City of St. Helena
Special City Council Meeting
Thursday, May 14, 2020 @ 9:00 AM

465 Main Street, St. Helena

In accordance with Executive Orders N-25-20, N-29-20, and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. We will address the Order in the following ways: Members of the public may not physically attend meetings. The City Council meeting will be live-streamed on Comcast Channel 28 and on the City's website, barring technical difficulties. Those members of the public wishing to participate must do so remotely via Zoom electronic meetings in the following ways; by either logging onto the Zoom link located on the meeting agenda (please download the app to your computer or mobile device) and enter the meeting ID or by calling a listed number and enter the meeting ID. Public comment for City Council meetings will be accepted via email to publiccomment@cityofsthelena.org**.**

Please see the end of the agenda for detailed PUBLIC PARTICIPATION instructions.

Please click the link below to join the meeting: https://us02web.zoom.us/j/83754127232

Or iPhone one-tap :
US: +16699006833,,83754127232# or +12532158782,,83754127232#

Or Telephone: Dial(for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592

Meeting ID: 837 5412 7232

International numbers available: https://us02web.zoom.us/u/kcCEtMNDMa

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

Page

1. CALL TO ORDER
2. ROLL CALL
   Mayor: Geoff Ellsworth, Vice Mayor: Paul Dohring, City Council Members: Anna Chouteau, David Knudsen and Mary Koberstein
3. PUBLIC COMMENT:
   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.
4. NEW BUSINESS:

4.1. Budget Workshop #1 - Review of Fiscal Year (FY) 2020-21 General Fund Forecast; Discussion and Direction Regarding Draft Budget Priorities; Discussion and Direction Regarding Draft Balanced Budget Framework; Review of Draft Long-Range Financial Forecast 5 - 57

CEQA Determination: Exempt
Prepared By: Mark T. Prestwich, City Manager
Recommendation:
Review of Fiscal Year (FY) FY 2020-21 General Fund Forecast; Discussion and Direction Regarding Draft Budget Priorities; Discussion and Direction Regarding Draft Balanced Budget Framework; Review of Draft Long-Range Financial Forecast

Staff Report - Pdf
Presentation

5. ADJOURNMENT

The next Regular City Council meeting is scheduled for May 26, 2020, at 6:00 p.m.

I do hereby certify that a copy of the foregoing agenda was posted on the City website on Tuesday, May 12 2020.

Cindy Tzafopoulos

Cindy Tzafopoulos, 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.

THE CITY OF ST. HELENA ENCOURAGES ONLINE PUBLIC PARTICIPATION IN VIRTUAL CITY COUNCIL MEETINGS

St. Helena, CA– The City of St. Helena is committed to public participation in City government in a manner that is consistent with guidance provided by the Napa County Public Health Official and Governor Newsom's Executive Order N-25-20. These guidelines relate to social distancing, and are intended to protect everyone by limiting the spread of COVID-19 in our community. In adherence to these guidelines, the St. Helena City Council will host a Virtual Council Meeting on Zoom; a free teleconferencing tool that enables users to watch and/or call into the meeting from their computers or phones. This meeting will be open to public and allows for live public comment. The meeting will also be recorded, livestreamed, and posted on the City's website after the adjournment of the meeting if technical difficulties occur: https://sthelena.civicweb.net/Portal/

The ZOOM web link, meeting ID, and phone number will be listed at the top of the City Council Meeting Agenda. You will be required to enter

the meeting ID, but there will be no password or participant ID.

How to Watch or Listen to Council Meetings:

1. Watch on Comcast Channel 28
2. Watch the livestreaming video on the City's website
3. Watch and Listen on Zoom.us by clicking on the link in the Council Agenda
4. Listen only by calling the Zoom number listed on the Council Agenda

Watch Council Meeting by Joining the Zoom Meeting:

1. **By Computer, Tablet, or Smart Phone:**
    a. Before joining the virtual City Council Meeting, it is highly encouraged that you download the Zoom App. To sign up for your own free account, visit zoom.us/signup and enter your email address. You will receive an email from Zoom (no-reply@zoom.us). In this email, click Activate Account.
    b. If you are logged into your account, Enter the **Meeting ID** listed on the City Council Agenda. If you have not created an account go to: https://zoom.us/join and enter the **Meeting ID**
    c. Select if you would like to connect audio and/or video and tap **Join Meeting**.
    d. For specific instructions for your device, go to: https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting
1. **Listen Only by Telephone:**
    a. **Dial** the number listed on the Council Agenda.
    b. At the prompt, enter the **Meeting ID** provided on the top of the City Council Meeting Agenda and **Press #. A participate ID is not required.**
    c. To disconnect from the meeting, hang up the phone.

Ways to Provide Public Comment:

While attending the virtual City Council Meeting, the public will have the opportunity to provide live public comment during Public Forum and after each agenda item. When it is the appropriate time for public comment the Mayor will verbally open public comment. At this time each individual is permitted 4 minutes to speak.

1. **Send a Public Comment in Advance to** publiccomment@cityofsthelena.org

The easiest way to provide public comment is to email your public comment. Public comments may be emailed to publiccomment@cityofsthelena.org. Please include in the subject line "COMMENT TO COUNCIL and the AGENDA ITEM". Any public comment is required to be submitted no later than 1 hour before the scheduled meeting and will be included as an attachment to the agenda.

2. **Provide Comment through Zoom meeting from a computer, tablet, or smart phone**

This option allows the public to virtually attend the meeting as a muted 'attendee' with no video or screen sharing capabilities. You will be able to see and hear those participating in the meeting, but they will not be able to hear you until the host unmutes you.

If you wish to provide public comment during a specific agenda item or during public forum, you can use the **“raise hand”** feature located in the control panel at the bottom of your screen. The icon is a small blue hand. In Windows you can also use the Alt+Y keyboard shortcut to raise or lower your hand. In Mac you can also use the Option+Y keyboard shortcut to raise or lower your hand.

The host will be notified that you've raised your hand and you will be placed in a queue with all incoming requests.

When it is your turn to speak, you will be notified that the host has unmuted you. To be removed from the queue, just click the ‘**raise hand’** button again.

3. **Call in to the ZOOM meeting from a cell phone or landline phone only**

This option allows the member of the public with the opportunity to verbally participate in public comment.

If you wish to speak during public comment time dial ***9** on your telephone.

The host will be notified that you would like to speak and you will be placed in a queue with all incoming requests.

When it is your turn to speak, you will be notified that the host has unmuted you. You may press ***9** again if you wish to be removed from the queue.

You will be notified at the end of your statement that you have been muted.

Report to the City Council
Special City Council - 14 May 2020 Budget Workshop

Agenda Section: **NEW BUSINESS:**

Subject: **Budget Workshop #1 - Review of Fiscal Year (FY) 2020-21 General Fund Forecast; Discussion and Direction Regarding Draft Budget Priorities; Discussion and Direction Regarding Draft Balanced Budget Framework; Review of Draft Long-Range Financial Forecast**

CEQA Determination: **Exempt**

Prepared By: Mark T. Prestwich, City Manager

Reviewed By: April Mitts, Finance Director

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

At the April 14, 2020 City Council meeting, the City Council was provided a forecast of projected General Fund revenue losses associated with the COVID-19 pandemic. The report noted the unknown duration of California Shelter-at-Home Orders and the subsequent phased reopening impacts the City's ability to reliably predict City revenue impacts. The forecast anticipated a $2.5 million decline in revenues in the current year through June 30, 2020, and a $4.7 million revenue reduction in Fiscal Year (FY) 2020-21, resulting in an unprecedented General Fund revenue loss in excess of $7.2 million over 15 months. The analysis assumed the Shelter-at-Home Order end by June 30, 2020 and used revenue loss assumptions in Figure 1 when developing FY 2020-21 impacts. The percentages below are the estimated amount to be collected during each quarter as a percentage of the FY 2019-20 adopted budget.

Figure 1: FY 2020-21 Sales Tax & TOT Assumptions as a % of FY 2019-20 Adopted Budget

FY 2020-21	Q1 (July – Sept)	Q2 (Oct – Dec)	Q3 (Jan – Mar)	Q4 (Apr – Jun)
Sales Tax	30%	45%	54%	65%
TOT	10%	20%	40%	75%

The overall decrease in anticipated revenues from the FY 2019-20 adopted budget is a 49% reduction of Sales Tax and 36% reduction of TOT.

DISCUSSION

Because the FY 2020-21 base annual budget includes various increasing costs (e.g. insurance increases, workers compensation increases, PERS increases, health insurance increases), City staff is forecasting FY 2020-21 expenditures of $16,184,249 and revenues of $10,345,275, resulting in the need to close an approximate $5.8 million deficit.

Given the immediacy, scale, and volatility of the projected budget imbalance, City staff has crafted a multi-faceted framework for developing a fiscally responsible draft FY 2020-21 budget. In addition to seeking City Council feedback on the draft budget framework and targets, City staff will be seeking Council feedback on budget priorities and confirmation the conceptual framework aligns with Council workplan goals and budget priorities.

This initial Budget Workshop will focus on the Identification of Budget Priorities, review of a draft balanced budget framework, including specific expenditure reduction options, and review of an updated draft Long Range Financial Forecast that includes analysis of the options presented by the Infrastructure Financing Task Force.

A follow-up Budget Workshop is scheduled for May 28, 2020 which is planned to include refined budget forecasting data, including Water and Wastewater Funds budget data, and a review of FY 2020-21 non-profit funding requests.

Identification of Budget Priorities

The City's annual budget reflects the City Council's budget priorities. Given the challenging budget environment presented by the COVID-19 emergency, it will be critical this year's spending plan reinforces the Council's budget priorities, aligns with the City's Vision and Mission Statements, and supports the delivery of key projects via the City's goals and workplan. To this end, staff is seeking feedback on the following draft Budget Priorities which have been developed as an initial starting point for 2020-21 budget development.

Draft 2020-21 Budget Priorities

- Support City's Three-Year Goals and workplan tasks
- Ensure delivery of key capital improvement projects
- Protect service levels to extent feasible
- Invest in business recovery efforts
- Utilize General Fund Reserves to stabilize services and retain employees

Vision Statement

The Vision Statement for the City of St. Helena is:

The City of St. Helena will strive to be economically sustainable, and continue to the be family-friendly, diverse and a safe community which prudently manages its financial and human resources, continues to upkeep and improve its infrastructure, ensures its water security, provides a full range of housing, business, cultural and recreational opportunities and embraces and retains its historic, small-town character, beautiful natural environment and high quality of life.

Mission Statement

The City of St. Helena is dedicated to serving the needs and desires of our citizens by:

- Maintaining and improving our short and long-term economic sustainability
- Offering excellent professional services to all customers
- Establishing, improving and maintaining City infrastructure
- Maintaining and encouraging an environmentally sustainable community
- Preserving and embracing the historic, small-town, rural character of St. Helena.
- Expanding and improving recreational services and facilities and cultural opportunities
- Encouraging a wide range of innovative, well-designed housing available for residents of all ages and income levels
- Facilitating full civic participation and ongoing communication
- Strengthening partnerships with the private, non-profit and public sectors.

Multi-faceted Balanced Budget Framework

A multi-faceted balanced budget framework has been developed to guide Council budget discussions for FY 2020-21. The targeted solutions are influenced by an evaluation of potential budget department reductions.

Figure 2: Draft FY 2020-21 Balanced Budget Framework

Framework	Goal %	Goal $
Budget Reductions	40%	$2,320,000
Use of General Fund Reserves	30%	$1,740,000
Labor Strategies	25%	$1,450,000
New Revenue	5%	$290,000
Total	**100%**	**$5,800,000**

<u>Budget Reductions</u>

To mitigate the significant budget shortfall, staff completed a thorough review of department operating and Capital Improvement Program (CIP) project budgets to identify expenditures that could be reduced or eliminated to help close the City's funding gap.

All of the proposed changes, further detailed below, would provide one-time resources totaling approximately $2.4 million in savings.

Examples of budget reductions/strategies are:

- Elimination of travel and non-essential training
- Reduction of services/consulting contracts
- Reduction of supply and equipment purchases
- Transferring unused funds for CIP projects back to the General Fund (where the General Fund provided the initial funding)
- Charging City labor and supplies to the $379,000 Measure T Maintenance of Effort (MOU) requirement
- Reducing the City's Retiree Medical Pre-Funding from $152,000 to $52,000
- Adjusting the CalPERS pension liability payment from 15 years to 30 years
- Deferring equipment purchases

These draft solutions achieve budget savings of approximately $2.4 million, or approximately 40% of the projected budget gap.

