

Proposed Operations and Maintenance Budget Fiscal Year 2013/14



STAY SHOP PLAY

DRAFT 1



FY 2013/14 OPERATIONS AND MAINTENANCE BUDGET

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Kathleen A. Millison

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FY 2012/13 Budget Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Awards to the **City of Santa Rosa, California** for its annual budget for the fiscal year beginning July 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The Award is valid for a period of one-year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

Transmittal & Budget Overview



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July 1, 2013

To: Mayor Bartley, the City Council and the Residents of Santa Rosa

CITY MANAGER'S BUDGET TRANSMITTAL

I am pleased to submit the Fiscal Year (FY) 2013/14 Operations and Maintenance Budget for the City of Santa Rosa that allows the City to build on the progress made towards fiscal recovery by stabilizing existing core services, targeting investments to meet priority needs for infrastructure in the community, rebuilding emergency reserves to meet policy guidelines, and developing long-term strategies for cost controls/reductions and revenue growth. The proposed FY 2013/14 budget totals \$340.0 million across all funds, representing a 9% increase over the prior year adopted budget, with the largest portion of the increase attributable to increased capital project budgeted expenditures. There is \$290.4 million of operational costs representing a 4% increase over the prior year and \$49.6 million of capital project investment in the community representing a 52% increase over the prior year.

The Council goals for 2013-2015 will be advanced through the programs and activities planned for the FY 2013/14 budget. Such activities are identified as addressing these specific goals within the departmental budget sections. These goals are:

1. Create a Strong, Sustainable Economic Base
2. Promote a City Organization that is Sustainable and Maintains Employee Morale, Productivity and Effectiveness
3. Provide Leadership for Environmental Initiatives
4. Maintain and Enhance our City's Cultural, Historical and Recreational Assets
5. Improve the Partnerships between Neighborhoods, Community Organizations, Schools, and the City to Support and Promote Thriving, Inclusive and Diverse Neighborhoods
6. Commit to making Santa Rosa a Healthy Community where People Feel Safe to Live, Work, and Play

FY 2013/14 Budget Summary

While revenues are slowly increasing, operating costs are increasing as well. Despite making good progress in some areas, significant work remains going forward. The City must continue to seek ways to achieve a more desirable level of budget stability and service levels that are more acceptable to the community's needs and expectations, beyond those we are now able to provide. With these challenges in mind, all City departments were requested to develop budgets for FY 2013/14 that would seek a balanced approach to budget stability and meeting current service needs while also examining those critical needs that have emerged as a result of the deep cutbacks to City services in the aftermath of the 2008 Recession. Re-evaluation of service delivery models, cost reductions through efficiencies, and revenue growth opportunities are ongoing approaches required of each department. Some additional funding was added to department budgets to address the most critical needs that had been reduced or deferred during much

City Manager's Budget Transmittal

leaner budget years such as ongoing maintenance and repairs to buildings and infrastructure and staffing to help meet existing service needs and succession planning.

The General Fund budget is highlighted because it is where many of the core services reside, relies upon funding from sources that react to the overall health of the economy, and accounts for \$123.6 million or 36% of the total City budget. With estimated FY 2013/14 General Fund revenues of \$125.6 million, expenditures of \$123.6 million and net budgeted transfers out of the General Fund of \$2.0 million, the proposed General Fund budget is balanced. Additionally, the estimated FY 2013/14 General Fund ending reserves set aside for emergencies meet the City Council reserve target of no less than 15% of total annual expenditures of the Fund. The FY 2013/14 General Fund budget has been developed with the emphasis on achieving stability for the core services now provided to the community but is not yet sufficient to restore services lost to cuts in prior years. This emphasis has been accomplished by providing sufficient funding to stabilize permanent positions and current operating expenditures as well as modest increases for known costs including urgent needs that have been identified.

The City is experiencing "slow but steady" economic recovery but will continue to be challenged to meet ongoing operating expenses and prior commitments for long-term debt. After several years during which the City had to make some difficult choices to reduce and control expenditures due to declining revenues, General Fund revenues began to stabilize in FY 2011/12. Those revenues have continued to slowly improve over the past two years, primarily driven by the growth in Sales Tax revenues and the addition in FY 2010/11 of Measure P, a quarter-cent general sales tax enacted for a short term. In addition, the housing market has come off the bottom, with Real Property Transfer Tax showing signs of a modest recovery. Property Tax has shown continued decline for several years but is now projected to be slightly higher in FY 2013/14. Permits and Charges for Service related to commercial and residential construction have experienced strong growth for the first time in several years in FY 2012/13, with approximately the same activity forecasted in FY 2013/14. However, recent trends are showing that such growth in activity may not be sustainable in the current economy.

On the expenditure side, approximately 78% of the General Fund budget is comprised of personnel costs due to the fact that public services are directly delivered through personnel at the counter and in the field. The year over year increase of \$4.8 million in the Salary and Benefit categories of the budget reflect both increased costs in existing benefits (such as health and workers' compensation insurance and pension plans) as well as the anticipated expiration of employee concessions that were in effect in FY 2012/13 including Fire employee contributions for health cost savings and Miscellaneous (non-Public Safety) employee furlough contributions for salary cost savings. While negotiations with employees are ongoing, no additional concessions have been included in the budget at this time. Other personnel additions in Police that are included to partially meet Measure O baseline funding requirements have also contributed to the increase in the Salary and Benefit categories.

Several actions in recent years have sought to control and reduce the rise in personnel costs through adoption of reduced tiers of pension benefits for new employees, revisions to health benefits and

City Manager's Budget Transmittal

increased employee cost sharing, revisions to contracts for increased employee pension cost sharing, and salary cost reductions through furloughs. Cooperation from employee groups has been an important factor in the City's fiscal recovery and ability to stabilize core services at existing levels. Such efforts will continue to be important as the City faces future increases to pension costs greater than previously forecast as recently announced by CalPERS.

General Fund services, supplies and projects are also showing an increase over the previous year of close to \$2 million. Increases include facilities maintenance expenses including higher janitorial, electric and water irrigation costs, as well as an urgent building repair to the City Hall Annex (to be reimbursed by the Building Acquisition Fund). Higher Information Technology costs and the addition of a computer replacement program are also included in the increase.

Outside the General Fund, the Utilities budget and the Non-Enterprise Capital Improvement Program budgets account for the majority of the remaining citywide expenditure budget increase. The Utilities Department budget incorporates a \$20 million increase for FY 2013/14 over the previous year, driven primarily by a \$16.0 million increase in the Department's Capital Improvement Program and operating project accounts. These Utilities' programs encompass major projects including system-wide water and wastewater pipe replacement, water meter replacement, and the construction of a wastewater lift station. Non-Enterprise Capital Improvement Program budgets increased by just over \$3 million from the prior year and include funding for pavement management, transportation, bike/pedestrian and ADA improvements, among other projects. Highlights of the FY 2013/14 budget include:

- Maintenance of existing programs / operations for core services
- Funding of critical department needs to stabilize core services
- Maintenance of General Fund reserves at 15% of expenditures pursuant to Council policy
- Beginning to address long-term unfunded obligations such as pension liabilities, deferred maintenance of City facilities, and Measure O baseline funding within fiscal abilities
- Increasing to \$49.6 million the amount for Capital Improvement Project Funding including major Water and Wastewater projects, ADA upgrades and road improvements

Budget Document Structure

Following the Transmittal Letter is the Guide to the Budget Document, then the Budget Overview which provides an economic outlook for the City and the region and highlights key elements of the budget. Further sections provide information on the Capital Improvement Program, City Council Goals, Measure O, and a Budget Process explanation and calendar. There are sections with general City and organizational information, summary financial information, and a review of the City's Five-Year Forecast. Departmental sections state the department's mission and outline initiatives for the coming fiscal year and accomplishments from the prior year, emphasizing activities that fulfill City Council goals.

City Manager's Budget Transmittal

Acknowledgements

Facilitation of the budget process and the development of a budget document is a major undertaking. I would like to express my gratitude and appreciation to all departments, departmental budget coordinators, and the City Council for their efforts, support, and deliberation during the budget process. Lastly, I would like to extend a special thanks to the Budget and Financial Planning staff in the Finance Department: Jean Gill, Robert Hamud, Kate Goldfine and Tara Prather Norman. Collectively they provide tremendous resource and expertise coordinating the city-wide efforts on budget and capital plan development, forecast updates, and document production. I also congratulate this team on receiving the Government Finance Officer's Distinguished Budget Presentation Award for the 2012/13 Fiscal Year Budget.

Conclusion

While it is good news that the City's overall financial position continues to stabilize in modest ways and we are able to begin to address some of the most critical needs identified, it is important for the City to continue to focus on strategies for cost control/reduction and service efficiencies. Long-term sustainability of City core services and programs and the ability to improve service levels remains a concern. The past few years have been very challenging for the City, yet we continue to make progress in important areas embodied in the Council's Goals. The more notable accomplishments include:

- Completion of review and adoption of changes to reduce uncertainty in the land use entitlement process to allow more uses to be permitted by right, allow more design review permits to be approved at the staff level and provide a business concierge program to assist business owners with a single point of contact for navigating permit and licensing processes with the City; this program has been vital to business expansion as part of the City's fiscal recovery for location of new/expanded automotive sales centers, shopping center improvements at all major centers in the City, and business location in vacant commercial buildings; this program was ultimately recognized for excellence and innovation in economic development service in competition with other community's by the California Association of Local Economic Development.
- Creation of a Local Leader's Academy in collaboration with the County and all cities in Sonoma County to provide a low-cost training program utilizing local experience and resources for staff leadership development in response to a large rate of staffing turnover ongoing at all levels in public sector and constrained funding for training; two academies have been conducted and have been very successful, now attracting the attention of neighboring public agencies outside of Sonoma County.
- Completion of the Climate Action Plan for the entire City and preparation for specific implementing strategies for the Municipal Climate Action Plan.
- Restructuring of the CityBus route plan and increase in fares to place bus transit service on a more fiscally sustainable path with further evaluation planned for the upcoming year.
- Adoption of a 5-year strategy and implementation plan for enhancing gang prevention and intervention programs on a regional basis in collaboration with partnering agencies throughout Sonoma County.
- Completion of the North Station Area Specific Plan which guides growth and future improvements adjacent to the Guerneville Road SMART rail platform, Coddington Shopping Center, and adjacent

City Manager's Budget Transmittal

residential neighborhoods; this plan was also recognized for its significant effort in urban planning by the regional chapter of the American Planning Association.

- Approval of funding and a plan for the development of a new neighborhood park in the North Station Area Plan as part of a public-private partnership with the developer of a new apartment project to be constructed adjacent to the park.
- Securing of grant funding from Federal Emergency Management Agency to hire additional firefighters to allow for the full time operation of two of the City's fire stations that had been operated on rotational closure during leaner budgets; this has allowed the City to restore a level of safety service to specific neighborhoods with overall citywide benefit as well.

The City is also grateful for the tremendous participation of residents at our first budget DINE event last November, where the City received direct feedback from residents on budget priorities in addition to the many letters and statements of budget and service priorities expressed at public hearings. Many of those priorities were aligned with ongoing and expressed Council Goals for the immediate future and influenced the final outcome of priority spending contained within the budget. The next few years will continue to present funding challenges to the City as we continue fiscal recovery and seek to restore more acceptable service levels throughout the City. Special attention to long range financial strategies will be a high priority for the Council. I look forward to working together on solutions that will continue making Santa Rosa a great place to live and do business.

Sincerely,



Kathleen A. Millison, City Manager

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Guide to the Document

The budget is a spending plan for the financial resources available to the City. These resources allow the City to provide services to meet the needs of Santa Rosa residents. The City Council and City employees respond to the community's needs in part through the budget. It balances not only revenues and costs, but also community priorities and interests.

DOCUMENT ORGANIZATION

The document is organized into sections separated by tabbed pages that provide quick identification of their contents. The photographs on the tab pages, and on the cover of the document, are provided courtesy of City Departments. All of the photographs were taken within the city limits and showcase our beautiful city.

The Table of Contents lists every item in the document and its page number. The other sections of the document are described below.

Transmittal, Guide and Budget Overview

The City Manager's Budget Transmittal introduces the budget. This section sets the context for budget decisions by describing the conditions affecting the budget, and outlines major initiatives underway and challenges for the next year. This Guide to the Document explains the format and organization of the document and includes a section on the City's budget practices and policies. The Budget Overview summarizes the budget and focuses on its financial implications, including revenue and expenditure trends. Following the Budget Overview is a summary of the City's Capital Improvement Program budget and a list of projects receiving funding in FY 2013/14.

This section also includes a segment detailing the City Council's goals. Every two years, the Council meets to develop its goals for the coming two-year period. At that time, the Council outlines the goals, proposes strategies, and works with City staff to develop work plans. To show the City's progress and efforts towards the goals, each goal has been assigned a number. These numbers appear in circles in each department's section next to the FY 2013/14 Key Initiative or FY 2012/13 Key Accomplishments that relate to that goal. These goal circles show departments' continuing efforts toward furthering and achieving the Council's goals.

An overview of the Measure O budget (Santa Rosa's quarter cent sales tax to fund Public Safety and Gang Prevention and Intervention programs) and a description of the budget process, including a calendar, are also included in this section of the document.

City and Organization Overview

This section contains a City-wide organization chart, which includes names of the major functions of each department; general information about Santa Rosa; brief historical background; demographics and statistics; and a compilation of pictures showing events from the past year.

Summary Financial Information

This section provides a description of City-wide position changes, including a table showing five years of staffing levels for each department. Summary financial tables for the General Fund, Enterprise Funds, and Internal Service Funds are also included here, along with analyses of the City's debts and revenues.

- All City Funds Schedule: Local government budgets are organized by funds in order to segregate and account for restricted resources. Each fund is a separate accounting entity. The General Fund provides the resources for many of the services cities typically offer. The All City Funds summary schedule consolidates all funds Citywide and presents the total resources and the total use of resources.
- Enterprise Fund Schedule: These funds account for City activities that operate as public enterprises, and receive revenues from fees charged to customers.
- Internal Service Funds Schedule: These funds are used to report the activities that provide supplies and services for certain City programs and activities.
- Multi-Year Revenue and Expenditure Schedules: These three schedules provide a multi-year summary of Expenditures by Department, Revenues by Fund, and Expenditures by Fund. Each schedule reflects four years of actual results, the budget for the previous fiscal year, and the current year's budget.

As mentioned above, the City's major revenues are analyzed and a summary of the City's debts is provided.

Five-Year Forecast

Santa Rosa's five-year forecast is an integral tool in the City's long range financial planning. The economic recession of the early 1990s demonstrated the importance of monitoring projected revenues and future expenditures to ensure that ongoing costs can be met with realistic future revenue streams. The financial difficulties of the past few years have further highlighted the importance of this tool to monitor the City budget. The five-year forecast is updated regularly and is presented to the City Council and the public during quarterly financial updates.

Department Detail

The majority of the budget document is divided into departmental sections. A variety of information, both financial and narrative, is provided for each department. Each section contains the following information:

- Mission Statement: A statement explaining why a department exists.
- Description of responsibilities and services: A description of the services provided by the department, intended to give the reader an understanding of the scope and breadth of ongoing functions and responsibilities of a service area.
- FY 2012-13 Key Initiatives: A list of initiatives the department hopes to begin or accomplish over the next fiscal year. Initiatives related to City Council goals are designated by a circle with the number of the corresponding goal in the center.
- Service Indicator: Information showing selected historical performance and workload indicators.

- **FY 2012/13 Key Accomplishments:** A list of the department's accomplishments from the previous fiscal year. Accomplishments related to City Council goals are designated by a circle with the number of the corresponding goal in the center.
- **Expenditures by Fund:** A financial table showing the funds from which the department receives financial resources. It also provides historical information so the reader can examine trends and previous funding levels.
- **Expenditures by Category:** A financial table showing salary, benefits, operating and capital costs associated with the department. It also provides historical information so the reader can examine trends and previous funding levels.
- **Major Budget Changes:** A description of the department's major increases and decreases compared to the previous year's budget.
- **Historical Staffing:** A graph showing the staffing level of each department for the current fiscal year and prior four fiscal years.
- **Organization Chart:** A graphic representation of each department's structure. The number of employees in a particular position is listed in parenthesis after the position title. These charts are representative of a point in time; the number of employees in a certain position for any department fluctuates throughout the year.

Reading Expenditures Tables

The Expenditure Tables in each department's section include five columns. The first two listed as "Actual" are the expenditures for those fiscal years. The column listed "Estimate" is an estimate of actual expenditures for the prior fiscal year. The next column, "Budget", represents the adopted budget for that fiscal year plus any mid-year adjustments. The last column entitled "Request" is the budget proposal as it was adopted by the City Council during the City's annual Budget Hearings.

Miscellaneous

This section contains budget and reserve policies, and other policies of interest, and the City's annual Gann (Appropriations) Limit details.

