



**City of St. Helena
Special City Council Meeting
Thursday, March 4, 2021 @ 8:30 AM**

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

In accordance with Executive Order 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@cityofstheleena.org. All public comments must be emailed by 4:00 PM prior to the meeting. Emailed public comments will not be read out loud but will be publicly available and attached to the on-line City Council agenda.

In the event a quorum of the City Council loses electrical power or suffers an internet connection outage that is not corrected within 10 minutes, the meeting will automatically be adjourned. Any items noticed as public hearings will be continued to the next regularly scheduled evening meeting of the City Council. Any other items on the agenda that the Council has not taken action on will be placed on a future agenda.

Please see the end of the agenda for detailed PUBLIC PARTICIPATION instructions. Spanish translation for this meeting will be offered. To access Spanish translation, you will need to join the meeting using the Zoom app from a computer, iPad or Iphone. You will see an icon on the screen that will allow you to choose Spanish translation. To learn how to use Zoom, please see the instructions below.

Hi there,

You are invited to a Zoom webinar.

When: Mar 4, 2021 08:30 AM Pacific Time (US and Canada)

Topic: March 4, 2021 Special City Council Meeting - PUBLIC COMMENT LINK

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/86742457673>

Or iPhone one-tap :

US: +16699006833,,86742457673# or +13462487799,,86742457673#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799
or +1 929 205 6099 or +1 301 715 8592

Webinar ID: 867 4245 7673

International numbers available: <https://us02web.zoom.us/j/kcwxl6GAn9>

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Ciudad de Santa Helena Reunión Especial del Ayuntamiento Jueves, 9 de marzo de 2021  
@ 6:00 PM **De acuerdo con las órdenes ejecutivas N-29-20, y la orientación del Departamento de Salud Pública de California sobre reuniones, se permite la participación pública virtual. Seguiremos la Orden de la siguiente manera: Los miembros del público no pueden asistir físicamente a las reuniones. La reunión del Ayuntamiento de la Ciudad se transmitirá en vivo por el Canal 28 de Comcast y en el sitio web de la Ciudad, salvo dificultades técnicas. Aquellos miembros del público que deseen participar deben hacerlo de forma virtual a través de las reuniones electrónicas de Zoom de las siguientes maneras; iniciando sesión en el enlace Zoom ubicado en la agenda de la reunión (descargue la aplicación en su computadora o dispositivo móvil) e ingrese la ID de la reunión o llamando al número ubicado en la agenda e ingrese la ID de la reunión. Se aceptarán comentarios públicos para la reunión del Ayuntamiento por correo electrónico a [publiccomment@cityofsthelena.org](mailto:publiccomment@cityofsthelena.org). Todos los comentarios públicos se harán públicos y se adjuntarán a la agenda y no se leerán en voz alta. Todos los comentarios públicos que se reciban después de las 4:00 PM se adjuntarán a la agenda al díasiguiente.**

Consulte el final de la agenda para obtener instrucciones detalladas de PARTICIPACIÓN PÚBLICA. Se ofrecerá traducción al español para esta reunión. Para acceder a la traducción al español, deberá unirse a la reunión utilizando la aplicación Zoom desde una computadora, iPad o Iphone. Verá un icono en la pantalla que le permitirá elegir la traducción al español. Para aprender a utilizar Zoom, consulte las instrucciones a continuación.

Habrà traducción en español durante la junta

Haga clic en el enlace a continuación para participar en la reunión:

<https://us02web.zoom.us/j/84572818852>

O por iPhone one-tap: US: +16699006833,,83562213522# or +12532158782,,83562213522#

O por Teléfono: Marque(para mejor calidad, marque número basado en su ubicación actual):

US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592

ID de la Reunión: ID: 845 7281 8852

Números Internacionales

Disponibles:

<https://us02web.zoom.us/j/keJjeZfthd>

TENGA EN CUENTA: Cualquier persona que desee hablar sobre un tema en la agenda o hacer un comentario en la sección de "comentario público" de la agenda puede hacerlo, pero por favor observe el límite de tiempo de cuarto minutos.

