City of St. Helena
Special City Council Meeting
Tuesday, July 7, 2026 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena CA

~~Remote Participation:~~
~~3363 Old Highway 191, Island Park, Idaho 83429~~

PLEASE NOTE: Any person who wishes to speak regarding an item on the agenda or make a comment under the "Public Forum" portion of the agenda may do so, but please observe the time limit of four minutes.

The City Council meeting will be live-streamed on Comcast Channel 28 and on the City's website.

Public comment for City Council meetings will be accepted via email via to publiccomment@cityofsthelena.gov. All public comments must be received three hours prior to the meeting. All other 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 City Council agenda.

To ensure interpreters are available, requests must be made at least 72 hours in advance by calling the Office of the City Clerk at (707) 968-2640 or emailing cityclerk@cityofsthelena.gov.

The schedule of upcoming meetings and published meeting agendas can be found on the City of St. Helena website at cityofsthelena.gov.

Servicios de interpretación en español durante la reunión pueden ser solicitados por el público. Para asegurar que los intérpretes estén disponibles, los servicios tienen que ser solicitados al menos 72 horas antes de la reunión llamando a la oficina de la Secretaria de la Ciudad al (707) 968-2640 o por correo electrónico a cityclerk@cityofsthelena.gov.

El horario de las reuniones publicadas y próximas puede ser localizado en el sitio de web de la Ciudad en cityofsthelena.gov

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1. CALL TO ORDER

2. ROLL CALL

   Mayor: Paul Dohring; Vice Mayor: Michelle Deasy; City Council Members: Aaron Barak, Kate Spadarotto, Scott Diaz

3. PLEDGE OF ALLEGIANCE

4. ADOPTION OF THE AGENDA

5. PUBLIC FORUM

   Under California law, public comments at special meetings are limited to subjects on the agenda only. Therefore public comment will take place during consideration of the item. Each person's comments shall be limited to 4 minutes.

6. NEW BUSINESS

6.1. Approval of a Resolution of the City Council of the City of St. Helena, State of California, Calling and Giving Notice of a Municipal General Election and consider Ballot Measure for Measure "S" (a ½ cent sales tax) to be Held on Tuesday, November 3, 2026.

CEQA Determination: Not a CEQA Project (CEQA Guidelines §15378)
Prepared By: James McCann, Interim City Manager, Mandy Kellogg, Director of Administrative Services, Andrew Bradley, Program Manager (City Clerk)
Recommendation: Approve the resolution to place Measure "S" on the November 3, 2026 Ballot.

7. ADJOURNMENT

The next Regular City Council meeting is scheduled for July 28, 2026.

This agenda was posted at City Hall, 1088 College Avenue, and at Vintage Hall, 465 Main Street, St. Helena, California on July 2, 2026 and 3363 Old Highway 191, Island Park, Idaho 83429 on July 5, 2026.

Andrew Bradley, City Clerk

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Clerk's Office (707) 967-2792. Notification 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

CHALLENGING DECISIONS OF CITY ENTITIES
The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City of St. Helena is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision, including without limitation Government Code section 65009 applicable to many land use and zoning decisions, Government Code section 66499.37 applicable to the Subdivision Map Act, and Public Resources Code section 21167 applicable to the California Environmental Quality Act (CEQA). Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Government Code section 65009 and 66499.37, and Public Resources Code section 21167, impose shorter limitations periods and requirements, including timely service in addition to filing.

If a person wishes to challenge the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of St. Helena, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA
Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this Agenda, after the posting of the Agenda, will be available for public review in the City Clerk's Office located at 1088 College Avenue, St. Helena, California, during normal business hours and by appointment. In addition, such writings or documents will be made available on the City's website at cityofsthelena.gov and will be available for public review at the respective meeting.

Agenda Report to the Special City Council

Agenda Section: NEW BUSINESS
Department: Admin

DATE:	July 7, 2026
FROM:	James McCann, Interim City Manager, Mandy Kellogg, Director of Administrative Services, Andrew Bradley, Program Manager (City Clerk)
SUBJECT:	Approval of a Resolution of the City Council of the City of St. Helena, State of California, Calling and Giving Notice of a Municipal General Election and consider Ballot Measure for Measure "S" (a ½ cent sales tax) to be Held on Tuesday, November 3, 2026.
RECOMMENDED ACTION:	Approve the resolution to place Measure "S" on the November 3, 2026 Ballot.
PREVIOUS COUNCIL ACTION:	Direct staff to return with specific recommendations related to revenue.
STATEMENT OF THE PURPOSE:	Help close ongoing structural deficit.
FINANCIAL IMPACT:	• Potential proceeds from a ½¢ sales tax are estimated to be $2 million/annually to help the general fund. • The costs to hold the General Municipal Election with the Statewide General Election will be reimbursed to Napa County Elections Division after the final election results are confirmed and certified. • Total estimated costs for the election have been budgeted for up to $60,000 in the City Clerk's FY 2026-27 adopted budget (estimated breakdown $15,000 per measure (if applicable) and $15,000 for the general election).
CEQA DETERMINATION:	Not a CEQA Project (CEQA Guidelines §15378)

BACKGROUND:
The City of St. Helena has experienced an ongoing structural deficit between recurring revenues and the cost of providing municipal services at levels expected by the community. As expenditures for personnel, infrastructure, maintenance, technology, and other operating costs

have increased over time, recurring revenues have not kept pace. As a result, successive City Councils have adopted balanced budgets through expenditure reductions, deferral of investment in capital projects, delayed facility maintenance, and limitations on staffing and operational investments.

The long-term effects of these actions have become increasingly evident. Deferred maintenance has accumulated at several City facilities, including City parks, the St. Helena Public Library, and the Public Works Corporation Yard, in addition to streets, sidewalks, bicycle facilities, and trails. Budget constraints have also affected the City's ability to recruit and retain employees in key positions, complete priority projects in a timely manner, invest in modern technology, and consistently deliver municipal services at the level expected by residents. The City is providing services and facilities but not at the level the City Council, the community, and staff desire.

An additional factor contributing to the City's structural deficit was the transition from a volunteer fire department model to a full-time fire department following the major wildfire events that affected the region. The City hired 6 full-time firefighters to improve emergency response for the community. At the time this decision was made, it was anticipated that revenues generated by a future entitled hotel development would substantially offset the additional operating costs associated with the expanded Fire Department. Although the hotel project received the necessary entitlements, it has not yet been constructed. As a result, the anticipated revenue has not materialized, while the City continues to incur more than $3 million annually in Fire Department operating costs.

Successive City Councils have recognized that the City's fiscal challenges are primarily revenue-related rather than expenditure-related. While the City has continually sought operational efficiencies and reduced expenditures to align with available revenues, these measures alone have not eliminated the underlying structural deficit.

Over the past several years, the City has pursued multiple strategies to improve its long-term financial condition. The City has pursued economic development initiatives intended to generate additional revenues without increasing taxes, including declaring surplus City-owned properties available for redevelopment and approving entitlements for 2 hotel projects. Although these actions were intended to strengthen the City's long-term revenue base, the redevelopment of City properties has not progressed and 1 of the hotel projects let its entitlements lapse, the other entitled hotel project has not yet been constructed.

In 2023, the City Council directed staff to undertake a comprehensive effort to improve organizational efficiency through shared services, business process improvements, and technology investments. Staff evaluated shared service opportunities across several operational areas, implemented 6 new software systems to improve service delivery, and completed numerous process improvement initiatives designed to reduce costs and increase organizational effectiveness. These efforts have resulted in measurable improvements to internal operations and customer service.

Building on those initiatives, in 2025 the City Council authorized a comprehensive Business

Transformation and Efficiency Study to identify additional opportunities to improve service delivery and organizational performance. The study was presented to the City Council in May 2026 (https://www.cityofsthelena.gov/transformationstudy), and staff is currently developing an implementation plan for its recommendations. While implementation of these recommendations is expected to improve operational effectiveness and may produce modest cost savings over time, those savings are not anticipated to eliminate the City's ongoing structural budget deficit.

Accordingly, despite sustained efforts to control expenditures, pursue economic development opportunities, and improve operational efficiency, the City continues to face a structural deficit between recurring revenues and expenditures. As a result, the City Council has directed staff to explore sources of additional revenue to maintain municipal services, address deferred infrastructure and facility improvements, and keep up with needed maintenance.

Since January 2025, the current City Council has continued the efforts of previous Councils to improve the City's long-term finances through expenditure controls, operational efficiencies, and evaluation of additional revenue opportunities. To that end, the City Council has directed staff to undertake numerous initiatives, including:

- Review and update the City's cost allocation plan.
- Explore opportunities to reduce water and wastewater rates.
- Institute a hiring freeze unless otherwise authorized by the City Council.
- 3 positions were frozen to reduce expenditures.
- Complete a Business Transformation and Efficiency Study.
- Declare the Adams Street property surplus for potential disposition.
- Explore future annexation opportunities and establish a framework for annexations.
- Establish the Water-Wastewater Committee to provide policy input regarding utility operations
- Establish the Finance Committee to review the City's long-term fiscal condition and evaluate the magnitude of the City's recurring structural deficit.

To further evaluate the City's long-term financial outlook and better define the magnitude of the structural deficit, the City Council established the Finance Committee to review the City's fiscal condition and provide recommendations. The Committee began its work in January 2025 and continues to evaluate the City's long-term financial needs; however, its report has not yet been completed.

DISCUSSION:

One of the Finance Committee's primary responsibilities has been to evaluate the City's ongoing structural budget gap and identify potential revenue options that could be considered by the City Council. During 2025 and 2026, the Committee evaluated a number of potential funding mechanisms. A summary of the principal revenue options considered is provided below.

Potential Revenue Measures

Revenue Measure	Estimated Annual Revenue	Potential Purpose
Fire Services Parcel Tax	$2.8 million	Fire Department operations
Library Parcel Tax	$1.2 million	Library operations
0.5% Transactions and Use (Sales) Tax	$2 million	General municipal services
Utility Users Tax (1%)	Approximately $300,000	General municipal services
Real Property Transfer Tax	Approximately $2.5 million	General municipal services

The Finance Committee also discussed a number of additional revenue-generating strategies. These included seeking private endowments, annexation of Meadowood Resort, disposition of City-owned properties, paid downtown parking, a payroll tax, a business activities tax, user fee updates, and implementation of the Carpenter Water Agreement settlement. While several of these concepts may provide incremental revenues and should continue to be explored, most would either generate insufficient revenue to substantially close the budget deficit or are not expected to provide funding within the timeframe necessary to address the City's current structural deficit.

With guidance from Mayor Dohring and Council Member Barak, the City further explored resident sentiment about community priorities, concerns, and revenue options by retaining FM3 to conduct scientifically-valid public opinion research regarding potential revenue measures.

Based on the Finance Committee's preliminary work, polling information showing substantial support for a ½¢ sales tax and insufficient support for a Library Parcel Tax, staff recommends that the City Council consider placing a general transactions and use (sales) tax measure before the voters at the November 3, 2026 General Municipal Election. A general sales tax would provide a flexible source of General Fund revenue that could be used to support municipal services without further depleting the City's fiscal reserves, address deferred maintenance, invest in aging infrastructure, and improve the City's long-term fiscal condition. A ½¢ sales tax would yield approximately $2 million in its initial year.

The statutory deadline for submitting a ballot measure to the Napa County Elections Office for St. Helena voter consideration on the November 3, 2026 election is July 8, 2026. Consequently, if the City Council wishes to place a revenue measure before the voters this November, action must be taken at this meeting.

General Tax versus Special Tax

Under California law, local taxes are generally classified as either general taxes or special taxes.

- A general tax is imposed for general governmental purposes, with revenues deposited into the City's General Fund. General taxes require approval by a simple majority (50 percent plus one vote) of the electorate and must be submitted at a regularly scheduled general election.
- A special tax is imposed for one or more specifically identified purposes, such as

funding fire protection, police services, parks, or infrastructure. Revenues from a special tax are legally restricted to those designated purposes. Special taxes proposed by a local government require approval by two-thirds (66.67 percent) of the voters.

Regional Sales Tax Context
If the City Council elects to pursue a general transactions and use tax measure, voters would also consider other local tax measures during the November 2026 election. This includes:

- Napa County's proposed ½¢ sales tax for wildfire preparedness, watershed protection, and open space preservation.

Current combined local sales tax rates within Napa County are summarized below.