<u>Use of General Fund Reserves</u>

At the Council's February 25, 2020 mid-year budget update, the City's General Fund Estimated Unassigned Net Position was $7.36 million. This represented a net position of 45%, higher than the Council's policy of 30%. However, impacts associated the COVID-19 related closure of hotels and businesses are projected to reduce revenue by $2.5 million through the June 30, 2020 close of the fiscal year. Cost containment measures deployed in March are expected to offset this loss by approximately $1.2 million, resulting in a revised Estimated Unassigned Net Position of $6.13 million (41% of net position) at June 30, 2020.

Uncertainty posed by the possibility that Shelter-at-Home Orders may be imposed again presents additional General Fund risk if there is a second surge of COVID-19 infections. For example, if a second Shelter-at-Home Order was introduced next April through June, the FY 2020-21 revenue forecast would be reduced by an additional $1.3 million based on the assumptions presented. This volatility underscores the critical nature of retaining adequate reserves should a second shutdown be necessary at some point next fiscal year.

Given the unprecedented closure of businesses but the prospect these businesses will largely reopen in FY 2020-21, a measured use of General Fund Reserves is appropriate. However, to guard against additional loss of potential revenue over the next two fiscal years as businesses return, the City Manager is recommending use of no more than 1/3 of General Fund Reserves in FY 2020-21 to address the budget gap. The draft budget framework presently assumes use of $1.74 million in unassigned reserves which represents 30% of the projected deficit and approximately 28% of the projected General Fund Reserves.

There also may be an opportunity to rebuild General Fund Reserves or mitigate use of other strategies if the York Creek Dam Removal project bids yield any savings. If bids are low enough, some portion of the $1.6 million appropriated to the project via the General Fund could be returned at the discretion of the City Council.

<u>Labor Strategies</u>
Labor strategies represent 25% of the draft gap closure strategy ($1.45 million). Currently, the City has five General Fund vacancies in the following departments:

- Police Department (2)
- Public Works Department (2)
- Planning Department (1)

These vacant positions provide $609,000 of annual budget savings.

On May 12, 2020, the City Council will consider a voluntary retirement incentive program for up to four positions. Cost savings associated with use of this program by four employees are projected to present General Fund savings opportunities of between $300,000 to $600,000 depending on program participation.

While a cumulative nine vacancies will result in some service level impacts, the savings associated with a voluntary approach reduces and may eliminate the need for other options.

Assuming approximately $1 million of cost savings is achieved via vacant positions, the City Manager is recommending the remaining targeted savings of approximately $450,000 be secured via voluntary cooperative solutions with City bargaining units. Assuming revenue forecasts remain intact, this figure would need to increase if vacancies are not achieved via the voluntary retirement incentive program, or if additional budget strategies are not deployed.

It would also be appropriate to seek voluntary reductions in hourly billing rates from City vendors over the next 12 months to offset budget impacts.

New Revenues
As drafted, new revenues represent only 5% or $290,000 of the targeted solutions and no formal recommendation is provided at this time. One of the primary reasons for no formal recommendation is associated with the substantial volatility of revenue assumptions which likely have a margin of error of at least $500,000. Therefore, if revenue returns quicker than anticipated, there may not be a need for additional revenue. That said, deployment of any new revenue strategies will reduce the reliance on other budget strategies and/or provide a means of rebuilding the City's critically important budget reserves.

Additionally, staff will continue to monitor economic stimulus funding legislation, possible fiscal relief through the State and/or Federal government, and explore alternate funding options to present to Council as opportunities arise.

Long Range Financial Forecast

The City's Long-Range Financial Forecast (LRFF) was first developed in early 2015 to help the City of St. Helena plan a path to stability. It is a standard best practice for the City to update this plan annually.

The LRFF provides a current and long-range financial assessment of revenues, expenditures, fund balance, and emergency reserves. The primary objective is to provide the City Council and the community with a financial forecasting assessment to identify any significant issues that may need to be addressed in the budget development process.

This analysis is centered on the City's General Fund because it is the primary operating budget for tax supported municipal services. This document presents a potential range of financial outcomes based on available data and conditions and represents a review

The LRFF presents five scenarios illustrating trends of the City's expenditures and revenues over the next 10 years.

- Scenario 1 - Base Budget
- Scenario 2 - Base Budget with Infrastructure Task Force (ITF) Recommendations for Storm Drain Maintenance
- Scenario 3 - Base Budget with ITF Recommendations for Storm Drain Maintenance and Hotel Revenue in FY 2025
- Scenario 4 - Base Budget with Infrastructure Task Force Recommendations for Maintenance & Option 1 (City Hall and Police Station)

- Scenario 5 - Base Budget with Infrastructure Task Force Recommendations for Maintenance & Option 2 (Joint City Hall/Library and Police Station)

FISCAL IMPACT
Fiscal impacts are described throughout the report.

RECOMMENDED ACTION
Review of Fiscal Year (FY) FY 2020-21 General Fund Forecast; Discussion and Direction Regarding Draft Budget Priorities; Discussion and Direction Regarding Draft Balanced Budget Framework; Review of Draft Long-Range Financial Forecast

ATTACHMENTS
Vision and Mission Statement
DRAFT 2020 Workplan
LRFF - FY 21 Updated 051220 for Budget 051420

City of St. Helena

Vision Statement

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Vision and Mission Statements adopted by the City of St. Helena City Council on April 12, 2016, Resolution No. 2016-47.

COUNCIL APPROVED THREE-YEAR GOALS & DRAFT 2020 WORK PLAN

LEGEND	
GREEN	Higher priority work plan items in motion or directed by City Council
YELLOW	Work plan items may not be completed in 2020 due to focus on higher priorities
RED	Work plan items that are important but are recommended for consideration for 2021 work plan due to competing priorities

GOAL DATE		WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
GOAL 1		**Improve and Maintain Safe and Reliable City Infrastructure with a Commitment to Environmental Stewardship & Public Health**						
A	31-May-20	City Manager + Assistant to the City Manager + Consulting CPA	Support Financing Revenue Task Force Meetings to advance recommendations for replacement of City Hall, improving the Library, streetscape, and storm drain infrastructure.	X				
B	30-Sep-20	City Engineer + Mayor Ellsworth +Vice Mayor Dohring + Engineering Firm GHD	Prepare Pratt/Main intersection realignment design & study, including review with Caltrans to reevaluate intersection safety improvements. Sequencing of review will include ATSC followed by City Council.				X	Adjusted due to COVID-19
C	30-Jun-20	City Engineer + Council Member Knudsen	Secure necessary permits and initiate construction of the Upper York Creek Dam removal project.	X				Bids due May 18
D	31-Jul-20	Public Works Operations Manager + Council Member Kundsen	Council Presentation of Integrated Utility Master Plan Findings/Recommendations.		X			
E	15-Nov-20	City Engineer + Vice Mayor Dohring + Council Member Koberstein	Complete Caltrans permitting for Phase 1 Downtown Streetscape Project and complete RFP to advance project to construction in January 2020.		X			
F	31-Aug-20	City Engineer	Complete 2020 paving and ADA facilities/curb ramp projects.				X	Likely need to revise project based on Measure T projections with COVID

GOAL DATE		WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
G	15-Oct-20	Assistant to the City Manager + Planning Director + City Manager + Chamber/business reps	Prepare and implement Business Continuity Plan for 2021 Sidewalk Project including parking/signage, business license fee waiver consideration, possible façade improvement program.		X			
H	30-Jun-20	City Engineer	Complete C-82 Downtown Bathroom project on Money Way.		X			Construction has commenced
I	31-Jul-20	City Engineer	Complete C20-03 St. Helena Park Fence Replacement, landscaping improvements and year 2020 Skate Park crack sealing.		X			Fence and landscaping omplete; crack sealing to follow in summer
J	30-Sep-20	City Engineer	Complete S-52 WWTP Design and advance project to bid.		X			
K	31-Mar-20	City Engineer	Complete C20-01 Library flat roof replacement project.	X				
L	31-Jul-20	City Engineer	Complete R19-07 guardrail design for Silverado Trail improvements.		X		X	Adjusted due to COVID-19
M	31-Jul-20	City Engineer	Complete C19-02 tennis court resurfacing project.		X			Approval of contract scheduled for May 12
N	31-Aug-20	City Engineer	Advance W-27 replacement of Meadowood water tanks to design.		X			
O	15-Mar-20	Police Chief	Complete PG&E Public Safety Power Shutoff After Action Report.	X				
P	31-Aug-20	City Engineer	Complete design of S18-71 Crinella Pump Station.				X	Adjusted due to COVID-19
Q	31-Aug-20	City Engineer	Complete installation of emergency fuel tank at Public Works Corporation Yard				X	Adjusted due to COVID-19
R	31-Dec-20	City Engineer	Secure Mills Lane right-of-way for R20-02 storm drain project.				X	Adjusted due to COVID-19
S	30-Sep-20	City Engineer	Complete analysis of St. Helena Vine Trail route options and facilitate Council decision making on preferred route.				X	Adjusted due to COVID-19
T	31-Dec-20	City Engineer	Advance C20-06 generator purchase/installation, replacement and acquisition for HMGP and PSPS Resiliency funded grants.		X			
U	30-Sep-20	City Engineer + City Attorney - Councilmember Koberstein	Complete conservation easement for Flood Control Project		X			
V	31-Oct-20	City Engineer	Complete design of W-101 Tank 2 Rehabilitation.				X	Adjusted due to COVID-19
W	30-Sep-20	City Engineer + DSOD review	Submit design of W-109 Bell Canyon Intake Tower to State.		X			
X	30-Sep-20	City Engineer + DSOD review	Submit design of W-85 Bell House Valve Replacement to State.		X			
Y	31-Aug-20	City Engineer	Complete design of R19-03 Sulphur Creek Erosion Repair and permitting.				X	Adjusted due to COVID-19
Z	31-Dec-20	City Engineer	Complete design of R19-04 Sulphur Creek Sediment Removal and permitting.				X	Adjusted due to COVID-19
AA	30-Nov-20	City Engineer	Complete design of W-106 Crystal Springs Booster Station Upgrades (generator power).				X	Adjusted due to COVID-19
BB	31-Aug-20	City Engineer + Operations	Complete Public Works Standards Update.				X	Adjusted due to COVID-19
CC	31-Aug-20	City Attorney + City Engineer	Complete Water Will Serve Policy Draft for City Council Review.				X	Adjusted due to COVID-19
DD	30-Sep-20	City Engineer	Complete design and implement Spring Street Bike Lanes.				X	Adjusted due to COVID-19

	GOAL DATE	WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
EE	30-Nov-20	City Engineer	Complete design of W-110 Rutherford Pump Station Upgrades.				X	Adjusted due to COVID-19
FF	15-Oct-20	City Engineer + Operations	Complete assessment and implement W20-01 Bell Canyon Spillway Repairs.				X	Adjusted due to COVID-19
GG	31-Oct-20	City Attorney + City Engineer + Mayor Ellsworth + Vice Mayor Dohring	Evaluate feasibility of modifications to existing agreements with large water users to establish firm caps in order to safeguard water supply.			X		
HH	30-Nov-20	City Engineer + Operations	Complete W18-115 Remove Rutherford Pipe Restrictions				X	Adjusted due to COVID-19
II	30-Sep-20	City Engineer + Fire Chief	Repaint C20-02 Fire Station No.1 (budget permitting).			X		Paused due to budget evaluation
JJ	30-Jun-21	City Engineer	Complete design of next two years of citywide paving projects			X		Maybe delayed with reduction of Measure T Revenues with Covid
KK	31-Aug-20	City Engineer	Complete Dam Inundation Mapping & Emergency Action Plan			X		
LL	30-Apr-21	City Engineer	Complete design of R19-05 Grayson and South Crane Avenues Reconstruction Project		X			
MM	TBD	Planning Director (Lead) + City Engineer + Mayor & Vice Mayor + 2 Recreation Commissions + Landscape architect	Develop a community supported plan and funding strategy to renovate Lyman Park.					
NN	TBD	City Engineer (Lead)	Install wastewater meters for wineries and other users with unique characteristics to improve cost of service/fee nexus (Ad hoc Utility Rate Committee recommendation).					
OO	31-May-20	City Manager + Assistant to the City Manager + Consulting CPA	Assess baseline condition of sidewalks and develop approved program for long erm maintenance and repair of City sidewalks.					