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| 1. CALL TO ORDER                                                                                                                                                                                                                              |         |
| 2. PLEDGE OF ALLEGIANCE                                                                                                                                                                                                                       |         |
| 3. ROLL CALL                                                                                                                                                                                                                                  |         |
| Mayor: Geoff Ellsworth, Vice Mayor: Paul Dohring, City Council Members: Anna Chouteau, Eric Hall and Lester Hardy.                                                                                                                            |         |
| 4. 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 <u>4 minutes.</u> |         |
| 4.1. <a href="#">Public Comment.Mary Koberstein</a>                                                                                                                                                                                           | 11      |
| 5. NEW BUSINESS:                                                                                                                                                                                                                              |         |
| 5.1. INTRODUCTION TO GOAL SETTING AND STRATEGIC WORKPLAN WORKSHOP                                                                                                                                                                             |         |
| 5.2. CELEBRATION OF PRIOR YEAR ORGANIZATIONAL ACCOMPLISHMENTS                                                                                                                                                                                 |         |
| 5.3. REVIEW OF THE CITY'S VISION AND MISSION STATEMENTS                                                                                                                                                                                       | 13      |
| <a href="#">Vision and Mission Statement</a>                                                                                                                                                                                                  |         |
| 5.4. FINANCIAL UPDATE AND PRELIMINARY FISCAL YEAR (FY) 2021-22 BUDGET INFORMATION                                                                                                                                                             | 15 - 22 |
| CEQA Determination: Not a CEQA project<br>Prepared By: April Mitts, Finance Director<br>Recommendation:<br>Receive and File.<br><a href="#">Staff Report - Pdf</a>                                                                            |         |
| 5.5. DEVELOPMENT OF CITYWIDE GOALS AND FY 2021-22 WORKPLAN OBJECTIVES                                                                                                                                                                         |         |
| 5.6. CONSIDERATION OF COMMUNITY BUDGET SURVEY                                                                                                                                                                                                 |         |
| 6 ADJOURNMENT                                                                                                                                                                                                                                 |         |
| . The next Regular City Council meeting is scheduled for March 23, 2021, at 6:00 p.m.                                                                                                                                                         |         |

I do hereby certify that a copy of the foregoing agenda was posted on the City website on March 2, 2021.



Cindy Tzaferopoulos, 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:**

1. 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](https://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.
2. 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**
3. Select if you would like to connect audio and/or video and tap **Join Meeting**.
4. 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:**

1. **Dial** the number listed on the Council Agenda.
2. At the prompt, enter the **Meeting ID** provided on the top of the City Council Meeting Agenda and **Press #**. **A participant ID is not required.**
3. 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 by 4:00 PM Prior to the Meeting to: [publiccomment@cityofsthelena.org](mailto: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](mailto: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 2 hours before the scheduled meeting and will be included as an attachment to the agenda. All public comments will be made publicly available and attached to the agenda item and will not be read out loud. All public comments that are received after 4:00 PM will be attached to the agenda the following day.

**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.

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En cumplimiento de la Ley de Estadounidenses con Discapacidades, si necesita asistencia especial para participar en esta reunión, llame a la Oficina del Secretaría de la Ciudad (707)

967-2792. La notificación 72 horas antes de la reunión, como lo requiere la Sección 202 de la Ley de Estadounidenses con Discapacidades, permitirá a la Ciudad hacer arreglos razonables para garantizar la accesibilidad a esta reunión.

LA CIUDAD DE ST. HELENA ALIENTA LA PARTICIPACIÓN PÚBLICA EN LÍNEA EN REUNIONES VIRTUALES DEL CONSEJO DE LA CIUDAD

St. Helena, CA– La Ciudad de St. Helena está comprometida con la participación pública en el gobierno de la Ciudad de manera que sea consistente con la guía proporcionada por el Oficial de Salud Pública del Condado de Napa y la Orden Ejecutiva N-25-20 del Gobernador Newsom. Estas pautas se relacionan con el distanciamiento social y están destinadas a proteger a todos al limitar la propagación de COVID-19 en nuestra comunidad. En cumplimiento de estas pautas, el Ayuntamiento de St. Helena organizará una Reunión del Consejo Virtual sobre Zoom; Una herramienta de teleconferencia gratuita que permite a los usuarios mirar y / o llamar a la reunión desde sus computadoras o teléfonos. Esta reunión estará abierta al público y permite comentarios públicos en vivo. La reunión también se grabará, se transmitirá en vivo y se publicará en el sitio web de la Ciudad después de la clausura de la reunión si se presentan dificultades técnicas:
<https://sthelena.civicweb.net/Portal/>

El enlace web de ZOOM, la identificación de la reunión y el número de teléfono se enumerarán en la parte superior de la Agenda de la reunión del Ayuntamiento. Se le pedirá que ingrese la ID de la reunión, pero no habrá contraseña ni ID de participante.