Glossary and Budget Resolutions

A Glossary of Terms, related to budgeting in general and the City of Santa Rosa particularly, can be found in this section, along with copies of the budget resolutions.

BUDGET PRACTICES AND POLICIES

Basis of Accounting

The budget is adopted on a modified accrual basis of accounting, consistent with generally accepted accounting principles. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Long Range Financial Planning

The City maintains a five-year forecasting model for operating revenues and expenditures and produces a five-year capital plan, which includes debt service. The five year operating forecast is

updated regularly and presented to the City Council after the first quarter of operations, at mid-year, and during the budget process for the next fiscal year. The City's five-year capital plan is updated annually.

Basis of Budgeting

Budgets are adopted for all governmental funds, except the Expendable Special Revenue Trust Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles except for the accounting of encumbrances. The budget is legally required to be adopted prior to July 1 for the ensuing year.

The City Manager is authorized to transfer an unlimited amount of appropriations within any fund so long as the total appropriations are not increased. The City Manager is also authorized to transfer up to \$50,000 of appropriations between funds. In addition, the City Manager is authorized to transfer up to \$100,000 of appropriations between funds within one Enterprise activity. Only the City Council has the authority to increase total appropriations subject to the appropriation limitations set by state law. Budget appropriations lapse at the end of the fiscal year, with the exception of contract commitments and capital improvements, which are carried over until the commitment is met, or the project has been completed.

The legal level of budgetary control is by fund, although budgets are adopted within funds at the department/division level in all operating funds and at the project level in the capital projects funds.

Revenues

The General Fund receives revenues from a variety of sources, including sales and property tax, other taxes, vehicle license fees, and charges for services. The City charges for some services at rates which, where possible, match the cost of providing the service.

Departments charge for services such as hazardous materials checks, recreation fees, and others. General Fund revenues that exceed projections will be programmed in the five-year budget model.

Reserve Policies

The General Fund maintains a reserve policy based on City Council Policy. The policy states that the General Fund reserve will be maintained at between 15-17% of expenditures. All other major City funds also have reserve policies that dictate minimum balances. More information on policies can be found at the end of this document.

Budget Overview

Introduction

Santa Rosa's proposed Fiscal Year (FY) 2013/14 Operating and Capital Budget is \$340.0 million across all funds and is comprised of \$290.4 million of operational funding and \$49.6 million of capital project funding. While this represents a 9% increase over the current FY 2012/13 adopted budget, the largest portion of that increase is attributable to the Capital Improvement Program (CIP) budget, as shown in the following table.

FUND TYPE	FY 2012/13 ADOPTED BUDGET <i>amts in millions</i>	FY 2013/14 PROPOSED BUDGET <i>amts in millions</i>	\$ Dollar Incr/(Decr) <i>amts in million</i>	% Incr/(Decr)
General Fund	\$116.9	\$123.6	\$6.7	5.7%
Enterprise Funds (non-CIP)	116.8	121.0	4.2	3.6%
Enterprise Funds - CIP	22.3	36.1	13.8	61.9%
Non-Enterprise - CIP	10.3	13.5	3.2	31.1%
Housing Authority	24.3	25.5	1.2	4.9%
Former Redevelopment	5.9	4.7	(1.2)	(20.3)%
Special Revenue Funds	10.0	10.6	.6	6.0%
Other Funds	4.9	5.0	.1	2.0%
TOTAL	\$311.4	\$340.0	\$28.6	9.2%
<i>Operations (net of CIP)</i>	<i>\$278.8</i>	<i>\$290.4</i>	<i>\$11.6</i>	<i>4.2%</i>
<i>CIP only</i>	<i>\$32.6</i>	<i>\$49.6</i>	<i>\$17.0</i>	<i>52.1%</i>

General Fund

The City's General Fund is estimated to end the current fiscal year (FY 2012/13) with net results (revenues exceeding expenditures) of approximately \$4 million. This would result in an ending reserve balance of \$20.3 million or 17% of expenditures – the first time since FY 2006/07 that the City has achieved the Council Reserve policy target of no less than 15% of expenditures. The proposed FY 2013/14 General Fund budget is balanced as well and continues the goal of stabilizing core programs and City operations.

The FY 2013/14 proposed **General Fund expenditure budget** of \$123.6 million can be broken down into three broad categories – Salaries & Benefits; Services & Supplies; and Operating Projects, with the Salaries & Benefits category representing \$95.7 million or 78% of the total General Fund budget. Services and Supplies account for another \$25.1 million or 20% of the total, with the remaining \$2.8 million (2%) representing operating projects in the General Fund. Increases over the FY 2012/13 adopted budget, by category, are as follows:

General Fund Salaries & Benefits: Increase of \$4.8 million with a third of the increase (\$1.6 million) attributable to the ending of one-time or limited-term employee concessions. Salary increases in connection with existing MOU's, position additions and reclassifications, benefit cost increases, particularly for health insurance and retirement costs, along with a reduction in salary & benefit charge-

Budget Overview

outs (charging outside the General Fund to CIP and other projects) account for the remainder of the year over year increase in the category.

General Fund Services and Supplies: Increase of \$1.8 million over FY 2012/13 adopted budget with a handful of decreases partially offsetting increased program and operating costs in this category. Major reductions include the decrease in the elections budget, an on-going decrease in County property tax administration fees and a decrease in cost for leased space (in connection with the move of the CIP Teams back into City facilities). The major increases occurred in the following programs: funding for costs associated with redevelopment dissolution of \$.9 million; Information Technology costs, including the new PC Replacement Program; utility costs (gas, electric, water); animal control services; Fire apparatus lease payments and Police training and outside services.

General Fund Projects: Increase of \$.1 million over FY 2012/13 adopted budget. The major increase in this category is related to funding a \$.4 million building maintenance project for the City Hall Annex. There is also \$.1 million of project funding provided for the General Plan Update which is funded through Advanced Planning Fees. These two additions to the projects budget are partially offset by reductions in the Asset Forfeiture projects and reductions in other one-time building maintenance projects funded in FY 2012/13.

The General Fund FY 2013/14 expenditure budget of \$123.6M reflects an emphasis on rebuilding and achieving stability for the core services provided to the community. As detailed above, this includes an increase in funding to stabilize permanent positions and ongoing operating expenditures as well as increasing funding for known cost increases and urgent needs.

FY 2013/14 General Fund Expenditure Budget - \$ and % by Dept.

DEPARTMENT	FY 2013/14 PROPOSED BUDGET <i>(amts in millions)</i>	% of TOTAL GENERAL FUND BUDGET
General Government *	\$15.2	12%
Community Development	4.0	3%
Fire	29.5	24%
Police	42.3	34%
Transportation & Public Works	12.0	10%
Recreation & Parks	14.8	12%
Utilities – General Fund	.8	1%
Non-Departmental	5.0	4%
TOTAL	\$123.6	100%

*General Government departments include: City Attorney, City Council, City Manager, Finance, and Human Resources

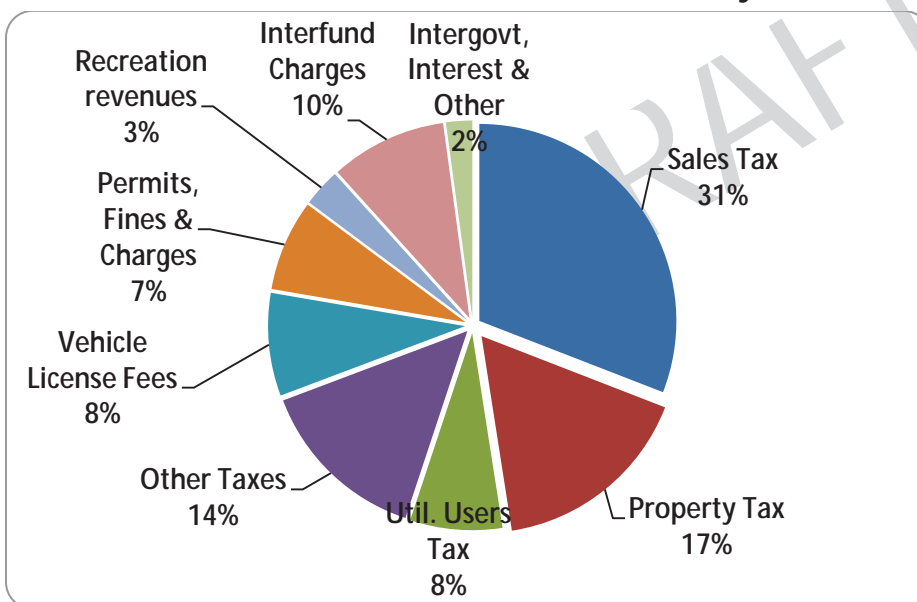
Budget Overview

General Fund revenues are expected to finish FY 2012/13 at \$123.3 million, excluding a \$1.6 million one-time Property Tax Administration Fee (PTAF) settlement received in 2013. After two years of significantly declining revenues in FY 2008/09 and 2009/10, the past three years have seen a gradual recovery in base General Fund revenues. This recovery has been aided with the passage in November 2010 of Measure P, a quarter-percent general sales tax measure in effect for eight years (expires March 31, 2019) that will generate approximately \$7.5 million in the upcoming year.

FY 2013/14 revenues are estimated at \$125.6 million, an increase of 1.9% over the 2012/13 estimate (excluding the PTAF settlement). Per the chart below, Sales and Property Tax are the two largest revenue sources for the City's General Fund, together accounting for 48% of General Fund revenue. Sales Tax also accounts for the largest portion of the year over year revenue growth, providing an additional \$1.3 million of revenue in 2013/14.

Other tax revenues such as Utility Users Tax, Franchise Fees, Transient Occupancy Tax and others are projected to experience slight growth in FY 2013/14. For more information on General Fund revenues, please see the City Revenues (in the Summary Financial Information) section of this document.

FY 2013/14 General Fund Revenues – % by Source



Enterprise Funds

The Utilities Enterprise Funds (Water, Local Wastewater and Subregional Wastewater) make up the vast majority (\$134.5 million), of the \$157.1 million enterprise funds budgets. As noted in the fund chart at the beginning of this overview section, the enterprise budgets include both operational (\$121 million) and CIP (\$36.1 million) elements. In addition to the Utilities funds, enterprise funds include the Golf Course, Parking, Transit and Storm Water Funds. The **Parking and Golf Course** budgets are relatively flat year over year while both the **Storm Water** and the **Transit** funds are seeing decreases of \$(313)K and \$(2.3) million, respectively. While base operating costs for the Storm Water funds are relatively flat, the projects budget,

Budget Overview

which can vary by year, is down for FY 2013/14. The Transit decreases reflect a decrease in their capital projects funding (new bus purchases, transit mall remodel) as well as decreases in operating costs in connection with the February 2013 reduction of fixed route transit services. In the **Utilities** funds, the year over year increase is driven primarily by a \$14.4 million increase in the Department's Capital Improvement Program budget along with a \$3.5 million increase in budgeted costs for the purchase of water within the Water Enterprise Fund.

Housing Authority & Successor Agency to the Redevelopment Agency

The majority of the **Housing Authority's** proposed FY 2013/14 \$25.5 million budget is related to funding for the \$21 million Housing Choice Voucher program. This program also accounts for the \$1.2 million year over year increase in the Housing Authority budget which is due primarily to Port-In vouchers and the addition of 50 Housing and Urban Development - Veterans Affairs Supportive Housing vouchers.

The \$4.7 million budget for the **Successor Agency to the Redevelopment Agency** reflects approved funding agreements, per the Recognized Obligation Payment Schedule (ROPS).

Special Revenue Funds and Other Funds

The **Special Revenue Funds** FY 2013/14 budget of \$10.6 million is comprised of the following:

\$7.6 million - Measure O

\$1.2 million - Economic Development Fund (including the City Tourism BIA and the Tour of California)

\$.3 million - Neighborhood Revitalization Program

\$.5 million - Homeless Shelter Operations funding

\$.3 million - Community Development Administrative Hearing Fund

\$.7 million - other Special Revenue Funds

Other Funds include non-enterprise Debt Service Funds with a budget of \$4.6 million and Trust Funds with a budget of \$.4 million.

Full-Time Equivalent Discussion

The FY 2013/14 budget has a total proposed staffing count of 1,219.7 FTE across all funds. After four years of significant reductions in authorized positions, the City's staffing levels began to stabilize in the current (2012/13) fiscal year with only minor changes in FTE. The proposed 2013/14 fiscal year includes the addition of 21.8 FTE with the majority of the changes occurring in the Public Safety and Utilities departments.

The Fire Department includes the conversion of overtime funding to 6.0 FTE firefighter positions. The Police Department includes 6.5 FTE position additions (sworn and civilian) that add to service capacity and serve to bring the department closer to Measure O specified baseline funding levels. The Utilities Department is adding 7.0 FTE with four of those positions being proposed for Subregional Operations, one limited-term for Local Operations and two positions in Administration. The remaining departments include the addition of 8.3 FTE and the elimination of (6.0) FTE. For a more detailed position discussion, see the FTE (Staffing) Summary under the Summary Financial Information section.

Budget Overview

National Economic Outlook

The national economy is continuing to demonstrate the slow but steady growth that has been experienced in the past year. The Federal Reserve Bank of San Francisco predicts that this trend will continue into the next couple of years, forecasting 2.25% growth in the National Gross Domestic Product (GDP) for 2013, and 3.25% for 2014. The national economy has added on average 112K jobs each month from April 2012-April 2013, with the national unemployment rate for April 2012 at 7.5%, the lowest rate since December 2008. National Personal Income was up 2.8% from April 2012 to April 2013. Retail sales have risen 4.6% over a 12-month period through March 2013. The real estate market is showing strong signs of improvement in 2013, with the National Association of Realtors projecting home sales prices to increase 8% in 2013 and 5% in 2014.

However, there are mixed signals on the continued strength of the economy. Mortgage rates are expected to rise by 2014, for the first time since the Great Recession. Inflation is also expected to rise to 2% in 2013. According to a report published by the Federal Reserve Bank of St. Louis in May 2013, national household net worth reached \$66.1 trillion in 2012, nearly the peak of pre-recession levels, not adjusted for inflation or population growth. However, the Fed cautions that 62% of the net gain was due to recovery in the stock market, with gains not impacting all families, and disproportionately benefitting “a relatively small number of wealthy families.” Slower or reduced government spending nationwide could put downward pressure on GDP. Also, European markets could impact the U.S. stock market and related investment, with the European economy in an overall recession in May 2013, and Europe’s unemployment rate at all-time highs.

State Economic Outlook

California’s preliminary unemployment rate decreased to 9.0% in April 2013, down from 10.7% in April 2012. This decrease translates into over 443k jobs added to the state’s economy in the past year. A majority of the jobs have been added in the San Francisco Bay area, especially the Silicon Valley. The largest employment increases by sector over the previous year included construction, leisure and hospitality, professional and business services and information technology. Government employment saw a slight year over year decline for April 2013. Total Personal Income for California grew 6.0% in 2012 over the previous year. The real estate sector continues to see signs of rebounding in California. According to a report by Data Quick, the median home sales price in California for April 2013 was \$324,000, the highest level since April 2008. Foreclosure resales in April 2013 were at the lowest level since September 2007.

Concerns remain for California’s economy into 2014. As of June 2013, there is lingering concern that the full implementation of federal funding sequester cuts will slow California’s economic growth by as much as .5% of the total California GDP. In addition, certain areas of the state, such as the Central and Imperial Valleys, continue to see localized unemployment rates over 14%. Rising housing costs are another concern, as the median sales prices have rapidly rebounded in some areas and were over \$537k in Orange County and over \$600k in the Silicon Valley in April 2013.

Budget Overview

Local Economic Outlook

Santa Rosa and Sonoma County's economy has continued to improve over the past few years. The seasonally-adjusted unemployment rate for the Santa Rosa-Metropolitan Area for April 2013 was 6.9%, a much-improved picture over the peak unemployment rate in February 2010, when it was at 10.7%. The region added over 12,000 jobs during the period between February 2010 and April 2013.

Santa Rosa's retail sector continues to grow. Total retail sales for calendar year 2012 in the City were up 4.2% over 2011. The growth was driven by new auto sales, which increased 18.1% in 2012 over the previous year. Several local dealerships rehabilitated or expanded their showrooms and locations, and a couple of new dealerships opened in 2012 and early 2013. General retail sales increased 2.0%. This growth will be assisted in the upcoming year by the opening of a new Dick's Sporting Goods and Target stores at the Coddington mall by 2014.

Construction purchases increased 3.7% in 2012 over the previous year, demonstrating a rebound in that sector due to several local projects underway. Major projects include construction on the \$103 million Sonoma Marin Area Rail Transit (SMART) project that began in 2012, and the \$84 million terminal and runway expansion of the Sonoma County Airport that is expected to begin by fall 2013. In addition, building permit valuations for FY 2012/13 have been the strongest in several years, with the City estimated to collect over \$5 million in related building permits and fees for the fiscal year. This growth in building permit valuation is being driven by commercial rehabilitation as well as the construction and expansion of long term care and retirement facilities in the City.