Jurisdiction	Current Combined Sales Tax	Notes
American Canyon	7.75%	Would increase to 8.75% if the 2026 local measure passes
Calistoga	7.75%	
Napa	8.75%	Was increased by 1% after Measure G passed in 2024.
St. Helena	8.25%	Would increase to 8.75% if a half cent measure is adopted in November 2026
Yountville	7.75%	
Unincorporated Napa County	7.75%	

For additional context, combined local sales tax rates in many California communities currently exceed 9%, with several jurisdictions exceeding 10%. The highest combined sales tax rates in California are currently 11.25%.

Current combined local sales tax rates in Bay Area and/or surrounding counties are summarized below.

County Name	Sales Tax Range
Alameda	10.25% to 10.75%
Contra Costa	8.75% to 10.25%
Lake	7.25% to 8.75%
Marin	8.25% to 9.25%
San Benito	8.25% to 9.25%
San Francisco	8.625%
San Mateo	9.375% to 9.875%

Santa Clara	9.75% to 9.875%
Santa Cruz	9.25% to 9.75%
Solano	7.375% to 9.625%
Sonoma	9.25% to 10%
Yolo	7.25% to 9.25%

The City's existing sales tax rate consists of the statewide sales tax, Napa County's local sales tax, the Napa Valley Transportation Authority (NVTA) transportation tax, and voter-approved local transactions and use taxes as broken out in the table below.

Component	Rate	Supports
California Statewide Sales Tax	6%	Statewide programs and services
Napa County Local Tax	0.25%	County-level services
Napa Valley Transportation Authority (NVTA)	0.5%	Road maintenance and transportation programs (St. Helena receives 40% of the 0.5% collected and restricts those funds for road maintenance and repair projects).
Additional City/District Taxes	1% to 2% (depending on jurisdiction)	Local programs and services.

Conclusion

The City has pursued expenditure reductions, organizational efficiencies, economic development initiatives, technology innovation and other strategies to address its long-term structural fiscal challenges. While those efforts have improved operational effectiveness, they have not eliminated the ongoing structural deficit between recurring revenues and expenditures.

Based on the City's continuing fiscal challenges, previous Council direction, the evaluation of multiple revenue alternatives, and the statutory deadline for placing a measure on the November 3, 2026 ballot, with the confirmation of recent polling showing strong support of a sales tax measure over an alternative Library Parcel Tax Measure, staff believes it is appropriate for the City Council to determine whether to submit a general transactions and use (sales) tax measure to the voters. If the Council wishes to proceed, it must adopt the ballot measure resolution at this meeting to meet the July 8, 2026 Napa County filing deadline.

ENVIRONMENTAL REVIEW:

N/A

GOAL:

Goal 1: Strengthen Financial Sustainability

Goal 2: Improve Infrastructure & Further Environmental Sustainability
Goal 5: Enhance Quality of Life

ATTACHMENTS:

1. Resolution, Exhibit (Ordinance), and Attachment Calling for Election, Measure S
2. Presentation - Financial Overview
3. Presentation - 2026 Survey Analysis
4. Public Comment - Mark Smithers
5. Public Comment - Michelle Covell
6. Public Comment - Elaine de Man
7. Public Comment - Gregg Dawley
8. Public Comment - Garry Rose
9. Public Comment - Lisa Pelosi
10. Public Comment - Kelly Wheaton
11. Public Comment - Celeste Neeley
12. Public Comment - Mark Smithers 2
13. Public Comment - James McCann (Interim City Manager) Response to Mark Smithers
14. Public Comment - Tamara Sorensen
15. Public Comment - Chris Warner

RESOLUTION NO. 2026 -___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 3, 2026 GENERAL MUNICIPAL ELECTION BALLOT FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO ENACT A SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX (SALES TAX) AT THE RATE OF ONE-HALF PERCENT (1/2%) UNTIL ENDED BY VOTERS; REQUESTING THE COUNTY OF NAPA TO CONSOLIDATE SAID ELECTION WITH THE STATEWIDE GENERAL ELECTION OF EVEN DATE; AND SETTING RULES AND DEADLINES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST THE MEASURE.

WHEREAS, the City of St. Helena is responsible for and committed to maintaining municipal services and the public health, safety, and welfare of the community; and

WHEREAS, the City recognizes the important role of our public library in the community; and

WHEREAS, the City's local roads, bridges, and sidewalks require ongoing repair and reinvestment to maintain and improve their condition and to reduce potholes; and

WHEREAS, the City desires to maintain youth programming that benefits St. Helena children through City-run programs and sports leagues, camps and library programs; and

WHEREAS, the LNU and Glass Fires underscore the importance of 911 emergency response, fire protection, disaster preparedness, and managing hazardous fuels like weeds and brush; and

WHEREAS, a citizen-initiative countywide sales tax ballot measure which has qualified for the November ballot would fund fire services at the County of Napa, but the measure does not provide funding to cities within the County to support City fire prevention efforts; and

WHEREAS, police services are a significant part of the City budget, representing 23% of the total General Fund expenditures of the City and residents reported that these services are a high priority; and

WHEREAS, the City recently adopted a Walking Trails and Open Space Plan but it lacks funding to invest in any new capital programs; and

WHEREAS, a portion of locally generated sales tax is paid by visitors, tourists, and other non-residents who come to visit St. Helena to dine and shop; and

WHEREAS, locally controlled funding from this Measure cannot be taken by the State or County governments, and would be used in St. Helena to benefit local residents; and

WHEREAS, this locally controlled measure incorporates fiscal accountability and transparency provisions, including independent third-party audits and public spending disclosures; and

WHEREAS, the City of St. Helena ("City") is authorized to levy a Transactions and Use Tax ("TUT") for general purposes pursuant to California Revenue and Taxation Code section 7285.9, subject to approval by a majority vote of the electorate pursuant to Article XIIIC, section 2 of the California Constitution ("Proposition 218"); and

WHEREAS, pursuant to California Elections Code section 9222, the City Council has authority to place local measures on the ballot to be considered at a Municipal Election; and

WHEREAS, the City Council would like to submit to the voters at the November 3, 2026 General Municipal Election a measure establishing a supplemental general TUT of one-half percent (1/2%) on the sale and/or use of all tangible personal property sold at retail in the City until ended by voters, as more specifically set forth in the attached proposed ordinance adding Chapter 3.26 to Title 3 of the City's Municipal Code; and

WHEREAS, the one-half percent (1/2%) TUT is a general tax, the revenue of which will be placed in the City's general fund and will be used to pay for general City services; and

WHEREAS, on November 6, 1996, the voters of the State of California approved Proposition 218, an amendment to the State Constitution which requires that all general taxes which are imposed, extended or increased must be submitted to the electorate and approved by a majority vote of the qualified electors voting in the election; and

WHEREAS, pursuant to Proposition 218 (California Constitution, Article XIIIC, section 2(b)), the general rule is that any local election for the approval of an increase to a general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, the City's general municipal elections for officers are held on the first Tuesday after the first Monday in November of each even-numbered year. Therefore, the next regularly scheduled General Municipal Election for the election of members of the City Council will be held on Tuesday, November 3, 2026; and

WHEREAS, pursuant to Revenue and Taxation Code section 7285.9, a two-thirds (2/3) vote of all members of the City Council is required to place the Measure on the November 3, 2026 ballot; and

WHEREAS, the ordinance to be considered by the qualified voters and the terms of approval, collection and use of the general TUT are described and provided for in the ordinance/measure attached hereto as Exhibit "A" (the "Measure") and by this reference made an operative part hereof, in accordance with all applicable laws.

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places, voting centers and election officers of the two elections be the same, and that the Napa County election department canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election; and

WHEREAS, it is also desirable to establish deadlines and rules for the submission of written arguments and rebuttals for and against the Measure in accordance with applicable California Elections Code procedures.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ST. HELENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct, are incorporated herein and by this reference are made an operative part hereof.

SECTION 2. Submission of Ballot Measure. Submission of Ballot Measure. Pursuant to California Elections Code section 9222, Revenue and Taxation Code section 7285.9 and any other applicable requirements of the laws of the State of California relating to the City, the City Council, **by a two-thirds (2/3) vote of all members**, hereby orders the Measure to be submitted to the voters of the City at the General Municipal Election to be held on **Tuesday, November 3, 2026.**

SECTION 3. Ballot Question. The City Council, pursuant to its right and authority, does hereby order that the Measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set forth in this Section 3. On the ballot to be submitted to the qualified voters at the General Municipal Election to be held on Tuesday, November 3, 2026, in addition to any other matters required by law, there shall be printed substantially the following ballot question:

"St. Helena City Services Measure. To maintain/improve St. Helena's long-term finances and maintain 911 fire/public safety response, St. Helena's infrastructure including repairing roads/potholes/sidewalks; reducing local wildfire risk by managing brush/other fuels; maintain parks; supporting local businesses; for other general city services; shall the measure be adopted establishing a ½¢ locally controlled sales tax, generating approximately $2,000,000 annually until ended by voters, requiring	**YES**	
	NO	

independent audits, public spending disclosure, all funds benefiting St. Helena residents?”		

SECTION 4. Election Procedures.

A. The ballots to be used at the election shall be in the form and content as required by law.

B. Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Napa is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 3, 2026, for the purpose of submitting to the voters the question relating to the City’s Measure.

C. The election services which the City of St. Helena requests the Registrar of Voters, or such other official as may be appropriate, to perform and which such officer is hereby authorized and directed to perform, if said Board of Supervisors consents, include: the preparation, printing and mailing of sample ballots; the establishment or appointment of precincts, polling places, voting centers, and election officers, the preparation, printing, mailing and furnishing of vote-by-mail ballots, making such publications as are required by law in connection therewith; the furnishing of ballots, voting booths and other necessary supplies or materials for polling places and voting centers; the canvassing of the returns of the election and the furnishing of the results of such canvassing to the City Clerk of the City of St. Helena; and the performance of such other election services as may be requested by the City Clerk.

D. The City Clerk is authorized, instructed and directed to procure and furnish, or cause to be procured and furnished through the County of Napa, any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

E. The polls, vote centers and/or vote-by-mail drop-off boxes shall be open and the procedures for submitting votes-by-mail or votes at polls and vote centers shall be in accordance with those times and procedures established by the County of Napa, except as otherwise provided in the Elections Code of the State of California.

F. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections in the City.

G. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.

H. All ballots shall be tallied at a central counting place and not at the precincts. Said central counting place shall be at a County center as designated by the Registrar of Voters.

I. The Napa County Registrar of Voters is hereby authorized to canvass the returns of said election.

J. The City Clerk of the City of St. Helena shall receive the canvass from the County as it pertains to the election on the Measures, and shall certify the results to the City Council, as required by law.

SECTION 5. Arguments and Impartial Analysis.

A. The City Council authorizes (i) the City Council or any member(s) of the City Council, (ii) any individual voter eligible to vote on the above measure, (iii) a bona fide association of such citizens or (iv) any combination of voters and associations, to file a written argument in favor of or against the Measure, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California, which arguments may be changed until and including Friday, August 14, 2026 at 4 p.m., after which no arguments for or against the Measure may be submitted to the City Clerk. Arguments in favor of or against the Measure shall each not exceed 300 words in length. Each argument shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.

B. The City Clerk shall comply with all provisions of law establishing priority of arguments for printing and distribution to the voters, and shall take all necessary actions to cause the selected arguments to be printed and distributed to the voters.

C. Pursuant to Section 9280 of the Elections Code, the City Council directs the City Clerk to transmit a copy of the Measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the Measure, not to exceed 500 words in length, showing the effect of the Measure on the existing law and the operation of the Measure. The City Attorney shall transmit such impartial analysis to the City Clerk, who shall cause the analysis to be published in the voter information guide along with the Measure as provided by law. The Impartial Analysis shall be filed by Friday, August 7, 2026. The impartial analysis shall include a statement indicating whether the Measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the Measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **"The above statement is an impartial analysis of Measure ____. If you desire a copy of the Measure, please call the election**

official's office at (707) 968-2640 and a copy will be mailed at no cost to you."

D. That the provisions of this Section 5 herein shall apply only to the election to be held on November 3, 2026, and shall then be repealed.

SECTION 6. Rebuttals.

A. Pursuant to Section 9285 of the Elections Code of the State of California, when the Clerk has selected the arguments for and against the various City initiated measures which will be printed and distributed to the voters, the Clerk shall send copies of the argument in favor of the measures to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the City Clerk not later than Friday, August 21, 2026 at 4 p.m., after which no rebuttals may be submitted to the City Clerk**.** Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

B. The provisions of this Section 6 herein shall apply only to the election to be held on November 3, 2026, and shall then be repealed.