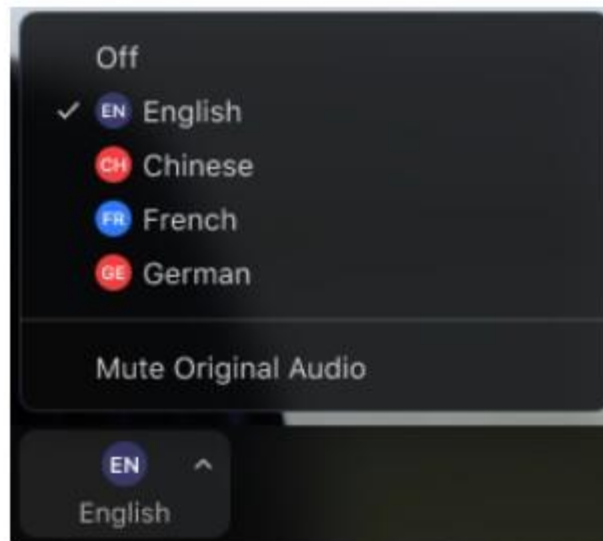
Cómo escuchar la interpretación de un idioma



1. En los controles de la reunión o el seminario web, haga clic en **Interp**



2. Haga clic en el idioma que desee escuchar.



3. (Opcional) Para escuchar solo el idioma interpretado, haga clic en **Sile**



1. En los controles de la reunión, toque ... Más.



2. Toque **Interpretación de idiomas**.

3. Toque el idioma que desee escuchar.



4. (Opcional) Toque el botón de alternancia **Silenciar audio original**.



5. Haga clic en **Finalizado**.

Cómo ver o escuchar las reuniones del Consejo:

1. Vea a través del canal 28 de Comcast
2. Vea el video de transmisión en vivo en el sitio web de la ciudad
3. Mire y escuche en Zoom.us haciendo clic en el enlace en la Agenda del Consejo
4. Escuche llamando al número de Zoom listado en la Agenda del Consejo

Vea la reunión del Consejo uniéndose a la reunión Zoom:

1. **Por computadora, tableta o teléfono:**
 - a. Antes de unirse a la reunión virtual del Ayuntamiento, le recomendamos que descargue la aplicación Zoom. Para registrarse en su propia cuenta gratuita, visite zoom.us/signup e ingrese su dirección de correo electrónico. Recibirá un correo electrónico de Zoom (no-reply@zoom.us) . En este correo electrónico, haga clic en Activar cuenta.
 - b. Si ha iniciado sesión en su cuenta, ingrese la ID de la reunión que figura en la Agenda del Ayuntamiento. Si no ha creado una cuenta, vaya a: <https://zoom.us/join> e ingrese la ID de la reunión
 - c. Seleccione si desea conectar audio y / o video y toque Unirse a la reunión. re. Para

obtener instrucciones específicas para su dispositivo, vaya a:
<https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

2. Escuche solo por teléfono:

- a. **Marque** el número que figura en la Agenda del Consejo.
- b. Cuando se le solicite, ingrese la **ID de la reunión** provista en la parte superior de la Agenda de la reunión del Concejo Municipal **y presione #. No se requiere una identificación de participación.**
- c. Para desconectarse de la reunión, cuelgue el teléfono

Formas de proporcionar comentarios públicos:

Mientras asiste a la reunión virtual del Ayuntamiento, el público tendrá la oportunidad de proporcionar comentarios públicos en vivo durante el Foro Público y después de cada tema de la agenda. Cuando sea el momento apropiado para comentarios públicos, el Alcalde abrirá verbalmente los comentarios públicos. En este momento, cada individuo tiene permitido 4 minutos parahablar.

