal Year 2019-20 through 2023-24</b>           |   |                            |                   |                   |                   |                   |                   |              |                  |
| <b>Proj Type</b>                                     | <b>Project Name</b>                       | <b>Funding Source</b>      | <b>FY 2019-20</b> | <b>FY 2020-21</b> | <b>FY 2021-22</b> | <b>FY 2022-23</b> | <b>FY 2023-24</b> | <b>TOTAL</b> | <b>Account #</b> |
| Repl   | RIMS Software                             | General Fund               | 24,000            | -                 | -                 | -                 | -                 | 24,000       | 15-4116-4402     |
| Repl   | Office 365 Cloud                          | Equipment Replacement Fund | 10,000            | -                 | -                 | -                 | -                 | 10,000       | 15-4975-4823     |
| New  | Icompass Software (City Clerk)            | General Fund               | 7,800             | -                 | -                 | -                 | -                 | 7,800        | 15-4975-4823     |
| Repl   | Parks and Rec Software                    | General Fund               | 6,000             | -                 | -                 | -                 | -                 | 6,000        | 15-4975-4823     |
| Repl   | GIS Services from Napa County             | Equipment Replacement Fund | 800               | -                 | -                 | -                 | -                 | 800          | 15-4975-4823     |
| Repl   | Citizenserve Software Annual Subscription | Equipment Replacement Fund | 16,500            | -                 | -                 | -                 | -                 | 16,500       | 15-4975-4823     |
| Repl   | Bentley GEMS Software                     | Water                      | 8,000             | -                 | -                 | -                 | -                 | 8,000        | 02-4131-4823     |
| Repl   | Bentley GEMS Software                     | Wastewater                 | 8,000             | -                 | -                 | -                 | -                 | 8,000        | 03-4141-4823     |
| Repl   | Auto Cad Subscription for 3 years         | Equipment Replacement Fund | 2,205             | -                 | -                 | -                 | -                 | 2,205        | 15-4975-4823     |
| New  | GIS ARC Esri Computer                     | Equipment Replacement Fund | 3,500             | -                 | -                 | -                 | -                 | 3,500        | 15-4975-4823     |
| Repl   | Computers                                 | Equipment Replacement Fund | 15,000            | -                 | -                 | -                 | -                 | 15,000       | 15-4975-4823     |
| Repl   | Finance Software                          | General Fund               | 50,000            | -                 | -                 | -                 | -                 | 50,000       | 15-4975-4823     |
| Repl   | Backup Batteries                          | Equipment Replacement Fund | 600               | -                 | -                 | -                 | -                 | 600          | 15-4975-4823     |
| New  | PD Mobile Data Terminals                  | Police Fee                 | 75,000            | -                 | -                 | -                 | -                 | 75,000       | 15-4970-4821     |
| New  | Mini- Excavator                           | General Fund               | 20,000            | -                 | -                 | -                 | -                 | 20,000       | 15-4970-4821     |
| New  | Mini- Excavator                           | Water                      | 20,000            | -                 | -                 | -                 | -                 | 20,000       | 02-4131-4821     |
| New  | Mini- Excavator                           | Wastewater                 | 20,000            | -                 | -                 | -                 | -                 | 20,000       | 03-4141-4821     |
| New  | Portable Generator                        | General Fund               | 44,143            | -                 | -                 | -                 | -                 | 44,143       | 15-4970-4821     |
| New  | Portable Generator                        | HMGP Grant                 | 132,429           | -                 | -                 | -                 | -                 | 132,429      | 15-4970-4821     |
| Repl   | Turbidity Meter                           | Water                      | 9,000             | -                 | -                 | -                 | -                 | 9,000        | 02-4132-4821     |
| Repl   | NBA Pump                                  | Water                      | 18,000            | -                 | -                 | -                 | -                 | 18,000       | 02-4132-4821     |
| Repl   | Fire Station Vehicle                      | Fire Fee                   | 16,000            | -                 | -                 | -                 | -                 | 16,000       | 15-4970-4820     |
| Repl   | Rupp Pump                                 | Water                      | 21,500            | -                 | -                 | -                 | -                 | 21,500       | 02-4131-4821     |
| Repl   | Rupp Pump                                 | Wastewater                 | 21,500            | -                 | -                 | -                 | -                 | 21,500       | 03-4141-4821     |
| Repl   | Scada Computers/Software Update           | Water                      | 30,000            | -                 | -                 | -                 | -                 | 30,000       | 02-4132-4821     |
| Repl   | Scada Computers/Software Update           | Wastewater                 | 30,000            | -                 | -                 | -                 | -                 | 30,000       | 03-4142-4821     |

