



**BENICIA CITY COUNCIL
CITY COUNCIL SPECIAL MEETING AGENDA**

**Videoconferencing Meeting
October 6, 2020
6:00 PM**

Coronavirus (Covid-19) Advisory Notice

The Solano County Public Health Department has advised that non-essential gatherings should be canceled, postponed, or done remotely. Additional information is available at <http://www.solanocounty.com/depts/ph/ncov.asp>.

This meeting is necessary so that the City can continue to conduct its business and is considered an essential gathering. Consistent with Executive Orders No. 25-20 and No. 29-20 from the Executive Department of the State of California, the meeting will not be physically open to the public. Members of the City Council and staff will participate in this meeting via videoconferencing as permitted under Executive Orders No. 25-20 and No. 29-20.

As always, the public may submit public comments in advance and may view the meeting from home. Below is information on how to watch the meeting via cable and/or live stream and how to send in public comments that will be part of the public record.

How to Watch the Meeting:

- 1) Cable T.V. Broadcast on Channel 27
- 2) Livestream online at www.ci.benicia.ca.us/agendas.
- 3) Zoom Meeting (link below)

How to Submit Public Comments for this videoconferencing meeting:

Members of the public may provide public comments to the City Clerk by email at lwolfe@ci.benicia.ca.us. Any comment submitted to the City Clerk should indicate to which item of the agenda the comment relates. Specific information follows:

- Comments received by 3:00 pm on the day of the meeting will be electronically forwarded to the City Council and posted on the City's website.

- Comments received after 3:00 pm, but before the start time of the meeting will be electronically forwarded to the City Council, but will not be posted on the City’s website, and will not be read into the record.
- Comments received after the start time of the meeting, but prior to the close of the public comment period for an item will be read into the record, with a maximum allowance of 5 minutes per individual comment, subject to the Mayor's discretion.

Additionally, the public may view and provide public comment via Zoom (via computer or phone) link: <https://us02web.zoom.us/j/83642034561?pwd=aURGenREZEldWdYODFjUDVEckRxUT09>

- If prompted for a password, enter 454382.
- Use participant option to “raise hand” during the public comment period for the item you wish to speak on. Please note, your electronic device must have microphone capability. Once unmuted, you will have up to 5 minutes to speak.

Dial in with phone:

Before the start of the item you wish to comment on, call any of the numbers below. If one is busy, try the next one.

- 1 669 900 9128
- 1 346 248 7799
- 1 253 215 8782
- 1 646 558 8656
- 1 301 715 8592
- 1 312 626 6799

- Enter the meeting ID number: 836 4203 4561 *please note this is an updated ID number*.
- Enter password: 454382
- When prompted for a Participant ID, press #.
- Press *9 on your phone to “raise your hand” when the Mayor calls for public comment during the item you wish to speak on. Once unmuted, you will have up to 5 minutes to speak.

Any member of the public who needs accommodations should email City Clerk Lisa Wolfe at lwolfe@ci.benicia.ca.us, who will use her best efforts to provide as much accessibility as possible while also maintaining public safety.

1. Call To Order (6:00 P.M.)

2. Convene Open Session

3. Roll Call

4. Pledge Of Allegiance

5. Reference To The Fundamental Rights Of The Public

The fundamental rights of each member of the public can be found in the municipal code posted on the City's website per section 4.04.030 of the City of Benicia's Open Government Ordinance.

6. Adoption Of The Agenda

7. Opportunity For Public Comments

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8. Written Comment

9. Public Comment

10. Business Items

10.A - STUDY SESSION ON THE CITY'S FISCAL HEALTH & VISION FOR BENICIA'S ECONOMIC RECOVERY AND RESTORATION (Interim City Manager)

The City Council study session will review the City's current fiscal health, begin the discussion on how the City can prepare initiatives to promote an economic recovery and highlight the timeline for the City's upcoming biennial budget process.

Recommendation:

Receive information from staff on City's current fiscal health then provide comment on proposed vision to spur economic recovery and offer direction on guiding principles for development of the City's next biennial budget (Fiscal Years 2021-22 and 2022-23).

[Staff Report - Study Session on City's Fiscal Health](#)

11. Adjournment (7:00 P.M.)

Public Participation

The Benicia City Council and its Boards and Commissions welcome public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or Special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Alan Shear, the ADA Coordinator, at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the

City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.