GOAL DATE		WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
GOAL 2		**Stabilize, Maintain and Improve Access to Housing**						
A	Mid-2021	Planning Director (Lead)	Facilitate update to Zoning Code		X			Under development; Project will continue into mid-2021
B	30-Sep-20	Planning Director (Lead) + Assistant to the City Manager + Council Members Knudsen & Koberstein + OTSA	Prioritize Housing White Paper and Housing Element recommendations into short (1-2 years) and long term (3-5 year) actionable implementation actions, and advance short-term actions.				X	Adjusted due to COVID-19
C	31-Dec-20	Planning Director (Lead) + Finance Director + Council Members Knudsen + Koberstein	Update Housing Impact Fees for workforce housing and consider updates to inclusionary housing ordinance.				X	Adjusted due to COVID-19
D	31-Oct-20	Planning Director (Lead) + Council Members Knudsen + Koberstein	Advance to Planning Commission short-term housing regulatory options for consideration.				X	Adjusted due to COVID-19
E	31-Aug-20	Planning Director	Prepare RFP for Housing Element Update				X	Adjusted due to COVID-19
F	1-Jul-20	Planning Director + Finance Manager	Facilitate submittal of CDBG grant		X			
G	1-Jul-20	Planning Director + Finance Manager	Facilitate submittal of Early Action Planning Grant		X			
H	31-Jul-20	Planning Director + City Attorney	Align City Accessory Dwelling Unit (ADU) ordinance with new State law.		X			

	GOAL DATE	WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
GOAL 3		**Enhance Organizational Performance and Commit to Full Public Participation, Ongoing Communication and Regional Collaboration**						
A	30-Nov-20	Planning Director (Lead) + ATSC + Planning Commission	Prioritize General Plan "Climate Action" Chapter action items with appropriate staff and Planning Commission/ATSC Committee feedback into short (1-2 years) and long-term (3-5 year) actionable tasks.				X	Adjusted due to COVID-19
B	31-Oct-20	Recreation Director (Lead) + Parks & Recreation Commission	Prioritize General Plan "Parks & Recreation" Chapter action items with appropriate staff and Parks & Recreation Commission feedback into short (1-2 years) and long-term (3-5 year) actionable tasks; advance short-term tasks.		X			
C	30-Nov-20	Planning Director (Lead) + Vice Mayor Dohring + Council Member Knudsen	Draft and present citywide design guidelines to the Planning Commission for adoption.		X			
D	30-Nov-20	HR/IT Director + City Attorney	Complete comprehensive update to Employee Handbook in partnership with City bargaining units and present to the City Council for adoption.				X	Adjusted due to COVID-19
E	30-Sep-20	HR/IT Director + Assistant to the City Manager	Prepare/present to the City Council an employee succession plan and/or strategy to help retain employees and minimize turnover costs.		X			
F	31-Aug-20	Planning Director + Planning Commission + City Manager	Conduct annual Governance Meeting with Planning Commission.				X	Adjusted due to COVID-19
G	31-Aug-20	City Manager	Coordinate Council Workshop on review of Parks & Recreation Commission and ATSC responsibilities.				X	Adjusted due to COVID-19
H	31-Aug-20	Police Chief (Lead) + City Manager	Evaluate potential for shared Police Department services with City of Calistoga.		X			
I	30-Nov-20	City Attorney	Complete review of City Legal Services Policy		X			
J	30-Nov-20	City Attorney	Review and recommend to the City Council updates to the Council Rules of Procedure.		X			
K	30-Sep-20	Planning Director (Lead) + Mayor Ellsworth + Council Member Koberstein	Coordinate Council Study Session to analyze options related to developing a robust Code Enforcement Program that is efficient, readily understandable, and predictable.			X		May require postponing
L	31-Dec-20	Planning Director + City Attorney	Review and document status and scale of two large existing non-conforming businesses.			X		May require postponing
M	30-Jun-20	Planning Director (Lead) + City Manager	Complete Management Study of City development process to identify recommended improvements for consideration.			X		Suspended due to budget; recommend peer review alternative

GOAL DATE		WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
N	31-Dec-20	City Engineer + Police Chief	Conduct public workshop to solicit community feedback on comprehensive approaches to traffic and pedestrian safety.		X			

GOAL DATE		WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
GOAL 4		**Ensure Long-Term Economic Sustainability while Safeguarding St. Helena's Unique Culture & Quality of Life**						
A	30-Sep-20	Finance Director	Complete Impact Fee Study and Cost Allocation Plan (including inclusionary fees and housing fees) for City Council adoption.				X	Adjusted due to COVID-19
B	30-Nov-20	Finance Director (Lead) + City Attorney + Council Member Knudsen	Present for City Council consideration a policy and procedure to receive charitable gifts and endowments on behalf of the City.				X	Adjusted due to COVID-19
C	30-Sep-20	Assistant to the City Manager (Lead) + Mayor Ellsworth + Council Member Chouteau + Chamber of Commerce	Intervene to assist in securing tenants for vacant buildings.		X			May require additional time
D	31-May-20	Assistant to the City Manager (Lead) + Mayor Ellsworth + Council Member Chouteau	Survey downtown businesses regarding their interest in Façade and Tenant Iprovement Program				X	Adjusted due to COVID-19
E	31-Aug-20	Finance Director (Lead) + City Manager + Council Member Knudsen	Evaluate and present options to increase City revenue for City Council consideration.					Duplicates Financing Infrastructure Task Force & FY 2021-22 Budget Development Discussions. Delete?
F	30-Nov-20	City Manager + Planning Director + Council Member Knudsen	Initiate conversation with existing hotels to discuss opportunities to grow/improve their businesses (e.g. hotel incentive program).		X			
G	TBD	Planning Director	Develop and recommend Parklet's Program and Policy.					

GOAL DATE		WHO	WHAT	STATUS				NOTES
				Complete	On Schedule	On Hold	Revised Date	
GOAL 5		**Support Thriving Families and Enhance the Safety, Well-Being, and Healthy Development of our Youth**						
A	31-Aug-20	Assistant to the City Manager	Inventory current community-wide youth and family initiatives.				X	Adjusted due to COVID-19
B	31-Aug-20	Assistant to the City Manager	Convene stakeholders group to prioritize short-term actions that compliment existing youth and family initiatives.				X	Adjusted due to COVID-19
C	1-Oct-20	Assistant to the City Manager	Based on stakeholder group, determine and priotizie long term actions that compliment exisiting youth and family initaitves.				X	Adjusted due to COVID-19

OTHER								
A	TBD	Planning	Follow-up to October 22, 2019 Generator Noise Ordinance discussion					
B	TBD	Planning	5G Ordinance					Recommended best practice
C	TBD	Public Works	Money Way garbage/recycling consolidation					
D	TBD	NVTA/Planning	VMT thresholds					
F	TBD							

General Fund
Long Range Financial Forecast
City of St. Helena
2021-2030

Updated May 12, 2020

Prepared By:

Mark Prestwich, City Manager

April Mitts, Finance Director

City of St. Helena
General Fund
Financial Forecast
FY 2020-21 to FY 2029-30

FORECAST OVERVIEW

City Overview

The City of St Helena is located in the heart of the Napa Valley and has a population of approximately 6,000 residents. The City was incorporated in 1876 and reincorporated in 1889. St. Helena is a General Law city and operates under a Council-Manager form of government. The City Council is comprised of five members, with a directly elected Mayor every two years, and the other four members elected at-large that serve four-year overlapping terms. A City Manager, appointed by the Council, is responsible for the administration of City affairs and implementation of Council policy.

The City's Fiscal Year (FY) 2019-20 adopted General Fund Operating Budget is $15.06 million with approximately 85.25 FTE budgeted positions. As a full-service City, St. Helena has the following departments: Administration, Planning and Community Improvement, Recreation, Library, Finance, Public Works, Police, and a part-time Fire Department.

Long Range Financial Forecast

The Long Range Financial Forecast (LRFF) provides a current and long-range financial assessment of revenues, expenditures, fund balance, and emergency reserves. The primary objective is to provide the City Council and the community with a financial forecast and identify any significant issues that may need to be addressed in the annual budget development process.

It is important to keep in mind that a forecast is not a budget. The LRFF is a vehicle that peers into the future and makes projections about what is likely to happen given certain assumptions. If future deficits are projected then the forecast allows time to take corrective action to ensure finances remain stable.

This analysis is centered on the City's General Fund because it is the primary operating budget for tax supported municipal services. Long range financial forecasting assists the City in making decisions that lead to our ability to sustain the community's core services. This document represents a review of the City of St. Helena's General Fund using a set of two revenue projections and two expenditure forecasts for a total of four scenarios.

It is a standard practice for the City to update this plan annually.

Scenarios

The LRFF scenarios illustrate trends of the City's expenditures and revenues over the next 10 years. The FY 2019-20 Adopted Operating Budget is used as the base for all scenarios. More detailed information for the assumptions is included in the *Revenue and Assumptions* and *Expenditure and Assumptions* sections of this report. It is important to note the historical LRFF figures for both revenues and expenditures are actual numbers. For forecasting purposes if non-reoccurring revenues and non-reoccurring expenditures could be identified, they were removed in determining forecasted growth/decline. Five scenarios are being presented; each scenario is described below.

1. Scenario 1 - Baseline - The baseline in this forecast accounts for COVID-19 revenue and expense assumptions. Revenue assumptions for Sales and Transient Occupancy Tax (TOT) assume a projected decrease from FY 2019-20 adopted budget of 49% reduction of sales tax and 36% reduction of TOT due to the COVID-19 pandemic. Property Tax has a 6% decrease in FY 22 which models the Great Recession Trend. Revenues for Sales and TOT return to FY 2019-20 adopted budget levels in FY 2022-23. The baseline expenditure scenario utilizes General Fund reserves of $1.75 million in FY 2020-21 and reduces overall spending. Salary and Benefits return to pre-COVID-19 levels by FY 2023-24 and all other categories return to pre-COVID-19 levels by FY 2024-25. The baseline resumes transfers to Civic CIP projects in FY 2021-22 in the amount of $500,000 with a 5% increment in the following years.

2. Scenario 2 - Baseline with Infrastructure Task Force (ITF) Recommendations for Stormdrain Maintenance - This scenario has the same assumptions as Scenario 1 and adds and additional $500,000 per year for stormdrain maintenance beginning in FY 2022-23.

3. Scenario 3 - Baseline with ITF Recommendations for Stormdrain Maintenance and a New Hotel in FY 2024-25 - This scenario has the same assumptions as Scenario 2 and adds a hotel in FY 2024-25. The hotel models Farmstead as presented in the IFT Final Report approved by the ITF on May 6, 2020. This adds an additional $72,000 in Property Tax revenues beginning in FY 2025-26, an additional $133,500 in Sales Tax beginning in FY 2024-25, and adds an additional $1.2 million in TOT over a two-year period beginning in FY 2024-25.

4. Scenario 4 - Baseline with ITF Option 1 - This scenario takes the baseline Scenario 1 and adds financials from ITF Option 1, which includes factors building a new 8,500 sq. ft., single-story City Hall building on City-owned property adjacent to the Fire Station or on Railroad Avenue, builds a new 4,500 sq.. Ft. Police Station somewhere on City-owned property, and repairs and upgrades to the Library to extend its life another 20 to 25 years. Estimated construction to be $24 million, including the storm drain work, and selling the current City Hall property to a hotel developer for $4 million for a net initial cost of $20 million to be paid for by debt issuance. Assumes a 5% interest rate for 30 years. Revenue from the hotel is assumed to start in FY 2025-26 and is estimated at $1.37 million per year and debt payments of $1.31 million to begin in FY 2025-26.

5. Scenario 5 – Baseline with ITF Option 2 - This scenario takes the baseline Scenario 1 and adds financials from ITF Option 2, which builds a new 27,000 sq. ft. combined City Hall and Library, including a meeting room and a multi-purpose room, on the current Library site and build a new 4,500 sq. ft. Police Station somewhere on City Property. Estimated construction to be $50 million, including the storm drain work, and selling the Adams Street property and the Current City Hall location for a total of $24 million and the remaining $26 million to be paid for by debt issuance. Assumes a 5% interest rate for 30 years. Revenue from the hotel is

assumed to start in FY 2025-26 and is estimated at $3.53 million per year in additional revenue and debt payments of $1.70 million to begin in FY 2025-26.