1. Envíe un comentario público por adelantado a publiccomment@cityofsthelena.org

La forma más fácil de proporcionar comentarios públicos es enviar su comentario público por correo electrónico. Los comentarios públicos pueden enviarse por correo electrónico a publiccomment@cityofsthelena.org. Incluya en la línea de asunto "COMENTARIO AL CONSEJO y el PUNTO DEL PROGRAMA". Cualquier comentario público debe presentarse a más tardar 2 horas antes de la reunión programada y se incluirá como un archivo adjunto a la agenda. Todos los comentarios públicos se harán públicos y se adjuntarán al artículo de la agenda y no se leerán en voz alta. Todos los comentarios públicos que se reciban después de las 4:00 PM se adjuntarán a la agenda al día siguiente.

- 2. Proporcione comentarios a través de la reunión Zoom desde una computadora, tableta o teléfono inteligente

Esta opción permite que el público asista virtualmente a la reunión como un "asistente" silenciado sin capacidades de video o pantalla compartida. Podrá ver y escuchar a los participantes en la reunión, pero no podrán escucharlo hasta que el anfitrión de permiso.

Si desea proporcionar comentarios públicos durante un elemento específico de la agenda o durante un foro público, puede usar la función "levantar la mano" ubicada en el panel de control en la parte inferior de la pantalla. El icono es una pequeña mano azul. En Windows también puede usar el atajo de teclado Alt + Y para subir o bajar la mano. En Mac también puedes usar el atajo de teclado Alt + Y para subir o bajar lamano.

Se le notificará al anfitrión que ha levantado la mano y se lo colocará en fila con todas las solicitudes entrantes

Cuando sea su turno de hablar, se le notificará que el anfitrión le ha dado permiso de hablar. Para ser retirado de la fila, simplemente haga clic de nuevo el botón "levantar la mano".

3. Llame a la reunión de ZOOM desde un teléfono fijo o móvil solamente

Esta opción le permite al miembro del público la oportunidad de participar verbalmente en comentarios públicos.

Si desea hablar durante el tiempo de comentarios públicos, marque * 9 en su teléfono.

Se le notificará al anfitrión que le gustaría hablar y se colocará en fila con todas las solicitudes entrantes.

Cuando sea su turno de hablar, se le notificará que el anfitrión le ha dado permiso de hablar. Puede presionar * 9 nuevamente si desea ser eliminado de la fila.

March 3, 2021

To: Mayor Ellsworth and Members of the St. Helena City Council
 Re: Campaign Reform 2021 – Council Goal Setting Meeting, March 4, 2021

I write to ask you to consider adding some campaign reform measures to your 2021 goals. Although our next local election is still 20 months away, some of the suggested changes may require early 2022 ballot measures that necessitate community engagement in 2021. This list is not limited to my thoughts; it includes comments I've heard from scores of St. Helena residents. In no particular order of importance, the Campaign Reform measures I ask you to consider are:

- 1) Amend the City Code to eliminate the position of elected mayor and instead elect five Council members with staggered terms who select the mayor from their group. I believe this requires a ballot measure. Most small California cities do not elect mayors. In roughly 65% of all California cities, the mayor is not its own elected office but is selected from among the members of the city council. The selection might be made by vote or seniority. The length of time the selected person serves would need to be determined. This concept was proposed in the aftermath of the 2018 mayoral election and both candidates supported it at the time. It was raised again this cycle in letters to the Star and just recently, by the Editorial Board. In the last two cycles we witnessed an exponential increase in campaign contributions/loans and expenditures in our mayoral elections as compared to Council seats. I supported this concept during this last election cycle and said I would bring it to Council for consideration. I believe elimination of the position of elected mayor will not only tone down the rhetoric and emotion of our local elections; more importantly, it will enable a council of five to work together better as a group, and in the best interests of the city.
- 2) Enact a local campaign finance law. Cities in California are free to set their own campaign finance limits. A local law could cap individual contributions. I am not certain whether or how it can also cap loans and expenditures. Suggestions are a \$500 cap on contributions and a personal loan limit of \$10,000. These are open to discussion and revision. Absent a local ordinance, this year California law limits the amount one person can contribute to a candidate to \$4,900. The money raised and loaned in St. Helena – particularly at the mayoral level - has exceeded reasonable limits for a small city such as ours. We'd all be better off donating the funds to other worthy local causes. The following figures are taken from recent campaign finance reports for Mayor of St. Helena (for the incumbent Mayor the amount raised and loans includes loans made in the previous cycle):

Candidate	Total Raised	Loans as part of Total	Expenditures	Outstanding loans
White	\$52,339.53	\$500	\$47,988.71	\$500
Ellsworth	\$123,245.87	\$91,797.72	\$33,185.73	\$91,859.21
Koberstein	\$23,465.00	\$0	\$23,465	\$0

Picking up on the disdain for PACs, some people I've spoken with have asked whether it is possible to prohibit outside contributions - meaning any contributor who is not a local resident/voter. I don't know the answer to that question but suspect it is no. It is something to investigate and evaluate as you look at local campaign finance regulation.

