City of St. Helena
Finance Committee
Regular Meeting
1088 College Avenue, St. Helena, CA 94574
Tuesday, March 17, 2026 @ 1:00 PM

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 do so, but please observe the time limit of four minutes.

Members of the public and other parties are welcome to email their comments to the Staff Liaison Mandy Kellogg at mkellogg@cityofsthelena.gov. All public comments must be received three hours prior to the meeting. Public comments received after the deadline will be attached to the item the next business day or soon thereafter. Public comments will not be read out loud but will be publicly available and attached to the online agenda.

Page

1. CALL TO ORDER

2. ROLL CALL
Vice Chair: Christopher Warner, Members: Gregg Dawley, Richard Garber, Garry Rose, George Schisler, Mark Smithers
City Council Member Liaison: Aaron Barak
Staff Liaison: Mandy Kellogg, Administrative Services Director

3. PUBLIC FORUM:
An opportunity for the public to directly address the Committee on items of interest to the public that are not listed on the agenda. Any person addressing the Committee should provide his or her name and address, and limit comments to four minutes. **Because of restrictions imposed by the Brown Act, the Committee may not engage in substantive discussion, nor take action on matters not described on the agenda.**

4. REPORTS BY STAFF AND COMMITTEE:
Reports by staff and/or committee on items of general interest. ***Brief questions for clarification may be posed and answered, and Committee may request that items be placed on a future agenda. Except under certain circumstances, the Brown Act prohibits any other discussion or action by the Finance Committee.***

5. CONSENT CALENDAR:
Members of the Finance Committee or the public may ask that any items be considered individually for purposes of considering alternative action, for extended discussion, or for public comment. Unless that is done, on motion may be used to adopt all recommendation actions.

6. SCHEDULED MATTERS:

   6.1. Efficiency and Business Transformation Study - Potential Financial Impacts Presentation — 3 - 13
   Presentation

   6.2. Committee Report to the City Council Status Update

7. FUTURE AGENDA ITEMS:

8. ADJOURNMENT

The next regular Finance Committee meeting is scheduled for TBD, City Hall,1088 College Avenue, St. Helena.

This agenda was posted at City Hall, 1088 College Avenue, St. Helena on March 13, 2026.

Mandy Kellogg, Administrative Services Director

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact City Hall at (707) 967-2792. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR35.102-35.104 ADA Title II). However, City staff will attempt to assist at any time with accessibility.

City of St. Helena
Efficiency and Business Transformation

Presentation to the Finance Committee
March 17, 2026

Presented by Blackberg Group, LLC

Contents

Purpose

Improve the Efficiency and Effectiveness of the City

Blackberg's study centers on improving the efficiency and effectiveness of St. Helena's City government. This includes all aspects of strategy, management, and governance with a focus on process improvement. Key objectives and goals include:

- Assess current business processes, identify inefficiencies, and recommend strategies for improvement and transformation.
- Recommend changes in its organizational structure to enhance service delivery and/or reduce costs and optimize resources.
- Align City services, technology, and organizational structure in a way that makes it easier and more efficient for residents to access services and conduct business with the City.

Approach

Blackberg is conducting a four-part study of the City

Current State Analysis

Included an initial document review, survey of City employees, structured interviews, and analysis.

Information & Insight Analysis

Conducted document reviews; data requests; quantitative analyses; interviews; review of legacy analyses and surveys; examination of publicly published materials.

Existing Operations

Completed a four-part analysis of organizational structure & staffing, process improvement & efficiency potential, financial efficiency, and technology utilization & modernization.