| EQUIPMENT AND INFORMATION TECHNOLOGY PROJECTS |                            |                |                |            |            |            |            |                |              |
|---|----------------------------|----------------|----------------|------------|------------|------------|------------|----------------|--------------|
| Summary of Proposed Projects                  |                            |                |                |            |            |            |            |                |              |
| Fiscal Year 2019-20 through 2023-24           |                            |                |                |            |            |            |            |                |              |
| Proj Type                                     | Project Name               | Funding Source | FY 2019-20     | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | TOTAL          | Account #    |
| Repl  | Oxygen Probes (40          | Wastewater     | 15,750         | -          | -          | -          | -          | 15,750         | 03-4142-4821 |
| Repl  | Blower                     | Wastewater     | 8,895          | -          | -          | -          | -          | 8,895          | 03-4142-4821 |
| <b>TOTAL</b>                                  |                            |                | <b>640,622</b> | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>640,622</b> |              |
|   | Equipment Replacement Fund |                | 54,605         | -          | -          | -          | -          | 54,605         |              |
|   | HMGP Grant                 |                | 132,429        | -          | -          | -          | -          | 132,429        |              |
|   | Water Connection Fees      |                | 106,500        | -          | -          | -          | -          | 106,500        |              |
|   | Wastewater Connection Fees |                | 104,145        | -          | -          | -          | -          | 104,145        |              |
|   | Police Fee                 |                | 75,000         | -          | -          | -          | -          | 75,000         |              |
|   | Fire Fee                   |                | 16,000         | -          | -          | -          | -          | 16,000         |              |
|   | General Fund               |                | 151,943        | -          | -          | -          | -          | 151,943        |              |
|   | <b>TOTAL</b>               |                | <b>640,622</b> | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>640,622</b> |              |

|                      |
|----------------------|
| <b>Debt Schedule</b> |
| FY 2019-20           |