- 3) Terms; term limits. Our current code requires a mayoral election every two years. As with the House of Representatives, one has barely gotten elected before it is time to campaign again. One suggestion is that all terms be four years even if we retain an elected mayor. Some cities have established term limits. It is an open question whether St. Helena voters want to do the same. One resident I spoke with suggested a two term limit – four years per term.

On behalf of myself and others who have informed my views and contributed to this list, thank you for your consideration of these issues as you address your goals for 2021.

Mary Koberstein

City of St. Helena

Vision Statement

The City of St. Helena will strive to be economically sustainable, and continue to be family-friendly, diverse and 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

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



Report to the City Council
Special City Council - 04 Mar 2021 - Goal Setting

Agenda Section: NEW BUSINESS:

Subject: Financial Update and Preliminary FY 22 Budget Information

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Reviewed By: Mark T. Prestwich, City Manager

Approved By: Mark T. Prestwich, City Manager

BACKGROUND

In March 2020, the world faced unprecedented shut down of its economies due to COVID-19. This pandemic caused a swift reaction by consumers and businesses, and continues to influence, substantial decreases in spending on certain goods and services, and large-scale job loss due to business closures. The national and state response, combined with the uncertainty of how long the presence of the virus will disrupt the U.S. economy, has made, and continues to make, revenue forecasting particularly challenging.

With the changing COVID-19 environment, the formation of the City's adopted FY 2020-21 budget proved to be a difficult and challenging task starting with a preliminary Economic Impact presented to City Council on April 14, 2020 which served as the foundation for building the FY 2020-21 budget. The preliminary economic forecast took into consideration prior recession data, consultation with the League of California Cities financial advisors, consultation with the City's sales tax consultant and other city and county peers, and data provided by the California Society of Municipal Financial Officers (CSMFO), Government Finance Officers Association (GFOA), and municipal law firms. The preliminary economic forecast intended to provide an early estimate of COVID-19 economic impacts through the remainder of FY 2019-20 (June 30, 2020), and the following fiscal year FY 2020-21.

At this time staff estimated a cumulative General Fund revenue loss in excess of \$7.2 million over a 15 month period (through June 30, 2021). Predominate assumptions included: (1) shelter-at-home orders would be lifted effective July 1, 2020, (2) slow ramp up of both Sales and TOT in FY 2020-21, and (3) no additional shelter-at-home orders enacted. The City's General Fund has three primary revenue sources: (1) Property Tax, (2) Sales Tax, and (3) Transient Occupancy (hotel) Taxes (TOT). In a typically year these three revenue sources account for approximately 89% of all General Fund revenues. Initial General Fund revenue decline presented on April 14, 2020, estimated a General Fund revenue loss of \$2.5 million and forecasted the budget impacts of a second Shelter-at-Home Order in FY 2020-21. Table 1 shows the initial, projected revenue losses.

Table 1: April 14, 2020 General Fund Summary Estimated Decline in Revenues

	FY 2019-20	FY 2020-21*
Sales Tax	(1,420,000)	(2,600,000)
TOT	(1,100,000)	(2,100,000)
TOTAL	(2,520,000)	(4,700,000)

*Based on the FY 2019-20 Adopted Budget

FY 2019-20

With the notification of the March 2020 Shelter-at-Home Orders, staff immediately began cost containment efforts to offset the dramatic loss in revenues. These measures included closure of non-essential services, suspension of any travel/training, suspension of all non-essential purchases and contracts, hiring freeze for vacant non-essential positions, discontinuance of purchase of meals/snacks for meetings and events, elimination of non-essential overtime, reduction in printing costs, postponement of scheduled trainings, and removal of General Fund transfer to Civic CIP for cost associated with a full library roof replacement. It was estimated these cost saving measures would produce \$1,263,000 in savings. While these measures were helpful, they were offset by increased costs of working in a COVID-19 environment which included: purchase of additional laptops and cell phones for remote working, increased cleaning protocols, and the launch of a small business sustainability loan program.