The local tourism sector continues to experience growth. According to the Sonoma County Tourism and Convention Bureau, the annual occupancy rate of local hotels increased 11.1% in January-April 2013 over the same time period in 2012. In addition, the average daily rate for a hotel room in January-April 2013 increased 2.9% over the same time period in 2012.

Concerns remain for the local economy into 2014. The real estate market has been highly volatile, with the median home sales price in Sonoma County at \$385k for April 2013, 28.0% higher than in April 2012. However, sales volume has been stagnant and investor-driven, and new single family home growth is not projected to pick up within the next year. The overall increase in sales tax growth in Santa Rosa in 2012 trailed the state as a whole, at 4.2% over 2011, compared to 6.3% statewide. Once new car purchases slow, Sales Tax growth is expected to slow down in future years. In addition, much of the commercial construction growth experienced in 2013 into 2014, is considered to be one-time, and not reflective of large amount of sustained growth in that sector. The local high tech sector has not seen a large amount of activity, with the exception of growth in medical device manufacturing located within the City.

Budget Overview

Five-Year General Fund Forecast

The City uses a General Fund forecasting methodology that looks out five years into the future, the cornerstone of which is a financial forecasting tool that allows us to accomplish several objectives: First, to incorporate the most recent data about revenue trends, future anticipated costs, and economic indicators into the model; second, to view trends and allow the evaluation of any ongoing (i.e. structural) imbalances; third, to allow City Management and the City Council to test “what if” scenarios and use the model as a decision making tool; and lastly, to open up the financial assumption process to review by the public and employees. The model is updated throughout the year and assumptions are revised. No future year additional programs or staffing are included in the model so a “business as usual” assumption is maintained in order to view trends.

During FY 2012/13, the Five-Year Forecast was utilized in conjunction with the Fall, Mid-Year and Spring Financial Updates. During each of those updates revenues, expenditures, and model assumptions were updated and adjusted as necessary. General Fund revenue growth has been better than forecasted, with total revenues for FY 2012/13 projected to come in 2.9% higher than budgeted. This total does not include a one-time, \$1.6 million Property Tax Administration Fee settlement. The prime drivers of the increased revenue were higher than anticipated sales tax growth, growth in Real Property Transfer Tax primarily due to strong home sales in Fall 2012, as well as growth in building permits and related fees. Total Revenue growth is expected to slow to a 1.9% increase in FY 2013/14 due to some of the originally-forecasted growth for FY 2013/14 being realized in FY 2012/13. Out year revenue growth is expected to be around 2.2%, which factors in a mild slowdown in the economy, but continued “slow but steady” growth.

General Fund expenditures (excluding Net Transfers) reflect existing labor agreements and forecasted increases to benefit costs, particularly health insurance and retirement, as well as Consumer Price Index (CPI) increases for Services and Supplies. The forecast does not incorporate any employee concessions not already in place.

Conclusion and Future Challenges

The next few years will see the City undergo further challenges. Continued long-term focus on fiscal stability remains a critical goal of the organization. As General Fund expenditures and net transfers are projected to increase annually at a higher rate than revenues, creative solutions need to be identified in order to achieve that stability. This balancing of resources with commitments will be made even more difficult with the recent changes made by CalPERS that will increase City retirement costs above previously forecasted levels. In addition, the expiration in FY 2018/19 of Measure P, the quarter-cent sales tax, will put an additional fiscal burden on the City.

Keeping in mind the challenges that lay ahead, the FY 2013/14 budget was formulated to build on the progress made towards fiscal sustainability by stabilizing existing core programs and operations, targeting investments to meet priority needs for infrastructure in the community, rebuilding emergency reserves to meet policy guidelines, and developing long-term strategies for cost controls/reductions and revenue growth. Staffing restoration, public safety commitments, essential building maintenance funding and

Budget Overview

increased commitments for community/economic development programs were included in the FY 2013/14 budget. As discussed in the Transmittal letter, the City continues to make progress toward Council goals. The upcoming budget will add to that progress as we continue to address the long-term needs of our community.

DRAFT 1

Capital Improvement Program (CIP)

The City of Santa Rosa's Capital Improvement Program (CIP) is a planning tool that is intended to evaluate the City's long-range capital needs and prioritize them over a five-year period. The first year of the CIP is known as the Capital Budget. Each year, the City Council appropriates funding for the Capital Budget only, and approves years two through five on a planning basis.

The CIP process begins in December with the release of preliminary estimates of available CIP funds. The CIP is funded by a variety of sources, including the General Fund, Gas Tax, Development Fees, Park Development Fees, and Enterprise Fund funding. Of these funding sources, the General Fund and Gas Tax can be used on the widest array of projects. Other funding sources, such as Development Fees, have specific, legally restricted uses.

In compliance with the City Charter, the City Council holds a public hearing during the first quarter of each year to solicit budget priorities from the community. New this year, the City's Community Advisory Board is required to hold four public meetings to solicit input on the Capital Improvement Program. This year, these meetings were held in conjunction with the Community Engagement Program's DINE (Discussions Inspiring Neighborhood Engagement) Operations and Maintenance budget public input event. This input, combined with information given directly to the City Council or City Manager, and from specific staff project requests, is evaluated and prioritized based on need and the amount of funding available. The CIP is then subjected to a number of reviews; first, by the City Manager's Office, the Board of Public Utilities to review water, local wastewater and subregional projects, then the full City Council for a preliminary review during the May budget study sessions, the Planning Commission for General Plan consistency and environmental review, and back to the City Council for approval during the budget hearings in June.

FY 2013/14 CIP

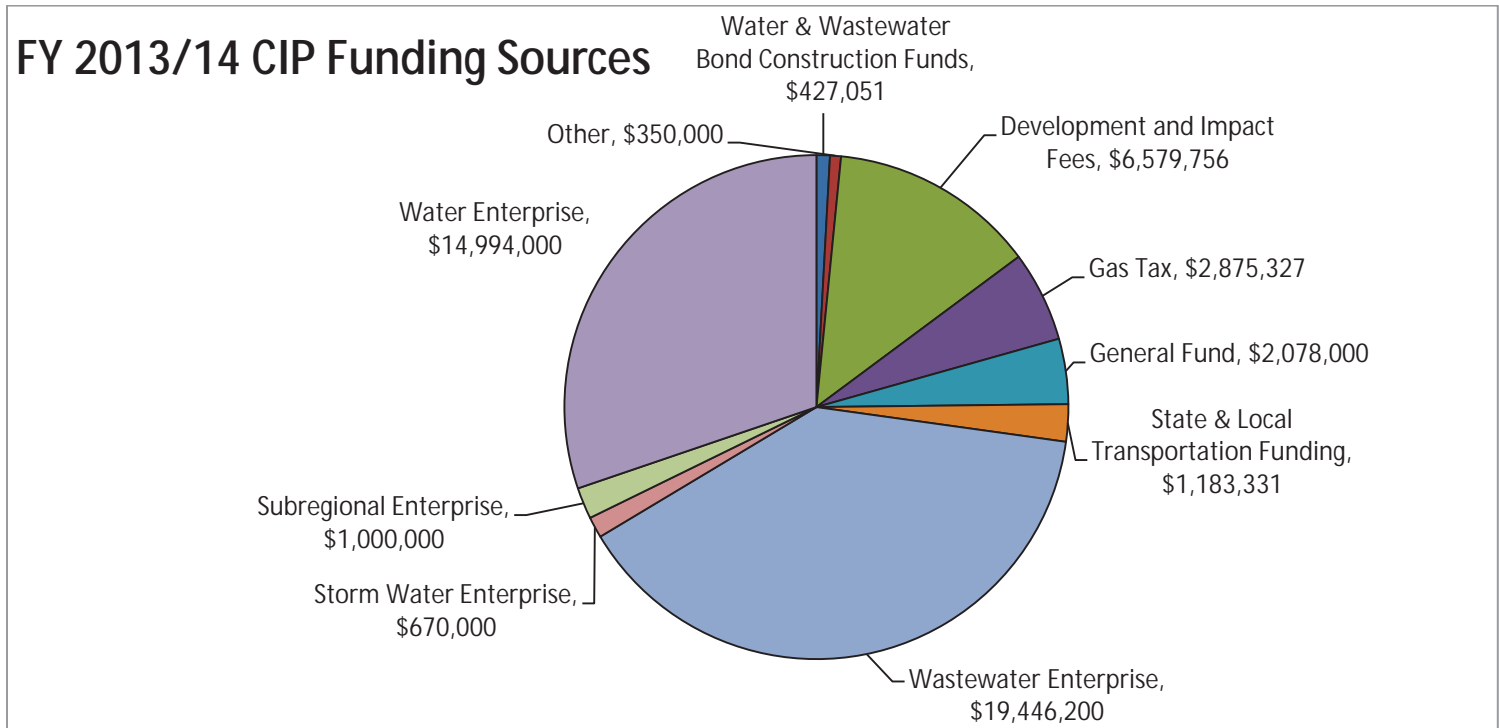
The total proposed budget for the five-year CIP is approximately \$223 million. Of this amount, the FY 2013/14 Capital Budget is approximately \$49.6 million. The emphasis in the 2013/14 CIP is funding of projects that can be designed and built in a short time span to best take advantage of the competitive bidding climate, resulting in lower construction and overall project costs. Additionally, as always, the City continues to actively seek regional, state, and federal grant funding for capital improvement projects.

General Fund projects proposed as part of the FY 2013/14 Capital Budget total approximately \$2 million, the majority of which is devoted to facility improvements to provide access for disabled persons in compliance with the Americans with Disabilities Act (ADA) resulting from the City's settlement agreement with the Department of Justice. Other projects include underground tank remediation projects, park and facilities lighting upgrades to improve energy efficiency and reduce costs, and City-wide reroofing projects. (Projects funded outside the General Fund will be detailed later in this document.) In years two through five of the CIP, there are approximately \$32.9 million of unfunded General Fund projects. These projects are significant in that they illustrate the unmet needs of the City's infrastructure. Many of these projects would typically be funded by the General

Fund, but due to funding limitations relating to the City's economic conditions, these projects are identified but cannot be funded in the foreseeable future.

Project Funding Schedule

The FY 2013/14 CIP is funded through a variety of revenue sources, which the chart below summarizes:



Summary of CIP Projects by Department

The three departments that make up most of the \$49.6 million Capital Budget are Transportation and Public Works, Utilities, and Recreation and Parks. Detailed information about those three departments immediately follows. The other department requesting funding this year is the Fire Department, proposing approximately \$800K of funding for Fire Training Center facility improvements and planning, design of a new Fire Station in south Santa Rosa and repayment of the Southwest Fire Station loan.

Transportation and Public Works

The Transportation and Public Works Department's CIP budget for FY 2013/14 is \$10 million, approximately 42% higher than last year. This increase is due to increases in Gas Tax funding, Measure M, and the Utilities Impact Fee. The \$10 million of Transportation and Public Works funding is allocated to projects that can be summarized in four overlapping categories: Pavement Management, Traffic Safety and Transportation, Bike/Pedestrian/ADA, and Drainage. There are also projects for reimbursements to developers for certain public works completed, Materials Lab equipment, and others that do not fit into the four main categories.

The Transportation and Public Works budget emphasizes pavement maintenance, pedestrian/bicycle/ADA access, and street capacity. There is \$4.66 million (approximately 47% of the

total Transportation and Public Works CIP request) scheduled strictly for pavement rehabilitation. Pavement rehabilitation includes overlay, slurry seal, repairs, and preventive maintenance. It should be noted that the funding requested is well below the estimated \$12 - \$15 million of funding necessary to maintain the City streets in an overall condition of "Good", as rated by the City's Pavement Management Program.

Traffic Safety and Transportation projects relate to improving traffic circulation as well as traffic safety. Funding for these projects is \$2.23 million, representing approximately 22% of the total budget request. These projects include street widening projects such as Stony Point Road from Highway 12 to Hearn Avenue, Ventura Avenue Improvements, traffic signal modifications and traffic signal interconnects.

Funding totaling approximately \$2.6 million, or 26%, of the total Transportation and Public Works CIP budget will go to projects affecting bicyclists, pedestrians, or ADA improvements. These projects are part of an effort to build new streets and upgrade existing streets to "complete streets" that provide multi-modal opportunities. Funding in this category is designated for developing a bike boulevard on 6th Street and sidewalk enhancements on Aston Avenue and Fulton Road.

In addition to the categories mentioned, approximately \$300,000 is designated as repayment of the Redevelopment Agency loan for the construction of the Southwest Fire Station. The loan is being repaid with Southwest Area Development Impact Fee revenue.

The Transportation and Public Works Department is targeting additional grants for FY 2013/14, continuing the Department's practice of aggressively pursuing grant funding. Grant funding is not included in this budget as new grants have not been secured at this time; once grant funding has been secured, a resolution(s) will be brought to Council for approval and appropriation.

Utilities

The Utilities Capital Improvement Program is funded from demand fees and rate revenue. All demand fee revenue is used to help fund the CIP with the remainder of the program being funded by rates. Demand fees (fees paid by new development) are calculated so that by build-out development will have paid a fair share to oversize existing infrastructure and build new infrastructure required by the City's General Plan. Demand fee revenue is up slightly this year. In addition, both the water and wastewater reserves have fund balances above the target levels and the Board of Public Utilities has recommended that a portion of this fund balance be spent on the CIP due to the one-time nature of these funds. Due to these increased revenues, Utilities is recommending a 2013/14 CIP budget that is \$14.4 million higher than last year. The Water CIP increased approximately \$6.7 million (81%), the Wastewater CIP increased \$7.7 million (63%), and the Subregional CIP stayed flat. The results of the Laguna Treatment Plant's condition assessment have initially identified projects that will require funding beyond what can be cash-funded. It is anticipated that with the completion of the assessment and future bond sales, there will be a significant increase in Subregional projects. It is anticipated that a bond sale will take place in FY 2014/15.

The Water Utility FY 2013/14 CIP budget is approximately \$15.2 million. 31% of Water CIP funding is allocated to groundwater supply, water peak reduction and other non-infrastructure projects and 69%

is designated for projects to replace aging infrastructure. There are twenty projects receiving new funding in the FY 2013/14 request. The pipe replacement rate in FY 2013/14 will be 0.5% of the total amount of water pipe within the city. Additionally, the Utilities Department continues to replace customer water meters with remote read devices, evaluate seismic upgrades for reservoirs, invest in water-use efficiency and develop alternative energy sources when appropriate.

The Local Wastewater Utility FY 2013/14 CIP budget is approximately \$19.7 million, 95% of which is allocated for pipe and other aging infrastructure replacement projects. The pipe replacement rate for FY 2013/14 is 0.4% of the total amount of wastewater pipe within the city. There are sixteen projects receiving new funding in the FY 2013/14 request. Funding is also being added to the Fulton Road Lift Station construction account, with full funding in place in FY 2014/15.

The FY 2013/14 cash-funded Subregional Water Reuse System capital request is \$1.0 million. Projects include evaluating the condition of the reclamation ponds, developing an energy optimization plan, implementing asset management, upgrading and replacing treatment plant and reclamation infrastructure, increasing energy efficiency, and implementing alternative energy sources where appropriate.

The Storm Water Enterprise Fund CIP budget is \$700k this year. Creek restoration project funding includes Lower Colgan Creek Restoration, Paulin Creek Fish Passage and the general storm water creek restoration project account. Storm drainage project funding includes two projects: Cast in Place Storm Drain Repair/Replacement and Rock Removal at Various Locations.

Recreation and Parks

The FY 2013/14 CIP budget request for Recreation and Parks is approximately \$2 million, with \$0.44 million available from Park Development fees and \$1.6 million from the General Fund for ADA improvements and citywide roofing projects.

The areas of greatest emphasis for 2013/14 are: meeting regulatory guidelines, completing the Person Senior Wing at the Finley Community Center and conducting park improvements and rehabilitation projects throughout Santa Rosa. Highlights of this year's program include: completing the Person Senior Wing at the Finley Community Center; improving Howarth Park's utilities and pathways; and making accessibility improvements to City parks and facilities as part of the ADA settlement with the Department of Justice.

The City's commitment to the arts continues with the allocation of 1% of Park Development Fees (\$4,467) and 1% of General Fund CIP (\$18,780) to support art and cultural events, art installations and ArtStart's young artist employment program; funds are budgeted in the operations and maintenance budget. The City's Art in Public Places Committee oversees installation, programing, staffing and support of public art.

Project List by Department

Following please find a list of projects being funded in FY 2013/14. For more information on any of the projects listed below, please refer to the FY 2013/14 Capital Improvement Program budget document. It includes detailed information about each project, information on funding sources,

projects in relation to City Council goals, ADA compliance and improvements, and General Plan consistency. Hardcopies of the FY 2013/14 CIP document are available at the City Manager's Office and Finance Department, and online at the Finance Department page on srcity.org.

