City of St. Helena
Finance Committee
Regular Meeting
1088 College Avenue, St. Helena, CA 94574
Thursday, May 8, 2025 @ 3:00 PM

PLEASE NOTE: Any person who wishes to speak regarding an item on the agenda or make a comment under the "Oral Communication" portion of the agenda may do so, but please observe the time limit of four minutes. Members of the public and other parties are welcome to email their comments to the Staff Liaison Mandy Kellogg at mkellogg@cityofsthelena.gov

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1. CALL TO ORDER

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

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

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

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

   5.1. Finance Committee Meeting Minutes of May 1, 2025 (forthcoming)

6. SCHEDULED MATTERS:

   6.1. Review Budget Comments, Suggestions and Communication to City Council — 3 - 4

   [Committee Budget Response]

   6.2. Review Future Areas for Committee Review and Assistance

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

This agenda was posted at City Hall, 1088 College Avenue , St. Helena on May 5, 2025.

Mandy Kellogg, Administrative Services Director

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

St Helena Finance Committee

May 2025

Draft Budget Review FY26 & FY27

The Finance Committee appreciates the reductions in FY '26 and '27 General Fund forecast expenditures discussed by City staff with the Committee, which we estimate could provide as much as $1 million in budget savings for each year compared to the draft budgets shared with our committee.

Based on this progress and the fact that the proposed 2-year forecast General Fund expenditures remain approximately $1-2 million short of expected revenues, we recommend the City staff and Council dig deeper into the proposed expenditures to reduce the deficit further. We recognize that this is a tall order. However, this may spur City staff and Council to be creative or reconsider areas that were once deemed untouchable.

We do find that it would be acceptable for the City to access reserves to pre-fund and set-aside funding of the long-term liability needs on an annual basis for the items discussed in our response to the structural deficit staff report, until such time annual General Fund revenues equal or exceed budgeted operating expense. These one-time uses of reserves should be one-time only, not repeated in future budgets unless on an emergency basis.

The committee has completed a rigorous line-by-line review of all departments presented in the General Fund draft budget as evidenced by our questions presented to staff and their helpful and knowledgeable shared responses. Below we list those items, in the general fund draft budget, we feel deserve full consideration of council during their review of the draft budget that will be presented at Council's May 13, 2025 meeting. The noted amounts are budget savings.

1. Freeze the open City Clerk position and continue operating as we are currently, approximately $200,000.
2. Remove the FY26 budgeted funding for election, $90,000.
3. Reduce the City Council budget for contributions to what was approved at the same level for FY26 & FY27, approximately zero dollars savings in FY26 and $100,000 FY 27.
4. Remove or reduce the undefined City Council "other contract services" budget, approximately $50,000.
5. Remove the Assistant City Manager position from the organizational structure, approximately $300,000.

6. Remove the City Manager department undefined and noncontracted "other contract services" budget, approximately $50,000.
7. Assuming Council adopts a bifurcated policy of funding vehicles and equipment (including technology) as described in our earlier responses, the IT department budget funding FUND 592 should be reconsidered, approximate reduction $25,000.
8. Reduce Park and Recreation fireworks budget, approximately $45,000.
9. Remove or reduce the undefined Nondepartmental "other contract services" budget, approximately $50,000.
10. The CARES program funding assistance for low-income water and waste-water customers should be included in the enterprise budgets. As with other utilities, these assistance programs are paid for through rates paid by all rate paying customers. Approximately $85,000.
11. Sidewalk rehabilitation sharing should be funded through Measure T/U funds, approximately $50,000.
12. Charge planning customers for credit card fees associated with payments, approximately $25,000.
13. Remove the budgeted funds for the additional Napa Valley Vine Trail cost overrun and charge them to the Traffic Mitigation Fund which has a balance in excess of $3 million. This is a new "facility" and mitigates vehicle impact on pedestrians through reduced traffic within our city limits. Approximately $300,000 for FY26 and possibly future years.
14. Many Northern California jurisdictions facing similar budget shortfalls are looking to salary and benefit modifications to balance their budgets. While the committee supports fair and competitive wage and benefit structures, our city needs to make a comprehensive review of benefits accruing to all staff groups and bargaining units comparatively to our neighboring municipalities and county-wide businesses with which we compete for staff. We need to introduce the topic to the bargaining groups and implement adjustments over a few years to comparable and still competitive structures. Wages and benefits are 70% of our budget. If we do not begin the process of controlling our labor and benefits structures, we may never balance our budget. Raw figures suggest there is upwards of $1 million of savings once fully implemented.

Conclusion

The above review suggests there is approximately $1 million of savings the council can act on with potentially more areas to balance the budget.