The actual revenue losses associated with Sales and TOT for FY 2019-20 was \$1.43 million. Table 2 below provides a summary of the adopted FY 2019-20 budget revenues vs. audited FY 2019-20 budget revenues.

Table 2: FY 2019-20 Adopted vs. Actual General Fund Revenues

Category	Adopted	Actual	Variance
Property Taxes*	4,982,011	5,407,511	425,499
Sales Tax	5,098,455	4,540,321	(558,134)
TOT	3,350,823	2,481,962	(868,861)
Other**	1,594,763	1,841,035	246,272
TOTAL	15,026,052	14,270,829	(755,224)

*Includes non-budgeted ERAF funding of \$310,000.

**Includes non-budgeted one-time revenues for Civil Penalties (\$93,000), emergency relief as a response to the Kincade Fire and PSPS events (\$121,000), and higher than anticipated investment earnings (\$200,000).

Table 3: FY 2019-20 Adopted vs. Actual General Fund Expenses

	Adopted	Actual	FY 20 PO Rollovers	Variance
General Fund	15,026,052	14,191,158	435,315	399,579

The overall General Fund revenue loss in FY 2019-20 was \$755,226 and savings was \$399,579, which includes rolled Purchase Orders (POs). Rolled POs are expenses budgeted and encumbered in FY 2019-20, but not expended by June 30, 2020. The expenses incurred through June 30, 2020 include \$82,000 of un-budgeted COVID-19 expenses and \$300,000 designated for the Small Business Sustainability Loan Program.

FY 2019-20 ended with a General Fund fund balance of \$7,134,663. This amount represents a reserve level of 49% for FY 2019-20, including PO Rollovers, leaving the General Fund in a healthy position starting in FY 2020-19 knowing use of reserves would be necessary in FY 2020-21.

FY 2020-21

Utilizing the April 14, 2020 report to City Council as a foundation, staff began the process of developing the FY 2020-21 budget. The FY 2020-21 base annual budget included various increasing costs (e.g. insurance, workers compensation, CalPERS, and health insurance). City staff initially forecasted expenditures of \$16.2 million and revenues of \$10.3 million, resulting in the need to close an approximate \$5.8 million deficit. Given the immediacy, scale, and volatility of the projected budget imbalance, the held two Budget Workshops to develop budget priorities, identify a budget strategy framework, review revenues/expenses for the General Fund, Water Fund, and Wastewater Fund, and review the City's Long Range Financial Forecast (LRFF).

To work through the difficult task of closing the \$5.8 million deficit in an unpredictable environment the following was discussed and affirmed by the City Council at the May 14, 2020 Budget Workshop:

Budget Priorities

- Support the 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

Balanced Budget Framework

A balanced budget framework was developed with targeted solutions which were influenced by an evaluation of department reductions.

Table 4: Balanced Budget Framework for FY 2020-21 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

Following the two budget workshops, staff completed the development of the Draft FY 2020-21 budget, which was adopted by City Council on June 9, 2020. The adopted budget estimated General Fund revenues at \$11,402,231 and expenses at \$13,142,640, leaving the utilization of General Fund Reserves of \$1,740,000.

Although, at the time of the budget adoption, the State had begun modifying its Shelter-at-Home Order, it continued to remain difficult to predict the full impacts of this pandemic. Furthermore, the adopted budget did not take into consideration the economic impact the LNU Complex Fire, Glass Fire, and PSPS events which have occurred since the adoption of the FY 2020-21 budget. The December 2020 Shelter-at-Home Order has subsequently delayed the City's economic rebound.

The FY 2020-21 mid-year budget report presented to City Council on February 23, 2021, provided an update to the General Fund, Water Fund, and Wastewater Fund financial positions. Recommended budget adjustments for the General Fund were as follows:

- Revenues - increase of \$3,290,728. A large portion, 76%, of the increase in revenues is for anticipated reimbursement for both the LNU and Glass Fires.
- Expenses - increase of \$3,256,302. Similar to revenues, 82% of the increase in expenses is due to the LNU Fire, Glass Fire, and PSPS events.