Account Number / Title	2013 - 2014 Request
Department: Fire Department	
05040 - Repay-RDA Loan for SW Fire Stn	\$329,000
05050 - Fire Training Center Improv	\$232,218
05054 - New Fire Station-SoSanta Rosa	\$250,000
Fire Department Total	\$811,218
Department: Recreation and Parks	
02025 - Citywide Reroofing Projects	\$550,000
09532 - Doyle Park Renovation	\$105,000
09566 - Southwest Community Park	\$20,161
09568 - Howarth Park Rehabilitation	\$37,362
09581 - Juilliard Park Rehabilitation	\$35,604
09589 - Park Play Equipment Rehabilita	\$20,000
09592 - Tennis Court Resurfacing	\$40,000
09633 - New Senior Center	\$184,121
09708 - ADA Settlement-Facilities Proj	\$1,200,000
09709 - LghtngUpgradesParks/Facilities	\$38,000
Recreation and Parks Department Total	\$2,230,248
Department: Transportation and Public Works	
17011 - B Street Parking Lot - Soil Co	\$10,000
17014 - Slurry Seal Selected Streets	\$360,000
17015 - Sidewalk Program	\$250,000
17016 - Street Overlay - Various Locat	\$370,451
17017 - Traffic Signal Modification	\$3,192
17069 - Montgomery Drive Traffic Calmi	\$12,000
17086 - FarmersLnXt fm BV Rd to Hearn	\$217,826
17109 - Sign Replacements	\$40,000
17116 - SlurrySealPrep&Traffic Control	\$575,000
17125 - E Street at Tupper Street Inte	\$100,000
17134 - Traffic Safety Projects	\$145,616
17144 - Hearn Ave at Highway 101 Inter	\$424,165
17178 - Public Safety Building UST Rem	\$5,000
17181 - Fire Station 4 UST Remediation	\$15,000
17182 - Underground Fuel Tank Removal	\$150,000
17216 - Stony Point Rd from Hwy 12 to	\$1,321,687
17221 - Street Repair Associated with	\$300,000
17238 - Pavement Markings - Various Lo	\$90,000
17269 - Traffic Signal Interconnect	\$25,000
17293 - Cast In-Place SD Repair/Replac	\$100,000
17305 - Temporary Traffic Calming Devi	\$20,000
17309 - 85 Santa Rosa Avenue Groundwat	\$10,000
17315 - Middle Rincon Rd Reconstruct-M	\$48,103
17317 - Annual Pedestrian Access Ramp	\$175,000

17325 - BridgeRepairs/CalTransRecmdn	\$150,000
Account Number / Title	2013 - 2014 Request
17333 - Santa Rosa Creek Multi-use Pat	\$370,000
17337 - Ventura Ave Improvements - Pau	\$1,000,000
17360 - Fountain Grove Parkway Safety	\$40,000
17366 - Countdown Pedestrian Signal In	\$30,000
17369 - ADA Sidewalk Survey	\$250,000
17381 - Highway 101 Bike/Pedestrian Ov	\$200,000
17390 - Courthouse Square Reunificatio	\$50,000
17395 - Garage 9 - Groundwater investi	\$100,000
17432 - College Ave Widening-CalTrans	\$45,000
17449 - City Pavement Preventive Maint	\$600,000
17450 - Contract Pvmt Preventive Maint	\$600,000
17459 - Bridge Deck Treatment-Var Locs	\$55,000
17476 - Insp Bridge Assets-Strct X	\$25,000
17477 - Pre Design Planning CIP Prits	\$127,000
17483 - SMART Planning and Design	\$10,000
17485 - Jennings Avenue Rail Crossing	\$75,000
17494 - Lealand & Fair Oaks Storm Drain	\$95,000
17506 - Meritage Home Reimbursement	\$363,250
17507 - 6th St Bike Blvd	\$30,000
17526 - Fulton SW-College to SR Crk	\$40,000
17528 - Montecito & St Mary Signal	\$325,000
17529 - Silva & King SD Imp	\$90,000
17531 - PG&E Street Light Rplcmnt Prog	\$360,000
17532 - Aston SW Imp-PetHill to Miras	\$80,000
17533 - Downtown Ped Ramps Project	\$125,000
17534 - Streetlight Wire Replacement	\$20,000
Transportation and Public Works Department Total	\$10,023,290
Department: Utilities Department	
17502 - Paulin Crk Fish Psg @ Chanate	\$20,000
54001 - Storm Water Drainage Improve	\$51,658
54004 - Storm Water Creek Restoration	\$200,000
54007 - Lower Colgan Creek Restoration	\$300,000
54016 - Materials Lab Equip Rplcmnt	\$50,000
54021 - Storm Drain Rock Remvl-Var Loc	\$50,000
55357 - WMR:Brigham-Vallejo-Hwy12	\$200,000
55371 - Water Master Plan	\$80,000
55407 - WMR Cleveland-Ridgway-Edwards	\$700,000
55420 - W Supply Plng-Urban W Mgmt Pl	\$100,000
55495 - Water Conservation Indoor Wate	\$80,000
55505 - Warranty Punchlist - Water	\$25,000
55511 - Pre-Design - Water	\$190,000
55512 - AlternativeEnergyProjectsWater	\$100,000
55517 - Water Project Litigation	\$1,000
55523 - Groundwater Supply Development	\$3,000,000
55526 - Oversize Water Mains - City Pa	\$250,000
55527 - Water Peak Reduction	\$200,000
55574 - W CIP Reserves	\$1,000,000
55591 - WMR Seb Rd-Roberts to Dutton	\$100,000

55592 - WMR Apple Valley Lane	\$146,000
Account Number / Title	2013 - 2014 Request
55594 - WMR Carrington St	\$100,000
55595 - WMR Silva & King	\$300,000
55606 - R9C AnalysisDesignConstruct	\$150,000
55608 - Illinois & Sucher Water Servic	\$600,000
55614 - WMR Yates and Gilbert	\$200,000
55621 - WMR Grace Area Ph IV	\$800,000
55633 - WMR Lewrosa Way	\$200,000
55636 - WMR:ValleyCenterVillageSd	\$735,000
55637 - SMR Austin Way Area	\$1,175,000
55658 - MacklynAveWaterSvcReplacmnts	\$100,000
55660 - SlaterStService/ValveRepl	\$200,000
55662 - S3PumpUpgrades	\$970,000
55663 - S14PumpUpgrades	\$200,000
55664 - S10EmergencyPower	\$300,000
55667 - WMR:WhiteOakDr-Val39-S13HFSZ	\$100,000
55673 - WSR:4thBrydentoTalbot	\$140,000
55675 - AMI Feasibility Study	\$300,000
55679 - WMR:MohawkSenecaYuma	\$200,000
55682 - S6/S9PumperConnect@Summerfield	\$200,000
55685 - PumpStationElecSystemEvaln	\$75,000
55686 - JenningsXingWaterRelocation	\$400,000
55687 - WMR:8thStRRCrossing	\$150,000
55688 - WMR:SebastopolRdCrossing	\$300,000
55689 - PoleBarn:PVCPipeProtectionWtr	\$220,000
55690 - MasterMeterLinwood3Locs	\$30,000
55691 - FarmersLnWellTrtmtPlntRehab	\$500,000
55692 - PumpStation&ReservoirSecurity	\$50,000
55693 - RemoveServicesFromS1Feed	\$100,000
55695 - Slater Irrigation Well	\$50,000
55696 - WS:StonyPointRd	\$197,000
70345 - SubregionalFacilitiesReclamtn	\$100,000
70363 - Install/Rehab Manholes	\$25,000
70517 - Trenchless Technology	\$200,000
70550 - Fulton LS Constr-Cash Funded	\$3,000,000
70551 - Local Repairs - On Call Contra	\$250,000
70553 - Warranty Punchlist - Sewer	\$25,000
70556 - Pre-Dsgn,Plng,Bud&GIS-Sewer	\$255,000
70560 - Local WW Project Litigation	\$1,000
70584 - SMR Los Alamos Trunk	\$200,000
70589 - Alt Energy Projects- Sewer	\$100,000
70590 - Local WW CIP Reserves	\$2,000,000
70608 - SMR Carr,Davis, Theresa, Olive	\$265,000
70610 - SMR Apple Valley Lane	\$200,000
70616 - SMR Ind to Piner C009-H033	\$250,000
70618 - SMR Seb Rd-Roberts to Dutton	\$200,000
70620 - CCTV/Sonar Trunk SM Inspection	\$90,000
70637 - SMR Illinois & Sucher	\$475,000
70641 - SMR Salem & Clement	\$200,000
70646 - SMR Grace Area Ph IV	\$300,000
70650 - SMR Montg/Jean/Yates/Gilbert	\$200,000

70654 - SMR:Slater-DexterToLewis	\$243,000
Account Number / Title	2013 - 2014 Request
70656 - SMR Austin Way VCP	\$1,225,000
70661 - SMR:ValleyCenterVillageSd	\$840,000
70667 - Spring Lake LS- Elev Mntring	\$100,000
70668 - Airport,Robles,Llano TS Repair	\$1,350,000
70669 - Wastewater Planning	\$75,000
70670 - Wtr Conse Indoor Wtr Use Effic	\$100,000
70675 - SML N Fulton & Llano Trunks	\$3,000,000
70700 - SMR:MacklynAve	\$200,000
70703 - SMR:SlaterStCollegetoBenton	\$370,000
70706 - SMR:Mendocino-SilvaToLewis	\$200,000
70712 - SMR:4thBrydentoTalbot	\$1,117,200
70716 - STL:Robles-WkrttoEConfluence	\$500,000
70720 - LSFMRrealignment-Mohawk	\$200,000
70723 - SMR:SummerfieldRd@Horseshoe	\$590,000
70724 - AlderbrookLiftSationRemoval	\$25,000
70725 - LiftStationElecSystemEvaln	\$75,000
70726 - SMR:8thStSMARTRailXing	\$150,000
70727 - PoleBarn:PVCPipeProtection-WWW	\$207,051
70728 - AMI/AMR Meters-Sewer	\$200,000
70729 - SM:StonyPointRd	\$650,000
86365 - Subregional Electrical Systems	\$150,000
86384 - SubreglPlantAltEnergyOppty	\$50,000
86489 - LTP On-Call Contractor	\$150,000
86522 - OngoingSubregionalSystemUpg	\$150,000
86524 - SubrAssetMgmtlImplementation	\$100,000
86525 - AlternativeFundingPursuit	\$100,000
86526 - PondLeakageStudyPhasel	\$200,000
Utilities Department Total	\$36,538,909
TOTAL FY 2013/14 CAPITAL BUDGET REQUEST	\$49,603,665

Conclusion

The FY 2013/14 CIP budget was developed with limited financial resources. Development fees, grants, special sales taxes, and enterprise fund revenues are not adequate to fund all of the necessary infrastructure improvements identified in the City. Staff will continue to pursue grants, but additional funding mechanisms will be needed in the future to adequately fund adopted capital plans and ongoing maintenance of existing and future facilities.

City Council Goals

Santa Rosa, located in coastal Northern California, is the largest City between San Francisco and Portland, Oregon. The ideal climate, wine country and redwood location provides City residents and visitors an



unmatched quality of life. The region offers residents, businesses, and visitors distinctive experiences that include a vibrant downtown; unique neighborhoods working together to connect and engage; breathtaking open space, creeks, and greenbelts; clean air and water; a multimodal transportation infrastructure to efficiently and safely move about the region; and countless cultural and recreational events all taking place in an ethnically and culturally diverse environment. However, Santa Rosa faces challenges common to many communities of comparable size including traffic congestion, and budgetary and service delivery concerns.

To address the diverse needs and challenges facing our community, the City Council provides policy direction based on a set of goals designed to bring out the best in Santa Rosa. In 2007-08, the City developed and adopted the Santa Rosa 2030 Vision with a strategic framework that includes addressing the following areas: creating a vital downtown; thriving, diverse, healthy, and safe neighborhoods; open space and recreational activities; creating additional transportation alternatives; more inclusive community; delivering a safe and efficient transportation system; developing regional gang prevention and intervention programs; maintaining a leadership role in the region for environmental initiatives; promoting a healthy and growing economic base; and providing resources for seniors and youth.

Every two years, the City Council meets to brainstorm and develop goals and strategic objectives to help prioritize and focus the City's resources on its most important issues. The Council and Executive Staff met in February 2013 for the City Council Leadership and Strategic Goals Setting Workshop to develop the 2013-2015 City Council Goals and Strategic Objectives. The current goals and objectives, listed below, were adopted by the City Council on May 21, 2013.

2013-2015 City Council Goals and Strategic Objectives:

① Create a Strong, Sustainable Economic Base

Strategic Objectives:

1. Economic Development Real Estate Initiatives
2. Additional Economic Workplan Initiatives
3. Parking District Economic Initiatives
4. Guidelines for Evaluating Requests for Community Impacts Reports
5. Explore Project Labor Agreement
6. Promote and Support Efforts to Retain and Expand Local Businesses
7. Review Local Preference Ordinance



City Council Goals

② Promote a City Organization that is Sustainable and Maintains Employee Morale, Productivity, and Effectiveness

Strategic Objectives:

1. Develop Funding Plan for Long-term Unfunded Obligations, including Labor Costs, to Achieve Fiscal Stability
2. Continue to invest in Employees by Providing Training Programs and Mentoring Opportunities
3. Review Council, Board and Commission Roles, Duties and Responsibilities

③ Provide Leadership for Environmental Initiatives

Strategic Objectives:

1. Improve our Transportation Network to Reduce Vehicle Miles Traveled and Promote Multi-modal Transportation
2. Establish Santa Rosa as a Leader in Resource Recovery
3. Review Urban Open Space Plans and Improve Creeks and Other Watersheds
4. Develop a Target for Energy Independence and GHG Reduction
5. Support Green Waste Collection for Multi-family Dwellings



④ Maintain and Enhance our City's Cultural, Historical, and Recreational Assets

Strategic Objectives:

1. Research New Revenue Models
2. Develop Asset Management Strategy to Maintain Parks and Urban Forest
3. Support Efforts of Southeast Greenway Campaign by Monitoring and Providing Information
4. Expand and Maintain Youth and Family Programs
5. Promote Santa Rosa's History



City Council Goals

⑤ Improve the Partnerships between Neighborhoods, Community Organizations, Schools, and the City to Support and Promote Thriving, Inclusive, and Diverse Neighborhoods

Strategic Objectives:

1. Develop a Workplan and Costs for Roseland Annexation
2. Support Community Advisory Board Workplan
3. Implement Mayor's Gang Prevention Task Force Strategic Plan
4. Seek Opportunities to Increase Affordable Housing and Emergency Housing Beds
5. Support Community Engagement Programs to the Neighborhoods



⑥ Commit to Making Santa Rosa a Healthy Community Where People Feel Safe to Live, Work, and Play

Strategic Objectives:

1. Seek Opportunities to Enhance Neighborhood Revitalization Program
2. Expand Smoking Ordinance for Public/Private Places
3. Enhance Code Enforcement Resources to Preserve Neighborhood Health and Safety
4. Evaluate Opportunities to Participate in Community-wide Education and Health Initiatives
5. Review and Adjust Reductions to Streetlight Program and Assess New Technologies
6. Support COPE Training for Emergency Preparedness of Residents
7. Ensure Safe Access to Both SMART Rail Stations by Evaluating Designs at the Earliest Time in Consultation with SMART
8. Continue Design and Environmental Review to Study Possible Implementation of Bicycle and Pedestrian Bridge at Highway 101 Crossing near Vicinity of Jennings to SRJC
9. Reconvene Medical Marijuana Committee to Review Medical Marijuana Ordinance and Make Recommendations to Council
10. Increase Enforcement of Existing Trash, Graffiti, and Sign Rules



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Measure O Overview

In November 2004, the voters in Santa Rosa passed Measure O, a quarter cent sales tax increase to fund Police, Fire, and Gang Prevention programs. The proceeds from the tax are divided 40%, 40% and 20% respectively. Because the revenue from this increase is intended to fund specific programs, the increase was considered a “special tax” and as such, had to pass with a 2/3 majority vote. The City began receiving revenue from the tax increase in May of 2005. Revenue generated by this tax has averaged approximately \$7 million annually.



Measure O funding is to be spent according to the Implementation Plan established by the City Council. This plan provides funding for a variety of specific programs benefiting the community including: additional Fire and Police department personnel and equipment; four interim fire stations in various locations throughout the City, including the Southwest area; and gang prevention and youth programs run by the Recreation & Parks department. A copy of the implementation plan follows.

