

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JAN MAZYCK, CHIEF FINANCIAL OFFICER, FINANCE
DEPARTMENT
SUBJECT: GENERAL FUND LONG RANGE FINANCIAL FORECAST

AGENDA ACTION: NO ACTION REQUIRED

RECOMMENDATION

It is recommended by the City Manager and the Finance Department that the City Council hold a Study Session to receive a presentation of the updated General Fund Long Range Financial Forecast (LRFF), and provide an opportunity for the Council to ask questions and provide general guidance for the FY 2021-22 budget development. No action is required.

EXECUTIVE SUMMARY

The purpose of this Study Session is for staff to present the General Fund Long-Range Financial Forecast (LRFF) to the City Council and give the Council the opportunity to ask questions and provide guidance to staff. Council may also ask for staff to bring back specific program or project cost information as part of the May budget study session.

Management Partners, the firm the City uses to assist with developing the Forecast, will provide the presentation.

BACKGROUND

For the past several years, staff holds a Study Session for the City Council in April, after the Council Goal Setting meetings. This study session is an opportunity for the City Council to get an update of the City's financial condition early in the budget development process. The meeting will also give the Council an opportunity to ask for more detailed cost estimates for programs or projects discussed at the Goal Setting meetings.

Staff will present an updated LRFF to illustrate the financial condition of the City. The LRFF is a long-term planning tool, focused on the General Fund, the City uses as part of budget development. This tool was initially developed by City staff and had been in use for years. In 2019, the City contracted with Management Partners in 2019 to develop the current version of the Forecast.

PRIOR CITY COUNCIL REVIEW

September 15, 2020 study session presentation of LRFF including fiscal year-ending revenues and expenditures and budget strategies.

ANALYSIS

Staff and Management Partners updated the LRFF to reflect COVID-19 pandemic impacts in April 2020, and again for a fiscal year-end update to Council in September 2020. The September 2020 presentation also included several strategies that could be used to address the General Fund's structural deficit. The emphasis for this update is to make pandemic recovery adjustments and update revenue and expenditure assumptions, including the potential use of PG&E settlement funds.

FISCAL IMPACT

There is no fiscal impact from this report item.

ENVIRONMENTAL IMPACT

This study session is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Sections 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Long-Term Financial Planning and Audit Subcommittee received this presentation on March 11, 2021.

NOTIFICATION

Not applicable.

ATTACHMENTS

None.

CONTACT

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