Risks to the Forecast

Every projection is a combination of assumptions based on analysis of historical data, use of actual data when available (e.g., labor contracts, CalPERS rates), and educated assumptions based on an analysis of available information. In addition to the built-in uncertainty of projections, the City continues to experience uncertainty in the future of revenue and major expenses that would impact the City's budget due partly to the structure of State municipal finance laws and the unprecedented revenue losses and duration of those losses due to the COVID-19 pandemic. The major risks to these projections are discussed below.

1. <u>COVID-19 Pandemic</u> - Typically the LRFF highlights that a risk to the forecast is a volatile economy. While this is certainly true, the current LRFF presented has an additional unprecedented unknown, which is the overall economic impacts of the COVID-19 pandemic. There is an unknown duration of California Shelter-at-Home Orders and unknown impacts the phased reopening will have on the City's ability to return to business as usual. Unlike the Great Recession where businesses remained open, COVID-19 immediately shut down revenues associated with TOT and sales tax which are two of the largest General Fund contributors. The forecast anticipates a $2.5 million decline in revenue in the current fiscal year through June 30, 2020, and a $4.7 million revenue reduction in FY 2020-21, resulting in an unprecedented General Fund revenue loss in excess of $7.2 million over 15 months.

2. <u>Volatile Economy</u> - The City's revenues are impacted by economic conditions. As evidenced in the recent Great Recession, the City's three largest revenue sources, property, sales and transient occupancy taxes, are tied to the broader economic trends.

3. <u>State Takeaways and Borrowing</u> - During times of economic downturn, the State of California has previously shifted, borrowed, or took money from cities to cover its own budget shortfalls. In an effort to protect local governments, Proposition 1A was passed in 2004 to protect local revenues from being transferred away from the state. However, Proposition 1A can be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concur. The first emergency suspension of Proposition 1A was passed by the Legislature as part of the 2009-10 budget package. Under this provision the State borrowed 8% of the amount of property tax revenue and was required to repay the obligations plus interest by 2013. After this initial repayment, the legislature may consider only one additional borrowing within a ten-year period. While it can not be predicted if the State will once again borrow money from local governments, it is a possibility.

4. <u>Unfunded Liability Pension Costs</u> - CalPERS pension costs continue to rise and are projected to double, reaching an average of 15.8% of General Fund budgets by FY 2024-25. CalPERS continually reassesses the employer contribution and, based on market returns and other factors, rates can be increased or decreased annually. The projections in this forecast are based on the CalPERS Actuarial Review from August 2019. This forecast does not take into

consideration any losses CalPERS may encounter as a result of COVID-19. These losses will not be known until after June 30, 2020, and the impacts, if any, will be realized by the City in FY 2022-23.

5. Compensation Increases - During FY 2019-20 the City completed a Compensation and Classification Study as well as a study for a reorganization of the Public Works department.

6. Fire Department - The City of St. Helena currently operates primarily a part-time Fire Department for a total operations budget of $1.4 million annually (exclusive of Strike Team costs). The FY 2018-19 budget included for the first time two full-time firefighters. The addition of these two staff members was a result to the increased emergency preparedness needs of the Fire Department and their response times. Currently the Department consists of a Fire Chief (30 hours per week), full-time Administrative Assistant, two full-time firefighters, and 25 part-time firefighters who are paid on an hourly, per-call basis. includes additional part-time staff, seasonal firefighters, and standby pay which will further help response times and coverage during wildfire events. The City will experience significant cost increases if there becomes a need to staff the Fire Department on a full-time basis.

7. Health Premiums - The City currently pays 100% of employee health premiums. The City is a participant in the Redwood Empire Municipal Insurance Fund (REMIF) which is a self-insured joint powers authority established in 1976 to handle insurance claims, benefit programs, and risk management needs of 15 cities. In 2015, REMIF changed to a self-funded health plan with the anticipation of overall savings in health care costs to all member cities. Health premiums in the LRFF are projected to rise over the next decade by 5% annually. Actual health care costs are typically received by the City in May of each year. The risk is that health premiums may rise faster than the forecast, increasing total compensation costs.

8. Asset Recapitalization - In 2017, to help address the significant current-term and long-term costs for replacement or repair of aging buildings, the City Council formed the St. Helena Assets Planning Engagement (SHAPE) Committee with the general purpose to identify alternatives to address deficiencies and opportunities identified in the Facilities Condition Need Assessment (FCNA), challenges identified in the Long Range Financial Forecast, and feasibility of concepts identified in the 2009 Visioning Statement. Additionally, the Committee identified financial strategies (along with identifying consequences and trade-offs) for City Council consideration to address identified deficiencies, opportunities, and/or utilization of community assets. The Committee presented its final report to City Council on June 12, 2018.

   The final SHAPE report included options for each property to be carried forward for discussion with City Council as well as an annual cost summary of asset recapitalization provided by EMG. As identified in the 2019 Fiscal Health Analysis, assets are depreciating at $1.3 million per year and only a fraction of that amount is being recapitalized. Due to the impacts of COVID-19 and the needs for cost containment strategies, the Baseline LRFF does not make any contributions to asset recapitalization in FY 2020-21 but does build in $500,000 starting in FY 2022-23 with a 5% inflator through the end of the LRFF which is FY 2029-30. This amount is included in the Transfer to Other Funds line item.

9. No Major New One-Time Expenses - The expenditure forecast does not include any provisions for unexpected one-time expenses, such as changes in legislation, unexpected events, acts of nature, or other such factors that could require the City to expend a significant amount of General Fund resources.

GENERAL FUND FORECAST

Five scenarios are presented in the LRFF. The following tables and charts show the General Fund balance for each of the scenarios over a 10-year period. Full-size charts are included as Appendices A-E.

TABLE 1

SCENARIO 1 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE													
GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED													
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.59 m	2.23 m	0.95 m	-0.29 m	-1.46 m	-2.57 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.96 m	15.45 m	15.95 m	16.47 m	17.01 m	17.57 m	18.14 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	14.70 m	15.76 m	16.81 m	17.23 m	17.72 m	18.18 m	18.68 m	19.20 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.08 m	-0.80 m	-1.36 m	-1.28 m	-1.24 m	-1.16 m	-1.12 m	-1.06 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.59 m	2.23 m	0.95 m	-0.29 m	-1.46 m	-2.57 m	-3.63 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	30%	23%	13%	6%	-2%	-8%	-14%	-19%

Scenario 1 (Appendix A) Baseline - The baseline in this forecast accounts for COVID-19 revenue and expense assumptions. Revenue assumptions for Sales and Transient Occupancy Tax (TOT) assume a projected decrease from FY 2019-20 adopted budget of 49% reduction of sales tax and 36% reduction of TOT due to the COVID-19 pandemic. Property Tax has a 6% decrease in FY 22 which models the Great Recession Trend. Revenues for Sales and TOT return to FY 2019-20 adopted budget levels in FY 2022-23. The baseline expenditure scenario utilizes General Fund reserves of $1.75 million in FY 2020-21 and reduces overall spending. Salary and Benefits return to pre-COVID-19 levels by FY 2023-24 and all other categories return to pre-COVID-19 levels by FY 2024-25. The baseline resumes transfers to Civic CIP projects in FY 2021-22 in the amount of $500,000 with a 5% increment in the following years.

TABLE 2

SCENARIO 2 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH $500K FOR STORMDRAINS BEGINNING IN FY 23 - NO NEW HOTELS													
GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED													
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	0.73 m	-1.05 m	-2.79 m	-4.46 m	-6.07 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.96 m	15.45 m	15.95 m	16.47 m	17.01 m	17.57 m	18.14 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	15.20 m	16.26 m	17.31 m	17.73 m	18.22 m	18.68 m	19.18 m	19.70 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.58 m	-1.30 m	-1.86 m	-1.78 m	-1.74 m	-1.66 m	-1.62 m	-1.56 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	0.73 m	-1.05 m	-2.79 m	-4.46 m	-6.07 m	-7.63 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	26%	16%	4%	(-6%)	(-15%)	(-24%)	(-32%)	(-39%)

Scenario 2 (Appendix B) Baseline with Infrastructure Task Force (ITF) Recommendations for Stormdrain Maintenance - This scenario has the same assumptions as Scenario 1 and adds and additional $500,000 per year for stormdrain maintenance beginning in FY 2022-23.

TABLE 3

SCENARIO 3 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE, WITH STORMDRAIN MAINTENANCE AND HOTEL FY 25

GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED													
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	1.72 m	1.45 m	1.27 m	1.22 m	1.26 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.96 m	16.44 m	17.47 m	18.04 m	18.62 m	19.22 m	19.85 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	15.20 m	16.26 m	17.31 m	17.73 m	18.22 m	18.68 m	19.18 m	19.70 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.58 m	-1.30 m	-0.87 m	-0.26 m	-0.18 m	-0.06 m	0.04 m	0.15 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	1.72 m	1.45 m	1.27 m	1.22 m	1.26 m	1.41 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	26%	16%	10%	8%	7%	7%	7%	7%

Scenario 3 (Appendix C) Baseline with ITF Recommendations for Stormdrain Maintenance and a New Hotel in FY 2024-25 - This scenario has the same assumptions as Scenario 2 and adds a hotel in FY 2024-25. The hotel models Farmstead as presented in the IFT Final Report approved by the ITF on May 6, 2020. This adds an additional $72,000 in Property Tax revenues beginning in FY 2025-26, an additional $133,500 in Sales Tax beginning in FY 2024-25, and adds an additional $1.2 million in TOT over a two-year period beginning in FY 2024-25.

TABLE 4

SCENARIO 4 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH IFT RECOMMENDATIONS FOR MAINTENANCE AND OPTION 1

GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED													
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	0.62 m	-0.49 m	-1.48 m	-2.38 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.99 m	15.48 m	16.87 m	17.91 m	18.50 m	19.10 m	19.72 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	14.70 m	15.76 m	16.81 m	18.54 m	19.03 m	19.49 m	19.99 m	20.51 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.08 m	-0.76 m	-1.33 m	-1.67 m	-1.11 m	-0.99 m	-0.90 m	-0.79 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	0.62 m	-0.49 m	-1.48 m	-2.38 m	-3.17 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	30%	23%	14%	3%	-3%	-8%	-12%	-15%

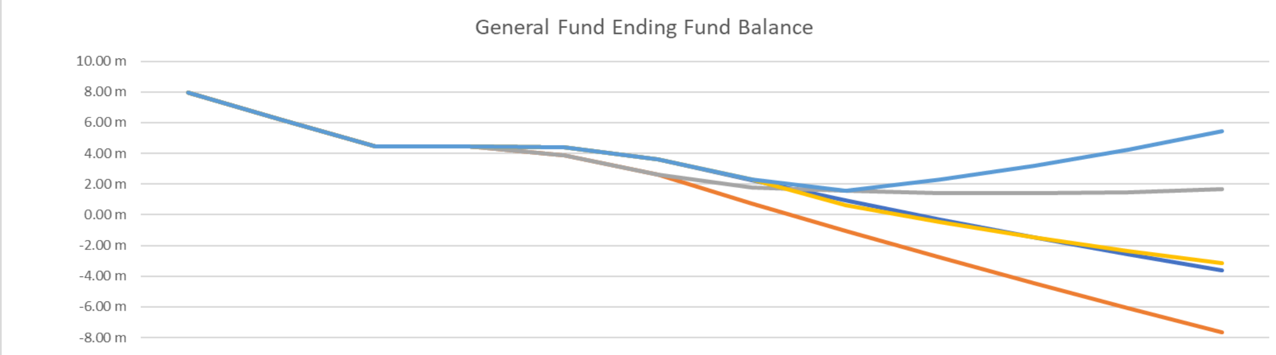
Scenario 4 (Appendix D) Baseline with ITF Option 1 - This scenario takes the baseline Scenario 1 and adds financials from ITF Option 1, which includes factors building a new 8,500 sq. ft., single-story City Hall building on City-owned property adjacent to the Fire Station or on Railroad Avenue, builds a new 4,500 sq.. Ft. Police Station somewhere on City-owned property, and repairs and upgrades to the Library to extend its life another 20 to 25 years. Estimated construction to be $24 million, including the storm drain work, and selling the current City Hall property to a hotel developer for $4 million for a net initial cost of $20 million to be paid for by debt issuance. Assumes a 5% interest rate for 30 years. Revenue from the hotel is assumed to start in FY 2025-26 and is estimated at $1.37 million per year and debt payments of $1.31 million to begin in FY 2025-26.