SECTION 7. Placement on the Ballot. The full text of the Measure/shall not be printed in the voter information guide, and a statement shall be printed in the ballot pursuant to Section 9223 of the Elections Code advising voters that they may obtain a copy of the Measure at no cost, upon request made to the City Clerk.

SECTION 8. Delivery of Resolution to County. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions. The City Council directs the City Clerk to deliver copies of this Resolution, including the Measure attached hereto as Exhibit "A", to the Clerk of the Board of Supervisors of Napa County and to the Registrar of Voters of Napa County.

SECTION 9. Public Examination. Pursuant to California Elections Code section 9295, the Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The Clerk shall post notice in the Clerk's office of the specific dates that the examination period will run.

SECTION 10. CEQA. The City Council hereby finds and determines that the ballot Measure relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5).

SECTION 11. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 12. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 7 day of July, 2026.

____
PAUL DOHRING, Mayor

ATTEST:

____
Andrew Bradley, City Clerk

I, Andrew Bradley, City Clerk of the City of St. Helena, California, do hereby certify that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted by at least four affirmative votes of all members at a regular meeting of the City Council of the City of St. Helena on the 7 day of July, 2026, by the following vote:

AYES: Council Members:
NOES: Council Member:
ABSENT: Council Member:
ABSTAIN: Council Member:

____
Andrew Bradley, City Clerk

EXHIBIT "A"

ORDINANCE NO. 2026-____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF ST. HELENA, CALIFORNIA, ADDING CHAPTER 3.26 TO TITLE 3 ("REVENUE AND FINANCE") OF THE ST. HELENA MUNICIPAL CODE TO ENACT A ONE-HALF PERCENT (1/2%) SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX (SALES TAX) TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

THE PEOPLE OF THE CITY OF ST. HELENA DO ORDAIN AS FOLLOWS:

WHEREAS, pursuant to California Revenue and Taxation Code section 7285.9 the City of St. Helena ("City") is authorized to levy a Transactions and Use Tax for general purposes, subject to majority voter approval; and

WHEREAS, the People of the City desire add Chapter 3.26 to Title 3 of the St. Helena Municipal Code establishing a Supplemental General Transactions and Use Tax ("TUT") until ended by voters, on the sale and/or use of all tangible personal property sold at retail in the City, at a rate of one-half percent (1/2%).

NOW, THEREFORE, THE PEOPLE OF THE CITY OF ST. HELENA DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Title and Text. This Ordinance shall be known as the "St. Helena Supplemental General Transactions and Use Tax", the full text of which is set forth in Attachment "1", attached hereto and incorporated herein by reference.

Section 2. Approval by the City Council. Pursuant to California Government Code section 53724 and Revenue and Taxation Code section 7285.9, this Ordinance was duly approved for placement on the ballot by a minimum two-thirds (2/3) supermajority of all members of the City Council on July 7, 2026.

Section 3. Approval by the Voters/Amendment. Pursuant to California Elections Code section 9217, this Ordinance shall be deemed adopted and take effect only if approved by a majority of the eligible voters of the City of St. Helena voting at the General Municipal Election of November 3, 2026.

Section 4. Operative Date. "Operative Date" for the Transactions and Use Tax means the first day of the first calendar quarter commencing more than 110 days after the date of the election for this Ordinance – April 1, 2027.

Section 5. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

PASSED, APPROVED AND ADOPTED by the People of the City of St. Helena this 3rd day of November, 2026.

____
PAUL DOHRING, Mayor

ATTEST:

____
Andrew Bradley, City Clerk

Attachment "1"

"Chapter 3.26 – SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX

Sections:

3.26.010 - Title.
3.26.020 - Purpose.
3.26.030 - Contract With State.
3.26.040 - Transactions Tax Rate.
3.26.050 - Place of Sale.
3.26.060 - Use Tax Rate.
3.26.070 - Adoption of Provisions of State Law.
3.26.080 - Limitations on Adoption of State Law and Collection of Use Taxes.
3.26.090 - Permit Not Required.
3.26.100 - Exemptions and Exclusions.
3.26.110 - Amendments.
3.26.120 - Enjoining Collection Forbidden.
3.26.130 - Duration of Tax

Sections:

3.26.010 – Title.

This ordinance shall be known as the "City of St. Helena Supplemental General Transactions and Use Tax Ordinance". The City of St. Helena hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.26.020 – Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record-keeping upon persons subject to taxation under the provisions of this ordinance.

3.26.030 - Contract With State.

Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.26.040 - Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one-half percent (1/2%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3.26.050 - Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.26.060 - Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one-half percent (1/2%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.26.070 - Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

3.26.080 - Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

   1. The word “State” is used as a part of the title of the State Controller, State Treasurer, California Victim Compensation Board, California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;

   2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

   3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

      a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

      b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

   4. In reference to Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word “city” shall be substituted for the word “state” in the phrase “retailer engaged in business in this state” in Section 6203 of the Revenue and Taxation Code and in the definition of that phrase in Section 6203.

1. “A retailer engaged in business in the City” shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars ($500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.26.090 - Permit not Required.

If a seller’s permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor’s permit shall not be required by this Ordinance.

3.26.100 - Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this subsection, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance.

5. For the purposes of subparagraphs (3) and (4) of this subsection, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease

has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for, a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.26.110 - Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

3.26.120 - Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.26.130 – Duration of Tax.

The authority to levy the tax imposed by this chapter shall continue until this chapter is repealed."

FY25 General Fund Net Position

Description	Amount
Unassigned Ending Fund Balance @ 6/30/2024	15,382,803
Revenues @ 6/30/2025	19,856,648
Expenses @ 6/30/2025	20,814,934
Revenues over Expenses	(958,287)
Unassigned Ending Fund Balance @ 6/30/2025	14,424,516
Percent of Expenses Based on Total Net Position	69.3%

Historical General Fund Adopted Budget

Fiscal Year	Budgeted Revenues	Budgeted Expenses	Budgeted Variance
FY16	10,007,800	9,989,527	18,273
FY17	10,591,030	10,641,030	(50,000)
FY18	13,104,254	12,914,291	189,963
FY19	14,264,191	14,264,191	-
FY20	15,026,052	15,026,052	-
FY21	11,187,231	13,142,640	(1,955,409)
FY22	15,675,690	15,675,449	241
FY23	17,286,421	18,650,360	(1,363,939)
FY24	18,274,906	20,101,378	(1,826,472)
FY25	19,087,896	20,002,021	(914,125)
FY26	20,771,956	22,183,691	(1,411,735)

Historical General Fund Actuals

Fiscal Year	Actual Revenues	Actual Expenses	Actual Variance
FY16	11,323,096	10,178,093	1,145,003
FY17	11,891,452	10,958,408	933,044
FY18	14,514,855	12,591,985	1,922,870
FY19	16,032,990	14,427,798	1,605,192
FY20	14,270,828	14,191,158	79,670
FY21	16,579,357	14,568,251	2,011,106
FY22	20,178,279	15,038,642	5,139,637
FY23	18,765,800	19,719,785	(953,985)
FY24	19,383,247	18,485,973	897,274
FY25	19,856,648	20,814,934	(958,287)
FY26 (1)	19,585,756	19,855,729	(269,973)

(1) Actuals are based on expenses recorded through June 30, 2026. Activity related to FY26 will continue to accrue through August 31, 2026.

Historical General Fund Actuals Less Significant 1x Revenues

Fiscal Year	Actual Revenues	Actual Expenses	Actual Variance
FY16	11,323,096	10,178,093	1,145,003
FY17	11,891,452	10,958,408	933,044
FY18	14,514,855	12,591,985	1,922,870
FY19	16,032,990	14,427,798	1,605,192
FY20	14,270,828	14,191,158	79,670
FY21	15,520,855	14,568,251	952,064
FY22	19,136,725	15,038,642	4,098,083
FY23	18,765,800	19,719,785	(953,985)
FY24	19,383,247	18,485,973	897,274
FY25	19,856,648	20,814,934	(958,287)
FY26 (1)	19,585,756	19,855,729	(269,973)

(1) Actuals are based on expenses recorded through June 30, 2026. Activity related to FY26 will continue to accrue through August 31, 2026.

Estimated General Fund Net Position

Description	**FY26 (1)**	**FY27**	**FY28**	**FY29**	**FY30**
Estimated Expenses	22,183,691	23,021,620	24,172,701	25,381,336	26,650,403
Estimated Revenues	21,550,401	22,196,913	22,862,820	23,548,705	24,255,166
Reserve	10,925,643	10,100,936	8,791,056	6,958,425	4,563,188
Net Position	**49.3%**	**43.9%**	**36.4%**	**27.4%**	**17.1%**

(1) Removed 1x Expenses for Net Position Calculation

Questions

St. Helena Voter Attitudes Towards a Potential Finance Measure

Key Findings from a Citywide Survey Conducted June 6-23, 2026

FM3 RESEARCH
OPINION RESEARCH & STRATEGY

220-7989

Survey Methodology

Dates	June 6-23, 2026
Survey Type	Dual-mode Voter Survey
Research Population	Likely November 2026 Voters in the City of St. Helena
Total Interviews	315
Margin of Sampling Error	(Full Sample) ±5.5% at the 95% Confidence Level (Half Sample) ±7.8% at the 95% Confidence Level
Contact Methods	Telephone Calls; Email Invitations; Text Invitations
Data Collection Modes	Telephone Interviews; Online Interviews
Survey Tracking	2016, 2021, 2023 & 2024

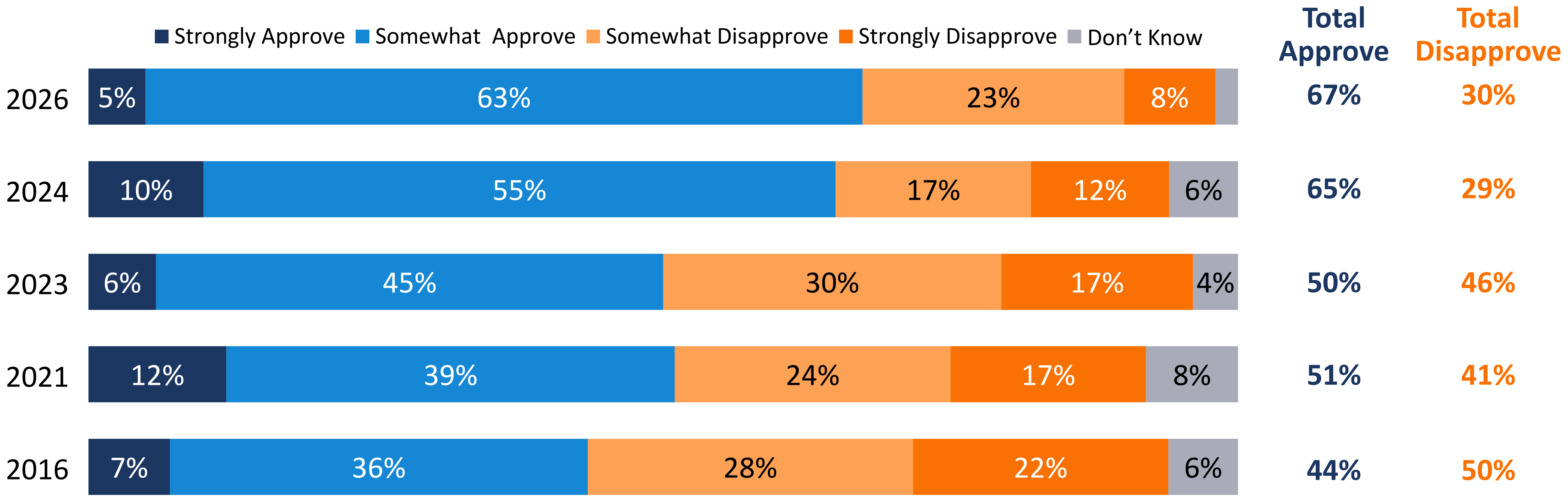
(Note: Not All Results Will Sum to 100% Due to Rounding)

General Voter Mood & Community Attitudes

Two-thirds continue to approve of the St. Helena city government overall.

First, please indicate whether you strongly approve, somewhat approve, somewhat disapprove, or strongly disapprove of the job that each of the following organizations are doing.

