



FILED

APR 28 2010

The City of St. Helena will conduct city affairs on behalf of our citizens using an open and creative process. Clerk of the Napa Superior Court

By: *A. Brennan*
Deputy

April 26, 2010

The Honorable Raymond A. Guadagni
Presiding Judge
Superior Court of the State of California
County of Napa
825 Brown Street
Napa, California 94559

Received
Napa Superior Court

APR 27 2010

Court Executive Office

Dear Members of the Napa County Grand Jury:

Thank you for your efforts in reviewing and commenting on the local tax revenue source that TOT brings to the Napa Valley and Municipalities. The City of St. Helena, like the Grand Jury, does understand and value the importance of this primary revenue source to fund our community operations.

A follow up letter dated February 14th, 2010 was received and requested follow-up to items #6 and #8.

Recommendation 6. Local governmental agencies expand the municipal code to include the cost of auditing if the operator does not have adequate records.

In March 2010 the City Council approved the amendment of section 3.28.100 of the St. Helena Municipal code, pertaining to Transient Occupancy Tax record keeping.

In order to comply with the Grand Jury recommendation the following was added:

If the records are deemed to be inadequate by the tax administrator or through inspection or audit, the operator shall have 60 days after notice given by the tax administrator to install adequate recordkeeping procedures. If after that time, records or Record keeping procedures are not improved sufficiently to be audited successfully, the operator shall be liable to the City for the cost of all subsequent audits of the hotel by the City or its representatives until the records and recordkeeping are sufficient to be audited in accordance with generally accepted auditing practices.

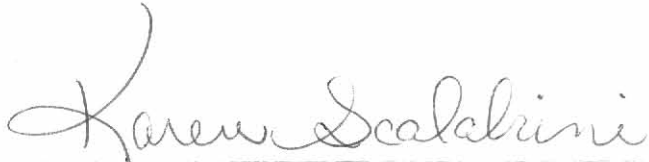
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Recommendation 8. Enforce the provision in the municipal code assessing the cost of auditing to an operator who does not have adequate records.

Now that the municipal code is updated the City will pass on audit costs to operators if the operator does not have adequate records.

These comments are respectfully submitted for the City of St. Helena.

Please contact me if the Grand Jury has any questions or needs additional information from the City of St. Helena.

A handwritten signature in cursive script that reads "Karen Scalabrini". The signature is written in dark ink and is positioned above the printed name and title.

Karen Scalabrini
Director of Finance