|   | Original Issue<br>Amount | Balance<br>7/1/2019  | Principal<br>Pymts  | Interest<br>Pymts | Total               | Principal<br>Balance<br>6/30/2020 |
|---|--------------------------|----------------------|---------------------|-------------------|---------------------|-----------------------------------|
| <b>WATER FUND</b>   |                          |                      |                     |                   |                     |                                   |
| Water Revenue COP 2018<br>Issue Date: 05/08/2018<br>Principal Payments Due 10/1<br>2.875 % to 5.0%<br>'October 2044                 | \$ 3,905,000             | \$ 3,720,000         | \$ 165,000          | \$ 137,306        | \$ 302,306          | \$ 3,555,000                      |
| USDA 2011 COP<br>Issue Date: 08/10/2009<br>Principal Payments Due 07/12<br>2.5%/\$148,237<br>** Principal varies based on drawdowns | \$ 3,750,000             | \$ 2,784,852         | \$ 66,000           | \$ 68,796         | \$ 134,796          | \$ 2,718,852                      |
| <b>TOTAL WATER DEBT</b>   | <b>\$ 7,655,000</b>      | <b>\$ 6,504,852</b>  | <b>\$ 231,000</b>   | <b>\$ 206,102</b> | <b>\$ 437,102</b>   | <b>\$ 6,273,852</b>               |
| <b>WWTP FUND</b>  |                          |                      |                     |                   |                     |                                   |
| Wastewater Revenue COP 2018<br>Issue Date: 05/08/2018<br>Principal Payments Due 10/1<br>2.875 % to 5.0%<br>'October 2044            | \$ 5,015,000             | \$ 4,725,000         | \$ 270,000          | \$ 171,988        | \$ 441,988          | \$ 4,455,000                      |
| SWRCB-SR Loan<br>Issue Date: 01/18/2002<br>Payments Due 10/30<br>'October 30, 2023 2.6%   | \$ 5,609,999             | \$ 1,684,819         | \$ 319,786          | \$ -              | \$ 319,786          | \$ 1,365,033                      |
| <b>TOTAL WWTP DEBT</b>  | <b>\$ 10,624,999</b>     | <b>\$ 6,409,819</b>  | <b>\$ 589,786</b>   | <b>\$ 171,988</b> | <b>\$ 761,774</b>   | <b>\$ 5,820,033</b>               |
| <b>GENERAL LONG TERM DEBT ACCOUNT GROUP</b>   |                          |                      |                     |                   |                     |                                   |
| Lease Payable-West America<br>Pool, Fire, recreation, public works<br>Issue Date: 05/01/2016<br>'February 1, 2028 2.44%             | \$ 3,870,413             | \$ 2,918,116         | \$ 306,108          | \$ 67,794         | \$ 373,902          | \$ 2,612,008                      |
| <b>TOTAL LONG TERM DEBT</b>   | <b>\$ 3,870,413</b>      | <b>\$ 2,918,116</b>  | <b>\$ 306,108</b>   | <b>\$ 67,794</b>  | <b>\$ 373,902</b>   | <b>\$ 2,612,008</b>               |
| <b>GRAND TOTAL</b>  | <b>\$ 22,150,413</b>     | <b>\$ 15,832,787</b> | <b>\$ 1,126,894</b> | <b>\$ 445,884</b> | <b>\$ 1,572,778</b> | <b>\$ 14,705,893</b>              |



## **City Council Goals, Objectives & Priority Projects**

### **Fiscal Year 2019-20**

#### **Goal 1: Maintain and enhance the economic vitality of the community and the financial stability of the City.**

##### Objectives

1. Manage and evaluate key private development and renovation projects to maintain economic vitality in balance with the needs of the community.
2. Promote the qualities of Calistoga that are attractive to residents and visitors.
3. Increase the Water and Wastewater Fund reserves to a minimum of 20% within two fiscal years and increase the CIP and Equipment Replacement Fund reserves to meet anticipated needs over the next three fiscal years.
4. Provide optimal City services in a sustainable manner.
5. Reduce City's unfunded pension liabilities.
6. Recession proof City financial resources.

##### Priority Projects

1. Maintain General Fund reserves at a minimum of 50% of budgeted expenditures.
2. Promote and support existing businesses while encouraging new retail opportunities within the downtown district.
3. Develop and adopt a long-term General Fund revenue, expenditure and capital improvement projects forecast.
4. Support long-term land stewardship of the Napa County Fairgrounds.
5. Make lump-sum payments to reduce Cal PERS pension obligation.
6. Develop policies to monitor economic forecasts, develop budget reduction strategies, and "triggers" for consideration of implementation.

#### **Goal 2: Address the community's existing and future housing needs.**

##### Objectives

1. Expand balanced housing opportunities including workforce housing and mixed use commercial/residential housing.
2. Protect and promote special needs housing for such groups as seniors, low-income households and persons with disabilities.
3. Maintain the existing housing stock in good condition.
4. Promote and expand use of accessory dwelling units.