Contact Your Council Members

If you would like to contact the Mayor or a Council Member, please call the number listed below to leave a voicemail message.

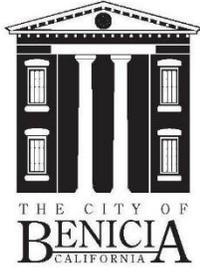
Mayor Patterson: 746-4213

Vice Mayor Strawbridge: 746-4213

Council Member Campbell: 746-4213

Council Member Young: 746-4213

Council Member Largaespada: 746-4213



**AGENDA ITEM
CITY COUNCIL MEETING DATE – OCTOBER 6, 2020
BUSINESS ITEMS**

TO : City Council

FROM : Interim City Manager

SUBJECT : **STUDY SESSION ON THE CITY’S FISCAL HEALTH & VISION FOR BENICIA’S ECONOMIC RECOVERY AND RESTORATION**

EXECUTIVE SUMMARY:

The City Council study session will review the City’s current fiscal health, begin the discussion on how the City can prepare initiatives to promote an economic recovery and highlight the timeline for the City’s upcoming biennial budget process.

RECOMMENDATION:

Receive information from staff on City’s current fiscal health then provide comment on proposed vision to spur economic recovery and offer direction on guiding principles for development of the City’s next biennial budget (Fiscal Years 2021-22 and 2022-23).

BUDGET INFORMATION:

There are no budget impacts related to this report.

BACKGROUND:

The financial impact of the coronavirus (COVID-19) pandemic to the City of Benicia is concerning but not dire. The full depth and breadth of the revenue loss to the City is still unclear but unlike many of our neighboring jurisdictions who are taking aggressive measures to try to balance the budget (e.g. hiring freezes, across-the-board budget cuts, etc.), the City of Benicia’s General Fund has balance on which to draw. These funds are a result from previous budgets that have either yet to be assigned or have only recently been assigned but remain uncommitted and unspent. Presently the City has a total sum of \$12.2 million for which we can assign/reassign to address revenue shortfalls and invest in actions that will aid in the restoration of our local economy. At a City Council meeting in March, before the onset of COVID-19, City Council took action to assign \$9.6 million. Since that time, City Council took additional, separate actions to commit \$1.4 million resulting in \$8.2 million in assigned, but uncommitted funds which staff recommend we reexamine during the City Council Study Session.

To be clear, these funds are “one-time” dollars and should not be used for ongoing expenses. However, it is most advantageous that Benicia finds itself with a surplus of funds with a sum significant enough to not only to bridge revenue shortfalls due to COVID-19 but, as importantly,

invest in programs that are designed to hasten our local economic recovery. Incidentally, the efforts the City takes now to support our local economy will secure our revenue sources that are needed to fund the services developed in our upcoming biennial budget.

The Rationale for Reporting a Strong Financial Condition:

As of March 2020, the City's General Fund's unassigned fund balance was approximately \$13.6 million. This is a result of budget savings occurring over years. At the March 3, 2020 City Council meeting, City Council took action to assign \$9.6 million and keep the remaining \$4.0 million unassigned to address future needs or any potential revenue shortfalls. City Council took additional, separate actions to commit \$1.4 million for labor agreements and specific economic development projects. Therefore, there is a \$8.2 million in assigned, but uncommitted funds and the \$4.0 million in unassigned funds which staff is recommending we reexamine and use to meet our objectives of restoring our local economy and addressing revenue shortfalls due to COVID-19.

In addition, the City's two designated reserves are fully funded, with an additional approximately \$9 million.

Across the nation, we are facing a great time of uncertainty. California is among three states to have the highest unemployment rates in the nation, there is a potential of a second shelter-in-place during the cold and flu season if there is no vaccine in place, and home loan deferrals will end in December and if the economy does not bounce back and people return to work, the housing market will also be impacted. However, while the close out of our Fiscal Year 2019-20 is not yet audited, our current projections have an estimated deficit which is likely to be significantly less than the \$2.5 million deficit forecasted in May 2020. While no deficit is good, the initial estimates of a much larger deficit will not come to fruition.