St. Helena City Government Overall



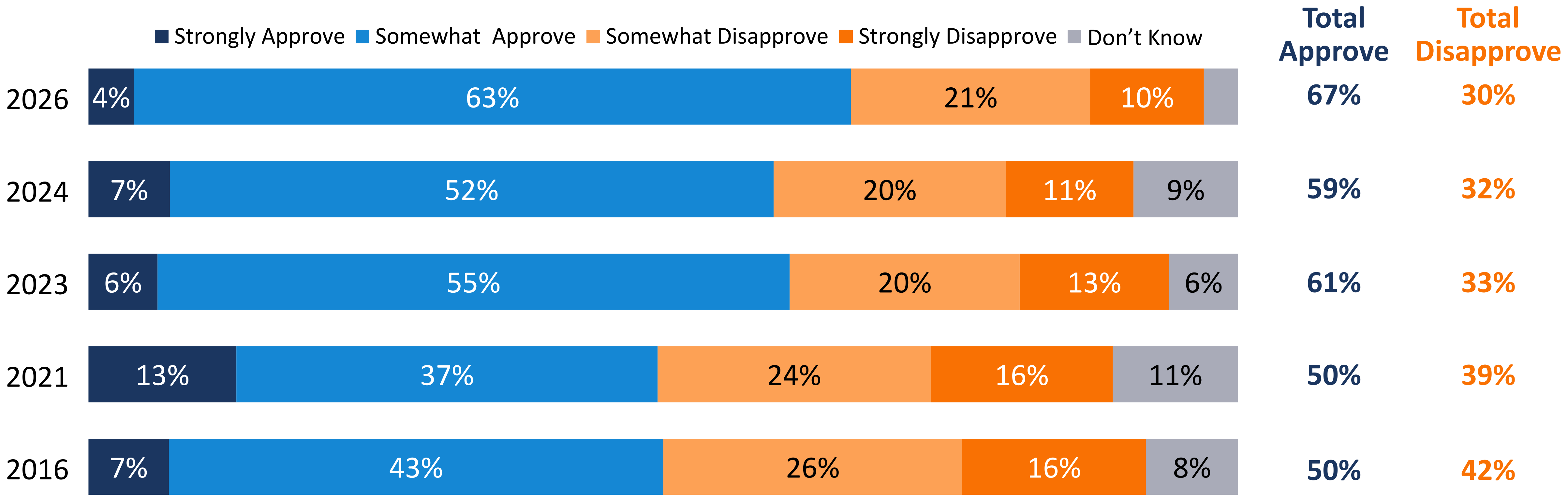
FM3 RESEARCH

Q1a.

Similarly, two-thirds approve of the job being done by the City Council – up from previous years.

First, please indicate whether you strongly approve, somewhat approve, somewhat disapprove, or strongly disapprove of the job that each of the following organizations are doing.

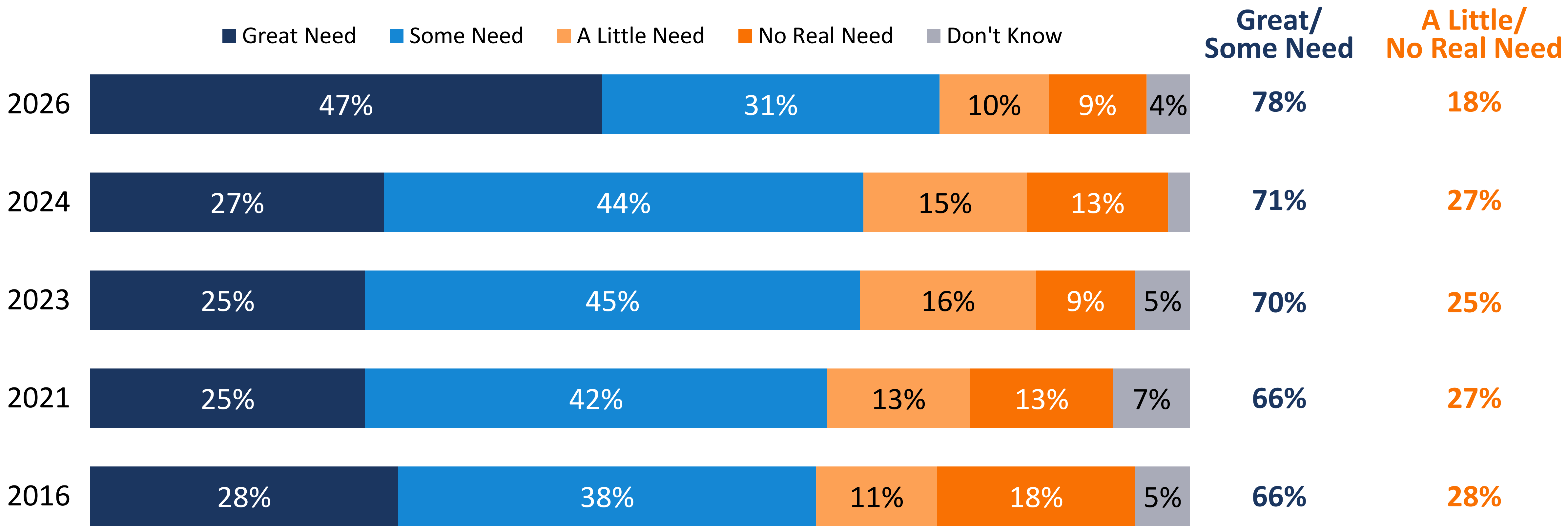
The St. Helena City Council



Q1b.

The perceived need for funding has increased over the years with nearly half of voters now seeing a "great" need.

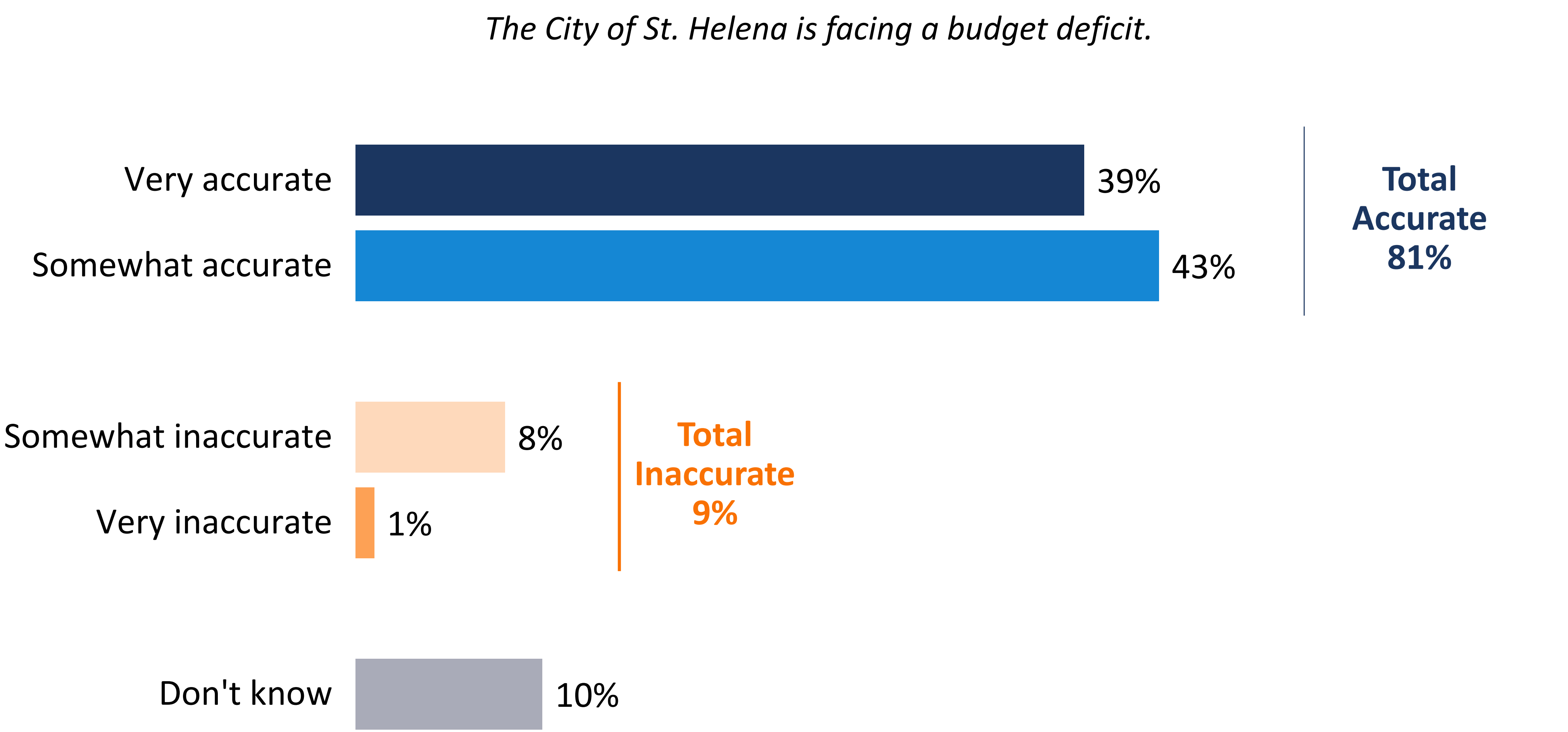
Next, in your personal opinion, do you think there is a great need, some need, a little need, or no real need for additional funds to provide the level of city services that St. Helena residents need and want?



FM3 RESEARCH

Q4.

A high percentage is aware the city is facing a budget deficit.



Q5.

Initial Attitudes on a Potential Sales Tax Measure

Hypothetical Ballot Measure Tested in Survey

(As Approved by Legal Counsel)

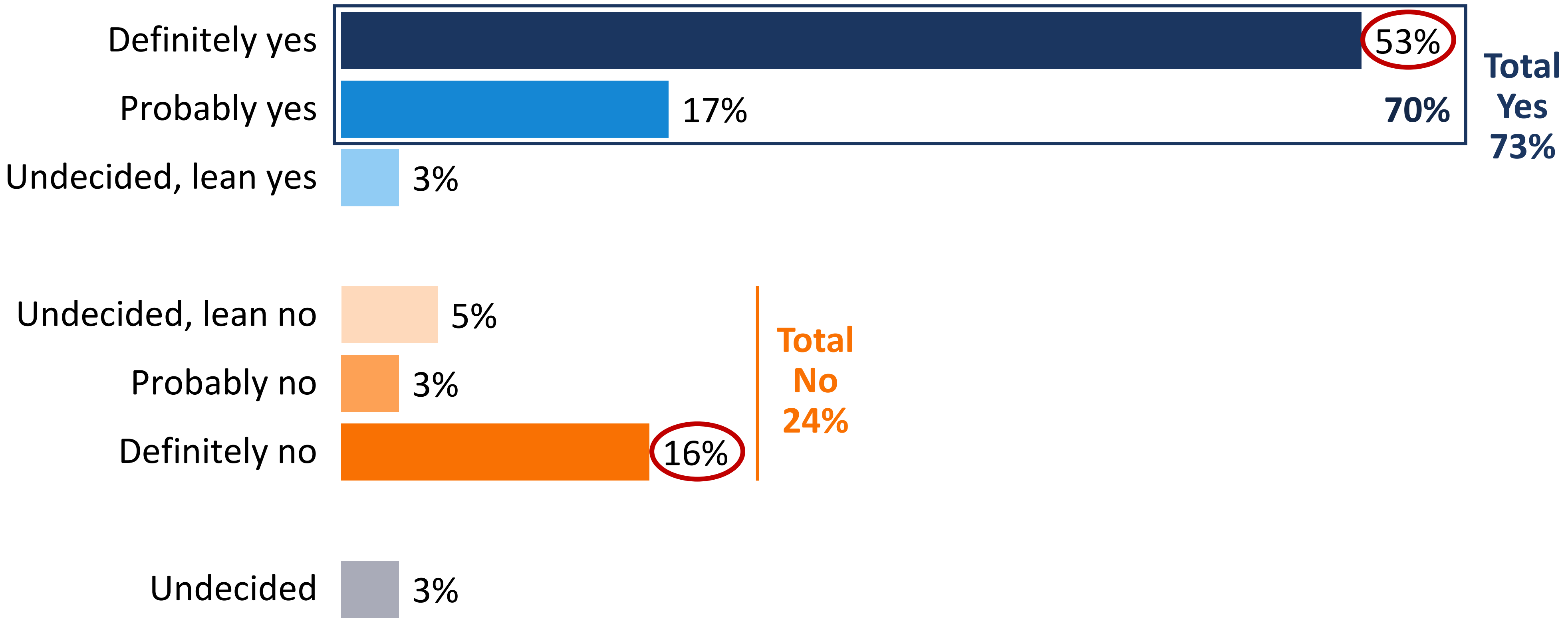
St. Helena City Services Measure. To maintain and improve St. Helena's long-term finances; maintain 911 emergency/fire/public safety response; clean and maintain public areas/parks; improve wildfire response and disaster preparedness programs; repair roads/potholes/sidewalks; maintain library services; retain/attract local businesses; for general city services; shall the measure establishing a ½¢ locally controlled sales tax, generating approximately $2,000,000 annually until ended by voters, requiring audits, spending disclosure, all funds benefiting St. Helena residents, be adopted?

