NAPA COUNTY FINANCIAL OVERSIGHT COMMITTEE

REGULAR MEETING MINUTES

804 First Street Napa, California 94559
Wednesday, May 5, 2010
5:30 P.M.

I. Call to Order; Roll Call.

Meeting called to order at 5:30pm.
Members present: Genji Schmeder, Carl Ebbeson, Bernhard Krevet, Amanda Feliz, James Barnes, Peter Murphy, and Dorothy Phillips. James Shupe and Michael Haley joined meeting during item 4.
Members excused: Michael Moffett
Staff: Tracy Schulze, Napa County Auditor-Controller, Julie Lucido, Napa County Flood Project Manager, Daisy Lee, Napa County Senior Flood Project Analyst and Alicia Hinojoza, Administrative Support.
Guests: Bill Mushallo, City of Calistoga Finance Director and Dan Takasugi, City of Calistoga Director of Public Works.

II. Public Comment – In this time period, anyone may comment to the Committee regarding any subject over which the Committee has jurisdiction but which is *not* on today's agenda or request consideration to place an item on a future agenda. Time limitations will be three minutes per speaker. No action will be taken by the Committee as a result of any item presented at this time. Public comment on agenda items will be heard at the conclusion of staff reports and before the Committee's discussion.

Board Member Bernhard Krevet announces that today was the official dedication of the Oxbow Preserve Park. Bernhard extends invitation to all members to explore the park.

III. Approve Minutes of the February 3, 2010 Regular Meeting.

Genji Schmeder asks that the Minutes be corrected to state that he was present at the February 3rd meeting.
Motion, Genji Schmeder: Approve Minutes with the change requested.
Second, Amanda Feliz: Unanimously approved.
Abstained: Bernhard Krevet

IV. Presentation and update of the City of Calistoga Measure A projects. Presented by Bill Mushallo, Finance Director and Dan Takasugi, Director of Public Works. No action required.

Dan Takasugi stated that Calistoga's share of Measure A revenues is only about 3% and that Calistoga did not bond for any major improvements nor did they have any major projects at the beginning of Measure A. A study conducted on the Kimball Reservoir proved that major dredging was not feasible but maintenance dredging was. A question was asked that if by not dredging would it cause the reservoir to eventually overflow. Dan responded that yes, it could happen but that's why Calistoga would perform regular maintenance dredging. Minor storm drain improvement was completed on Grant Street and more drainage improvements to Grant Street have already been approved. There was also repair work done on the Fisher Street culvert that had previously collapsed. Calistoga has gotten the water storage tank for Kimball Water Supply reliability project approved and the debt payments for Kimball Water projects approved as well. Calistoga currently has planned replacing the Kimball Reservoir intake tower which has gotten very old, southeast quadrant improvements; flooding of the mobile home parks, continued work on Grant Street and the maintenance dredging on the Kimball Reservoir.

V. Presentation and update of the City of Napa Measure A projects. Presented by Julie Lucido, Flood Project Manager and Tracy Schulze, Napa County Auditor-Controller. No action required.

Julie Lucido spoke to the current railroad construction and stated that it is at approximately mid-way point and it's anticipated to be completed December 2011. First Street has been closed since mid-March and is expected to reopen July 31, 2010. Julie reports the almost 100% of the storm drain work has been completed and both PG&E Co. and AT&T have relocated their services on First Street. First Street will be raised 5 ½ feet and Third Street will be raised 3 ½ feet. Third Street planned closure will begin after the County fair and is estimated to be closed for about 4 months. Soscol Avenue will also have major construction work and will slim down to one lane of traffic in each direction. On June 1st the in-water work period begins. The County is restricted to complete and be out of the water by October 15, 2010. During

this time the contractor will be working on the underwater piers for the River Bridge. Finally, First Street will close for a period of time again in late winter early spring to complete the final tie-in.