Additionally, between July 1, 2020 and February 9, 2021, City Council authorized the following use of reserves in FY 2020-21:

Table 5: FY 2020-21 Approved Budget Adjustments/Use of Reserves since July 1, 2020

Council Meeting Date	Item	Amount
8/11/20 and 1/26/21	Sewer Lateral Loan Program - not-to-exceed	405,000
8/25/20	Emergency Clearing around Water Treatment Plant - LNU Fire	51,025
1/26/21	Funding for preparation of the City's 2023-2031 6th Cycle Housing Element Update	49,012
2/9/21	Hiring HR Manager position in advance of the	28,000

	retirement of the HR/IT Director	
	TOTAL	533,037

Table 6 presents the revised estimated General Fund Net Position for FY 2020-21 presented on February 23, 2020.

Table 6: General Fund Estimated Net Position 6/30/2021

Ending Fund Balance @ 6/30/2020		7,134,663	Net Position %
Estimated Revenue @ 6/30/2021*	14,692,959		
Estimated Expenses @ 6/30/2021**	(16,932,279)		
Purchase Order Rollovers***	(435,315)		
Use of Reserves	(2,674,635)		
Estimated Unassigned Net Position		4,460,028	26%

City Council Policy - P-FI-0016 Fiscal Policy, Section J.1. states, "The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipate revenues in order to maintain a balanced budget. The Council's directed target it to maintain an unassigned fund balance of 30% of annual operating expenditures for the fiscal year." It is important to note that reserves are the cornerstone of financial flexibility and provide governments with options to respond to unexpected issues and afford a buffer against shocks and other forms of risk. While the estimated reserve at June 30, 2021 for FY 2020-21 is lower than the directed target of 30%, having the healthy reserve in place prior to the COVID-19 pandemic did allow the flexibility noted above.

DISCUSSION

FY 2021-22 Budget

Revenues

Property Tax, Sales Tax, and TOT account for the majority of General Fund revenues, typically around 89%. The FY 2020-21 adopted budget reduced this to 79% due to the anticipated decline in both Sales Tax and TOT.

The preliminary revenue estimated for the General Fund for FY 2021-22 is \$13,218,089, which is an increase \$2,030,681, or 18%, from the FY 2020-21 adopted budget. These numbers will be updated as additional data is received and will be done prior to budget adoption in June. The preliminary revenue estimates make the following assumptions:

1. Sales Tax - \$3,839,284 which is a 54% increase from the FY 2020-21 adopted budget. In the formation of the FY 2020-21 budget, the City took a conservative posture for the sales tax estimates and is continuing to do so for FY 2021-22. The preliminary estimates are based on the following: (a) April 2021 through December 2021 is based on the actual amounts collected from April 2020 through December 2020 and (b) January 2022 through March 2022 is based on

the average change from April 2019 through December 2019 compared to April 2020 through December 2020.

2. TOT - \$2,373,255 which is a 90% increase from the FY 2020-21 adopted budget. The preliminary estimates are based on the following: (a) Q1 utilizing FY 2020-21 actuals, (b) Q2 based on 30% of pre-COVID, (c) Q3 based on 60% of pre-COVID, (d) Q4 based on 70% of pre-COVID, and (e) anticipated opening of Alila Napa Valley (former Las Alcobas Hotel) in mid-March 2021. This does not consider any further Shelter-at-Home Orders.
3. Property Tax - \$5,476,132 which is a 4% increase from the FY 2020-21 adjusted budget. This does not take into consideration Educational Revenue Augmentation Fund (ERAF), which is typically received; however, it is not guaranteed.
4. Other - \$1,529,418 which is a 34% decrease from the FY 2020-21 adopted budget. The primary reason for this decrease is due to one-time transfers back to the General Fund from the Recreation Fund, Tree City Fund, and Civic Improvement Fund to help offset the projected revenue losses.

Table 7 provides a summary of FY2018-19 (pre-COVID) actuals, FY 2019-20 (mid-COVID actuals), FY 2020-21 adopted budget, FY 2020-21 estimated, and FY 2021-22 preliminary estimates.