TABLE 5

SCENARIO 5 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH IFT RECOMMENTATION FOR MAINTENANCE AND OPTION 2													
GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED													
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	1.59 m	2.29 m	3.17 m	4.21 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.99 m	15.48 m	18.23 m	20.11 m	20.76 m	21.43 m	22.12 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	14.70 m	15.76 m	16.81 m	18.93 m	19.42 m	19.88 m	20.38 m	20.90 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.08 m	-0.76 m	-1.33 m	-0.70 m	0.69 m	0.88 m	1.05 m	1.22 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	1.59 m	2.29 m	3.17 m	4.21 m	5.43 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	30%	23%	14%	8%	12%	16%	21%	26%

Scenario 5 (Appendix e) Baseline with ITF Option 2 - This scenario takes the baseline Scenario 1 and adds financials from ITF Option 2, which builds a new 27,000 sq. ft. combined City Hall and Library, including a meeting room and a multi-purpose room, on the current Library site and build a new 4,500 sq. ft. Police Station somewhere on City Property. Estimated construction to be $50 million, including the storm drain work, and selling the Adams Street property and the Current City Hall location for a total of $24 million and the remaining $26 million to be paid for by debt issuance. Assumes a 5% interest rate for 30 years. Revenue from the hotel is assumed to start in FY 2025-26 and is estimated at $3.53 million per year in additional revenue and debt payments of $1.70 million to begin in FY 2025-26.

CHART 1 – GENERAL FUND ENDING FUND BALANCE BY SCENARIO



	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
Scenario 1	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.59 m	2.23 m	0.95 m	-0.29 m	-1.46 m	-2.57 m	-3.63 m
Scenario 2	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	0.73 m	-1.05 m	-2.79 m	-4.46 m	-6.07 m	-7.63 m
Scenario 3	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.62 m	1.78 m	1.56 m	1.41 m	1.39 m	1.48 m	1.66 m
Scenario 4	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	0.62 m	-0.49 m	-1.48 m	-2.38 m	-3.17 m
Scenario 5	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	1.59 m	2.29 m	3.17 m	4.21 m	5.43 m

REVENUES AND ASSUMPTIONS

City Revenues

Projections of future revenues are based on a set of assumptions at a point in time and intended to highlight trends. Because the City's three major revenue sources for the General Fund (property, sales and, transient occupancy taxes) are affected by the economy, significant changes in the local, regional and national economic outlook, positive or negative, can shift these revenue sources materially, as realized in the substantial revenue reductions that started in FY 2009-10 during the Great Recession. In the midst of COVID-19, this forecast assumes a slow growth until FY 2024-25 and models a U-shaped economic recovery. Revenues return to pre-COVID-19 levels by FY 2024-25. The following provides a summary of the revenue assumptions used in the Baseline model for Property Tax, Sales Tax, and TOT. Revenue assumption worksheets for all Scenarios are included as Appendix F through Appendix I.

<u>Property Taxes</u>

- FY 21 Utilized same model as previously modeled with a moderate increase
- FY 22 Slight decrease of 5.81% based on the Great Recession as well as information from CSMFO and League of CA Cities that this decrease should be moderate
- FY 23 & FY 24 Moderate increase (2% each year)
- FY 25-30 Utilized same growth as previous LRFF of 3.5% based on maximum increase of 2% based on CPI as well as home sales

<u>Sales Tax</u>

- FY 20 Assumes 25% of historical collection through June 30
- FY 21 Starts at 30% of prior year revenues in Q1 growing to 65% by Q4 – followed modeling by Napa
- FY 22 Q1 - 70% (based on FY 20 Adopted) growing to 100% by Q4 – followed modeling by Napa
- FY 23 Return to FY 20 Adopted Budget Levels
- FY 24-30 Utilized same growth as previous LRFF (3% each year)

<u>TOT</u>

- FY 20 Assumes 50% historic collection for March and $0 for Apr-June
- FY 21 Starts at 10% of previous year in Q1 and increases to 75% by Q4 – followed modeling by Napa
- FY 22 Q1 - 75% (based on FY 20 Adopted) growing to 100% by Q4 – followed modeling by Napa
- FY 23 Return to FY 20 Adopted Budget Levels
- FY 24-30 Utilized same growth as previous LRFF (3% each year)

Property Tax

Property taxes are collected by the County of Napa and are governed by California State law. The Tax Collector of Napa County collects taxes on behalf of the County, the five incorporated cities within the county, six school districts, and all other taxing agencies located within Napa County. Once the taxes are collected, the County Auditor-Controller distributes the monies to the various taxing agencies. Property taxes are 1% of the Assessed Value (AV) of a property. Of the amount collected by the County, the City of St. Helena receives approximately 16% of the 1% annually.

Sales Tax

Growth in sales tax depends on a variety of factors. For St. Helena, the economy and tourism have the largest impact. As stated earlier in this report, the financial implications of COVID-19 will not fully be known until a later time. Sales tax reports for March 2020 sales will not be known until the end of May 2020. Likewise, sales tax receipts for April 2020 and May 2020 will not be known until June 2020 and July 2020 respectively.

Transient Occupancy Tax (TOT)

The City charges 12% Transient Occupancy Tax on all overnight stays when occupying a room, rooms, or other living space in a hotel, inn, tourist home or house, motel or other lodging if the stay is for a period of 31 days or less. FY 2017-18 experienced an overall increase of 23% despite the October 2017 wildfire event. The increase was primarily due to the opening of Las Alcobas which opened in April 2017.

Chart 2 provides a summary of the three largest General Fund tax generators from FY 1992-93 to FY 2020-21 (Estimated), based on audited financials and FY 2018-19 and FY 2019-20 revised estimates (with COVID-19 estimates included).

CHART 2 – Property, Sales, and TOT FY 1992-93 to FY 2020-21

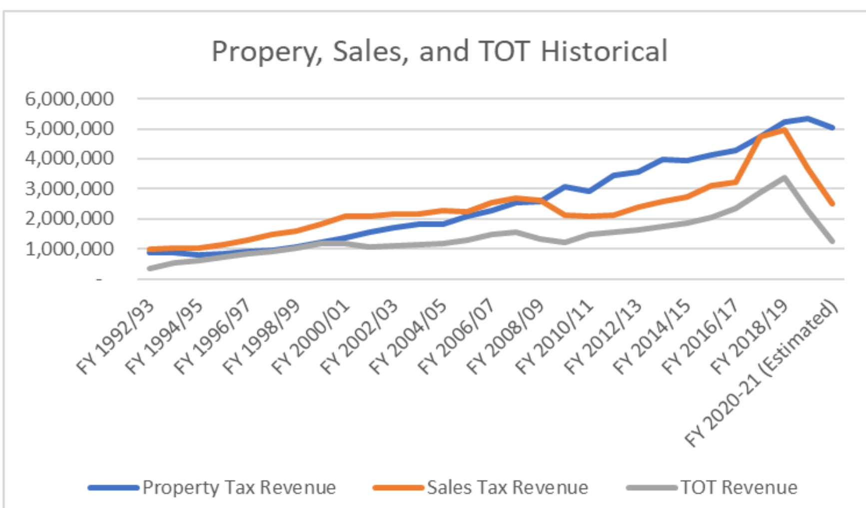
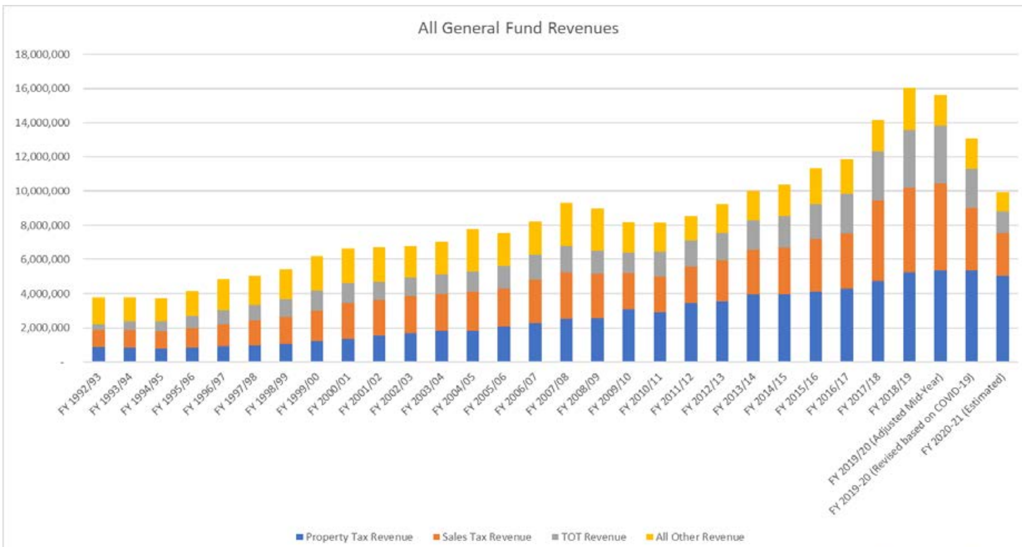


Chart 3 provides a summary of all General Fund revenues from FY 1992-93 to FY 2020-21 (Estimated), based on audited financials and FY 2018-19 and FY 2019-20 revised estimates (with COVID-19 estimates included).

CHART 3 – All General Fund Revenues FY 1992-93 to FY 2018-19 Actuals and FY 2019-20 and FY 2019-20 Estimates



Revenue projections for all Scenarios are the same for FY 2020-21 through FY 2023-24 remain the same. Scenario 3 adds a hotel in FY 2024-25, Scenario 4 is based on the ITF report Option 1, and Scenario 5 is based on the IFT report Option 2. Each scenario adds the following revenue to the forecast:

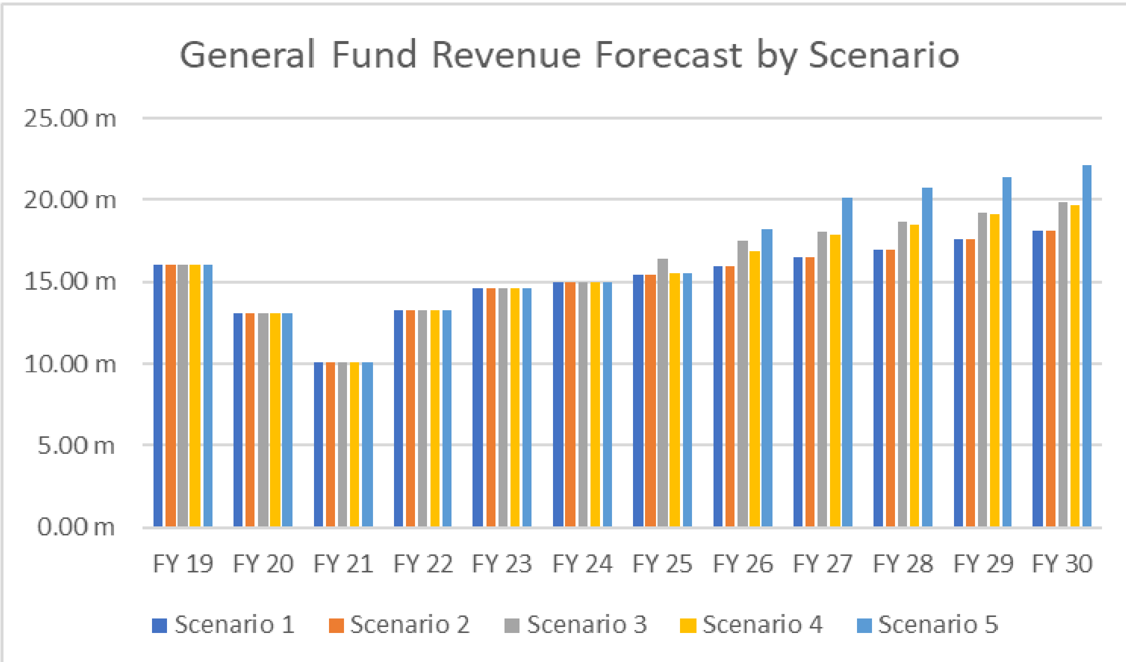
Scenarios 3 – Adds approximately $1 million in additional revenue in FY 2024-25 and an additional $500,000 in FY 2025-26. Bringing the annual additional revenues to approximately $1.5 million.

Scenario 4 – Adds approximately $900,000 in FY 2025-26 and $500,000 in FY 2026-27. Bringing the annual additional revenues to approximately $1.5 million.

Scenario 5 – Adds approximately $2.2 million in FY 2025-26 and $2.3 million in FY 2026-27. Bringing the annual additional revenues to approximately $4.5 million.

Chart 4 provides a summary of the General Fund revenues based on each of the five scenarios presented.