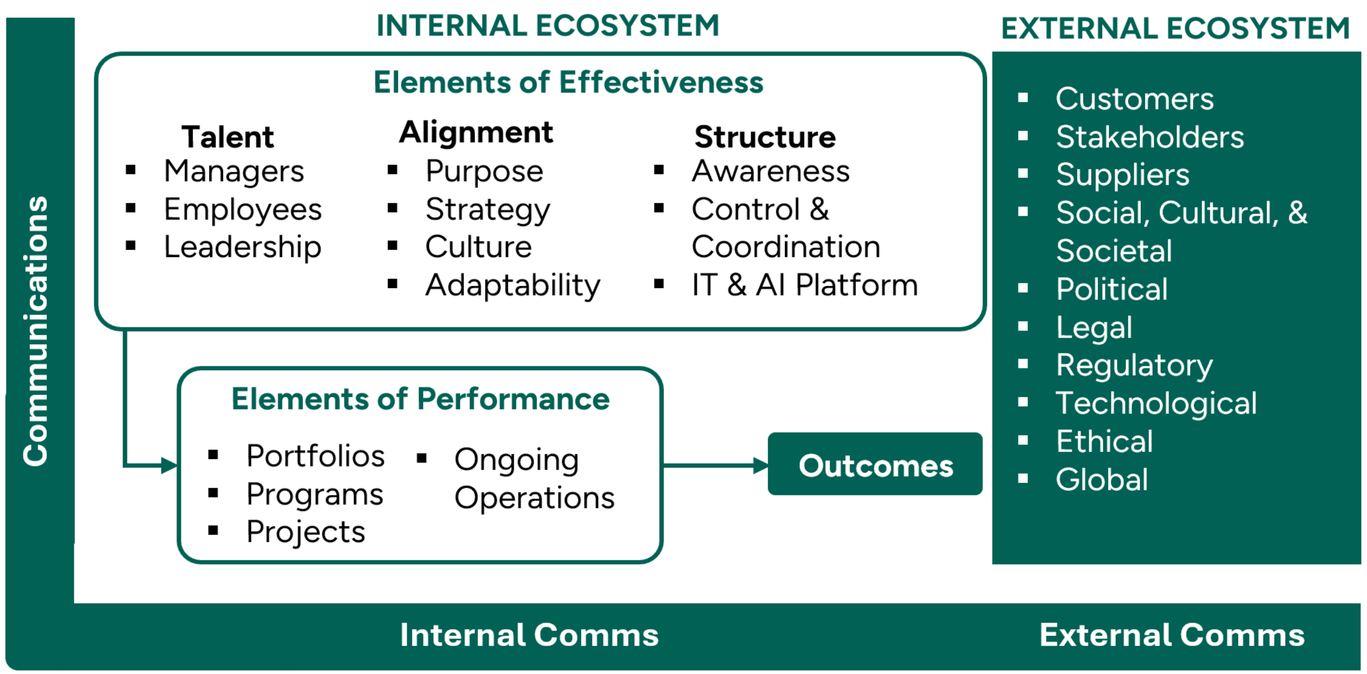
Final Report & Recommendations

Currently under development with a focus on detailed recommendations for the City to improve effectiveness and efficiency.

In-Progress
(As of March 17, 2026)

Blackberg used the City Fitness Framework

Blackberg used the City Fitness Framework (CFF) to provide structure and context for the study. One can study each element within the CFF in relative isolation, but the reality of any organization is that each element is interacting with all other elements as a complex adaptive system. Therefore, it is important to understand the major interactions.



Deliverable 1 “Current State Analysis” revealed a variety of strengths and weaknesses.

Key Findings include:

1) There have been significant efforts made in the past two years to improve the overall management of the City. Most City employees recognize this and find it a source of encouragement to continue improvements.
2) An overall lack of situational awareness within the City exists.
3) A low level of organizational maturity evidenced by ad hoc and undocumented processes.
4) No governance model for policies, processes, and standard operating procedures.
5) No evidence of Key Performance Indicators (KPIs) crafted to track overall processes.
6) Inadequate asset management systems (this is potentially severe but needs further investigation).
7) The City has been exploring AI for at least a year. While the City has not implemented AI, it has considered its use in several areas. However, we find no evidence of purposeful objectives to use AI or prepare for future AI use.
8) Many positive responses and evidence of the implementation of IT Services.
9) Employees report feeling comfortable providing recommendations for improvement to their supervisors and identified weekly meetings as venues where they can share their ideas.
10) Low pay and high work volume are generating negativity in the culture with uncertainty about position stability and future advancement.
11) Employees would like more opportunities for training.
12) Employees say that there is understaffing.
13) City employees define success as: “there are no complaints or problems”. This demonstrates that ongoing operations are highly reactive about concepts of quality.