Table 7: FY 2018-19 through FY 2021-22 Revenue Comparison

Category	FY 2018-19 Actuals*	FY 2019-20 Actuals*	FY 2020-21 Adopted	FY 2020-21 Estimated **, ***	FY 2021-22 Preliminary
Sales Tax	4,964,784	4,540,321	2,500,548	3,592,089	3,839,284
TOT	3,360,825	2,481,962	1,246,359	1,246,359	2,373,255
Property Tax	5,235,189	5,407,511	5,121,956	5,289,968	5,476,132
Other	2,472,192	1,841,035	2,318,368	2,368,368	1,529,418
TOTALS	16,032,990	14,270,829	11,187,231	12,496,784	13,218,089

FY 2018-19 and FY 2019-20

*Includes ERAF in the Property Tax line, which is a non-guaranteed, non-budgeted item

FY 2020-21

** Excludes one-time revenues for ERAF, Emergency Relief, and SB2 Grant Funds

*** Includes projected sales and TOT through June 30, 2021. Sales tax based on actuals through December 31, 2020 and original estimates for January - June 2021.

Expenses

Due to the continued unknowns of the overall economic impacts of COVID-19, the City is remaining fiscally cautious in the development of the FY 2021-22 budget. With this in mind, departments are being asked to keep the majority of expenses status quo, with the exception of reinstatement of the salary and benefit concessions which were agreed upon in FY 2020-21 as part of the labor strategy and reinstatement of training budgets.

In order to sustain and rebuild the City's budget reserves, departments are being asked that all budgets are prepared with no significant budget increases/requests and that any budget increases are accompanied with the rationale for augmentation.

The FY 2020-21 adopted budget, as part of the overall budget labor strategy, included freezing several vacant positions which totaled approximately \$500,000 in salary savings during the current fiscal year.

Preliminary General Fund Forecast

The continuing year-long COVID-19 pandemic continues to severely impact City sales and TOT revenues and, while some revenue improvement is forecast in FY 2021-22, this revenue is not anticipated to allow the City to materially restore service levels or frozen positions next fiscal year.

In addition to the preliminary revenue forecast noted above, City staff has preliminarily analyzed known, estimated, and potential expenditures. This analysis reveals the City may have difficulty balancing the FY 2021-22 General Fund budget without additional use of reserves.

It is important to note there are a variety of factors which will affect budget estimates as well as the 6/30/21 ending fund balance and unassigned net position. As new information and actual amounts are received, these preliminary estimates will be adjusted. Some factors include:

1. Federal Government Relief - Active discussions are taking place for a potential fiscal relief package provided to state and local governments. H.R. 1319, the American Rescue Plan, as currently drafted will provide \$1.1 million to the City of St. Helena if signed into law. Any relief received will add to the overall estimated net position.
2. Transient Occupancy Tax (TOT) - During the first five months of FY 2020-21, TOT revenues exceeded estimates by \$279,838; however, with the second Shelter-at-Home Order placed mid-December 2020, the City has seen a drop in performance for December and January with a two-month deficit of (\$94,205). While the first five months of revenues are encouraging, the following are some important considerations:
 - August and September had a slight increase in TOT revenues due to those who were displaced by the LNU and Glass Fires and stayed in local lodging establishments.
 - The FY 2020-21 estimated TOT revenues assume a ramp-up up to 75% of the FY 2018-19 actual revenues by Q4 (April - June). The Q1 and Q2 monthly average for TOT is \$86,152 per month. For Q4 the monthly revenues are estimated at \$252,947 per month which is below the current actuals during Q1 and Q2.
 - It is uncertain how TOT revenues will trend through the remainder of FY 2020-21 as the City transitions through the phased reopening under California's Blueprint for a Safer Economy Framework.

3. Sales Tax - During the first six months of FY 2020-21, Sales Tax revenues have exceeded estimates by \$1,091,542. The estimated FY 2020-21 Sales Tax assumed similar increases as TOT where by Q4, 65% of FY 2018-19 revenues would be collected. The Q1 and Q2 monthly average for Sales Tax is \$336,867 per month (both Sales and Measure D). For Q3 the monthly revenues are estimated at \$208,606 and for Q4 the monthly revenues are estimated at \$294,770. Based on the actual amount collected for Q1 and Q2 and the estimated amount to be collected during Q3 and Q4.

If revenues in any of these areas exceed estimates, the preliminary estimates will be adjusted and the excess would be added to the General Fund fund balance.

FISCAL IMPACT

Not applicable.

RECOMMENDED ACTION

Receive and File.