CHART 4 – All General Fund Revenues FY 2018-19 to FY 2029-30 Forecast



EXPENDITURES AND ASSUMPTIONS

The City's expense profile includes a combination of costs the City controls and does not control. For example, the City controls labor costs to the extent that it authorizes a certain number of positions and negotiates labor contracts that govern pay and benefits. Pension costs (the result of past labor negotiations and CalPERS investment performance), on the other hand, are a cost the City has little control over in the near term. The largest cost after labor is the City's services and supplies.

The baseline model includes a reduction in expenses of $5.8 million due to the drastic reduction of revenues due to COVID-19. Below is a summary of the expenditure assumptions for the Baseline Scenario.

<u>Salaries & Benefits</u>

- FY 21 Based on preliminary DRAFT budget – reduction of 25% from FY 20 Adjusted Budget
- FY 22 Increase by 10%
- FY 23 Increase by 13%
- FY 24 Return to FY 20 levels (pre-COVID-19) Increase by 3.5%
- FY 25 to FY 30 return to pre-COVID-19 levels with 3.5% growth per year

<u>Health Insurance</u>

- FY 21 Based on preliminary DRAFT budget
- FY 22-30 Utilized same growth as previous LRFF – 5% growth per year

<u>PERS Unfunded Liabilities</u>

- Based on last available PERS information.
- New information will be available in September
- Does not factor a decrease in the discount rate which would go into effect in FY 23 (if any)

<u>Services & Supplies</u> – includes training and travel

- FY 21 Based on preliminary DRAFT budget – reduction of 34% from FY 20 Adjusted Budget
- FY 22 Increase by 15%
- FY 23 Increase by 15%
- FY 24 Increase by 15%
- FY 25 return to FY 20 levels (pre-COVID-19) Increase by 15%
- FY 26 to FY 30 return to pre-COVID-19 levels with 1% growth per year

Maintenance

- FY 21 Based on preliminary DRAFT budget – reduction of 6.42% from FY 20 Adjusted Budget
- FY 22 Increase 10%
- FY 23 Increase by 15%
- FY 24 Increase by 15%
- FY 25 return to FY 20 levels (pre-COVID-19) Increase 15%
- FY 26 to FY 30 return to pre-COVID-19 levels with 1% growth per year

Taxes, Insurance, & Contributions

- FY 21-30 increase based on historical increases

Debt Service – no new debt is issued

Capital

- FY 21 Based on preliminary DRAFT budget – reduction of 86% from FY 20 Adjusted Budget
- FY 22 Increase capital contributions by 15%
- FY 23 Increase by 20%
- FY 24 Increase by 30%
- FY 25 Increase by 40%
- FY 26 to FY 30 2% growth per year

Transfer to Other Funds

- FY 21 Based on preliminary DRAFT budget – reduction of 66% from FY 20 Adjusted Budget, shifted MOE for Measure T/SB1 to staff time and equipment for entire LRFF.
- FY 22 Increase capital contributions by 100% from FY 21, this includes a $500,000 increase for Capital CIP which is escalated by 5% per year
- FY 23 Decrease by 2% - Streets ADA contribution decreases in FY 23 Increase by 72%
- FY 24 Increase by 9% (increasing Retiree Medical Prefunding contribution and increasing Capital Equipment Replacement Fund and Civic CIP by 5% each year – through FY 30)
- FY 25 Decrease by 5% - Civic ADA contribution decreases in FY 25
- FY 26 Decrease by 2% - Decreased contribution to Retiree Medical to $50k from $100k
- FY 27 Increase of 5% - Automatic 5% increase for Capital Equipment and Civic CIP
- FY 28 Decrease of 1% - Streets ADA contribution decreases in FY 28

Scenarios 2 and 3 include an additional $500,000 starting in FY 2022-23 for Stormdrain repairs as outlined in the ITF report.

Scenario 4 includes debt financing for a new City Hall facility, a new Police Station, repairs and upgrades to the existing Library facility, and stormdrain work. The added expense to the Baseline is $1.31 million starting in FY 2025-26.

Scenario 5 includes debt financing for a combined City Hall and Library facility, a new police station, and stormdrain work. The added expense to the Baseline is $1.7 million starting in FY 2025-26.

Appendices J through M provide details of the expenditure scenarios by category.

APPENDIX A

SCENARIO 1 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE													
	GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED												
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.59 m	2.23 m	0.95 m	-0.29 m	-1.46 m	-2.57 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.96 m	15.45 m	15.95 m	16.47 m	17.01 m	17.57 m	18.14 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	14.70 m	15.76 m	16.81 m	17.23 m	17.72 m	18.18 m	18.68 m	19.20 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.08 m	-0.80 m	-1.36 m	-1.28 m	-1.24 m	-1.16 m	-1.12 m	-1.06 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.59 m	2.23 m	0.95 m	-0.29 m	-1.46 m	-2.57 m	-3.63 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	30%	23%	13%	6%	-2%	-8%	-14%	-19%

APPENDIX B

SCENARIO 2 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH $500K FOR STORMDRAINS BEGINNING IN FY 23 - NO NEW HOTELS													
	GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED												
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	0.73 m	-1.05 m	-2.79 m	-4.46 m	-6.07 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.96 m	15.45 m	15.95 m	16.47 m	17.01 m	17.57 m	18.14 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	15.20 m	16.26 m	17.31 m	17.73 m	18.22 m	18.68 m	19.18 m	19.70 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.58 m	-1.30 m	-1.86 m	-1.78 m	-1.74 m	-1.66 m	-1.62 m	-1.56 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	0.73 m	-1.05 m	-2.79 m	-4.46 m	-6.07 m	-7.63 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	26%	16%	4%	(-6%)	(-15%)	(-24%)	(-32%)	(-39%)

APPENDIX C

	SCENARIO 3 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE, WITH STORMDRAIN MAINTENANCE AND HOTEL FY 25												
	GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED												
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	1.72 m	1.45 m	1.27 m	1.22 m	1.26 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.96 m	16.44 m	17.47 m	18.04 m	18.62 m	19.22 m	19.85 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	15.20 m	16.26 m	17.31 m	17.73 m	18.22 m	18.68 m	19.18 m	19.70 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.58 m	-1.30 m	-0.87 m	-0.26 m	-0.18 m	-0.06 m	0.04 m	0.15 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	3.89 m	2.59 m	1.72 m	1.45 m	1.27 m	1.22 m	1.26 m	1.41 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	26%	16%	10%	8%	7%	7%	7%	7%

APPENDIX D

	SCENARIO 4 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH IFT RECOMMENDATIONS FOR MAINTENANCE AND OPTION 1												
	GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED												
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	0.62 m	-0.49 m	-1.48 m	-2.38 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.99 m	15.48 m	16.87 m	17.91 m	18.50 m	19.10 m	19.72 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	14.70 m	15.76 m	16.81 m	18.54 m	19.03 m	19.49 m	19.99 m	20.51 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.08 m	-0.76 m	-1.33 m	-1.67 m	-1.11 m	-0.99 m	-0.90 m	-0.79 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	0.62 m	-0.49 m	-1.48 m	-2.38 m	-3.17 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	30%	23%	14%	3%	-3%	-8%	-12%	-15%

APPENDIX E

	SCENARIO 5 - GENERAL FUND FINANCIAL FORECAST SUMMARY - BASELINE WITH IFT RECOMMENTATION FOR MAINTENANCE AND OPTION 2												
	GENERAL FUND TEN YEAR FORECAST 2020-2030 - UNASSIGNED												
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	BASELINE	Actual	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1	BEGINNING FUND BALANCE	6.18 m	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	1.59 m	2.29 m	3.17 m	4.21 m
2													
3	REVENUES	16.03 m	13.10 m	10.14 m	13.28 m	14.62 m	14.99 m	15.48 m	18.23 m	20.11 m	20.76 m	21.43 m	22.12 m
4	EXPENSES	14.25 m	14.88 m	11.89 m	13.24 m	14.70 m	15.76 m	16.81 m	18.93 m	19.42 m	19.88 m	20.38 m	20.90 m
5													
6	ANNUAL SURPLUS OR (DEFICIT)	1.78 m	-1.78 m	-1.75 m	0.04 m	-0.08 m	-0.76 m	-1.33 m	-0.70 m	0.69 m	0.88 m	1.05 m	1.22 m
7													
8	ENDING FUND BALANCE	7.96 m	6.18 m	4.43 m	4.47 m	4.39 m	3.62 m	2.30 m	1.59 m	2.29 m	3.17 m	4.21 m	5.43 m
9	UNASSIGNED NET POSITION	56%	41%	37%	34%	30%	23%	14%	8%	12%	16%	21%	26%

19

APPENDIX F

REVENUES - BASELINE - SCENARIO 1 & 2	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes*	$ 5,235,189	$ 5,341,868	$ 5,121,956	$ 4,818,321	$ 4,914,688	$ 5,012,982	$ 5,188,436	$ 5,370,031	$ 5,557,982	$ 5,752,512	$ 5,953,850	$ 6,162,234
Sales Tax	$ 4,964,784	$ 3,678,455	$ 2,487,051	$ 4,231,718	$ 4,982,011	$ 5,131,471	$ 5,285,415	$ 5,443,978	$ 5,607,297	$ 5,775,516	$ 5,948,782	$ 6,127,245
TOT	$ 3,360,825	$ 2,280,887	$ 1,244,315	$ 2,881,708	$ 3,350,823	$ 3,417,839	$ 3,520,375	$ 3,625,986	$ 3,734,765	$ 3,846,808	$ 3,962,213	$ 4,081,079
Other Taxes	$ 209,872	$ 208,755	$ 212,930	$ 182,034	$ 184,765	$ 188,460	$ 195,999	$ 203,839	$ 211,992	$ 220,472	$ 229,291	$ 238,462
Licenses and Permits	$ 884,127	$ 930,043	$ 609,356	$ 810,997	$ 823,162	$ 839,626	$ 873,211	$ 908,139	$ 944,465	$ 982,243	$ 1,021,533	$ 1,062,394
Fines & Forfeits	$ 221,705	$ 106,038	$ 101,362	$ 101,362	$ 102,882	$ 104,940	$ 109,138	$ 113,503	$ 118,043	$ 122,765	$ 127,676	$ 132,783
Intergovernental	$ 522,112	$ 244,606	$ 73,410	$ 73,410	$ 74,511	$ 76,001	$ 79,041	$ 82,203	$ 85,491	$ 88,910	$ 92,467	$ 96,166
Interest and Rents	$ 418,120	$ 96,425	$ 28,000	$ 28,000	$ 28,420	$ 28,988	$ 30,148	$ 31,354	$ 32,608	$ 33,912	$ 35,269	$ 36,680
Charges for Service	$ 8,161	$ 95,828	$ 54,450	$ 54,450	$ 55,267	$ 56,372	$ 58,627	$ 60,972	$ 63,411	$ 65,947	$ 68,585	$ 71,329
Miscellaneous	$ 182,495	$ 92,518	$ 189,049	$ 76,077	$ 77,218	$ 78,763	$ 81,913	$ 85,190	$ 88,597	$ 92,141	$ 95,827	$ 99,660
Development Fees	$ 25,600	$ 28,000	$ 20,325	$ 24,416	$ 24,782	$ 25,278	$ 26,289	$ 27,341	$ 28,434	$ 29,572	$ 30,754	$ 31,985
BASELINE (RECESSION FY 20)	**$ 16,032,990**	**$ 13,103,423**	**$ 10,142,205**	**$ 13,282,494**	**$ 14,618,530**	**$ 14,960,720**	**$ 15,448,591**	**$ 15,952,535**	**$ 16,473,086**	**$ 17,010,799**	**$ 17,566,245**	**$ 18,140,016**
% change year over year	13.18%	-18.27%	-22.60%	30.96%	10.06%	2.34%	3.26%	3.26%	3.26%	3.26%	3.27%	3.27%