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| <p style="text-align: center;"><b>City Council Goals, Objectives &amp; Priority Projects</b><br/><b>Fiscal Year 2019-20</b></p> |
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Priority Projects

1. Support the “Rebuilding Calistoga” housing rehabilitation efforts by Calistoga Affordable Housing and continue to implement the HOME and CDBG residential rehabilitation loan programs.
2. Consider reclassifying appropriate potential development sites to residential land use classifications or higher-density land use classifications.
3. Modify the “multi-family residential” definition to allow detached units in order to provide more design flexibility.
4. Subsidize or defer connection fees for ownership units affordable to households with incomes less than 120% of area median income.
5. Acquire suitable properties for residential development targeted to local employees and partner with developers to provide housing.
6. Negotiate Lease/Development Agreement with non-profit housing organization for construction of affordable housing at Earl/Eddy property.

**Goal 3: Establish, improve and maintain City infrastructure.**Objectives

1. Maintain the high level of service and reliability of the City’s infrastructure systems and facilities.
2. Upgrade and maintain the long-term reliability of the City’s water supply.
3. Provide for long term maintenance and repair of City sidewalks.
4. Support efforts to fund bridge and street maintenance and repair.
5. Educate Calistoga citizens about the condition and cost of maintaining and repairing city streets, bridges, and the water and wastewater treatment plants.
6. Improve the safety and functioning of the City’s primary intersections and the lighting of city streets and intersections, in accordance with the City’s Dark Sky policy.
7. Improve all forms of transportation and implement the complete streets policy to improve non-motorized means of transportation, including active transportation such as walking and cycling.

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| <p style="text-align: center;"><b>City Council Goals, Objectives &amp; Priority Projects</b><br/><b>Fiscal Year 2019-20</b></p> |
|---|

8. Complete geothermal metering and riverside pond projects to address the issues with wastewater plant operations as identified in the cease and desist orders from the state.

Priority Projects

1. Complete the design of the signal and pedestrian improvements for the Foothill Boulevard/Petrified Forest Road intersection.
2. Continue the sidewalk trip hazard repair program, including the notification of utility companies and property owners of trip hazards that require sidewalk replacement where they cannot be repaired. Offer to share replacement costs with affected property owners if appropriate.
3. Complete design work for improvements to Kimball Reservoir that are necessary to meet state standards and maintain its functionality, including replacement of the intake tower and drain valves, and the installation of required gauges as necessary to implement the Interim Bypass Plan.
4. Calibrate citywide sewer model.
5. Partner with Napa County jurisdictions to prepare a Countywide Drought Contingency Plan to address potential water needs during periods of drought and alternatives on how to address them.
6. Complete installation of geothermal meters at remaining spas and begin geothermal discharge billing.
7. Develop system with end users of Fire Station Parking Lot Dumpster Enclosure for ongoing maintenance.
8. Complete A.T. & T. pathway project.
9. Complete planning and preliminary design of a project to drain and line existing ponds to reduce underground flows into the Napa River.
10. Complete Grant Street pathway from Garnett Creek Court to northern City limits.
11. Prepare Report of Waste Discharge for new NPDES Permit for Dunaweal Wastewater Treatment Plant.

## **City Council Goals, Objectives & Priority Projects**

### **Fiscal Year 2019-20**

#### **Goal 4: Expand and improve recreational and community facilities.**

##### Objectives

1. Provide Diverse and affordable recreational programs, including senior fitness. Collaborate with other agencies and groups to achieve this objective.
2. Continue efforts to create a Master Plan to develop the Sharpsteen Plaza and Community Center.
3. Support local efforts to improve Logvy Park.
4. Identify additional areas for the development of recreational facilities, including picnicking facilities.
5. Develop a plan to achieve year-round use of the Community Pool.

##### Priority Projects

1. Update the Logvy Park Master Plan to reflect current and projected needs. Collaborate with other agencies and groups to achieve this objective.
2. Work with Napa Valley Vine Trail and Napa County Regional Park and Open Space District to provide facilities at or near the Oat Hill Mine Trail trailhead, particularly public parking and restrooms for trail users.
3. Maximize use of the Community pool to meet the overall health and recreational needs of community.
4. Create new recreational programs and activities sponsored by the City that meet the needs of seniors in Calistoga.
5. Develop and conduct community needs survey with a focus on recreation services.
6. Enhance recreation program registration utilizing iPads at City sponsored public events such as Safety Fair Day, etc.