To ensure the proper use of Measure O funds, a citizen oversight committee was appointed by the City Council. This committee’s mission is to ensure that all revenues received are spent only on permissible uses, which are defined in the ordinance establishing the special tax. The citizen oversight committee reviews Measure O appropriations prior to the City Council budget hearings and reports to the Council on the use of the previous year’s funds each fall.



The 2013/14 Measure O budget provides funding for positions consistent with the uses and purposes outlined in the Implementation Plan. There are no changes to the Implementation Plan for 2013/14. Measure O positions for 2013/14 total 36.5 FTE: 10.0 in Fire; 19.0 in Police; and 7.5 in Gang Prevention/Intervention.

Measure O Overview

CITY OF SANTA ROSA
MEASURE O - PROPOSED BUDGET
FIRE, POLICE & GANG PREVENTION / INTERVENTION
FISCAL YEAR 2012/13 & PROPOSED 2013/14

FIRE - MEASURE O:	2012/13 Current Budget	2013/14 Proposed Budget
Category		
Salaries	1,451,464	1,511,170
Benefits	810,935	886,401
Services and Supplies	97,021	98,384
Administrative Overhead	139,155	130,082
Capital	30,000	-
Total Operating	2,528,575	2,626,037
Interim Fire Stations (CIP)	500,000	
Debt Service - Fountaingrove Fire Station		300,000
TOTAL FIRE - MEASURE O	3,028,575	2,926,037

POLICE - MEASURE O:	2012/13 Current Budget	2013/14 Proposed Budget
Category		
Salaries	1,752,875	1,860,163
Benefits	1,115,654	1,070,869
Services and Supplies	121,198	125,128
Administrative Overhead	139,155	130,082
Capital - Vehicles	-	-
Total Operating	3,128,882	3,186,242
Projects	-	-
TOTAL POLICE - MEASURE O	3,128,882	3,186,242

GANG PREVENTION / INTERVENTION - MEASURE O:	2012/13 Current Budget	2013/14 Proposed Budget
Category		
Salaries	661,770	612,241
Benefits	224,618	187,259
Services and Supplies	159,718	244,884
Grants Program	430,600	419,304
Administrative Overhead	69,578	65,040
Total Operating	1,546,284	1,528,728
TOTAL GANG PREV - MEASURE O	1,546,284	1,528,728

TOTAL - ALL MEASURE O FUNDS	7,703,741	7,641,007
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Measure O Overview

Fire Department Implementation Plan

City of Santa Rosa Transaction and Use Tax Implementation Plan (FY 2013/14)				
Fire Department (Est. Annual Revenue Allocation \$2.8 Million)				
Year	Program	Estimated Costs		Total
		One Time	Ongoing	
2005-06	Construct Interim Fire Station 10 (Southwest)	300,000	-	
	Operational Costs of Interim Fire Station 10	5,000	-	
	Additional Firefighters (Engine 6)	-	115,000	
	Purchase Fire Engine	352,000	-	
	Defibrillators	46,000	-	
	Total Estimated Costs for 2005-06	703,000	115,000	818,000
2006-07	Construct Interim Fire Station 11 (Mendocino & Steele)	750,000	-	
	Relocated Interim Fire Station 5 (Fountaingrove)	750,000	-	
	Upgrade One Engine to ALS	25,000	24,000	
	Construct Permanent Fire Station 10 (partial cost)	442,000	-	
	Operational Costs of Interim Fire Station 10	5,000	-	
	Purchase Wildland Fire Engine	308,000	-	
	Purchase Equipment for Fire Engine	75,000	-	
	Continued Staffing Costs of Engine 6	-	240,000	
	Total Estimated Costs for 2006-07	2,355,000	264,000	2,619,000
2007-08	Full Time EMS Coordinator	-	50,000	
	Upgrade Second Engine to ALS	25,000	24,000	
	Maintain ALS Engine	-	24,000	
	Purchase of Fire Engine and Equipment	425,000	-	
	Continued Staffing Costs of Engine 6	-	296,000	
	Interim Fire Station-9 Construction	100,000	-	
	Increase for Interim Fire Station-11 Construction	500,000	-	
	Increase for Interim Fire Station-5 Construction	400,000	-	
	Increase for Permanent Fire Station-10 Construction	350,000	-	
	Staffing and Operational Costs of Station 11	-	1,568,000	
	Total Estimated Costs for 2007-08	1,800,000	1,962,000	3,762,000
2008-09	Full Time EMS Coordinator	-	50,000	
	Maintain One ALS Engines	-	48,000	
	Continued Staffing for Engine 6	-	342,000	
	Staffing and Operational Costs of Station 11	-	1,607,000	
	Increase for Interim Fire Station-11 Construction	500,000	-	
	Decrease for Interim Fire Station-5 Construction	(500,000)	-	
	Total Estimated Costs for 2008-09	-	2,047,000	2,047,000
2009-10	Continued Staffing for Engine 6	-	450,000	
	Staffing and Operational Costs of Station 11	-	1,647,000	
	Reserves - Elimination of 09/10 2nd Brownout	123,000	-	
	Equipment and Swift Water Rescue Trailer	50,000	-	
	Transfer Three Firefighters from General Fund	-	450,000	
	Maintain One ALS Engine	-	48,000	
	Full Time EMS Coordinator	-	50,000	
	Total Estimated Costs for 2009-10	173,000	2,645,000	2,818,000

Measure O Overview

Fire Department Implementation Plan, cont.

City of Santa Rosa Transaction and Use Tax Implementation Plan (FY 2013/14)				
Fire Department (Est. Annual Revenue Allocation \$2.8 Million)				
Year	Program	Estimated Costs		
		One Time	Ongoing	Total
2010-11	Provide GF Savings by using E6 FF as backfill - avoid 3rd Staffing and Operational Costs of Station 11	338,000	-	
	Transfer Three Firefighters from General Fund	-	1,647,000	
	Reserves - Elimination of 10/11 2nd Brownout	-	450,000	
	Maintain One ALS Engine	593,000	-	
	Full Time EMS Coordinator	-	48,000	
		-	50,000	
	Total Estimated Costs for 2010-11	931,000	2,195,000	3,126,000
2011-12	Staffing and Operational Costs of Station 11		1,647,000	
	Maintain 2 ALS Engines		96,000	
	Full Time EMS Coordinator		50,000	
	Total Estimated Costs for 2011-12	-	1,793,000	1,793,000
2012-13	Fire Captain - Training		186,000	
and	SE Fire Station Design/Construction	500,000		
Beyond	Staffing and Operational Costs of Station 11		2,253,575	
	Maintain 2 ALS Engines		96,000	
	Full Time EMS Coordinator		50,000	
		500,000	2,585,575	3,085,575

Measure O Overview

Police Department Implementation Plan

City of Santa Rosa Transaction and Use Tax Implementation Plan (FY 2013/14)				
Police Department (Est. Annual Revenue Allocation \$2.8 Million)				
Year	Program	Estimated Costs		
		One Time	On-Going	Total
2006-07	Patrol Services			
	Additional Staffing and Operational Costs	-	203,300	
	Continued Staffing of Additional Patrol Services	-	1,249,000	
	Gang Enforcement Staffing Costs (limited five-year funding)	94,000	-	
	One-time Services & Equipment	163,400	-	
	Vehicles	409,700	-	
	Downtown Services			
	Additional Positions and Operational Costs	-	431,800	
	Traffic Services			
	Additional Positions and Operational Costs	-	288,800	
	Vehicles	56,600	-	
	Support Services			
	Additional Positions and Operational Costs	-	160,800	
	Total Estimated Costs for 2006-07	723,700	2,333,700	3,057,400
2007-08	Patrol Services			
	Additional Staffing and Operational Costs	-	203,300	
	Continued Staffing of Additional Patrol Services	-	1,179,000	
	Gang Enforcement Staffing Costs (limited five-year funding)	94,000	-	
	One-time Services & Equipment	70,000	-	
	Vehicles	409,700	-	
	Downtown Services			
	Additional Positions and Operational Costs	-	431,800	
	Traffic Services			
	Additional Positions and Operational Costs	-	288,800	
	Vehicles	56,600	-	
	Support Services			
	Additional Positions and Operational Costs	-	160,800	
	Total Estimated Costs for 2007-08	630,300	2,263,700	2,894,000
2008-09	Patrol Services			
	Additional Staffing and Operational Costs	-	203,300	
	Continued Staffing of Additional Patrol Services	-	1,249,000	
	Gang Enforcement Staffing Costs (limited five-year funding)	94,000	-	
	Vehicles	409,700	-	
	Downtown Services			
	Additional Positions and Operational Costs	-	431,800	
	Traffic Services			
	Additional Positions and Operational Costs	-	288,800	
	Vehicles	56,600	-	
	Support Services			
	Additional Positions and Operational Costs	-	240,800	
	Total Estimated Costs for 2008-09	560,300	2,413,700	2,974,000

Measure O Overview

Police Department Implementation Plan, cont.

City of Santa Rosa Transaction and Use Tax Implementation Plan (FY 2013/14)				
Police Department (Est. Annual Revenue Allocation \$2.8 Million)				
Year	Program	Estimated Costs		Total
		One Time	On-Going	
	Patrol Services			
2009-10	Additional Staffing and Operational Costs	-	203,300	
	Continued Staffing of Additional Patrol Services	-	1,249,000	
	Downtown Services			
	Additional Positions and Operational Costs	-	431,800	
	Traffic Services			
	Additional Positions and Operational Costs	-	288,800	
	Support Services			
	Additional Positions and Operational Costs		240,800	
	Patrol Services			
	Transfer 19 Police Officer positions from the General Fund	3,006,320	-	
	Total Estimated Costs for 2009-10	3,006,320	2,413,700	5,420,020
2010-11	Patrol Services			
	Additional Staffing and Operational Costs	-	203,300	
	Continued Staffing of Additional Patrol Services	-	1,249,000	
	Downtown Services			
	Additional Positions and Operational Costs	-	431,800	
	Traffic Services			
	Additional Positions and Operational Costs	-	288,800	
	Support Services			
	Additional Positions and Operational Costs		240,800	
	Patrol Services			
	Transfer 11 Police Officer positions from the General Fund	1,710,820	-	
	Total Estimated Costs for 2010-11	1,710,820	2,413,700	4,124,520
2011-12	Patrol Services			
	Additional Staffing and Operational Costs	-	203,300	
	Continued Staffing of Additional Patrol Services	-	1,249,000	
	Downtown Services			
	Additional Positions and Operational Costs	-	431,800	
	Traffic Services			
	Additional Positions and Operational Costs	-	288,800	
	Support Services			
	Additional Positions and Operational Costs	-	240,800	
	Total Estimated Costs for 2011-12	-	2,413,700	2,413,700
2012-13 and Beyond	Patrol Services			
	Additional Staffing and Operational Costs	-	203,300	
	Continued Staffing of Additional Patrol Services	-	1,249,000	
	Downtown Services			
	Additional Positions and Operational Costs	-	431,800	
	Traffic Services			
	Additional Positions and Operational Costs	-	288,800	
	Support Services			
	Additional Positions and Operational Costs	-	240,800	
	Total Estimated Costs for 2012-13 and Future Years	-	2,413,700	2,413,700

Measure O Overview

Gang Prevention and Intervention Implementation Plan

City of Santa Rosa Transaction and Use Tax Implementation Plan (FY 2013/14)				
Gang Prevention/Intervention (Est. Annual Revenue Allocation \$1.4 Million)				
Year	Program	Estimated Costs		Total
		One Time	On-Going	
2006-07	Add Five New Program Sites*			
	Program Operation/Staffing Costs--5 New Sites	-	145,000	
	Continued Program Operation/Staffing Costs	-	290,000	
	Additional Staffing Costs for Gang Prevention/Intervention	-	60,000	
	Continued Staffing Costs for Gang Prevention/Intervention	-	408,720	
	Grants Program	-	490,000	
	Total Estimated Costs for 2006-07	-	1,393,720	1,393,720
2007-08	Add Two New Program Sites*			
And	Program Operation/Staffing Costs--2 New Sites	-	58,000	
Beyond	Continued Program Operation/Staffing Costs	-	435,000	
	Continued Staffing Costs for Gang Prevention/Intervention	-	468,720	
	Grants Program	-	490,000	
	Draw From Accumulated Reserves, If Necessary	-	(50,000)	
2010/11	Reserves - Fund GF .6 FTE Rec. Specialist and Gang Programs	82,000	-	
	Total Estimated Costs for 2007-08 and Future Years	82,000	1,401,720	1,483,720

* Site implementation will be based on available resources, ability to establish given program site, & community input.

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Budget Process and Calendar

The City of Santa Rosa is on a fiscal year schedule running from July 1 through June 30 and is required by City Charter section 28 (d) to have an adopted budget by June 30 each year. In order to have a finished budget by June, Santa Rosa's budget cycle begins in December.

This year, the City's Finance Department partnered with Community Engagement staff in the City Manager's Office to host a DINE (Discussions Inspiring Neighborhood Engagement) Budget Priorities event in November. At 13 locations throughout the City, over one hundred city residents and staff facilitators met to discuss and prioritize City programs for the upcoming budget year. The information provided by residents was one of many factors considered in developing the FY 2013/14 budget.

Every year in December, Budget and Financial Planning staff begins to compile budget assumptions for all expenditure categories. Included are assumptions for salary increases where bargaining units are under contract, estimated benefit cost increases, and assumptions for increases in supplies and other expenses. Revenues are analyzed, and a high-level forecast for the upcoming year is prepared. Expenditure assumptions are compared with proposed revenues, and it is determined if budget reductions are necessary or if additional department needs can be funded. Budget guidelines are prepared based on these assumptions and are forwarded to departments for their use during the budget process.

Early in the process the City Council holds a public hearing to solicit information from Santa Rosa residents on their budget priorities. Then in January and February, departments prepare their operations and maintenance budgets based on the budget guidelines, public feedback, City Council goals and priorities, and Strategic Planning initiatives. The Capital Improvement Program (CIP) budget process runs parallel with the operations and maintenance budget process; for more information on the CIP, please see that section of this document or the CIP budget document.

In March, Budget and Financial Planning staff reviews each department's budget and prepares the budgets for review by the City Manager. After the City Manager reviews the requests and makes adjustments as needed, budget requests are reviewed by the full Council during study sessions in May. Budget and Financial Planning staff prepares a draft budget document that is made available to the public on or around June 1. The City Council holds public hearings in mid-June and generally adopts the operations and maintenance and CIP budgets at the end of the hearings. Departments wishing to add, increase, or change fees are invited to hold fee hearings during the budget hearings as well. The final budget document is then printed and distributed.

Quarterly throughout the year, Budget and Financial Planning staff presents quarterly financial updates to the Council and the public, including updated Five-Year Forecast information. During those updates, it's discussed whether the budget needs to be modified based on changes to revenue sources and other factors. While the budget development process runs from December through June, Budget and Financial Planning staff, the City Manager, and departments are constantly monitoring the budget throughout the year.