Focus Our Vision for Economic Recovery and Restoration:

The City's current balance of assigned yet uncommitted funds provides a unique opportunity for the City to make a strategic investment towards economic restoration at the very time when neighboring jurisdictions are struggling to make such endeavors. During the Study Session staff will recommend focus and investment into four key goals: Investment in economic development initiatives designed to aid our local business community recover and prosper in a post-COVID-19 economy, City staff retention and attraction, City infrastructure, and establishment of a COVID-19 Deficit Reserve. Investment in each of these objectives will help to limit the financial harm of a prolonged COVID-19 recession but also position Benicia for a strong economic bounce-back.

Economic Development Initiatives

City staff has recently reconvened the Economic Recovery Task Force to solicit input and suggestions on economic initiatives and incentives the City can deploy to aid our business community. On October 6th the City's Economic Development division issued a survey to all our business to inquire on their business outlook and seek guidance on how best the City can aid

their recovery. Currently staff is working to develop a permanent parklet/flex space program for downtown for the City Council to consider in the coming months. Another example staff is considering the possibility of fee waivers, deferrals and/or reimbursement for business expansion and attraction. The specifics of the program are still being developed, but staff is anticipating having a recommended approach by the end of October.

To further aid the City's economic development and tourism effort staff recommends we proceed with the immediate recruitment and hiring of a Climate Action Coordinator and allocate \$75,000 to be invested over the next 18 months in the installation of public art. At first blush some may find it curious that such expenditures would be tied to our economic development effort; yet, our history with our previous Climate Action Coordinator and the recent success of our public art campaign tell a story of an inseparable link with economic development.

One may recall that when we previously had a Climate Action Coordinator, that position worked very closely with our Economic Development Division and that partnership helped to create and implement a State award winning economic development program (Business Resource Incentive Program) that provided grant and loan funds to our businesses to reduce energy and water use. Furthermore, the Climate Action Coordinator helped to secure three Civic Spark interns that worked in the Economic Development Office over a three-year period. That single-handedly increased the City's Economic Development staff by 33%...at no cost to the City's General Fund. Most importantly, looking ahead, we need to seize the moment to work to evolve our business cluster to include businesses that will support California's burgeoning carbon-neutral economy. Having a Climate Action Coordinator to work in concert with the City's Economic Development staff will aid greatly the City's effort to implement not only our Climate Action Plan but our economic development goals.

One of those economic development goals is our marketing effort to promote Benicia as a "Great Day by the Bay" or for our summer campaign, during COVID-19, a "Great Escape by the Bay". A key feature of this campaign is our emphasis as an art community. Creating new public art venues for the City to promote enhances our marketing effort and will support local artists. Additionally, we know from our 2016 Arts and Economy Prosperity Study that investment in local art has a significant economic multiplier effect.

To initiate these economic development actions staff will be recommending an assignment of \$925,000.

City Staff Retention and Attraction

In addition to investing directly in Economic Development initiatives and programs it is also essential that we address the deficiencies in City staffing. We know that we currently do not have sufficient staff to expeditiously manage the permits and applications that come into our Community Development Department. As such, it is incumbent upon us to make the necessary investment, even if only temporary to aid our current staff in processing permits. Furthermore, to help stem the speed of staff turnover we need to apply resources to aid in our organizational ability to retain and where necessary attract the staff needed to carry out our essential services. It is also prudent that we continue to make the recommended \$2 million investment into the

pension liability trust fund. In order to help address these staffing challenges, it is recommended we assign a total of \$2.5 million to this objective.

City Infrastructure

Prior to our urgency response due to COVID-19, the City Council, in March, assigned \$2 million dollars to be invested in our road infrastructure. We know that with every delay we have in repairing our roads the costs increase exponentially. Because of our strong fiscal health, staff recommends we continue to proceed with this investment. Additionally, staff recommends that the City continue to assign \$1.5 million to the new police department facility, as was recommended in March. However, this is still a project that is years away from achieving sufficient funds to proceed with construction. This being the case, we can leave the \$1.5 million as assigned to the Police Facility Project but not spend it; thus, serving as an added emergency fund source should circumstances require its use. Finally, staff is proposing a significant shift away from the City Hall project, reducing the project scope from \$2 million to just \$100,000. Those funds will be used to make permanent the single point of entry feature the City put into place when City Hall reopened to the public in June. All together staff recommends the assignment of \$3.6 million remain allocated to improving our infrastructure.