FM3 RESEARCH

Q2. If the election were held today, do you think you would vote yes or no on this measure?

Initial support for the sales tax measure starts at 73% with a majority of voters indicating strong support.

(MOE: ±5.5%)

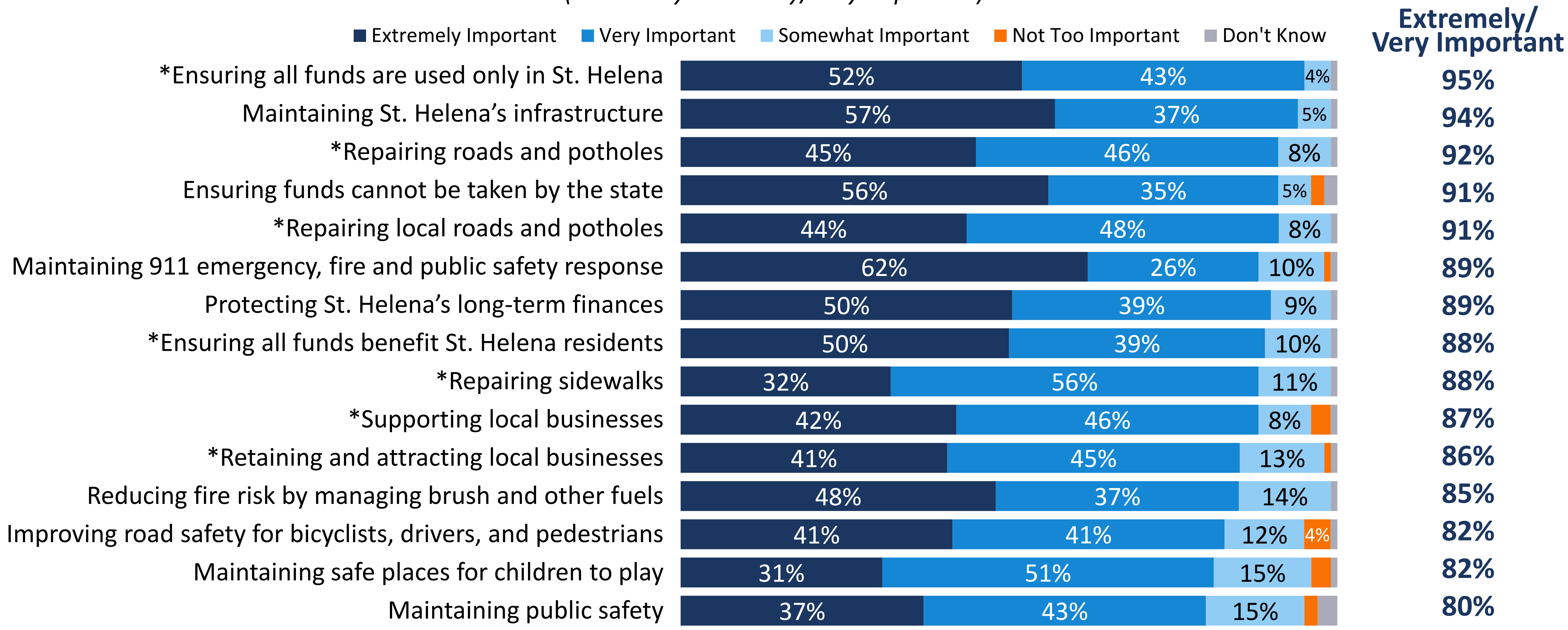


Q2. If the election were held today, do you think you would vote yes or no on this measure?

Budget Priorities

Voters strongly prioritize the funds be spent locally and go towards maintaining infrastructure, roads, and public safety.

(Ranked by Extremely/Very Important)

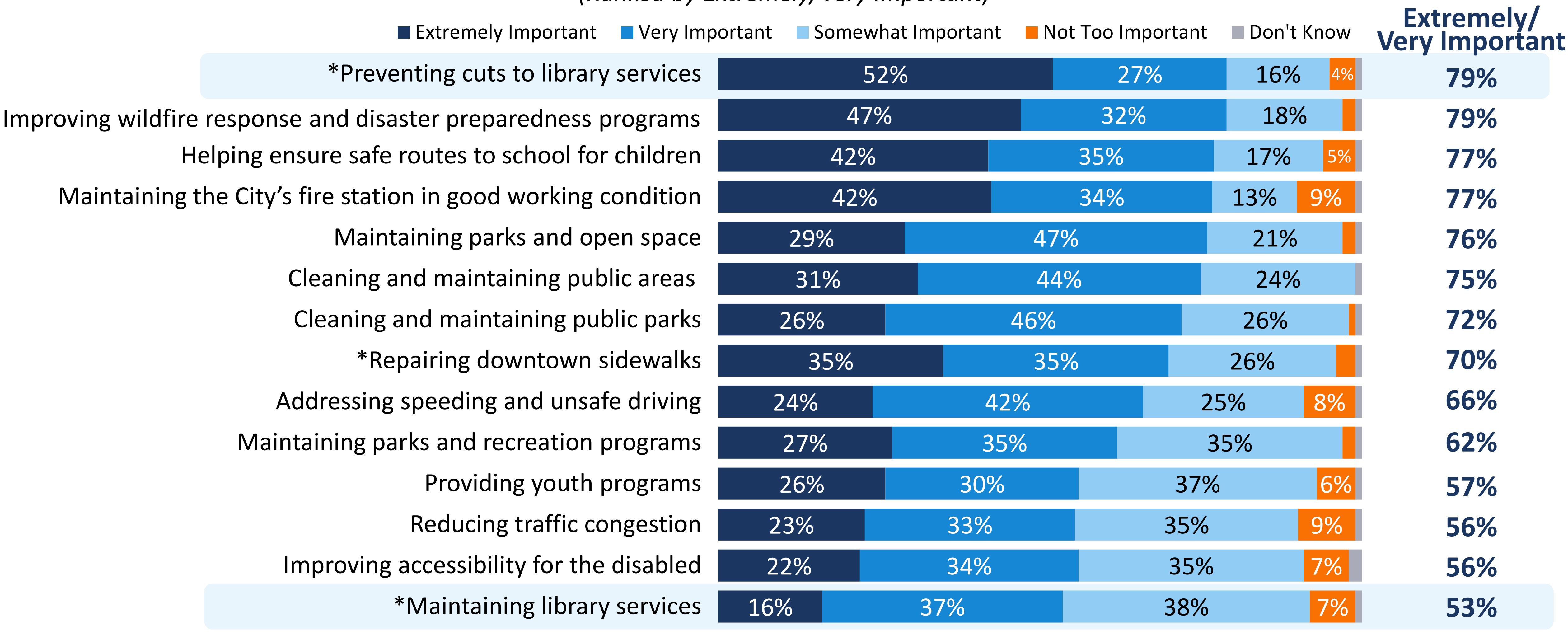


FM3 RESEARCH

*Q6. First, please consider some potential elements of this measure, including ways in which funds it generates could be spent. For each one, please indicate how important each one is to you personally, regardless of how you feel about the measure: either extremely important, very important, somewhat important, or not too important. *Split Sample*

Four in five also prioritize preventing cuts to library services and improving wildfire response.

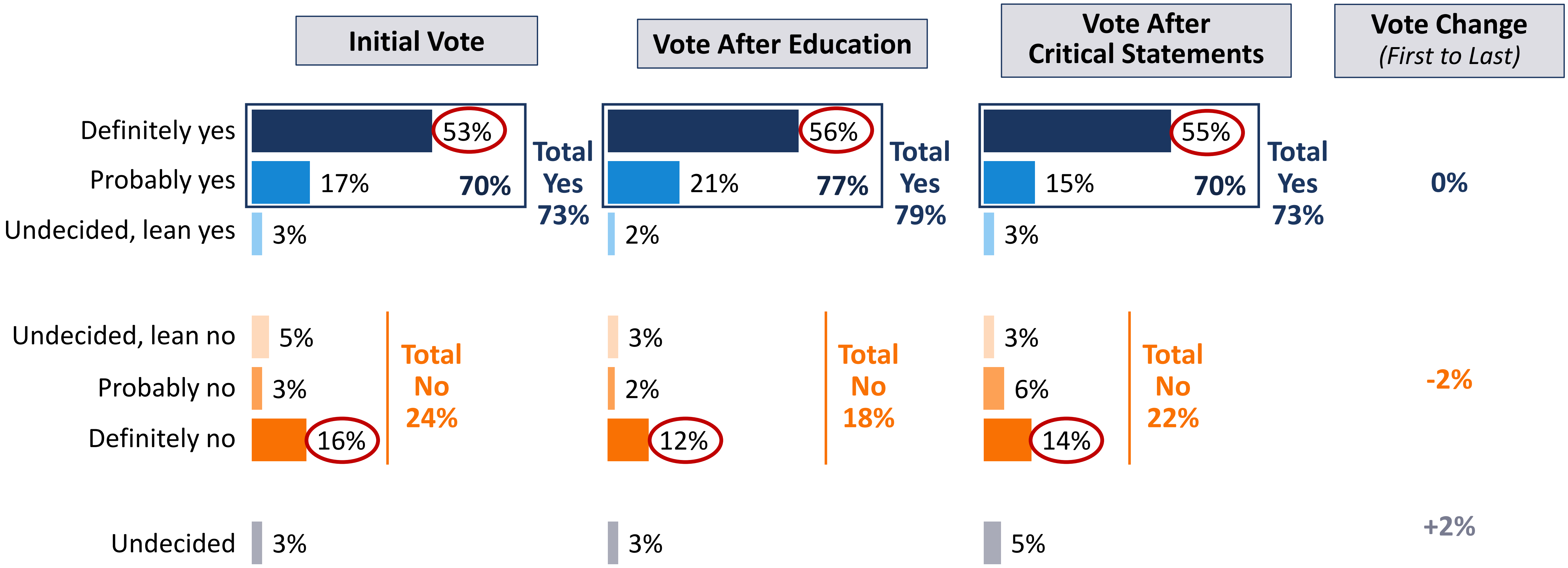
(Ranked by Extremely/Very Important)



FM3 RESEARCH

*Q6. First, please consider some potential elements of this measure, including ways in which funds it generates could be spent. For each one, please indicate how important each one is to you personally, regardless of how you feel about the measure: either extremely important, very important, somewhat important, or not too important. *Split Sample*

Following critical statements, final support for the measure is where it started at 73%.



Q2, Q8 & Q10. If the election were held today, do you think you would vote yes or no on this measure?

Conclusions

Conclusions

- A majority approves of the job being done by the City government as well as City Council.
- Voters see an increasing need for funding for city services and most agree that the City is facing a budget deficit.
- Initial support for the sales tax measure starts at 73%; intensity of support is strong with one in two voters indicating they will "definitely" vote yes.

Conclusions (Continued)

- Voters strongly prioritize that funds raised from this measure stay local and are directed towards infrastructure repairs, like roads and potholes. They also strongly prioritize maintaining public safety response, protecting long-term finances, and supporting local businesses.
- Support increases to 79% following educational statements, then goes back down to 73% after critical statements.
- Overall, the findings suggest that the proposed sales tax measure is well-positioned for the November ballot, but will require strong community engagement emphasizing the need for funding, spending priorities, and accountability.