Julie also reported on the Napa Creek project; the District recently certified all real estate. Army Corps of Engineers expects to have the contract out to bid on or about May 11, 2010 and hopes to award on or before June 30, 2010. The Napa Creek project is expected to last 30 months. The project consists of 2 bypass culverts and the construction of a floodplain terrace. The Behrens Street Bridge will also be reconstructed with a new pedestrian bridge. It will be a pedestrian bridge with emergency vehicle access. Since the bridge will be property of the City of Napa Julie was unsure if bicycles would be permitted. There was also a concern as to whether there was guaranteed funding for these projects; Julie confirmed that these projects are being paid with stimulus funds and that the funds have already been set aside. Board member Michael Haley questioned if the funds for the Oxbow bypass excavation were also secured; Julie stated that those funds were not secured and that there would be a need of future federal allocations and that they would be requesting funds from fiscal year 2011 budget. All the properties for the bypass contract have been acquired but not all for the oxbow flood wall; approximately 3 left to acquire.

Tracy Schulze distributes 20 year projection spreadsheet and does a quick overview of the information highlighting the following on page 2:

- First 2 columns (years 1-10 & year 11) are actual numbers and the remaining years are estimated figures
- After conservatively projecting revenues and expenses a shortfall of $1,070,826 is anticipated
- Sales tax revenue is projected by a 2% growth cumulative on each year and interest fluctuates on cash balance
- Cash flow remains positive until the last year (year 20:fy17/18) mainly due to zeroing out debt on State Revolving Loan #2; notably the payment amount dramatically jumps between year 19 and 20.

VI. Presentation and Possible Action of 3rd Qtr Financial Reports.

Tracy Schulze presented the 3rd Quarter financial reports, reviewed each entities project amount expenses and highlighted the following information:

- First 2 Quarters brought in a total of $7,084,831 in sales tax revenue
- State Board of Equalization has billed a total of $80,800 in administrative costs for the 1st and 2nd quarter
- Tracy Schulze will create a graph for the Board detailing the Sales Tax received since September 1998 in the hopes of a seeing a possible trend.

Motion, Michael Haley: Approve financial reports.
Second, Dorothy Phillips: Unanimously approved

VII. Discussion of annual publication of Measure A funds; presented by Tracy Schulze, Napa County Auditor-Controller. No action required.

Copies of the latest Financial Oversight Publication were distributed. Tracy Schulze mentioned that she wanted to look into adding images to future publications. Questions were raised regarding if publishing via electronic media would be suffice; that would be more earth friendly and could save money. Genji Schmeder added that if space allowed it might be a good idea to add what obstacles that have arisen during the projects and that posting a searchable PDF copy of the annual report would be optimal. No action taken.

VIII. Update of vacancies of the Napa County Financial Oversight Committee. No Action Required.

There have been no new applications/inquiries to any of the vacant positions on the Board. There are a total of 7 vacancies including 3 recent resignations from the members representing the Board of Supervisors, the Agricultural Industry and the Business Community. No action taken.

IX. Agenda Items for Future Meetings.

- Presentation by the City of American Canyon.
- Board Member Bernhard Krevet asks that an item be placed on the next meeting agenda requesting a donation of $500 from the Napa County Financial Oversight Committee to the annual Friends of the Napa River Festival being held Labor Day weekend 2010.

X. Members and Staff Reports and Announcements.

- James Shupe introduces himself to the Board and states that his decision to join the Board was at the recommendation of his great friend Renate Holliday; former board member.
- Board Member Genji Schmeder advises that he will be out of state and unable to attend the next meeting.

XI. Confirm Next Meeting Date of August 4, 2010.

XII. Adjourn.

Meeting adjourned at 7:00pm until the next regularly scheduled meeting, August 4, 2010 at 5:30pm.

_____
CARL EBBESON
Chairperson

ATTEST:

_____
TRACY A. SCHULZE
Auditor-Controller
County of Napa

_____
BY: Alicia Hinojoza
Administrative Support Technician
County of Napa