Finance Committee Highlights

- There is an extensive amount of process improvement potential that can generate significant annual cost savings over the long-term.
- To unlock the cost savings, the City must make sustained efforts in improving its general management knowledge base amongst staff, automation of key processes, and general IT capabilities.

Deliverable 2 "Information and Insight Analysis" confirmed management system challenges.

Key Findings include:

1) The various reports on budget deficiencies create confusion among staff and residents about what the actual annual shortfall is and what comprises it. The combination of budget tracking issues, severe lack of management systems, governance inadequacy, and leadership and management styles creates a ripe environment for financial and/or procurement impropriety.
2) The Library demonstrates excellent levels of performance.
3) The lack of talent management has created a City staff in which some individuals, including executive managers, do not have the education, professional certifications, and/or experience to meet a minimal level of capability expected for their role.
4) Governance is severely lacking in many different aspects.
5) Quality Management is severely lacking.
6) There is positive progress with Customer Relationship Management (CRM).
7) Change management is severely lacking within the City.
8) Asset management is severely lacking, particularly centralized asset management
9) The City does not have a strategic plan. The absence of this document is creating numerous direct issues and spill-over problems across the City.
10) The budget crisis (or perception of it) is creating negative effects on culture within the City Departments and Divisions.
11) Apex is making progress in improving the City's IT position, particularly with cybersecurity. Within AI, the City is lagging its peers. The City is currently in the bottom 10% of the benchmark data.
12) Our in-depth review of processes within Public Works, Administrative Services, and Community Development revealed a CMMI maturity level ranging from 1-2.

Finance Committee Highlights

- The City will need to invest in IT automation and personnel capability development to design, develop, and implement the governance and management systems needed to improve efficiency and effectiveness.
- The short-term increase in spending can be offset by mid-term and long-term reductions in cost enabled by these early investments.
- We expect long-term savings to significantly outweigh the short-term investment costs.

Deliverable 3 "Existing Operations" refined early findings in critical areas of staffing, processes, and IT.

Key Findings include:

1) The City has major opportunities to bring executive salaries in line with market averages.
2) The City should seek to implement "strategic recruiting" to better align City capability needs with potential hire capabilities available.
3) There are opportunities for strategic partnering to reduce personnel costs.
4) We recommend multiple adjustments to the organizational structure that could lead to short-term and long-term cost reallocation to higher value needs.
5) Through staff workshops, city personnel requested increases in staffing in the following areas (in priority order): HR Manager, Police Officer, Code Enforcement/Building Inspector, Mechanic, Project Manager, Grant Writer, Records Manager, Recreation Coordinator, IT Manager, Library Associate, Assistant Engineer, and Lead Government Buildings Maintenance.
6) Blackberg recommends two half-time positions: HR Manager and IT Manager.
7) Further confirmation of low maturity processes across the City.
8) Identified potential vulnerabilities in financial controls, operational processes, and resource stewardship within the City's administration, we recommend the City Council procure specialized consulting services focused on fraud, waste, and abuse (FWA) detection, prevention, and mitigation.
9) There is a severe lack in IT architecture and related management and integration of IT into City processes and other needs.