Budget Calendar

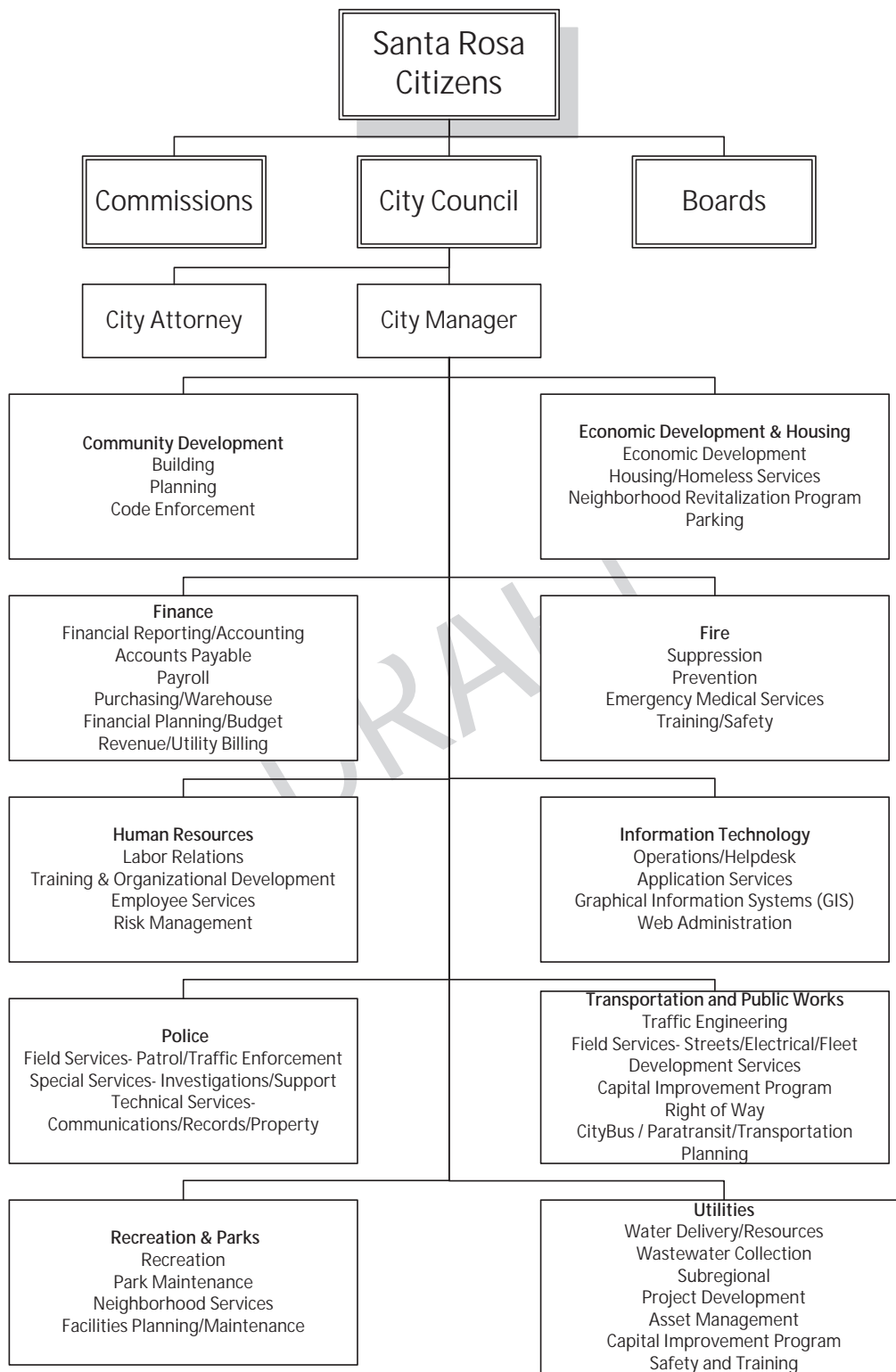
	<u>Santa Rosa Residents participate:</u>	<u>Mayor and City Council participate:</u>	<u>City Administration, Financial Planning staff & Departments participate:</u>
November December	<ul style="list-style-type: none"> ✓ By giving input through direct contact with the Mayor and Council Members via budget outreach events, Council meetings, Study Sessions, online budget comment form 	<ul style="list-style-type: none"> ✓ By receiving information from the public 	<ul style="list-style-type: none"> ✓ By gathering assumptions for upcoming year's budget process ✓ By receiving information from the public
January February	<ul style="list-style-type: none"> ✓ By giving input during annual budget priorities public hearing and Mid-Year Financial Update 	<ul style="list-style-type: none"> ✓ By receiving input at budget priorities public hearing ✓ By receiving information from Mid-Year Financial Update, and offering guidance and feedback ✓ By participating in City Council goal setting session (held once every two years- most recent was in 2013) 	<ul style="list-style-type: none"> ✓ By receiving input at public hearing for use in preparation of upcoming FY budget ✓ By presenting Mid-Year Financial Update to City Council and public for the General Fund and the Capital Improvement Program including: <ul style="list-style-type: none"> -Budget Assumptions -Updated Five-Year Forecast -Revenue projections ✓ By preparing upcoming FY budget request
March April	<ul style="list-style-type: none"> ✓ By continuing to offer feedback to Council and staff via Council meetings, written correspondence and online budget comment form 	<ul style="list-style-type: none"> ✓ By continuing to receive feedback from the public and staff via Council meetings, written correspondence and online budget comment form 	<ul style="list-style-type: none"> ✓ By reviewing and refining each department's budget request for the upcoming FY ✓ By analyzing budget balancing strategies and service delivery options within the constraints of the financial outlook
May	<ul style="list-style-type: none"> ✓ By attending City Council Study Sessions to gain information and offer input ✓ By attending Spring Financial Update 	<ul style="list-style-type: none"> ✓ By attending City Council Study Sessions to review each department's budget with department representatives and Budget staff ✓ By receiving Spring Financial Update 	<ul style="list-style-type: none"> ✓ By preparing materials to be reviewed with the Council and public ✓ By reviewing budgets with the City Council at Study Sessions and then refining as necessary based on feedback ✓ By presenting Spring Financial update
June	<ul style="list-style-type: none"> ✓ By attending Budget Public Hearings (last chance to offer feedback on proposed budget) 	<ul style="list-style-type: none"> ✓ By leading Budget Public Hearings, and ultimately adopting the final fiscal year budget 	<ul style="list-style-type: none"> ✓ By preparing draft budget documents for review by Council and public at public counters and online ✓ By preparing materials to be reviewed at Budget Public Hearings ✓ By participating in Budget Public Hearings and presenting final information to Council and the public
July August			<ul style="list-style-type: none"> ✓ By finalizing the budget documents, printing copies, posting online and ensuring public and Council access to information

City & Organization Overview



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City of Santa Rosa Organizational Chart



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City at a Glance

As the county seat of Sonoma County Santa Rosa is the center of trade, government, commerce, and medical facilities for the North Bay Area. Located just 55 miles north of San Francisco and 30 miles east of the Pacific Ocean, Santa Rosa is close to nearly 200 Sonoma County wineries and 16 golf courses. Other available recreational pursuits include hot air ballooning, spas, and river sports, not to mention the famous Sonoma County cuisine. With fine schools that include a renowned junior college, a wealth of businesses and services, abundant recreational opportunities including many beautiful parks, and a superb climate in which to enjoy them, Santa Rosa has all the elements that create a unique and vibrant community.

Santa Rosa is home to the Sonoma County Museum which hosts a variety of diverse exhibits throughout the year. The Charles M. Schulz Museum and Research Center, a tribute to the life and art of one of our most famous citizens, is also located here. As the weather warms, the Wednesday Night Downtown Market can be found along 4th St, featuring an array of booths with food, music, agricultural products, arts, and crafts.

On summer evenings, there are outdoor concerts in Julliard Park and Courthouse Square that fill the air with music. Live theater is available at the Santa Rosa Junior College Summer Repertory Theatre, the Wells Fargo Center for the Arts, and the 6th Street Playhouse. In addition to theatre, the Wells Fargo Center hosts concerts, comedians, and other exciting events.

History

Santa Rosa's history is rich in culture and many different groups have called this area their home. Pomo, Miwok, and Wappo Indians originally populated the area, followed by the Spanish in the early 1800s. The first deeded land was held as the Rancho Cabeza de Santa Rosa and was given to Señora Maria Ignacia Lopez de Carrillo by Spanish authorities.

Señora Carrillo was the mother-in-law of General Vallejo, commander of the Mexican forces north of the Presidio of San Francisco. In 1837, the Señora built an adobe structure at the junction of old Native American trading routes near present-day Farmers Lane and Highway 12. The ruins still stand today adjacent to St. Eugene's Church.

According to popular legend, this area was named Santa Rosa by Father Juan Amorosa. After baptizing a young Native American woman in a stream, he followed the usual custom of naming rivers and creeks for saints. Because the baptism took place on the day of the Feast of Santa Rosa de Lima, Santa Rosa was the name given to the stream (and later to the whole valley) as well as the young woman who was baptized.

The discovery of gold and California's statehood gradually produced more traffic along the roads past Santa Rosa. Some who originally came seeking gold realized that farming in the rich Santa Rosa valley would bring them even more wealth. An agricultural community soon flourished.

In the early 1850s, other travelers came to Santa Rosa to establish commercial ventures. Three enterprising businessmen, Berthold “Barney” Hoen, Feodor Gustav Hahman, and William Hartman rented the Carrillo Adobe and opened Hoen & Company. Hoen and his partners soon purchased another tract of land a mile downstream which had originally belonged to Julio Carrillo, a son of the Señora. This land was next to a tract still in Julio’s ownership. Convincing Julio to join their partnership, they plotted out a town and called it Santa Rosa, offering lots for \$25 each.

Barney Hoen, sensing the political and economic currents, started a campaign in 1854 to bring the county seat to Santa Rosa. He promised that he and others would donate land for the courthouse, and he and Julio Carrillo offered to donate land for a town square. Their promise worked and county residents voted to transfer the county seat from Sonoma to Santa Rosa. Once the vote was in, a mule team was dispatched to physically move the County archives, and the deed was done.

In 1867, the town of just a few hundred residents was granted incorporation by the County Board of Supervisors. The State of California affirmed the incorporation in 1868, and that is considered the year of Santa Rosa’s official birth. The next seven years saw Santa Rosa’s population increase tenfold.

Luther Burbank

Luther Burbank was born in Lancaster, Massachusetts on March 7, 1849. He moved to Santa Rosa, California in 1875, where he made his home for more than 50 years. It was here that the famed horticulturalist conducted the plant breeding experiments that brought him world renown. In California, Burbank’s birthday is celebrated as Arbor Day, and trees are planted in his memory.

One of Burbank’s goals was to manipulate the characteristics of plants and thereby increase the world’s food supply. Burbank developed an improved spineless cactus which could provide forage for livestock in desert regions. During his career, Burbank introduced more than 800 new varieties of plants, including over 200 varieties of fruits, many vegetables, nuts and grains, and hundreds of ornamental flowers.

Burbank was a friend of both Thomas Edison and Henry Ford, and both men visited the Burbank home. It was Burbank’s legacy that cast the City of Santa Rosa as the “City Designated for Living” and inspired the annual Rose Parade which celebrates Burbank’s memory and showcases the people and talents of the community.

Upon Burbank’s death in 1926, he was buried near his greenhouse on the grounds of his home. Burbank’s home and gardens are located in downtown Santa Rosa and have been certified as Registered National, State, City, and Horticultural Historical Landmarks.

The museum and grounds, located at Santa Rosa Avenue and Sonoma Avenue in Santa Rosa, offer a delightful way to spend an afternoon and a chance to learn more about Burbank’s life. More than an acre of gardens include many of Burbank’s unique horticultural contributions. Cactus, walnuts, and fruit trees are living reminders of his handiwork. Many unusual varieties of plants and new horticultural introductions are represented. Several of Burbank’s originals thrive there.

City Profile and Demographics

2013

LOCATION



The City of Santa Rosa is located in central Sonoma County, about 55 miles north of San Francisco and 30 miles inland from the Pacific Ocean. Major access to Santa Rosa is from Highways 12 and 101.

AREA

Santa Rosa contains 41.67 square miles. The City's Urban Growth Boundary includes 45 square miles. Santa Rosa is 167 feet above sea level and we are the 26th largest city in the state.

CLIMATE

Santa Rosa has a Mediterranean climate, with moderate temperatures throughout the year.

Average annual rainfall: 32.41 inches

Average monthly temperature (per weather.com as of February 4, 2013):

	<u>High</u>	<u>Low</u>
January	59°	39°
April	70°	45°
July	82°	52°
October	78°	48°

POPULATION CHARACTERISTICS Source: US Census Bureau, 2010 Census; American Community Survey 2007-2011

2010 population estimate: 169,292

Persons per Household 2007-2011: 2.60

Median age: 36.7

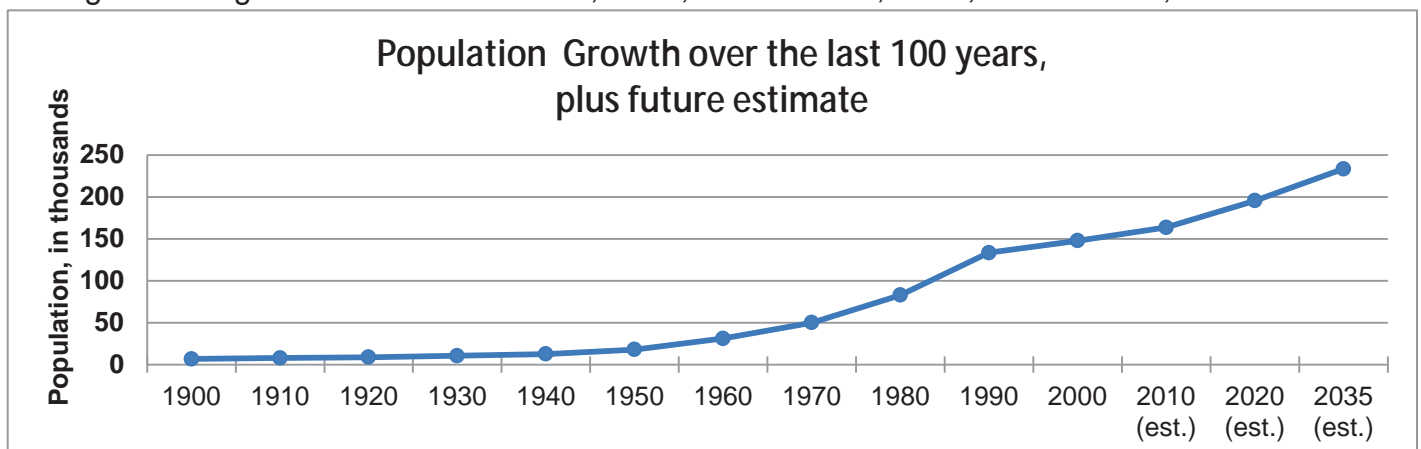
Education: High School Graduate: 85%; Bachelor's Degree or above: 29%

Gender: 51% Female, 49% Male

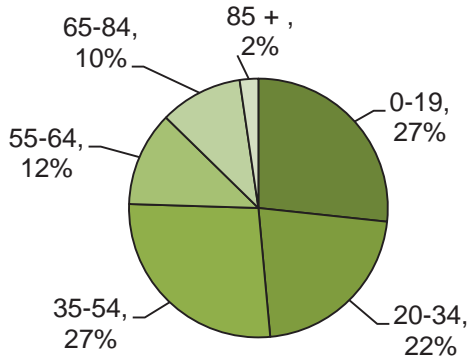
Median Household Income: \$60,850

Growth and Trends

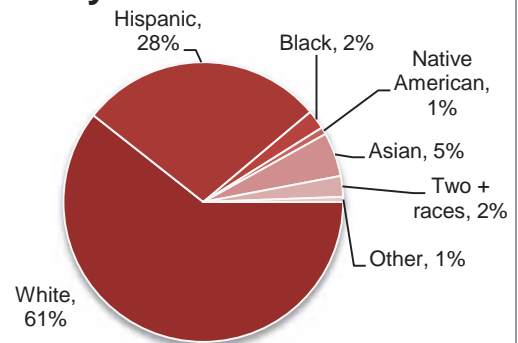
Average annual growth rate: 1981 – 1990, 3.2%; 1991 – 2000, 2.7%; 2001 – 2010, 1.0%



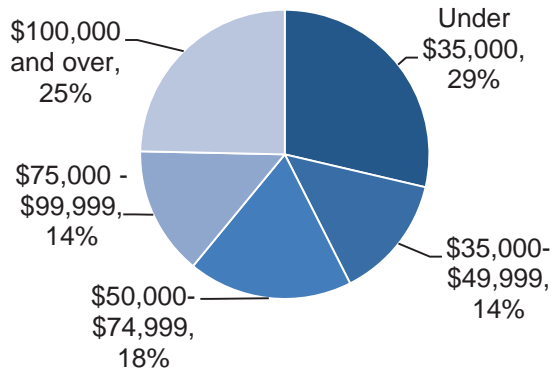
Age Distribution



Ethnicity



Average Annual Income by Population



EMPLOYMENT

Major Employers 2012 (Source: City of Santa Rosa FY 2011/12 CAFR; all figures approximate)

Employer	# of Employees
County of Sonoma	3,657
Kaiser Permanente	2,847
St. Joseph Health System	2,239
Sutter Medical Center of SR	1,497
SR School District	1,352
SR Junior College	1,267
City of SR	1,200
Agilent Technologies/HP	1,175
Safeway	1,082
Amy's Kitchen	900

Employed residents' by occupation Source: US Census Bureau, 2010 Census; American Community Survey 2007-2011

Management, Business, Science, Arts	32.5%
Service	20.7%
Sales and Office	25.8%
Production, Transportation, Material Moving	11.3%
Natural Resources, Construction, Maintenance	9.6%

Unemployment rate July 2012: 8.6% Source: United States Bureau of Labor Statistics

MEDICAL FACILITIES

- Kaiser Foundation Hospital – 173 beds
- Santa Rosa Memorial Hospital – 192 beds
- Sutter Medical Center – 135 beds
- Sutter Warrack Hospital – 69 beds

EDUCATION

Eight elementary school districts:

- 36 Elementary Schools
- 10 Middle Schools

One High School District: 5 High Schools

Santa Rosa Junior College

Empire College

University of San Francisco–North Bay Campus

TRANSPORTATION

Numerous bike trails and pedestrian walkways.