FM3 RESEARCH
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FM3Research.com
Info@FM3research.com

Outlook

Potential sales tax measure November 2026

From Mark Smithers <mstahoe75@outlook.com>
Date Thu 7/2/2026 8:55 PM
To James McCann <jmccann@cityofsthelena.gov>; Paul Dohring <pdohring@cityofsthelena.gov>; Aaron Barak <abarak@msn.com>; Michelle Deasy <mdeasy@cityofsthelena.gov>; Kate Spadarotto <kspadarotto@cityofsthelena.gov>; Scott Diaz <sdiaz@cityofsthelena.gov>
Cc City Clerk <cityclerk@cityofsthelena.gov>; Christopher J Warner <chrisjwarner52@gmail.com>; Gregg Dawley <godawley@gmail.com>; Garry Rose <garry547@gmail.com>

All,

As Chris has communicated the FC is surprised and talking. Below are my quick thoughts I communicated to FC.

Rushed, not well developed, and poorly planned at this point.

The structural deficit has yet to be defined or developed especially in light of 2026 final / projected spending and 2027 forecasts, our wage and benefit recommendations and implementation of easily gained position wage savings per the efficiency study we support through our subcommittee report. There also is consideration of what the 2025 audited financial say the reserve percentage is, how long we can work with that reserve balance as well as other funds that may increase the reserve balance such as going back to the aborted sale of Main Street old city hall property and railroad avenue. This appears to be yet another example of the city ignoring any input from the FC ahead of a major financial decision.

From everything I'm aware of this measure is completely unnecessary and premature.

I predict it will be a disaster especially in the current political environment.

Mark

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Outlook

Public comment for Tuesday July 7th, Measure S.

From Michelle Covell <michelle@covellarchitects.com>
Date Mon 7/6/2026 3:12 PM
To Paul Dohring <pdohring@cityofsthelena.gov>; Michelle Deasy <mdeasy@cityofsthelena.gov>; Andrew Bradley <abradley@cityofsthelena.gov>; Kate Spadarotto <kspadarotto@cityofsthelena.gov>; Aaron Barak <abarak@cityofsthelena.gov>; Scott Diaz <sdiaz@cityofsthelena.gov>

The opinions expressed herein are mine individually and are not intended to represent the official position of the City of St. Helena or the St. Helena Planning Commission.

Dear City Council,

Please consider the average cost of living in St. Helena versus other cities, such as gas, cost of dining out, average water and wastewater bills, rent, and other common household expenses.
Looking only at sales tax rates does not reflect the true financial burden on residents. One of the reasons why people don't live here is because of how unaffordable, not just the housing, but the cost of living is.
Is increasing sales tax going to help that? If so, how? Please list the ways.
The efficiency and transformation study by Blackberg Group identified significant organizational issues, including inefficiencies, a lack of project management, inadequate project tracking, and the absence of a strategic plan.

Please explain how the City intends to use **its existing resources** strategically and efficiently before asking residents to contribute more.

Before asking residents for additional tax dollars, please demonstrate that existing tax revenue has been or will be managed responsibly.
When will we be seeing that Finance Committee independent analysis of the budget?
There have been City Council meetings where discrepancies have been brought up between the staff/city interpretation of the budget deficit vs the Finance Committee.
The Blackberg Group report states confusion, and lack of degrees or certifications in accounting, see below.

Please address the issues that are clearly outlined in the report before asking residents to pay more.
More money without meaningful reforms will only lead to more problems.

Please address the residents on how these fundamental accounting issues, listed below and highlighted, will be corrected.
Financial accountability is what I'm asking for.
Are we paying double in some cases, see number 8, staff and contractors? It was reported in the BG, that some staff don't know what they're doing that day.

I recall a city council meeting where the Finance committee said that their estimated structural deficit was somewhere around 2million, and the staff report said it was more like 8million.
Is this like when the CIP and water rate analysis is done, and the projected CIPS for the 5 years say one thing, but what is actually completed is another? Where we list things even if we know they won't get done, just to increase the rates?
If the Budget deficit has a delta of 6 million between of confusion and various interpretations, can you clarify – with full transparency – what the "real" deficit is?

Perhaps there was a presentation and I have missed it.

7) During discussions with Administrative Services, it was reported that none of the seven individuals in th Accounting function (excluding the HR Analyst) holds a bachelor's or master's degree in accounting, nor does ar possess a significant accounting certification, such as a CPA.

This staffing composition is noteworthy considering the magnitude of certain budget and financial reporting issu that have arisen in recent years, including substantial revisions to prior figures. The City Manager explained that l observed confusion amongst some individuals (including within the Finance Committee) about the budg deficiencies and what they comprise.

8) An executive manager reported that, during the tenure of a former (now-terminated) executive manager in Publ Works, employees were instructed that they were not permitted to perform work without specific authorization ar that required tasks must instead be assigned to contractors. The same executive manager further indicated tha because of this directive—combined with an overall lack of management oversight and assignment of duties- many Public Works employees were not performing their assigned responsibilities.

9) A formal request was made to the Director of Public Works for work volume and performance data in the followir functional areas: buildings and streets, parks and trees, underground utilities, water treatment, and wastewater. Th requested information was not provided in any meaningful detail. Subsequent discussions with the Direct indicated that systematic tracking of such data does not currently exist.

Considering Public Works' status as a significant cost center and the projected multi-million-dollar scale (infrastructure investments, the lack of robust performance and workload monitoring represents a material weakne in oversight. This gap impairs the City's capacity to evaluate the efficiency and effectiveness of its workforce ar contractor expenditures and elevates the risk of undetected resource misallocation.

10) Interviews with City personnel and examination of existing records indicate that minimal data is captured a maintained through formalized management systems. Data that is retained is predominantly stored in hard-cc documents or standalone Excel files, without version control, change tracking, or audit trails to monitor edits safeguard integrity.

These conditions reduce the reliability and traceability of information and heighten the potential for undetec modifications to critical records.

11) In Deliverable 3A, Blackberg recommended that the City implement minimum capability requirements Administrative Services and other departments, specifically including accounting degree qualifications a professional certifications (e.g., CPA licensure) for relevant accounting positions. We were informed that the C Manager shared this interim deliverable with the Director of Administrative Services prior to completion Deliverable 3 or the overall report, resulting in a requested meeting between Blackberg and the Director.

During the discussion, the City indicated that it did not support mandating accounting degrees or signific certifications for its accounting staff (e.g. CPA), including senior-level personnel. The City requested additio research to substantiate the recommendation (which has been performed and will be submitted separately).

These interactions are recorded as they reflect an atypical level of departmental involvement at the interim sta and a substantive disagreement with a foundational professional qualification standard.

Michelle Liu Covell
Resident, Architect
The opinions expressed herein are mine individually and are not intended to represent the official position of the City of St. Helena or the St. Helena Planning Commission.

Outlook

Proposed Sales Tax Measure

From Elaine de Man <elainede@sbcglobal.net>
Date Tue 7/7/2026 7:42 AM
To Public Comment <publiccomment@cityofsthelena.gov>

Dear Mayor Dohring and Members of the City Council:

A general sales tax is one of the most regressive forms of taxation. It affects everyone, but it falls most heavily on the people who live, work, and shop in St. Helena every day—the very people already struggling with the increasing cost of living in our community.

I understand the financial challenges facing our City. However, the question before you isn't whether St. Helena needs additional revenue. The question is whether we've done enough homework before asking voters to approve another tax.

Good public policy begins with good information. And I don't believe we are there yet. Before asking residents to pay more, I believe the City should be able to demonstrate that it has thoroughly explored both sides of the equation: every reasonable opportunity to improve efficiency and reduce costs, as well as every reasonable opportunity to broaden the City's revenue base.

The staff report notes that the Finance Committee has not yet completed its work to evaluate the City's long-term fiscal condition and help define the magnitude of the City's structural deficit. It also states that implementation of the Blackberg Business Transformation and Efficiency Study is still underway and may produce additional savings over time.

I suspect many members of the public are asking the same questions:

- What savings and efficiencies have already been realized through implementation of the Blackberg recommendations?
- What opportunities remain?
- How have those anticipated savings been incorporated into the City's long-term financial strategy?
- And how can the community fully evaluate the need for additional revenue before the Finance Committee has completed the very work it was appointed to do?

I also believe there is another important question that has received little, if any, attention.

For several years I have reviewed the City's sales tax information provided by the California Department of Tax and Fee Administration (CDTFA). One thing immediately stood out.

Many of the City's largest sales tax generators are businesses that primarily serve local residents and the local business community—Safeway, Brown's Auto Parts, Shamrock Building Materials (CalMat), Central Valley Builders Supply, Sager Ford, Wilbur-Ellis (Napa Valley Agricultural Supply), Napa Valley Petroleum, Azteca Market, Sunshine Foods, and others. Many of the restaurants on the list also serve both residents and visitors.

Without knowing the precise contribution of each business, this suggests that local-serving businesses account for a significant portion of the City's sales tax base. That raises an important question: if much of the City's sales tax base already depends on local residents and local businesses, it seems that most of a proposed sales tax increase will ultimately be borne by them.

But what is also interesting is what **doesn't** appear on that list.

For example, despite having several established art galleries on Main Street selling high-value works, not one appears among the City's Top 25 sales tax generators. Likewise, I see fewer tasting rooms on the list than I might have expected.

From conversations I've had with art gallery staff, my understanding is that many significant works of art are delivered directly to buyers rather than carried out of the gallery. Under California's sales tax reporting rules, retailers report sales delivered outside the local taxing district, and where it is delivered affects how local sales tax is allocated. I suspect a similar issue may exist with retail winery shipments. Visitors often purchase wine or join wine clubs while visiting St. Helena, but the wine is then shipped to homes throughout California and across the country.

We know this occurs because it is part of California's sales tax reporting process. The real question is: what is the magnitude of its impact on St. Helena?

Has the City ever asked the California Department of Tax and Fee Administration to quantify how much local sales tax revenue associated with purchases originating in St. Helena is ultimately allocated elsewhere because those purchases are delivered outside the city?

If that information is available, it should be part of this discussion before asking residents to approve a regressive sales tax increase. This may or may not eliminate the need for additional revenue. However, if the impact proves significant, the City should then explore whether there are lawful ways to better align its revenue structure with the unique characteristics of St. Helena's economy.

Before asking residents to approve a regressive tax increase, I think the council must first demonstrate that it has thoroughly examined every reasonable opportunity to improve operational efficiency, fully implemented the recommendations of the Blackberg report, completed the financial analysis already underway by the Finance Committee, and determined whether St. Helena is fully capturing the revenue potential of the unique economy it already has.

Only then can the community have confidence that a sales tax increase is truly the best available option—not simply the most expedient one.

Thank you for your consideration.

Respectfully,

Elaine de Man

Outlook

Fwd: Item 6.1 - Resolution for Proposed Measure S Sales Tax Increase

From Gregg Dawley <godawley@gmail.com>
Date Tue 7/7/2026 8:42 AM
To Public Comment <publiccomment@cityofsthelena.gov>
Cc Gregg Dawley <godawley@gmail.com>

Public Comment - Updated and Refiled
Sent from my iPhone

Begin forwarded message:

From: Gregg Dawley <godawley@gmail.com>
Date: July 7, 2026 at 8:25:31 AM PDT
To: Gregg Dawley <godawley@gmail.com>
Subject: Item 6.1 - Resolution for Proposed Measure S Sales Tax Increase

Mayor Dohring, Vice Mayor Deasy, Council Members Barack, Spadarotto, and Diaz,

Finding a sales tax measure on the upcoming CC agenda was disappointing on several levels, and left me questioning the role and value of the Finance Committee (FC). No heads up and no FC input. Virtually no transparency. And something less than a fully objective and data driven staff report. Everyone but a few were in the dark!

First, and for the last 18 months, the FC has been persuaded by the mantra of "collaborate and speak in a unified voice". It made sense. And we stayed on that path until now. The consequence of this recent decision is the FC (my best guess) will likely be highly critical of the process. Additionally, FC support for the timing of the ballot measure is also questionable and certainly TBD (again, my best guess). It is exactly this level of conflict we were attempting to avoid in order to gain consensus on proposed findings and a plan of action.

Second, the staff report repeatedly underscores a rigorous, highly disciplined 3-year expense reduction process that has now reached an endpoint. In my judgment, that's a bit of a stretch on recent history. Setting that aside, the message from the staff report seems clear, and that is, "we have exhausted all avenues to reduce expenses and must move on to revenue generation". I think that sets the wrong tone and direction. Expense management and creative funding solutions should remain top of list, and I firmly believe there is more opportunity left unexplored on this front.