#### **Goal 5: Offer excellent professional services to all customers.**

##### Objectives

1. Continue to provide a high standard in the delivery of emergency and general municipal services.
2. Streamline and simplify processes.
3. Continue to promote and enhance communication and transparency. Implement communication practices and tools to better reflect the cultural makeup of the community.

## **City Council Goals, Objectives & Priority Projects**

### **Fiscal Year 2019-20**

4. Maintain focus on existing key assignments and priorities. Evaluate available time and resource demands before committing to or assigning new tasks. Evaluate and adjust staffing levels to reflect increased demands.

#### Priority Projects

1. Research and implement various opportunities for outside service agencies or private companies to provide routine city functions in order to free City staff for higher-level activities and special projects and reduce the need for additional employees.
2. Continue department-specific strategic planning activities including development of department business plans and goals/objectives.
3. Evaluate and adjust staffing levels if appropriate to provide optimum service and execution of approved capital projects.

#### **Goal 6: Create an environmentally-sustainable community.**

#### Objectives

1. Implement "green" environmental sustainability policies and initiatives.
2. Reduce greenhouse gas emissions.
3. Promote Calistoga as a walking-and-cycling-friendly city and implement complete streets policy to improve non-motorized means of transportation.

#### Priority Projects

1. Implement the GHG Emissions Reductions Measures included in the Climate Action Plan.
2. Work on the construction of the Calistoga segment of the Napa Valley Vine Trail to expand the active transportation network.
3. Implement the Calistoga Active Transportation Plan in order to improve and enhance walkways and bicycle trails.
4. Council Review of the Climate Action Plan.
5. Complete Phase I of micro-grid feasibility study.
6. Complete permitting and design of Pioneer Park Pedestrian Park Bridge.
7. Complete alternative analysis for pedestrian river crossing at South Oak or Gold Streets.
8. Develop plans for centralized downtown bicycle parking facility.

## City Council Goals, Objectives & Priority Projects

### Fiscal Year 2019-20

9. Conduct community forums and outreach on development of policy regarding on-street parking vs. Class II Bike Lanes.
10. Collect Measure "U" funds and allocate as specific opportunities arise or bank for future projects.

**Goal 7: Enhance Calistoga's small-town character by making it safe and attractive.**

Objectives

1. Enhance community disaster preparation, including wildfires.
2. Minimize injuries and deaths related to earthquakes.
3. Identify and develop programs to educate our youth on crime prevention and substance abuse awareness.
4. Provide a code enforcement program that is efficient, readily understandable and predictable.
5. Maintain Calistoga's small-town character through implementation of General Plan goals and policies.

Priority Projects

1. Priority focus on working with CalFire and Napa Firewise to evaluate potential wildfire impacts, educate residents on minimizing wildfire damage, and prepare for post-fire recovery.
2. Work with local schools on youth gang and substance abuse issues and support the crime intervention activities of the Boys and Girls Club.
3. Adopt updated code enforcement regulations and update nuisance abatement procedures and provide needed resources for effective and efficient code enforcement.
4. Resurrect a Calistoga Disaster Council to bring local businesses and service providers into the City's emergency response program and continue to train key City staff on their duties and responsibilities during emergencies.
5. Implement the unreinforced masonry building ordinance to abate structures that could be hazardous during an earthquake.
6. Update Emergency Management Plan and participate in update of County Wide Hazard Mitigation Plan.

**City Council Goals, Objectives & Priority Projects**  
**Fiscal Year 2019-20**

7. Develop and adopt local fire codes that exceed County and State minimums, as appropriate, to protect life and property.
8. Hire consultant to develop downtown beautification plan including street scape improvements, parklets, standard façade improvements and public art opportunities.
9. Complete feasibility assessment on taking over sidewalk right-of-way on Lincoln Avenue (SRE29).