Bus

- Santa Rosa CityBus
- Sonoma County Transit
- AMTRAK bus to Martinez Station
- Greyhound

Airport access (distance from downtown)

- Charles M. Schulz-Sonoma County Airport: 6 miles
- San Francisco International Airport: 60 miles
- Oakland International Airport: 65 miles

Highways

- U.S. Highway 101
- CA State Highway 12

SHOPPING

- Coddington Mall, Steele Lane and Highway 101 – Macy's, JCPenney, Old Navy, Whole Foods
- Downtown and Railroad Square – Antiques, specialty shops, dining
- Montgomery Village, Farmer's Lane – Coldwater Creek, Talbots, specialty shops, dining
- Santa Rosa Marketplace, Santa Rosa Avenue – Costco, Best Buy, Target, Trader Joe's
- Santa Rosa Plaza, B Street, downtown – Macy's, Sears, specialty shops
- Santa Rosa Town Center, Santa Rosa Avenue – Michael's, Petco, Bed Bath & Beyond

PARKS AND POINTS OF INTEREST

Parks:

- City Facilities – 50 Neighborhood Parks totaling 192 acres; 10 Community Parks totaling 190 acres; and 20 Special Facilities including: Howarth Park, Finley and Steele Lane Community Centers, Finley Senior Wing, Bennett Valley Senior Center, Prince Memorial Greenway, Swim Centers, volleyball courts, bocce ball, horseshoes, Bennett Valley Golf Course and more.
- Regional Park Facilities – Annadel State Park, 4913 acres; Hood Mountain Regional Park, 1450 acres; Spring Lake County Park, 320 acres.

Points of Interest:

- Luther Burbank Home and Gardens (at Santa Rosa and Sonoma Avenues)
- Charles M. Schulz Museum (at West Steele Lane and Hardies Lane)
- Sonoma County Museum (at 7th and B Streets)
- Downtown and Railroad Square (Fourth Street and environs)
- Santa Rosa Junior College Planetarium and Art Gallery (at Mendocino and Elliot Avenues)
- Jesse Peter Memorial Museum (at Mendocino and Elliot Avenues)
- Seven Historic Preservation Districts (surrounding downtown)

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Summary Financial Information



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FTE (Staffing) Summary

In fiscal year (FY) 2013/14, the City's proposed FTE (full time equivalent) authorized position count is 1,219.70 FTE, an increase of 21.8 FTE, across all funds. This increase comes after four years of significant decreases to staffing levels, beginning in FY 2008/09 in response to the recession, that only just began to stabilize in the current (2012/13) fiscal year. While the FY 2013/14 request adds back some positions, the City's staffing count is still well below the FY 2007/08 level of 1,382.8 FTE. Proposed additions and eliminations are discussed below.

In the City's administrative departments, a total of 2.3 FTE positions are being added including 1.0 FTE Records Management Technician in the City Manager's Office, .3 FTE increase to existing part-time positions in Human Resources and Risk Management to bring them to full-time, and an addition of 1.0 FTE Financial Analyst in the Budget Office to replace a position eliminated during budget reductions. The Records Management Technician (which will be partially offset by a reduction in part-time temporary staffing) will provide staffing to continue implementation and oversight of the City's Electronic Document Management System (EDMS) project and assist City departments in identifying and obtaining short and long-term records storage solutions.

The Community Development Department is adding 1.5 FTE including 1.0 FTE Senior Administrative Assistant for Code Enforcement and a .5 FTE Community Development Technician to assist with new staff training on the front counter.

The Recreation and Parks Department staffing level is increasing by .5 FTE to convert a part-time Senior Administrative Assistant to full-time.

The Transportation and Public Works Department is eliminating 4.0 FTEs from their Capital Projects Engineering Division, reducing the number of CIP design/construct teams from five teams to four. These position reductions will be realized through vacancies/attrition and will not result in layoffs.

In Public Safety, the Fire Department proposes an increase in staffing levels with the addition of 6.0 FTE Firefighter positions along with an offsetting decrease in the department's budgeted overtime costs. The Police Department addition of 6.5 FTE, both sworn and civilian, is proposed in part to bring the department closer to Measure O baseline funding levels as specified in the Measure O Ordinance. The Police positions include 2.0 FTE Police Officers, 1.5 FTE Senior Administrative Assistants, and 1.0 FTE each of the following: Records Supervisor, Police Technician and Police IT Manager. In addition, 2.0 FTE Police Forensic Specialists are being reclassified to 2.0 FTE Community Services Officers.

FTE (Staffing Summary)

The Economic Development and Housing Department is eliminating both a vacant Deputy Director position and a Program Specialist position. The department is adding 1.0 FTE Administrative Analyst position for a net department decrease of (1.0) FTE.

The Information Technology (IT) Department, an internal service fund, is adding a total of 3.0 FTE including 1.0 FTE each of the following: Administrative Secretary for department administration (the department previously paid for half of an Admin. Secretary), Senior IT Technician dedicated to Police, and an IT Technician dedicated to the new PC Replacement Fund.

The Utilities Department is adding 7.0 FTE positions for FY 2013/14. These include 2.0 FTE Skilled Maintenance Workers in Subregional to replace two .5 FTE seasonal temporary workers, a 1.0 FTE Communications Coordinator for public outreach activities, and 1.0 FTE Programmer Analyst for Asset Management. 1.0 FTE Mechanical Technologist and 1.0 FTE Lab Analyst are being added to Subregional operations and 1.0 FTE Limited-Term Senior Maintenance Worker is being added for building maintenance.

In addition to the position additions discussed above, several, specifically identified, positions have been, or are being, evaluated for classification changes. Reclassifications that will occur in FY 2013/14 have been proposed as a means of maximizing existing staffing levels to carry out core services.

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FTE (Staffing) Summary

Total positions for the 2013/14 fiscal year are projected at 1,219.70 Fulltime Equivalent (FTE) Citywide. The table below summarizes authorized positions, by department, for the fiscal years 2008/09 through 2012/13 and shows the proposed 2013/14 FTE count.

DEPARTMENT	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
City Attorney	15.80	13.50	12.70	12.70	12.90	12.90
City Manager	12.00	11.50	6.00	7.50	12.00	13.00
Community Development	49.20	39.20	27.80	27.80	27.80	29.30
Economic Dev. & Housing	74.00	71.00	71.00	68.00	63.50	62.50
Finance	75.35	69.85	68.35	62.85	63.85	64.85
Fire	143.75	142.75	134.75	136.75	137.75	143.75
Human Resources	20.40	18.40	17.50	17.00	17.70	18.00
Information Technology	28.00	28.00	25.00	25.00	24.00	27.00
Police	274.75	258.75	251.75	246.75	246.75	253.25
Transportation & Public Works	298.05	285.75	273.50	270.00	268.00	264.00
Recreation & Parks	132.60	100.60	83.15	84.40	82.65	83.15
Utilities	253.00	256.00	255.00	240.00	241.00	248.00
Total Positions	1,376.90	1,295.30	1,226.50	1,198.75	1,197.90	1,219.70

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All City Funds Schedule

The “All City Funds” schedule on the following page groups the City’s Funds into six categories:

- General Fund
- Enterprise Funds
- Special Revenue Funds
- Other Funds
- Housing Authority
- Successor Agency to the former Redevelopment Agency

The first four groups are the operating funds of the City, and the last two are special classes of funds. The General Fund is the primary fund of the City, used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to accumulate the cost of the City’s general operations. The majority of funding of City operations and most of the City’s services is derived from the first four groups.

The “All City Funds” schedule consolidates all funds City-wide and presents the total available resources and total use of resources, including beginning fund balances, revenues, expenditures, transfers in and transfers out. Estimated reserves at the beginning of the new fiscal year are shown at the top of the report. These amounts are calculated based on forecasted activity for the remainder of the prior fiscal year. Anticipated revenues are included in the next section of the schedule. Transfers in are indicated on the next line. It should be noted that transfers in typically offset the transfers out line later in the schedule. Expenditures are listed by department for each funding source in the next section. The net activity of each fund is summarized on the surplus (deficit) line of the report. Finally, estimated reserves available at the end of the fiscal year are calculated based on the activity mentioned above.

Departmental expenditure information reflected in the “All City Funds” schedule includes the cost to the user departments of services provided by “Internal Service Funds,” such as information technology, fleet repair and replacement, and insurance costs. Internal Service Fund financial information is summarized later in this document.

All City Funds Schedule - FY 2013/14

(Amounts in Thousands)

	GENERAL FUND	ENTERPRISE FUNDS	SPECIAL REVENUE FUNDS	OTHER FUNDS	HOUSING AUTHORITY	FORMER REDEVELOPMENT AGENCY	TOTAL ALL FUNDS
ESTIMATED RESERVES- JUNE 30, 2013	20,340	78,701	13,851	2,470	9,639	4,755	129,756
REVENUES:							
Sales Tax	38,803	-	8,501	-	-	-	47,304
Property Tax	20,933	-	-	-	-	4,658	25,591
Other Taxes	27,303	1,144	169	76	-	-	28,692
Vehicle License Fees	10,556	-	-	-	-	-	10,556
Licenses & Permits	1,580	7	-	-	-	-	1,587
Fines & Forfeits	1,775	-	400	-	-	-	2,175
Intergovernmental Revenue	839	25,024	4,650	-	19,678	-	50,191
Uses of Money & Property	81	609	29	173	1	-	893
Charges for Services	6,087	120,049	983	-	337	-	127,456
Interfund Charges	11,974	-	-	3,927	865	-	16,766
Miscellaneous	1,821	383	935	637	162	-	3,938
Other	3,857	151	-	-	3,679	-	7,687
TOTAL REVENUES	125,609	147,367	15,667	4,813	24,722	4,658	322,836
TRANSFERS IN	3,296	43,065	3,778	14,653	194	4,671	69,657
TOTAL REV & TRNSFS IN	128,905	190,432	19,445	19,466	24,916	9,329	392,493
EXPENDITURES:							
General Government	15,131	-	916	177	-	-	16,224 *
Community Development	3,991	-	287	-	-	-	4,278
ED&H; Parking	-	5,579	2,158	-	25,544	4,679	37,960
Fire	29,498	-	2,946	811	-	-	33,255
Police	42,307	-	3,186	-	-	-	45,493
Transportation & Public Works	12,036	13,706	229	10,043	-	-	36,014 **
Recreation & Parks	14,783	1,728	830	2,498	-	-	19,839
Utilities	791	136,084	-	409	-	-	137,284 ***
Non-Departmental	5,044	-	-	4,583	-	-	9,627
TOTAL EXPENDITURES	123,581	157,097	10,552	18,521	25,544	4,679	339,974
TRANSFERS OUT	5,324	45,374	13,486	902	-	4,671	69,757
TOTAL EXP & TRNSFS OUT	128,905	202,471	24,038	19,423	25,544	9,350	409,731
SURPLUS (DEFICIT)	-	(12,039)	(4,593)	43	(628)	(21)	(17,238)
ESTIMATED RESERVES- JUNE 30, 2014	20,340	66,662	9,258	2,513	9,011	4,734	112,518

General Government includes: City Attorney, City Council, City Manager, Finance, Human Resources & Information Technology

* Total General Government = \$48,429 (includes Insurance Internal Service Fund \$26,309 & Information Technology Internal Service Funds \$5,896)

** Total Transportation & Public Works = \$48,035 (includes Equipment Repair & Replacement Internal Service Fund \$10,285 & a portion of internally allocated Utilities Admin \$1,736)

*** Total Utilities = \$143,500 (includes internally allocated Utilities Administration Fund \$6,216)

NOTE: Internal Service Funds are reported on a separate schedule and are not included above. As a result, Transfer In and Transfer Out amounts on this schedule do not equal. With the inclusion of the Internal Service Funds, transfers balance out.

Enterprise Funds Schedule

Enterprise funds account for City activities that operate as public enterprises. These funds receive revenues from fees charged to customers. Each enterprise covers its cost of providing service, and generates reserves for various contingencies. Enterprise fund revenues cannot be used for any city purposes not benefiting the enterprise. The City uses enterprise funds to account for the water utility, wastewater utility, parking, municipal transit, storm water, and golf funds.

- **Golf Fund:** Accounts for the revenues and expenditures related to maintaining and operating a public golf course.
- **Parking Fund:** Accounts for the revenues and expenditures associated with the City's parking meters and garages.
- **Municipal Transit Fund:** Accounts for the revenues and expenditures related to providing a public transportation system throughout the City.
- **Storm Water Fund:** Accounts for the revenues and expenditures related to activities designated to improve storm water quality.
- **Water Utility Fund:** Provides water supply planning, water purchase, water quality, storage and distribution, and maintenance, repair and replacement of the City's water system.
- **Local Wastewater Utility Fund:** Provides collection and transportation of wastewater from customers to the subregional treatment plant, and maintenance, repair and replacement of the collection system.
- **Subregional Wastewater Utility Fund:** Provides long-range planning and compliance, current environmental monitoring and compliance, industrial waste pretreatment, treatment, testing, disposal and reclamation of the collected wastewater for Santa Rosa, Rohnert Park, Sebastopol, Cotati, and the South Park County Sanitation District.

Enterprise Funds Schedule - FY 2013/14

(Amounts in Thousands)

	GOLF FUND	PARKING FUND	TRANSIT FUND	STORM WATER FUNDS	WATER FUND	LOCAL WASTEWTR FUND	SUBREG. WASTEWTR FUND	TOTAL ENTERPRISE FUNDS
ESTIMATED RESERVES- JUNE 30, 2013	281	10,979	-	648	22,802	21,995	21,996	78,701
REVENUES:								
Sales Tax	-	-	-	-	-	-	-	-
Property Tax	-	-	-	-	-	-	-	-
Other Taxes	-	515	629	-	-	-	-	1,144
Vehicle License Fees	-	-	-	-	-	-	-	-
Licenses & Permits	-	7	-	-	-	-	-	7
Fines & Forfeits	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	40	10,253	95	-	485	14,151	25,024
Uses of Money & Property	-	90	-	-	-	380	139	609
Charges for Services	1,315	3,808	2,417	2,089	43,647	65,893	880	120,049
Interfund Charges	-	-	-	-	-	-	-	-
Miscellaneous	-	55	-	-	63	15	250	383
Other	151	-	-	-	-	-	-	151
TOTAL REVENUES	1,466	4,515	13,299	2,184	43,710	66,773	15,420	147,367
TRANSFERS IN	393	957	10	270	-	-	41,435	43,065
TOTAL REV & TRNSFS IN	1,859	5,472	13,309	2,454	43,710	66,773	56,855	190,432
EXPENDITURES:								
General Government	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
ED&H; Parking	-	5,579	-	-	-	-	-	5,579
Fire	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Trnsprtation & Public Works	-	-	13,286	420	-	-	-	13,706
Recreation & Parks	1,728	-	-	-	-	-	-	1,728
Utilities	-	-	-	1,615	46,690	30,878	56,901	136,084
Non-Departmental	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,728	5,579	13,286	2,035	46,690	30,878	56,901	157,097
TRANSFERS OUT	393	11	23	690	1,408	42,757	92	45,374
TOTAL EXP & TRNSFS OUT	2,121	5,590	13,309	2,725	48,098	73,635	56,993	202,471
SURPLUS (DEFICIT)	(262)	(118)	-	(271)	(4,388)	(6,862)	(138)	(12,039)
ESTIMATED RESERVES- JUNE 30, 2014	19	10,861	-	377	18,414	15,133	21,858	66,662

Internal Service Funds Schedule

Internal Service Funds are used to report the activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for equipment repair and replacement, insurance programs, and information technology. Because these funds allocate to internal City departments, those costs are reflected in the department detail toward the end of this document.

- **Equipment Repair and Replacement Fund:** Accounts for maintenance and accumulation of resources primarily for replacement of vehicles.
- **Insurance Fund:** Accounts for the costs of providing various types of insurance to all departments within the City, including liability and worker's compensation insurance.
- **Information Technology Fund:** Accounts for the costs of providing various types of network, computer, and phone services to all the departments within the City as well as the computer replacement program.