Third, the staff report is recommending a 1/2% sales tax increase, raising $2M of potential new revenue without:

1. any tangible, concrete evidence on the underlying deficit.
2. any interaction with the FC, or even the courtesy of notification.
3. any analysis on how the $2M gets allocated and prioritized, just that we need more money in the general fund.
4. any customary downside assessment.

Fourth, the staff report indicates insufficient revenue to cover streets, sidewalks, bicycle facilities, and trails. That is simply not true. The subcommittee and staff have both agreed in multiple meetings that there are sufficient revenue sources to cover road and sidewalk R&M as well as new improvements over the next 5 years.

Fifth, I have questions around the public opinion research performed by FM3. There is reference to current polling but no details. Not sure when and how this was conducted. I have yet to find anyone who participated, so curious on the nature of the polling questions. As part of the polling Q & A, was information provided on the deficit? Was a ballot measure prioritized in relation to the timing of a Blackberg implementation strategy? Do we have a sample questionnaire to review?

Last and certainly not least, the implication that the FC has been sitting on its hands for the last 12 months is insulting. There are very clear reasons why the deficit report is still in motion and not published. I believe it has always been the position of the FC that we would not publish until large gaping holes like Class and Comp are reconciled. As a general comment, the data retrieval process with staff has been slow, and at times incomplete or not on point. It's also the case we've had to wait long periods for third party reports to be completed AND released to the FC. Please be clear. As a FC member, the deficit analysis remains a critical path item, and I am committed to finalizing this with all the necessary information in hand.

On the matter of timing, with (i) no visibility on a Blackberg implementation approach and (ii) delays in defining the structural deficit, was it mission critical to put a measure on the ballot in calendar 2026? Was it really more important to maybe bank $2M one year early rather than get everything lined up under a comprehensive, multi-year plan rolled out in fiscal 2027? I would have thought the later.

Filed as a member of the community and not reflecting the collective opinions of the Finance Committee.

Gregg Dawley
Member - Finance Committee

Public Comment
City Council Special Meeting - July 07, 2026
Item 6.1 Resolution for Ballot Measure for Measure "S" Sales Tax

Mayor Dohring, Vice Mayor Deasy, Council Members Barack, Spadarotto, and Diaz

My first comments refer to the process by which this staff report and resolution were created. For all the Council talk about transparency and the importance of citizen committees, I can't imagine a process more antithetical to transparency. I would assume this was a conscious decision, but one that makes little sense to me. Ultimately, the Council is asking the residents to approve a ballot measure that the preparation of was essentially hidden.

Secondly, the staff report was written more as a marketing piece rather than financial justification the City Council needs for an informed decision. This "thesis" includes some information that is only remotely related to the need claimed, as well as material unrelated to the subject being discussed. Also included are trigger words and phrases from a previous administration that detract from the credibility of the staff report. I would hope that the word TRUST has been used enough and in proper context for the city staff and council to take note. I don't believe this document generates trust in the opinions stated in the staff report. More concerning are statements that are not true (not true in the "whole truth" sense). This report would be much better with all the "puffery" removed and then tackle the pertinent financial matters in a more conventional way, whether the sales tax measure passes or not.

Thirdly, the finance committee is a critical component of current and future financial expertise. This committee has not furnished a final report, not for lack of trying. To provide an accurate structural deficit as well as other pertinent recommendations, the committee needs additional information from city staff that has not been provided. Another important consideration is public trust. The Finance Committee has increased public trust relating to city finances. To maintain this trust and to hopefully increase credibility, Council, Staff, and the Finance Committee must maintain timely information and reporting. Communication is key. Regardless of whether a sales tax increase is an absolute necessity at this time or not, the exclusion of the Finance Committee in this decision did not enhance public trust.

When the report is reduced to its core goal, it reads MORE MONEY. Whether this is sufficient for the City Council is obviously their decision, but current, accurate financial reports with related analysis would seem more appropriate.

Respectfully submitted as a member of the community and not reflecting the opinions of either the Finance Committee or the Water and Wastewater Committee.

Garry L. Rose
St. Helena, CA

Outlook

Comment for July 7 meeting

From Lisa Pelosi <lisahdew@gmail.com>
Date Tue 7/7/2026 10:49 AM
To Public Comment <publiccomment@cityofsthelena.gov>

Dear Mayor Dorhing and Council members,
I will be brief and succinct in my comment regarding the proposed tax increase upon the residents of St. Helena: NO tax increases!
Why continue to make it even more expensive to live here.
Thank you.

Sincerely,
Lisa Pelosi
Honeydew Estate Mgmt
415-602-9176
Sent from my iPhone, pardon the typos

Outlook

Special City Council Meeting re Agenda Item 6.1

From Kelly Wheaton <a4est42@gmail.com>
Date Tue 7/7/2026 12:50 PM
To Public Comment <publiccomment@cityofsthelena.gov>

Dear Mayor Dohring, Interim City Manager Jim McCann, and Councilmembers,

I am a frequent shopper at businesses like Steve's Hardware, Brown's Auto, Safeway, and Central Valley. Although I reside just outside city limits and cannot vote on local ballot measures, every time I shop in St. Helena, I pay your sales tax. I am directly affected by your fiscal decisions, and I stand with the many residents who are frustrated by how this proposed half-cent sales tax increase is being handled.

First, the process behind this measure lacks transparency and genuine community engagement. The city has slow-walked the release of critical data, leaving the Finance Committee completely in the dark regarding actual revenue needs or options. The only public input so far has been a telephone survey, which historically has not reliably predicted actual election outcomes. Pushing forward without a clear, public accounting of our municipal deficit and avoiding input from local financial experts is deeply concerning.

Furthermore, framing this tax measure with propagandized language in an official Resolution is highly inappropriate. This document is meant to be a neutral legal framework, not a public relations tool, especially when it relies on erroneous assumptions.

Second, this proposal raises Several competitive and economic concerns. Why jump straight to a half-cent increase? If passed, doing business in St. Helena would be a full 1% more expensive than shopping in American Canyon, Calistoga, or Yountville.Sales Taxes are inherently regressive, disproportionately burdening working families and the middle class. By increasing the cost of basic goods, we risk squeezing the residents who can least afford it, while actively encouraging shoppers to take their business out of town.

Finally, placing a measure on the ballot comes at a steep cost—historically between $60,000 and $75,000. We are spending tens of thousands of taxpayer dollars to force an election on a half-baked measure without a transparent public accounting of where the money is truly going.

I urge this Council to pause. Please take this proposal back, consult with the Finance Committee, and conduct a proper, transparent public process before asking your constituents and your regional shoppers to foot the bill.

Thank you for listening.

Kelly Wheaton
Inglewood Ave

Outlook

Item 6.1, Approval of a Resolution...

From Celeste Neeley <neeleycc@gmail.com>
Date Tue 7/7/2026 2:18 PM
To City Clerk <cityclerk@cityofsthelena.gov>

July 7, 2026

Dear Mayor and Members of the City Council,

I am writing to formally oppose tonight's resolution placing a 1/2 cent sales tax increase ("Measure S") on the November 3, 2026 ballot. Before residents are asked to tax themselves to backfill the structural deficit, the Council owes the residents an honest accounting of a single agreed upon number and a completed Finance Committee report. None of that has happened and the staff report does not explain why.

The Blackberg report itself found that budget tracking issues, a severe lack of management systems, and governance inadequacy create a ripe environment for financial and/or procurement impropriety, and flagged staff across most departments lacking minimum qualifications for their roles. A City in that condition (level 1-2) is not yet able to tell voters, credibly, what a tax increase is needed to fix.

The Grand Jury's June 24, 2026 report found that water rates rose roughly 183% between 2011 and 2025 while core infrastructure problems (e.g. Bell Canyon intake tower) went unresolved, and attributed this directly to a lack of governance, poor oversight, and ineffective management by the City Council and City Manager. The report also documented the astounding institutional turnover, leaving no one with the institutional memory to explain where money went or why. If this City and Council cannot manage a rate-funded enterprise fund with a dedicated revenue stream, residents have every reason to question whether a new tax would be managed any differently.

The Finance Committee was established specifically to review the City's long term fiscal condition and evaluate the magnitude of its reoccurring structural deficit. Eighteen months later, tonight's staff report states plainly that the Committee's report "has not yet been completed," without a single sentence explaining why. Whether the hold up is staff's inability to produce reliable data, or reluctance to hand the Committee numbers that don't support tonight's ask, residents deserve to know which it is before being asked to vote themselves a tax increase.

Allow the Finance Committee to complete and publicly report its findings, with staff providing the accurate data the Committee has been requesting.

Asking residents to this sales tax increase and ballot measure cost fund a $2 while a $3 million a year self inflicted deficit goes unexplained, and while the Council's own Finance Committee still hasn't been able to complete its work is not fiscal responsibility. This is asking voters to paper over decisions the Council has not been willing to account for. I urger the Council to vote vote NO tonight.

Respectfully,

Celeste Neeley
SH resident

Outlook

Special council meeting July 7, public comment

From Mark Smithers <mstahoe75@outlook.com>
Date Tue 7/7/2026 2:19 PM
To Public Comment <publiccomment@cityofsthelena.gov>
Cc Paul Dohring <pdohring@cityofsthelena.gov>; Michelle Deasy <mdeasy@cityofsthelena.gov>; Aaron Barak <abarak@cityofsthelena.gov>; Kate Spadarotto <kspadarotto@cityofsthelena.gov>; Scott Diaz <sdiaz@cityofsthelena.gov>; Andrew Bradley <abradley@cityofsthelena.gov>; James McCann <jmccann@cityofsthelena.gov>

To our mayor and all council members,

I received a thoughtful reply from our interim city manager (thank you Jim) to my somewhat reactionary initial public comment. The news of a tax measure resolution was surprising given so much talk of collaboration and then this comes along with no finance committee briefing or heads up.

There is one significant area that needs to be clarified and fact checked. Our interim city manager's response, and the staff report speak to draining reserves and continuing budget imbalances, but I don't see it. I'm not sure what information is being supplied to Jim or city council; if it is annual final budgets those are very far off the actuals as is noted in the audited financials. I've reviewed the audited financials since 2016. Seven years are surpluses, one year is a deficit of $1.1 million (2023), one year is breakeven (2020). Even 2024 was a surplus of $500,000. I'm waiting for the 2025 audited financials to have a 10-year history and I'm estimating it may be a small deficit or breakeven. Unfortunately, the final net budgets are often off by $5 million suggesting deep deficits when actual audited (the facts) results are surpluses; hopefully, you've all been supplied the audited financial evidencing these drastic differences. As to FY 26, I'm estimating it shows a deficit but only because of two significant non-recurring expenses.

Additionally total cash and investments from all funds has grown over the years to $45,000,000 at the end of June 2026. We have plenty of money.

So, the facts are we are not draining our reserves, we have time to gather all good information, implement savings as noted in our draft finance committee reports and, savings noted in the efficiency and transformation report. Then we can make an informed decision regarding the need to tax the community beyond recent measure H, prior measure D, and revenue bonds.

Thank you for your service.

Mark Smithers
this is a personal communication not associated with the finance committee

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James McCann

From: James McCann
Sent: Monday, July 6, 2026 11:26 AM
To: Mark Smithers; James McCann; Paul Dohring; Christopher J Warner; Aaron Barak
Subject: Your July 2 email re: potential sales tax measure

Hello Mark:

Thank you for your email sharing your thoughts regarding the proposed ballot measure and for your many contributions to the well-being of the community including your substantial contributions to the work of the Finance Committee.

I appreciate that you have a different opinion regarding the need or wisdom of considering the placement of a tax measure before the St. Helena voters this November. However, the election calendar demands that we act quickly to provide the City Council with the option to place a measure on the ballot this November. Delay will miss this window and will further delay addressing our reoccurring imbalance. Providing the Council with the opportunity to act is responsible given the recognized budget imbalance, unsustainable reliance on reserves, and negative effects of prolonged inadequate funding, significant budget cuts and diminished staff resources has on the services and improvements the community desires and needs.

While there may be differences regarding the precise magnitude of the structural deficit, there is substantial agreement on many of the underlying financial challenges facing the City. These include:

- The City continues to face an ongoing structural imbalance between reoccurring revenues and expenditures;
- Existing pension obligations and liabilities are substantial and will continue to place increasing pressure on the General Fund. A commitment to immediately begin addressing the pension liability is needed;
- Capital equipment replacement and substantial deferred facilities and infrastructure needs require sustained additional funding;
- Staffing shortages, frozen positions, and recruitment and retention challenges directly affect service delivery, quality of performance, and organizational capacity;
- Future investments recommended through operational studies and other Council-directed initiatives cannot realistically be implemented without identifying additional on-going revenues or making significant reductions elsewhere in the budget—frankly such reductions are unrealistic given the reductions which have already occurred in recent years.