APPENDIX G

BASELINE WITH HOTEL FY 25 - SCENARIO 3	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes*	$ 5,235,189	$ 5,341,868	$ 5,121,956	$ 4,818,321	$ 4,914,688	$ 5,012,982	$ 5,188,436	$ 5,442,031	$ 5,632,502	$ 5,829,640	$ 6,033,677	$ 6,244,856
Sales Tax	$ 4,964,784	$ 3,678,455	$ 2,487,051	$ 4,231,718	$ 4,982,011	$ 5,131,471	$ 5,418,868	$ 5,581,435	$ 5,748,878	$ 5,921,344	$ 6,098,984	$ 6,281,954
TOT	$ 3,360,825	$ 2,280,887	$ 1,244,315	$ 2,881,708	$ 3,350,823	$ 3,451,348	$ 4,408,988	$ 4,968,308	$ 5,117,357	$ 5,270,878	$ 5,429,004	$ 5,591,874
Other Taxes	$ 209,872	$ 208,755	$ 212,930	$ 182,034	$ 184,765	$ 188,460	$ 195,999	$ 203,839	$ 211,992	$ 220,472	$ 229,291	$ 238,462
Licenses and Permits	$ 884,127	$ 930,043	$ 609,356	$ 810,997	$ 823,162	$ 839,626	$ 873,211	$ 908,139	$ 944,465	$ 982,243	$ 1,021,533	$ 1,062,394
Fines & Forfeits	$ 221,705	$ 106,038	$ 101,362	$ 101,362	$ 102,882	$ 104,940	$ 109,138	$ 113,503	$ 118,043	$ 122,765	$ 127,676	$ 132,783
Intergovernental	$ 522,112	$ 244,606	$ 73,410	$ 73,410	$ 74,511	$ 76,001	$ 79,041	$ 82,203	$ 85,491	$ 88,910	$ 92,467	$ 96,166
Interest and Rents	$ 418,120	$ 96,425	$ 28,000	$ 28,000	$ 28,420	$ 28,988	$ 30,148	$ 31,354	$ 32,608	$ 33,912	$ 35,269	$ 36,680
Charges for Service	$ 8,161	$ 95,828	$ 54,450	$ 54,450	$ 55,267	$ 56,372	$ 58,627	$ 60,972	$ 63,411	$ 65,947	$ 68,585	$ 71,329
Miscellaneous	$ 182,495	$ 92,518	$ 189,049	$ 76,077	$ 77,218	$ 78,763	$ 81,913	$ 85,190	$ 88,597	$ 92,141	$ 95,827	$ 99,660
Development Fees	$ 25,600	$ 28,000	$ 20,325	$ 24,416	$ 24,782	$ 25,278	$ 26,289	$ 27,341	$ 28,434	$ 29,572	$ 30,754	$ 31,985
BASELINE WITH HOTEL FY 25	**$ 16,032,990**	**$ 13,103,423**	**$ 10,142,205**	**$ 13,282,494**	**$ 14,618,530**	**$ 14,994,228**	**$ 16,470,658**	**$ 17,504,313**	**$ 18,071,778**	**$ 18,657,824**	**$ 19,263,067**	**$ 19,888,141**
% change year over year	13.18%	-18.27%	-22.60%	30.96%	10.06%	2.57%	9.85%	6.28%	3.24%	3.24%	3.24%	3.24%

APPENDIX H

BASELINE WITH IFT FOR MAINT. AND OPTION 1 - SCENARIO 4	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes*	$ 5,235,189	$ 5,341,868	$ 5,121,956	$ 4,818,321	$ 4,914,688	$ 5,012,982	$ 5,188,436	$ 5,370,031	$ 5,621,982	$ 5,818,752	$ 6,022,408	$ 6,233,192
Sales Tax	$ 4,964,784	$ 3,678,455	$ 2,487,051	$ 4,231,718	$ 4,982,011	$ 5,131,471	$ 5,285,415	$ 5,601,658	$ 5,769,708	$ 5,942,799	$ 6,121,083	$ 6,304,715
TOT	$ 3,360,825	$ 2,280,887	$ 1,244,315	$ 2,881,708	$ 3,350,823	$ 3,451,348	$ 3,554,888	$ 4,384,235	$ 4,949,382	$ 5,097,863	$ 5,250,799	$ 5,408,323
Other Taxes	$ 209,872	$ 208,755	$ 212,930	$ 182,034	$ 184,765	$ 188,460	$ 195,999	$ 203,839	$ 211,992	$ 220,472	$ 229,291	$ 238,462
Licenses and Permits	$ 884,127	$ 930,043	$ 609,356	$ 810,997	$ 823,162	$ 839,626	$ 873,211	$ 908,139	$ 944,465	$ 982,243	$ 1,021,533	$ 1,062,394
Fines & Forfeits	$ 221,705	$ 106,038	$ 101,362	$ 101,362	$ 102,882	$ 104,940	$ 109,138	$ 113,503	$ 118,043	$ 122,765	$ 127,676	$ 132,783
Intergovernental	$ 522,112	$ 244,606	$ 73,410	$ 73,410	$ 74,511	$ 76,001	$ 79,041	$ 82,203	$ 85,491	$ 88,910	$ 92,467	$ 96,166
Interest and Rents	$ 418,120	$ 96,425	$ 28,000	$ 28,000	$ 28,420	$ 28,988	$ 30,148	$ 31,354	$ 32,608	$ 33,912	$ 35,269	$ 36,680
Charges for Service	$ 8,161	$ 95,828	$ 54,450	$ 54,450	$ 55,267	$ 56,372	$ 58,627	$ 60,972	$ 63,411	$ 65,947	$ 68,585	$ 71,329
Miscellaneous	$ 182,495	$ 92,518	$ 189,049	$ 76,077	$ 77,218	$ 78,763	$ 81,913	$ 85,190	$ 88,597	$ 92,141	$ 95,827	$ 99,660
Development Fees	$ 25,600	$ 28,000	$ 20,325	$ 24,416	$ 24,782	$ 25,278	$ 26,289	$ 27,341	$ 28,434	$ 29,572	$ 30,754	$ 31,985
									$ -			
BASELINE WITH ITF FOR MAINT. OPTION 1	**$ 16,032,990**	**$ 13,103,423**	**$ 10,142,205**	**$ 13,282,494**	**$ 14,618,530**	**$ 14,994,228**	**$ 15,483,105**	**$ 16,868,463**	**$ 17,914,113**	**$ 18,495,377**	**$ 19,095,691**	**$ 19,715,688**
% change year over year	13.18%	-18.27%	-22.60%	30.96%	10.06%	2.57%	3.26%	8.95%	6.20%	3.24%	3.25%	3.25%

APPENDIX I

BASELINE WITH IFT FOR MAINT. AND OPTION 2 - SCENARIO 5	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Property Taxes	$ 5,235,189	$ 5,341,868	$ 5,121,956	$ 4,818,321	$ 4,914,688	$ 5,012,982	$ 5,188,436	$ 5,370,031	$ 5,749,982	$ 5,951,232	$ 6,159,525	$ 6,375,108
Sales Tax	$ 4,964,784	$ 3,678,455	$ 2,487,051	$ 4,231,718	$ 4,982,011	$ 5,131,471	$ 5,285,415	$ 5,842,558	$ 6,017,835	$ 6,198,370	$ 6,384,321	$ 6,575,850
TOT	$ 3,360,825	$ 2,280,887	$ 1,244,315	$ 2,881,708	$ 3,350,823	$ 3,451,348	$ 3,554,888	$ 5,501,135	$ 6,769,929	$ 6,973,027	$ 7,182,217	$ 7,397,684
Other Taxes	$ 209,872	$ 208,755	$ 212,930	$ 182,034	$ 184,765	$ 188,460	$ 195,999	$ 203,839	$ 211,992	$ 220,472	$ 229,291	$ 238,462
Licenses and Permits	$ 884,127	$ 930,043	$ 609,356	$ 810,997	$ 823,162	$ 839,626	$ 873,211	$ 908,139	$ 944,465	$ 982,243	$ 1,021,533	$ 1,062,394
Fines & Forfeits	$ 221,705	$ 106,038	$ 101,362	$ 101,362	$ 102,882	$ 104,940	$ 109,138	$ 113,503	$ 118,043	$ 122,765	$ 127,676	$ 132,783
Intergovernental	$ 522,112	$ 244,606	$ 73,410	$ 73,410	$ 74,511	$ 76,001	$ 79,041	$ 82,203	$ 85,491	$ 88,910	$ 92,467	$ 96,166
Interest and Rents	$ 418,120	$ 96,425	$ 28,000	$ 28,000	$ 28,420	$ 28,988	$ 30,148	$ 31,354	$ 32,608	$ 33,912	$ 35,269	$ 36,680
Charges for Service	$ 8,161	$ 95,828	$ 54,450	$ 54,450	$ 55,267	$ 56,372	$ 58,627	$ 60,972	$ 63,411	$ 65,947	$ 68,585	$ 71,329
Miscellaneous	$ 182,495	$ 92,518	$ 189,049	$ 76,077	$ 77,218	$ 78,763	$ 81,913	$ 85,190	$ 88,597	$ 92,141	$ 95,827	$ 99,660
Development Fees	$ 25,600	$ 28,000	$ 20,325	$ 24,416	$ 24,782	$ 25,278	$ 26,289	$ 27,341	$ 28,434	$ 29,572	$ 30,754	$ 31,985
BASELINE WITH IFT FOR MAINT. OPTION 2	**$ 16,032,990**	**$ 13,103,423**	**$ 10,142,205**	**$ 13,282,494**	**$ 14,618,530**	**$ 14,994,228**	**$ 15,483,105**	**$ 18,226,263**	**$ 20,110,787**	**$ 20,758,591**	**$ 21,427,464**	**$ 22,118,100**
% change year over year	11.65%	-22.36%	-29.20%	23.64%	9.14%	2.51%	3.16%	15.05%	9.37%	3.12%	3.12%	3.12%

APPENDIX J

EXPENSES: BASELINE SCENARIO 1		Actual	Estimated****	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Description	Object Code	2019	2020 Revised with COVID-19 Cost Containment	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Salaries and Benefits*, **	20	$ 6,147,589	$ 6,528,322	$ 5,548,598	$ 6,103,458	$ 6,896,907	$ 7,138,299	$ 7,388,140	$ 7,646,724	$ 7,914,360	$ 8,191,362	$ 8,478,060	$ 8,774,792
Health Insurance		$ 959,111	$ 1,157,495	$ 1,177,768	$ 1,236,656	$ 1,298,489	$ 1,363,414	$ 1,431,584	$ 1,503,164	$ 1,578,322	$ 1,657,238	$ 1,740,100	$ 1,827,105
PERS Unfunded Liabilities***		$ 517,123	$ 856,704	$ 763,076	$ 679,138	$ 753,843	$ 799,073	$ 847,018	$ 872,428	$ 898,601	$ 925,559	$ 953,326	$ 962,859.20
Services	21	$ 2,615,129	$ 2,508,362	$ 2,103,536	$ 2,419,066	$ 2,781,926	$ 3,199,215	$ 3,679,098	$ 3,715,889	$ 3,753,047	$ 3,790,578	$ 3,828,484	$ 3,866,769
Supplies	22	$ 504,199	$ 763,483	$ 461,310	$ 530,507	$ 610,082	$ 701,595	$ 806,834	$ 814,902	$ 823,051	$ 831,282	$ 839,595	$ 847,991
Maintenance	23	$ 366,266	$ 440,335	$ 337,086	$ 370,795	$ 426,414	$ 490,376	$ 563,932	$ 569,572	$ 575,267	$ 581,020	$ 586,830	$ 592,698
Taxes, Insurance, & Contributions	24	$ 828,524	$ 828,624	$ 904,079	$ 929,393	$ 955,416	$ 982,168	$ 1,009,669	$ 1,037,939	$ 1,067,002	$ 1,096,878	$ 1,127,590	$ 1,159,163
Debt Service (Interest & Principal)	25	$ 142,384	$ 142,384	$ 71,192	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital	26	$ 69,946	$ 236,356	$ 70,651	$ 81,249	$ 97,498	$ 126,748	$ 177,447	$ 180,996	$ 184,616	$ 188,308	$ 192,074	$ 193,995
Transfer to Other Funds	29	$ 2,103,009	$ 1,421,318	$ 452,800	$ 894,310	$ 877,123	$ 956,314	$ 906,952	$ 889,110	$ 922,862	$ 913,289	$ 935,474	$ 974,505
TOTAL EXPENSES		**$ 14,253,280**	**$ 14,883,382**	**$ 11,890,096**	**$ 13,244,571**	**$ 14,697,700**	**$ 15,757,202**	**$ 16,810,674**	**$ 17,230,724**	**$ 17,717,128**	**$ 18,175,514**	**$ 18,681,533**	**$ 19,199,876**