COVID-19 Deficit Reserve

Finally, in order to ameliorate current and future deficits related to COVID-19, staff recommends maintaining the \$4 million and reassign \$1.1 million to act as a COVID-19 Deficit Reserve Fund. This would bring the total COVID-19 Deficit Reserve Fund to \$5.1 million. This would be above and beyond our current reserve account. It is recommended this reserve fund be revisited in January 2021 when the CAFR is presented to Council.

Establishment of Guiding Principles for Development of Biennial Budget & Review of Budget Timeline:

Our effort to assign and reassign funds to address the challenges brought on by COVID-19 coincides with the start of our biennial budget process. While our next two-year budget will be adopted in June 2021, now is the moment when its necessary to lay out the guiding principles for which staff will use to provide the City Council and community the documents and information necessary to build our next budget.

Since the onset of COVID-19, City staff has closely monitored national and statewide fiscal conditions and gathered recommendations for balancing municipal budgets during times of uncertainty by referencing a variety of reliable economic, financial, and government resources. Four recurring themes for budgeting best practices during times of uncertainty have emerged. They are: make strategic decisions with the long-term in mind, resist pressure to defer maintenance projects, resist pressure to stop new projects that are financially beneficial to the City, and program-based budgeting will be essential for jurisdictions to make more equitable decisions during times of uncertainty as opposed to making unilateral budget adjustments.

The City's General Plan and Priority Based Budgeting (PBB) provide general and fiscal policy which guide many of the City's decision-making processes. After the fulfillment of the FY 2015-

17 Strategic Plan, the City retired the Plan and established Priority Based Budgeting in its place. The City underwent a process of public outreach to seek community input to establish the City’s strategic goals, which were then adopted by City Council, and are referenced in both the Strategic Plan and PBB. They are:

1. Protect community health and safety
2. Maintain and enhance a high quality of life
3. Preserve and enhance infrastructure
4. Strengthen economic and fiscal conditions
5. Protect and enhance the environment
6. High performing government

These strategic goals guide the City’s budget development process, which begins now with the City Council offering thoughts on the Council’s guiding principles. The next biennial budget for Fiscal Years 2021-22 and 2022-23 must be adopted prior the start of the fiscal year. While the finance staff is preparing documentation during the winter, the budget process with departments will take place in January and February. Then, the City Manager will review the budget and public hearings for City Council review will begin in May, with final budget adoption taking place in June 2021.

NEXT STEPS:

Provide staff direction on the recommend objectives and budget principles. In the very near future staff will return to the City Council with resolutions that will allocate the funds as directed by the Council.

ALTERNATIVE ACTIONS:

Tonight’s meeting is an opportunity for Council discussion of the issues outlined in the report. An alternative action would be to direct staff not to make any changes to the actions the Council made in March 2020.

General Plan	Goal 1: Creating a sustainable community in Benicia
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Priority Based Budgeting	Strategic City Result Impacted by this Agenda Item
	<p>The City Council and community identified six (6) key “Results” that establish the key goals for which the City of Benicia aspires to achieve with our programs and services. Agenda Items often influence multiple Results, the primary Result impacted by this Agenda Item is (please check one):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Protect Community Health & Safety <input checked="" type="checkbox"/> Maintain & Enhance A High Quality of Life <input type="checkbox"/> Preserve & Enhance Infrastructure <input checked="" type="checkbox"/> Strengthen Economic & Fiscal Conditions <input type="checkbox"/> Protect & Enhance the Environment <input checked="" type="checkbox"/> High Performing Government

	<p align="center">City Programs Impacted by This Agenda Item (Top 3):</p> <ol style="list-style-type: none"> 1. Budget Development & Management 2. Financial Planning 3. Financial Reporting
	<p align="center">Priority Based Budgeting (PBB) Website:</p> <p>Coming soon in November 2020 will be a link to the City of Benicia's PBB website to learn more about these programs and their costs.</p>

<p>CEQA Analysis</p>	<p>This activity does not meet the definition of a project as described in Title 14 of the California Code of Regulations Section 15378(a).</p>
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ATTACHMENTS:

None

For more information contact: Erik Upson, Interim City Manager

Phone: 707.746.4200

E-mail: eupson@ci.benicia.ca.us