The Council has also considered numerous expenditure reductions over the past year, and many Finance Committee recommendations have either already been implemented or incorporated into the proposed budget. Even with those actions, the staff's analysis indicates that additional long-term solutions remain necessary.

Reasonable people can certainly disagree about the appropriate timing of a ballot measure or the best mix of expenditure reductions and revenue enhancements. Those are ultimately policy decisions for the City Council after considering all available information.

However, the feedback from community members responding to our recent polling/survey work is very strong and compelling: our residents believe that additional secure revenues are needed to provide services and facility improvement at a level and pace desired. The data strongly suggests that the timing for such a request of our residents is very good. Responsible management suggests that the City's financial need is substantial and real and that this opportunity should be seized.

A successful measure before the voters this fall would bolster, greatly the City's financial health. Still, there is no doubt that it would not meet all of our needs. Barring increased revenue, the City will be forced to look for further cuts to balance the budget. Such cuts will likely affect valued community services, and consequently we have a governance duty to put a measure in front of the residents so that they may decide. To be sure, recommendations from the Finance Committee for short and longer-term budgeting commitments as well as options for implementation of recommendations in the Blackberg Group report will be positive and will surely have budgetary (and organizational) demands and effects; sustained funds will be needed to address these important recommendations.

Your input and ideas, and those of the Finance Committee, are valued and very much welcome. We believe that we must act to preclude a drainage of reserves and the elimination of choices and options, all of which continue the reduction in the quality and level of services and facilities the City can provide to our community. The contemplated sales tax measure is a modest one and, together with other tools including Finance Committee recommendations, operational efficiency improvements, and revenue-generating development opportunities, will surely position the City for a stronger financial future.

Thank you again for your engagement and continued commitment to the City's fiscal health and vibrancy.

-Jim

Jim McCann

Interim City Manager

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Date: July 7, 2026

Subject:
Public Comment for July 7 Special Meeting – Proposed Sales Tax Increase + CPRA Request

Dear Mayor Dohring and Council Members,

I'm writing about the special meeting on July 7 to consider putting a half-cent sales tax increase on the November ballot.

St. Helena already has a very high cost of living. Before asking residents to pay even more in taxes, I think the Council needs to show that it's managing the money we already pay responsibly — and that it's making progress on the improvements laid out in the Blackberg reports.

Those reports gave the City a clear path to save $1.3 to $1.6 million a year through better organization, preventive maintenance, stronger financial controls, and strategic planning. So far, I haven't seen much evidence that the Council is moving forward on those recommendations.

What has been done?

Has the City adopted a strategic plan?
Has it restructured departments or clarified roles like the report recommended?
Has it put a real preventive maintenance program in place in Public Works?
Has it fixed the financial processes and budget transparency issues that were called out?
And has it started the technology changes that were supposed to reduce long-term costs?

We've seen this pattern before with the CIP and water rate studies — big projects and high costs get projected to justify rate increases, but then a lot of the work never actually gets done. Asking residents for more tax money while that same approach continues doesn't sit right with me.

Before moving forward with any new tax, I'd like the Council to provide a clear, public update on which Blackberg recommendations have been implemented, which ones are still pending, and the timelines for getting them done. I'd also like to see the independent Finance Committee analysis of the budget and a reconciliation of the big differences between what staff and the Finance Committee have said about the structural deficit.

California Public Records Act Request

Pursuant to the California Public Records Act (Government Code § 7920 et seq.), I request the following records:

1. Any progress reports, implementation plans, status updates, or tracking documents related to the Blackberg Group Efficiency and Business Transformation Study recommendations, from January 1, 2026 to present.

2. All City Council agendas, minutes, staff reports, or presentations from January 1, 2026 to present that discuss or reference implementation of the Blackberg recommendations.
3. Any internal memoranda or documents from the City Manager's office or department heads showing actions taken or status on the Blackberg recommendations.

Please provide these records electronically. If any part of this request is denied, please state the specific exemption and explain why.

Until the Council shows real progress on these issues, I oppose placing a sales tax increase on the ballot.

Thank you.

Sincerely,

Tamara Sorensen
St. Helena Resident
1381 St. James Dr.

Chris Warner, Acting Chair Finance Committee, Comments on Sales Tax Agenda Item, St. Helena City Council, July 7, 2026

I am Chris Warner, Acting Chair of the St. Helena Finance Committee. My comments are solely on behalf of the Finance Committee, and do not represent any other official role I have with the City or any personal role. My comments are based on public records and public discussions by the Finance Committee, its members, and City staff that are available to you and the public to review.

The Finance Committee has taken no position on the sales tax proposal before you or the staff report supporting the sales tax proposal. This is primarily because the City staff did not share the staff proposal with the Committee or consult with the Committee prior to putting it on the Council's agenda. This is expressly contrary to the agreement between the City staff and the Finance Committee that neither would make any recommendations to the Council on a "structural deficit" or fiscal policies without coordination and consultation between the two.

You, the City Council, created the Finance Committee and appointed its members with the express direction that the Finance Committee analyze, evaluate, advise and make recommendations to the Council and staff on significant fiscal and financial issues facing the City. This includes your express direction in August, 2025 that the Finance Committee determine whether a "structural deficit" exists between forecast City expenditures and revenues and, if so, the scope of such a "structural deficit."

Pursuant to your direction, the voluntary Finance Committee and its subcommittees consisting of Committee financial, budgeting and accounting experts have expended enormous amounts of time over the last year analyzing the City's financial and fiscal policies, budgets, data and forecasts. And I am sure your newest Councilmember Diaz, with his expert financial background, would be very familiar with and expect to receive and consider findings and recommendations on City financial matters such as the agenda item before you tonight from the financial, accounting and budgeting experts on our Committee.

We provided the Council our status report in late March, identifying findings so far and outlining the additional data we needed from City staff to provide you with our expert 5-year forecast of City General Fund expenditures that met the definition of expenditures needed to maintain needed City services or comply with legal or regulatory requirements. Among other things, our status report to you on March 24 identified a couple key findings: (1) that no structural deficit existed for needed long-term streets repairs and maintenance; (2) that the Committee's subcommittee was reviewing the City's salaries and benefits compensation levels to determine what if any savings could be achieved by aligning with competitive and similar salaries and benefits of other Napa and comparable cites and towns, and (3) that existing, fully funded reserve funds existed that might be used to cover new expenditures without creating a deficit and without adversely affecting the City's overall reserves. These findings built on our previous recommendations regarding increasing City revenues through prudent interest earnings on unused cash. We indicated the Committee was nearing completion of its analysis of the so-called "structural deficit," subject to obtaining additional information from staff regarding current expenditures and reserves.

On March 23, we sent what we expected would be our final data request to City staff. (see the data request document I have provided.) We repeatedly requested the data in subsequent communications with City staff, even as recently as May 27 and June 10, but the City staff has not provided the data. The data is essential to the Finance Committee completing its tasks and recommendations which you, the City Council, have asked us to do.

Likewise, our Subcommittee completed its review of the City's General Fund compensation and benefits expenditures for City staff, which make up over 70% of the City's General Fund budget. By the way, I commend Vice Mayor Deasy for being the first, over a year ago, to recommend the Council and the Finance Committee carefully review the City's compensation and benefit levels and policies for potential savings and efficiencies compared to other similar cities and towns.

Pursuant to our agreement to coordinate and cooperate with City staff before sending recommendations to you, the City Council, we sent our Subcommittee findings and recommendations to the City staff for review and comment several weeks ago. We have received no comments from City staff to date, even though our Subcommittee report identifies opportunities for significant savings by aligning City compensation and benefits with other comparable cities and towns.

The staff report recommending a half-cent sales tax before you tonight includes no reference to the Finance Committee's current status of findings and recommendations, and in fact includes no quantitative analysis or findings at all, and fails to address in any way the public record and public discussions by the Finance Committee and its Subcommittees on the "structural deficit," nor acknowledges the failure of the City staff to respond to the Committee's data requests that have been pending unanswered by the City staff since March.

Regardless of your decision tonight, I will be scheduling a meeting of the Finance Committee in the near future to continue and hopefully finalize our findings and recommendations on whether we believe a "structural deficit" exists, and if so, the scope of the "structural deficit" and options for expenditure efficiencies and reductions available to offset the deficit without harming essential City services or programs. Contrary to the staff report, the Committee previously has declined to consider or recommend revenue options, because this is solely the prerogative of the Council and City residents, businesses and voters.

For these reasons, on behalf of the Finance Committee, I repeat the Committee's request for quantitative and specific information that we have requested for months that we conclude is essential for the Committee, the Council and the St. Helena community to consider BEFORE determining whether a "structural deficit" exists and if so, how to address such a "deficit."

Thank you and I am available to answer any questions.

From: Christopher J Warner <chrisjwarner52@gmail.com>
Sent: Monday, March 23, 2026 8:51 AM
To: Mandy Kellogg <mkellogg@cityofsthelena.gov>
Cc: Aaron barak <abarak@msn.com>; Anil Comelo <AComelo@cityofsthelena.gov>; Gregg Dawley <godawley@gmail.com>; Mark Smithers <mstahoe75@outlook.com>
Subject: Finance Committee - Pending Data and Information Requests Needing Staff Responses

CONFID.

Mandy, thx so much for your continuing support for the Finance Committee's data and information requests. Here is a summary of the data and information requests that are still pending and need responses and/or updates from the City staff based on our previous requests. Feel free to contact me if you have any questions.

1. Final FY 2025 audited financials

2. Final Blackberg Efficiency Study, accepted by City as final

3. Recorded salaries and benefits expenditures by department for FY 2026 through December 31, 2025, accompanied by updated list of filled and unfilled positions and personnel for each department at December 31, 2025, compared to June, 2025 FY 2026 adopted budget for each.

4. Forecast salaries and benefits expenditures for each department adopted in 2026 midyear budget review approved by City Council, including list of forecast filled and unfilled positions and personnel for each department, compared to June, 2025 FY 2026 adopted budget for each.

5. Detailed composition by individual invoice, contract and program commitment for the FY 25 roll-over $1,743,213 in "Encumbered funds" adopted in the FY 2026 midyear budget update, along with a comparable forecast of how much in the FY 2026 midyear budget updated forecast expenditures are forecast to be rolled-over i.e. "encumbered" into FY 2027.

6. Eligibility of the following non-General Fund funds for use for General Fund purposes, e.g. for building and equipment capital, maintenance and repair expenditures:
Equipment Replacement Fund: $586,646
Fire Equipment Replacement Fund: $507,503
Civic Impact Fund $960,375

7. Update on cash invested amounts by investment vehicle: CAMP, LIAF, MMkt, compared to all cash on hand.

We appreciate receiving the consultant's updated cost allocation study info; we will review it so our Cost Allocation Subcommittee can provide its final report for consideration by the full Committee. We do need the complete report so we can review what basis the consultant used for the allocation calculations. I can't follow all the spreadsheets without the narrative to help me interpret the calculations.

Likewise, as we discussed at our last full Committee meeting, the Class and Compensation Subcommittee has followup questions on the consultant's labor market survey regarding whether the data as follows regarding employee cost sharing of benefit costs for cities in the recommended comparative group, e.g. 10% cost sharing of health insurance premiums, are reflected in the comparison of benefit levels with St. Helena, which we understand may not require similar employee cost sharing. Assuming the labor market survey consultant's report is final and has been accepted by the City (please confirm), we have further questions on this "apples and apples" question.

Same compensation and agency comparisons for the City Manager position

Health insurance cost sharing percentages and amounts for a family of four (proxy used by consultant)

By position: Car allowances, Housing allowances, Performance bonuses, and event ticket reimbursement allowance

Executive days awarded to each St Helena position and comparable information for the agencies used in the survey

Current organization chart including filled, unfilled, frozen, part-time, and temporary positions

Also, as we discussed at our last full Committee meeting, the labor market survey consultant's report and the Blackberg Group's draft compensation comparison differ significantly in results and source data, so those differences likely will need to be reconciled by the City and the Finance Committee before we finalize our report.

Once we receive the responses to these data and information requests, we will let you know if we have any further information needs or questions.

Thx for all your help!

Chris