

RESOLUTION 2020-58

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
AUTHORIZING A CONTINUATION BUDGET APPROPRIATION FROM
SEPTEMBER 15, 2020 UNTIL OCTOBER 20, 2020**

WHEREAS, Municipal Code 2-2-115, "City Manager Duties" Section G specifies that the City Manager is responsible for preparation and submittal to the Council an annual budget and capital program for each ensuing fiscal year, based upon estimates of financial needs and resources; and

WHEREAS, on March 4, 2020, the Governor declared a State of Emergency for the State of California as a result of the COVID-19 pandemic and since that time, cities across the State have reported loses in revenue of more than \$7 billion, and 90% have had to reduce services and staff levels; and

WHEREAS, the County of San Benito declared a State of Emergency on March 6, 2020, regarding the COVID-19 Virus. Included in the County's declaration is an aggressive order by the County Public Health Official to all residents ordering them to shelter in place ("SIP") to reduce the spread of the COVID-19 Virus; and

WHEREAS, the City Council at its meeting March 17, declared a State of Emergency in San Juan Bautista and has since remained in this State of Emergency; and

WHEREAS, since March 17, the SIP caused all non-essential businesses to close down, including almost every restaurant and hotel in the City, ending tourism as we know it; and

WHEREAS, as a result of this drastic change, the City in March, estimated it was losing 50% of its General Fund every month the SIP and State of Emergency existed, with drastic losses occurring in the Sales Tax and Transit Occupancy Tax revenues; and

WHEREAS, the loss of revenue has caused great uncertainty, may take as long as 18-months of recovery, and because the exact amount and duration of the loss remains undefined; and

WHEREAS, beginning on March 31st, 2020, the City Manager began regular reporting to the City Council the anticipated impacts of the drastic revenue reductions caused by the SIP order during the State of Emergency to be as high as \$700,000 (April 21st Special Meeting), and the Council agreed to reduce staff by two full-time positions and two part-time positions to help protect its General Fund reserve; and

WHEREAS, the City Manager provided a revised budget calendar to the City Council at its Special Meeting May 26th, seeking consensus to extend the budget process into July by Resolution 2020-30 at its June 16, 2020 Regular Meeting, with a budget presentation July 14, 2020;

WHEREAS, the September 15, 2020 date was not obtainable due to rapidly changing priorities and programs related to the COVID 19 response; and

WHEREAS, staff is prepared to present its draft budget to the City Council October 20, 2020, but is seeking further extension from October 20, 2020, until November 17, 2020 to allow time for the community to consider its recommendations.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY RESOLVES AS FOLLOWS:

1. A continuation budget appropriation for the period of October 20, 2020, to November 17, 2020, is hereby established and approved. Ordinary and usual costs for personnel, services, supplies and continuing contracts and obligations shall be paid so long as the City Manager and/or City Accountant determine the expenditures do not exceed available or anticipated revenues.
2. Two capital improvement projects will begin immediately, CIP's 21.04 and 21.05, to address the City's sewer system needs on San Juan Hollister Road that will also meet the City's contractual obligations with Coke Farms.
3. No purchases of new equipment from the General Fund shall occur during the continuation budget period.
4. The continuation appropriations operating budget and debt service budget shall include the General Fund, all Enterprise Funds, capital improvements paid by the General Fund, debt service funds, trust funds and special revenue funds necessary for the on-going operations of the City.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista on this 20th day of October by the following vote:

AYES: DeVries, Flores, Edge, Freeman, Jordan

NOES: None

ABSENT: None

ABSTAIN: None


Mary V. Edge, Mayor

ATTEST:


Trish Paetz, Deputy City Clerk