APPENDIX K

BASELINE + $500k per year for stormdrains SCENARIOS 2 & 3		Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Description	Object Code	2019	2020 COVID-19	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Salaries and Benefits	20	$ 6,147,589	$ 6,528,322	$ 5,548,598	$ 6,103,458	$ 6,896,907	$ 7,138,299	$ 7,388,140	$ 7,646,724	$ 7,914,360	$ 8,191,362	$ 8,478,060	$ 8,774,792
Health Insurance		$ 959,111	$ 1,157,495	$ 1,177,768	$ 1,236,656	$ 1,298,489	$ 1,363,414	$ 1,431,584	$ 1,503,164	$ 1,578,322	$ 1,657,238	$ 1,740,100	$ 1,827,105
PERS Unfunded Liabilities		$ 517,123	$ 856,704	$ 763,076	$ 679,138	$ 753,843	$ 799,073	$ 847,018	$ 872,428	$ 898,601	$ 925,559	$ 953,326	$ 962,859
Services	21	$ 2,615,129	$ 2,508,362	$ 2,103,536	$ 2,419,066	$ 2,781,926	$ 3,199,215	$ 3,679,098	$ 3,715,889	$ 3,753,047	$ 3,790,578	$ 3,828,484	$ 3,866,769
Supplies	22	$ 504,199	$ 763,483	$ 461,310	$ 530,507	$ 610,082	$ 701,595	$ 806,834	$ 814,902	$ 823,051	$ 831,282	$ 839,595	$ 847,991
Maintenance	23	$ 366,266	$ 440,335	$ 337,086	$ 370,795	$ 426,414	$ 490,376	$ 563,932	$ 569,572	$ 575,267	$ 581,020	$ 586,830	$ 592,698
Taxes, Insurance, & Contributions	24	$ 828,524	$ 828,624	$ 904,079	$ 929,393	$ 955,416	$ 982,168	$ 1,009,669	$ 1,037,939	$ 1,067,002	$ 1,096,878	$ 1,127,590	$ 1,159,163
Debt Service (Interest & Principal)	25	$ 142,384	$ 142,384	$ 71,192	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital	26	$ 69,946	$ 236,356	$ 70,651	$ 81,249	$ 97,498	$ 126,748	$ 177,447	$ 180,996	$ 184,616	$ 188,308	$ 192,074	$ 193,995
Transfer to Other Funds	29	$ 2,103,009	$ 1,421,318	$ 452,800	$ 894,310	$ 1,377,123	$ 1,456,314	$ 1,406,952	$ 1,389,110	$ 1,422,862	$ 1,413,289	$ 1,435,474	$ 1,474,505
TOTAL EXPENSES		**$ 14,253,280**	**$ 14,883,382**	**$ 11,890,096**	**$ 13,244,571**	**$ 15,197,700**	**$ 16,257,202**	**$ 17,310,674**	**$ 17,730,724**	**$ 18,217,128**	**$ 18,675,514**	**$ 19,181,533**	**$ 19,699,876**

APPENDIX L

Add Debt Service $1.31M per year Scenario 5 - Option 1		Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Description	Object Code	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Salaries and Benefits*, **	20	$ 6,147,589	$ 6,528,322	$ 5,548,598	$ 6,103,458	$ 6,896,907	$ 7,138,299	$ 7,388,140	$ 7,646,724	$ 7,914,360	$ 8,191,362	$ 8,478,060	$ 8,774,792
Health Insurance		$ 959,111	$ 1,157,495	$ 1,177,768	$ 1,236,656	$ 1,298,489	$ 1,363,414	$ 1,431,584	$ 1,503,164	$ 1,578,322	$ 1,657,238	$ 1,740,100	$ 1,827,105
PERS Unfunded Liabilities***		$ 517,123	$ 856,704	$ 763,076	$ 679,138	$ 753,843	$ 799,073	$ 847,018	$ 872,428	$ 898,601	$ 925,559	$ 953,326	$ 962,859
Services	21	$ 2,615,129	$ 2,508,362	$ 2,103,536	$ 2,419,066	$ 2,781,926	$ 3,199,215	$ 3,679,098	$ 3,715,889	$ 3,753,047	$ 3,790,578	$ 3,828,484	$ 3,866,769
Supplies	22	$ 504,199	$ 763,483	$ 461,310	$ 530,507	$ 610,082	$ 701,595	$ 806,834	$ 814,902	$ 823,051	$ 831,282	$ 839,595	$ 847,991
Maintenance	23	$ 366,266	$ 440,335	$ 337,086	$ 370,795	$ 426,414	$ 490,376	$ 563,932	$ 569,572	$ 575,267	$ 581,020	$ 586,830	$ 592,698
Taxes, Insurance, & Contributions	24	$ 828,524	$ 828,624	$ 904,079	$ 929,393	$ 955,416	$ 982,168	$ 1,009,669	$ 1,037,939	$ 1,067,002	$ 1,096,878	$ 1,127,590	$ 1,159,163
Debt Service (Interest & Principal)	25	$ 142,384	$ 142,384	$ 71,192	$ -	$ -	$ -		$ 1,310,000	$ 1,310,000	$ 1,310,000	$ 1,310,000	$ 1,310,000
Capital	26	$ 69,946	$ 236,356	$ 70,651	$ 81,249	$ 97,498	$ 126,748	$ 177,447	$ 180,996	$ 184,616	$ 188,308	$ 192,074	$ 193,995
Transfer to Other Funds	29	$ 2,103,009	$ 1,421,318	$ 452,800	$ 894,310	$ 877,123	$ 956,314	$ 906,952	$ 889,110	$ 922,862	$ 913,289	$ 935,474	$ 974,505
TOTAL EXPENSES		**$ 14,253,280**	**$ 14,883,382**	**$ 11,890,096**	**$ 13,244,571**	**$ 14,697,700**	**$ 15,757,202**	**$ 16,810,674**	**$ 18,540,724**	**$ 19,027,128**	**$ 19,485,514**	**$ 19,991,533**	**$ 20,509,876**

APPENDIX M

Add Debt Service $1.7m per year FY 23
Scenario 6 - Option 2

Description	Object	Actual 2019	Estimated 2020	Estimated 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025	Estimated 2026	Estimated 2027	Estimated 2028	Estimated 2029	Estimated 2030
Salaries and Benefits*, **	20	$ 6,147,589	$ 6,528,322	$ 5,548,598	$ 6,103,458	$ 6,896,907	$ 7,138,299	$ 7,388,140	$ 7,646,724	$ 7,914,360	$ 8,191,362	$ 8,478,060	$ 8,774,792
Health Insurance		$ 959,111	$ 1,157,495	$ 1,177,768	$ 1,236,656	$ 1,298,489	$ 1,363,414	$ 1,431,584	$ 1,503,164	$ 1,578,322	$ 1,657,238	$ 1,740,100	$ 1,827,105
PERS Unfunded Liabilities***		$ 517,123	$ 856,704	$ 763,076	$ 679,138	$ 753,843	$ 799,073	$ 847,018	$ 872,428	$ 898,601	$ 925,559	$ 953,326	$ 962,859
Services	21	$ 2,615,129	$ 2,508,362	$ 2,103,536	$ 2,419,066	$ 2,781,926	$ 3,199,215	$ 3,679,098	$ 3,715,889	$ 3,753,047	$ 3,790,578	$ 3,828,484	$ 3,866,769
Supplies	22	$ 504,199	$ 763,483	$ 461,310	$ 530,507	$ 610,082	$ 701,595	$ 806,834	$ 814,902	$ 823,051	$ 831,282	$ 839,595	$ 847,991
Maintenance	23	$ 366,266	$ 440,335	$ 337,086	$ 370,795	$ 426,414	$ 490,376	$ 563,932	$ 569,572	$ 575,267	$ 581,020	$ 586,830	$ 592,698
Taxes, Insurance, & Contributions	24	$ 828,524	$ 828,624	$ 904,079	$ 929,393	$ 955,416	$ 982,168	$ 1,009,669	$ 1,037,939	$ 1,067,002	$ 1,096,878	$ 1,127,590	$ 1,159,163
Debt Service (Interest & Principal)	25	$ 142,384	$ 142,384	$ 71,192	$ -	$ -	$ -		$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000
Capital	26	$ 69,946	$ 236,356	$ 70,651	$ 81,249	$ 97,498	$ 126,748	$ 177,447	$ 180,996	$ 184,616	$ 188,308	$ 192,074	$ 193,995
Transfer to Other Funds	29	$ 2,103,009	$ 1,421,318	$ 452,800	$ 894,310	$ 877,123	$ 956,314	$ 906,952	$ 889,110	$ 922,862	$ 913,289	$ 935,474	$ 974,505
TOTAL EXPENSES		**$ 14,253,280**	**$ 14,883,382**	**$ 11,890,096**	**$ 13,244,571**	**$ 14,697,700**	**$ 15,757,202**	**$ 16,810,674**	**$ 18,930,724**	**$ 19,417,128**	**$ 19,875,514**	**$ 20,381,533**	**$ 20,899,876**

23

St. Helena Budget Workshop #1

May 14, 2020

Workshop Objectives

- General Fund Budget Update and Forecast
- Review of City Vision, Mission Statement, City Goals
- Identification of Budget Priorities
- Discussion and Direction – Balanced Budget Framework
- Review of Draft Long Range Financial Forecast (LRFF)

Budget Update

- FY 2019-20
  - ➢ Projecting $2.5 million reduction in revenue
  - ➢ Cost containment measures projected to reduce expenses by $1.2 million
  - ➢ Reserves projected to drop from $7.3 million to $6.1 million
- FY 2020-21 Cost Drivers
- Difficult Revenue Forecasting

City Vision Statement

The City of St. Helena will strive to be economically sustainable, and continue to the be family-friendly, diverse and a safe community which prudently manages its financial and human resources, continues to upkeep and improve its infrastructure, ensures its water security, provides a full range of housing, business, cultural and recreational opportunities and embraces and retains its historic, small-town character, beautiful natural environment and high quality of life.

City Mission Statement

The City of St. Helena is dedicated to serving the needs and desires of our citizens by:

- Maintaining and improving our short and long-term economic sustainability
- Offering excellent professional services to all customers
- Establishing, improving and maintaining City infrastructure
- Maintaining and encouraging an environmentally sustainable community
- Preserving and embracing the historic, small-town, rural character of St. Helena.

City Mission Statement (Cont.)

The City of St. Helena is dedicated to serving the needs and desires of our citizens by:

- Expanding and improving recreational services and facilities and cultural opportunities
- Encouraging a wide range of innovative, well-designed housing available for residents of all ages and income levels
- Facilitating full civic participation and ongoing communication
- Strengthening partnerships with the private, non-profit and public sectors

Draft Budget Priorities

- Support City's Three-Year Goals and workplan tasks
- Ensure delivery of key capital improvement projects
- Protect service levels to extent possible
- Invest in business recovery efforts
- Use General Fund reserves to stabilize services and retain employees

Gen. Fund Budget Update

- **FY 2019-20**
  - ➢ Projected $2.5 million reduction in revenue
  - ➢ Cost containment measures projected to reduce expenses by $1.2 million
  - ➢ Reserves projected to drop from $7.3 million to $6.1 million
- **FY 2020-21**
  - ➢ Projected $5.8 million budget deficit
  - ➢ Cost drivers (two new positions, insurance increases, workers compensation, pension costs)

Draft Balanced Budget Framework

	Goal %	Goal $
Budget Reductions	40%	$2,320,000
Use of General Fund Reserves	30%	$1,740,000
Labor Strategies	25%	$1,450,000
New Revenue	5%	$290,000
Total	**100%**	**$5,800,000**

Example Budget Strategies

- Returning CIP funds to the General Fund
- Charging City labor and supplies to the $379,000 Measure T Maintenance of Effort (MOU) requirement
- Reducing City Retiree Medical Pre-Funding from $152,000 to $52,000
- Adjusting CalPERS pension liability payment from 15 to 30 years
- Deferring purchases

Draft Budget Reductions

Options	$ Value
End Transfer to Capital Projects	(963,189)
Transfer back to General Fund	(547,000)
Misc. Transfers and Reductions	(324,240)
Contracts	(230,065)
Supplies	(207,025)
Defer Purchases	(145,048)
Services	(85,200)
Non-Essential Training, Travel, and Memberships	(67,533)
TOTAL	**(2,569,300)**

Draft Long Range Financial Forecast (LRFF)

Five scenarios modeled:

1. Base Budget
2. Base Budget + ITF Maintenance Recommendations
3. Base Budget + ITF Maintenance + Hotel FY 2025
4. Base Budget + ITF Maintenance & Option 1 (City Hall and Police Station)
5. Base Budget + ITF Maintenance & Option 2 (Joint City Hall/Library and Police Station)

Questions?