Finance Committee Highlights

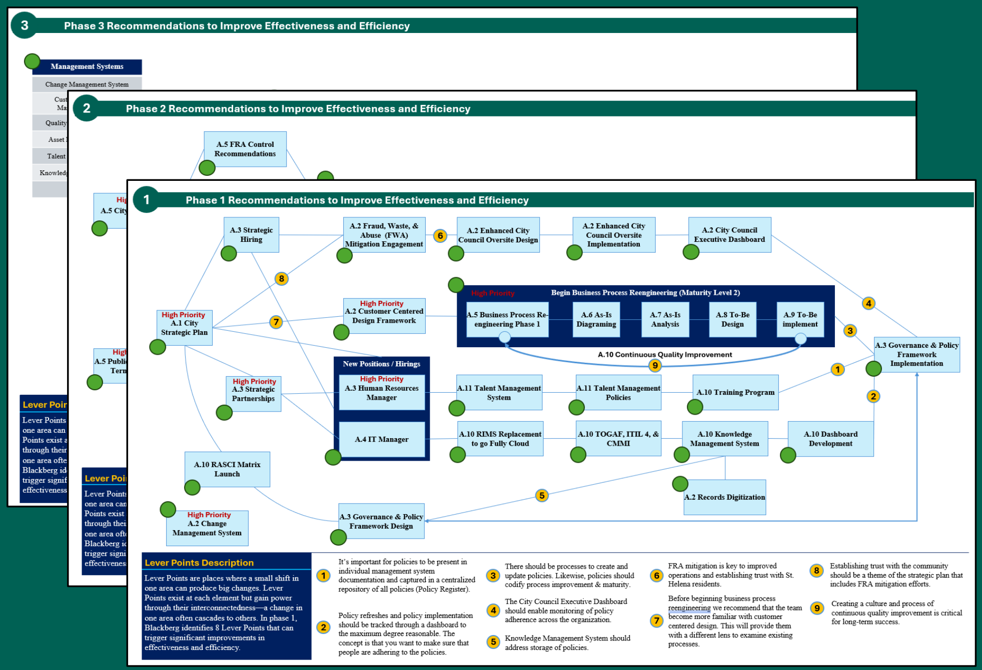
- There are offsetting costs and savings with recommended staffing adjustments and organizational structure changes.
- The recommended HR Manager and IT Manager (both half-time) are key for implementing and sustaining the needed transformations to improve effectiveness and efficiency.
- The recommended FWA engagement will generate a one-time cost.

Deliverable 4 is “in-progress”.

- We anticipate completion of Deliverable 4 by mid-April.
- All analyses are complete, and Blackberg is developing flowcharts, tables, and supportive figures.
- We are aware of all recommendations that will have direct impact on costs and savings; however, there will be some uncertainty on exact amounts as many of them are estimates.

Transformation Roadmaps

- We are developing a three-phased set of transformation roadmaps for Deliverable 4.
- They will show recommended sequencing of transformation elements, some of which can be implemented in parallel.
- Some of the elements will produce increases in costs and some will reduce costs.



Implementation of the transformation roadmap will generate costs and savings.

- The following costs and savings derive from Blackberg's recommended transformational changes.

Transformation Roadmap: Phase 1

Phase Length: 10 -12 months

Recommended Transformations	Cost Increase	Cost Savings
HR Technician position eliminated		77,000
HR Manager (half-time) added	60,000	
IT Manager (half-time) added	80,000	
Records Technician (Summer Intern)	8,160	
Eliminate position: Director of Community Services		184,000
Optional - remove position of City Librarian		150,000
Hire additional Recreation Supervisor	95,000	
Totals:	243,160	411,000
FWA Expert (one-time cost)	111,600	
Shutdown of monthly data center rental for RIMS by moving to a cloud solution (annualized)		32,400
Microsoft Power BI licenses	5,040	
IT Upgrades	65,000	
	70,040	32,400

Transformation Roadmap: Phase 2

Phase Length: 8 -10 months

Recommended Transformations	Cost Increase	Cost Savings
Hire City Accountant	147,000	
Cost Reallocation Finance Manager		135,000
Cost Reallocation Accounting Technician		78,000
Additional IT Upgrades	40,000	
	187,000	213,000

Transformation Roadmap: Phase 3

Phase Length: 6-8 months

No cost increases or savings planned via transformational changes.

Blackberg recommends seeking cost savings long-term by reducing executive total compensation toward market averages via strategic hiring. We believe there is an additional $400,000–$600,000 in annual savings available, but the timing is uncertain.

Questions?