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Internal Service Funds Schedule - FY 2013/14

(Amounts in Thousands)

	EQUIPMENT REPAIR & REPLACEMENT FUND	INSURANCE FUND	INFORMATION TECHNOLOGY FUND	TOTAL INTERNAL SERVICE FUNDS
ESTIMATED RESERVES- JUNE 30, 2013	16,304	4,624	529	21,457
REVENUES:				
Sales Tax	-	-	-	-
Property Tax	-	-	-	-
Other Taxes	-	-	-	-
Vehicle License Fees	-	-	-	-
Licenses & Permits	-	-	-	-
Fines & Forfeits	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Uses of Money & Property	53	105	11	169
Charges for Services	-	-	-	-
Interfund Charges	7,340	26,297	5,751	39,388
Miscellaneous	109	-	19	128
Other	-	-	-	-
TOTAL REVENUES	7,502	26,402	5,781	39,685
TRANSFERS IN	-	-	100	100
TOTAL REV & TRNSFS IN	7,502	26,402	5,881	39,785
EXPENDITURES:				
General Government	-	26,309	5,896	32,205
Community Development	-	-	-	-
ED&H; Parking	-	-	-	-
Fire	-	-	-	-
Police	-	-	-	-
Transportation & Public Works	10,285	-	-	10,285
Recreation & Parks	-	-	-	-
Utilities	-	-	-	-
Non-Departmental	-	-	-	-
TOTAL EXPENDITURES	10,285	26,309	5,896	42,490
TRANSFERS OUT	-	-	-	-
TOTAL EXP & TRNSFS OUT	10,285	26,309	5,896	42,490
SURPLUS (DEFICIT)	(2,783)	93	(15)	(2,705)
ESTIMATED RESERVES- JUNE 30, 2014	13,521	4,717	514	18,752

City Revenues

General Fund

(In Thousands)

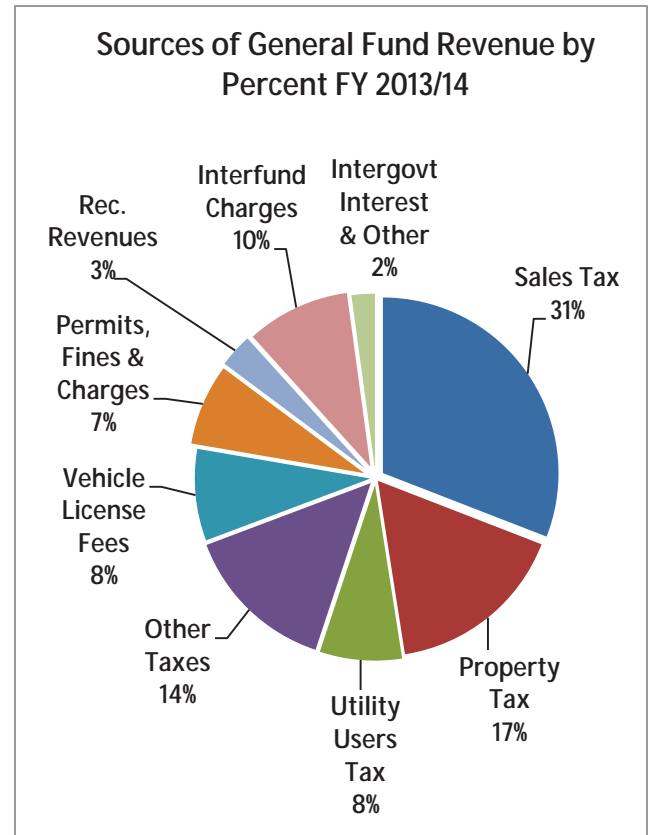
<i>Tax Revenue Detail</i> Description:	2012/13 Estimate	2013/14 Budget	Dollar Change	Percent Change
Sales Tax - local	29,571	30,458	887	3.0%
Sales Tax - Measure P	7,080	7,515	435	6.1%
Sales Tax - Prop 172	806	830	24	3.0%
Property Taxes	20,725	20,933	208	1.0%
Utility Users Tax	9,348	9,517	169	1.8%
Franchise Fees	7,236	7,463	227	3.1%
Motor Vehicle License Fees	10,452	10,556	104	1.0%
Business Licenses	3,776	3,889	113	3.0%
Real Property Transfer Tax	2,491	2,367	(124)	-5.0%
Transient Occupancy Tax	3,873	4,067	194	5.0%
Total Tax Revenues	95,358	97,595	2,237	2.3%
Licenses and Permits	1,510	1,580	70	4.6%
Fines and Forfeits	1,740	1,775	35	2.0%
Intergovernmental Revenue	839	839	-	0.0%
Interest	81	81	-	0.0%
Charges for Services	5,920	6,087	167	2.8%
Interfund Charges	12,227	11,974	(253)	-2.1%
Miscellaneous Revenues	3,412	1,821	(1,591)	-46.6%
Recreation Fees and Revenues	3,825	3,857	32	0.8%
Total General Fund Revenues	124,912	125,609	697	0.6%

City Revenues

General Fund

Total General Fund revenues are projected to be \$125.6 million during the 2013/14 Fiscal Year. While this represents only a \$.7 million (or .6%) increase over projected 2012/13 revenues, fiscal year 2012/13 includes a one-time revenue receipt of \$1.6 million, skewing the year over year comparison. With the one-time revenue removed from 2012/13, the growth rate in 2013/14 is closer to 2%. The chart on the right illustrates the sources of Santa Rosa's General Fund revenues for FY 2013/14.

Sales Tax revenues (including Measure P) are projected to increase this year by approximately 3.6%, or about \$1.3 million. Measure P, the voter-approved, quarter cent sales tax, is projected to generate approximately \$7.5 million in revenue for FY 2013/14. Sales tax revenues account for close to a third of General Fund revenues (31%) and account for the majority of the increase in General Fund revenues from 2012/13 to 2013/14. Prop 172 sales tax is based on a per-capita allocation and is projected to grow in the same way as the City's general sales tax assumption in 2014.



Sales tax has seen a rebound since the 2008 recession, with the growth in total sales tax revenues driven by the passage of Measure P along with a rebound in overall retail sales, with the strongest sector being auto sales. Since new car purchases are not an annual occurrence for most households, the forecast beyond FY 2013/14 grows sales tax at 3%, assuming that new car sales will slow, but overall retail sales will continue to grow at a modest pace. Offsetting this slowdown a little in FY 2013/14 will be the opening of Dick's Sporting Goods and Target at Coddington Mall. An aspect to sales tax revenues that will be monitored over the next few years will be the continued shift to online shopping, and the ongoing debate about taxation of online purchases. Any change in state or federal policy could result in changes in the collection of taxes for online purchases, and/or have an impact on the prevalence of online retailers.

Property tax, the City's second largest revenue source, is projected at \$20.9 million for 2013/14, an increase of 1% from the previous fiscal year. FY 2011/12 saw the first increase in Property Tax revenues for the City since FY 2007/08.

Utility Users Tax (UUT) revenues are projected to grow at 1.8% for FY 2013/14 over the previous fiscal year. The elimination of a small utility payer in FY 2012/13 led to the downward projection of this revenues source from \$9.6 million in the FY 2012/13 budget to \$9.3 million for the fiscal year end projection. No known changes exist for UUT in FY 2013/14, therefore the revenue source is expected to experience modest growth of 1.8%.

City Revenues

Franchise fees are projected to increase by \$0.2 million, or 3.1%, in FY 2013/14 over the previous year due to modest increases in all categories. Franchise fee revenue for disposal is the largest component of this revenue source, comprising \$4.2 million or 57% of total franchise fee revenues for FY 2013/14.

Motor vehicle license fees, which essentially fluctuate with assessed property valuation growth or decline, are expected to mirror the property tax trend and increase by 1%, approximately \$0.1 million above FY 2012/13.

Business license revenues are projected to grow by \$0.1 million, or 3.0%, for FY 2013/14 over the previous year, continuing growth increases experienced during the previous fiscal year. Since there is a \$3,000 cap on Business licenses, large growth in this revenue source is not anticipated. In addition, many of the new businesses in the City over the past year are home-based, and therefore small payers.

Real Property Transfer Tax (RPTT) is projected at a 5% decrease in FY 2013/14 over the previous year. This is due to higher anticipated revenues in Fall 2012, due to a one-time spike in high-end home sales that did not continue at the same pace through the remainder of FY 2012/13. However, the FY 2013/14 forecast for RPTT at \$2.4 million is 27% higher than FY 2011/12 actuals.

Transient Occupancy Tax (TOT) revenue is projected to increase by 5% for FY 2013/14, totaling \$4.1 million. Tourism to Santa Rosa is continuing to increase with occupancy rates and average daily hotel rates seeing their highest totals since the beginning of the economic downturn. This increase is expected to continue over the next few years.

License and Permit revenues are projected to be 4.6% higher in FY 2013/14 over the previous year. This increase is driven primarily by strong building permit revenue for business rehabilitations and senior and long-term care facility expansion. Some multi-family home construction is anticipated in FY 2013/14.

Fines and Forfeits are expected to increase by 2% from FY 2012/13 to FY 2013/14 to \$1.8 million.

Intergovernmental revenue is projected at \$.8 million for FY 2013/14, with no major additions assumed in the upcoming fiscal year.

Interest is forecasted to hold flat at \$.1 million for FY 2013/14, with no significant change in interest rates forecasted that would generate increases in this revenue source in the upcoming year.

City Revenues

Charges for Services are projected to be 2.8% higher in FY 2013/14 over the previous year (totaling \$6.1 million) with modest revenue increases across most categories. Much of the growth in this revenue source is due to fees related to building inspections and permits (although the permits themselves are a separate revenue category). In FY 2012/13, Charges for services revenues are expected to finish the fiscal year 13% higher than FY 2011/12. Much of this growth was due to existing commercial rehabilitations and one-time projects such as a long-term care facility. Growth is anticipated to continue into FY 2013/14 at a slower pace.

Interfund charges are projected at \$12.0 million for FY 2013/14, a decrease of 2% from FY 2012/13.

Miscellaneous revenues reflect a 46.6% decrease due to the receipt of a one-time \$1.6 million Property Tax Administration Fee (PTAF) settlement in FY 2012/13.

Recreation fees and revenues are projected to increase approximately .8% to \$3.9 million for FY 2013/14 over the previous year due to reduced growth over higher than anticipated revenues for FY 2012/13. Strong facility rental, aquatics and class revenues drove the increases, and some of the growth initially forecasted for FY 2013/14 was realized in FY 2012/13, resulting in a lower revenue growth rate for 2013/14.

Water Fund

The Water Utility's main source of revenue is rates, which make up close to 93% of the total revenue. Water rate revenue is expected to finish FY 2012/13 at 12% above projections. Fixed usage water rates were increased approximately \$1.50/month for the average residential customer in January 2013. Demand fees are projected to increase to \$1.1 million due to some commercial and multi-family residential development. Total revenues for the Water Utility are estimated at \$43.7 million, including demand fees for FY 2013/14.

Local Wastewater Fund

Rate revenue comprises approximately 94% of the projected revenue for the upcoming year for the Local Wastewater Utility. Wastewater demand fees are expected to total \$2.2 million with total Wastewater Utility revenues, including demand fees, estimated at \$66.8 million for FY 2013/14.

Subregional Wastewater Fund

The vast majority of revenue to the Subregional System comes from the partners that use the system (Santa Rosa is the largest such partner), and the revenues collected from each partner are the proportionate shares of the costs to run the system. Miscellaneous revenues (such as compost sales, dumping charges, etc.) are collected by the system and are used to offset the partner contributions.

City Attorney's Office



DRAFT 1

City Attorney's Office

Mission

By City Charter, the City Attorney is appointed by the City Council to serve as the chief legal advisor on legal issues affecting the City of Santa Rosa. The City Attorney's Office is committed to providing the highest-quality legal services and support for elected City officials, departments, boards and commissions, and to defend the City and its employees in litigation and claims.

The City Attorney's Office (CAO) is responsible for a variety of legal issues for the City including: representing the City of Santa Rosa in legal proceedings; reviewing all City Council, Planning Commission and Board of Public Utilities' agendas for Brown Act compliance; advising the Council and departments regarding franchise agreements, landfill issues, water supply, water quality, and other infrastructure issues; reviewing and revising Resolutions and Ordinances; advising other departments on employment issues; reviewing contracts to be entered into by the City; and prosecuting City Code violations and abating public nuisance activity as part of the Neighborhood Revitalization Program.



The Office reviews, evaluates and recommends disposition of all claims made against the City of Santa Rosa and defends litigation (from claims through appeals) filed against the City including civil rights, wrongful death, eminent domain, environmental violations, land use, inverse condemnation, personnel disputes, dangerous condition of public property, and personal injury claims. The City Attorney's Office makes recommendations to the Council for or against the settlement or dismissal of legal proceedings; and defends the validity of ordinances and other administrative actions.

The City Attorney's Office provides advice or written opinions to any officer, department head, board, commission or other unit of local government; advises on election and conflict of interest issues; approves as to form all surety bonds, contracts, ordinances, resolutions and Council policies; opposes release of weapons seized by the police, and represents the City of Santa Rosa in certain criminal prosecution of violations of City Code provisions including environmental claims or collection of revenue.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Assist in achieving increased financial stability through exploration of revenue sources and collection of unpaid revenue.
- Continue to provide high quality and timely support to City departments in their increased need for services with reduced staff.
- Enforce consumer protection laws and aggressively pursue violations with legal action.
- Enforce environmental protection laws and aggressively pursue violations with legal action.
- Enforce the City Code with a focus on neighborhood revitalization through prosecution of Code violations in target neighborhoods.
- Provide advice regarding land use and CEQA issues.
- Provide aggressive defense of all claims and lawsuits filed against the City of Santa Rosa.
- Provide professional, timely and effective legal advice to the Council, City Manager, City Departments and City boards and commissions.
- Provide quality, effective defense and trial support for five state court actions currently scheduled for trial and one federal civil rights action currently scheduled for retrial.

Service Indicators

	FY 2010/11	FY 2011/12	FY 2012/13 **	Projected FY 2012/13 ***	Projected FY 2013/14 ****
New Lawsuits	18	15	19	31	34
Attorney-Assigned Claims	28	43	17	27	32
Opinion Requests Completed*	372	477	230	371	406
Contracts Reviewed	943	1,173	582	939	1,014
Pitchess Motions Defended	10	17	8	13	16
Weapons Administrative Actions	21	23	20	32	36

*Does not reflect continued advice/support for projects

**Through 2/11/13

***Calculated using % of current

****Projected growth based on 3 year trend

- CAO estimates at least 31 new lawsuits will be filed by end of the 2012/13 Fiscal Year. This is in addition to the ongoing support for lawsuits filed in the years prior to this fiscal year. There are seven (7) actions scheduled for trial. Of those seven, two are in U.S. District Court; one of which involves fatalities. CAO handles the majority of litigation in-house to minimize outside counsel costs when possible.
- CAO handles actions alleging liability from claim filing through discovery, trial, appeals, writs and, if appropriate, through petition to the Supreme Court for review.
- Providing full in-house legal services for Housing Authority, at far lower cost than payment to outside legal counsel.
- At least 93% of all requests for legal opinion receive a response within 30 days. Most requests for legal opinion receive immediate response and the attorneys provide continuing services to resolve any matter requiring either reactive or proactive support.
- The average turnaround for all standard contracts, Professional Service Agreements and funding agreements is 7 days.
- Community and law enforcement interests are preserved by timely and successful processing of all Pitchess motions, confiscation of weapons cases, and prosecution of environmental crime violations.
- CAO continues to provide trainings and legal updates as necessary.
- CAO continues its efforts in successfully supporting departments in recovery of revenues and prosecution of City Code violations.

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

-
- Defending Department of Justice action alleging housing discrimination resulting in settlement without payment of any damages.
 - Dismissals of four federal civil rights actions and one state court action. Dismissals of three actions alleging dangerous condition of public property involving serious injuries, establishing no liability by City. Summary judgment issued in favor of SRPD officer in federal court.
 - Federal jury verdict against Police Sergeant overturned by federal judge after successful Motion for New Trial.
 - Negotiated resolutions and dismissals of four cases alleging dangerous condition of public property and one federal civil rights case on favorable terms.
 - Obtained negotiated resolution of federal Americans with Disabilities Act case

on favorable terms.

- Ongoing review and assistance with North Station Area Specific Plan and EIR. Dismissal of case, without any compensation, by pro per Plaintiff who filed suit against the City to challenge the North Station Area plan.
- Oversight, legal and clerical support for Charter Review Committee.
- PERB decision obtained in City's favor on two-tier retirement imposition.
- Provided direction on South A Street right-of-way vacation, including process, identification of issues, valuation and preparation of transactional documents, to facilitate KIA dealership.
- Provided guidance in preparation of a letter of understanding with Railroad Square developer in efforts to facilitate use of Prop 1C grant and development of housing and commercial project at Railroad Square.
- Provided transactional assistance on Housing Authority projects, including loans for new affordable housing development and project acquisition and rehabilitation for special needs. Drafted updated loan agreement, note and regulatory agreement for Housing Authority project loan. Assisted with consideration and review of user fees in preparing implementation of processing fees for Housing Authority.
- Provided analysis and legal assistance to develop processes for streamlining Purchasing.
- Provided expedited analysis, review, drafting and agenda preparation for Redevelopment dissolution.
- Provided legal support for nutrient offset program issues, NPDES Permit reapplication process, North Station Area Plan Water Supply Assessment, Sewer and Water Code and policy revisions, and sewer and water Proposition 218 rate setting process.
- Represented City in four appellate cases.
- Reviewed and provided guidance on Climate Action Plan and supplemental EIR.
- Successful defense of a Petition for Writ of Mandate on towing and impound of vehicle.
- Successfully pursued enforcement of four subdivision agreements resulting in takeover agreements by the bonding surety and completion or progress toward completion of all required improvements; one action included recovery of \$30,000 in costs.
- Worked with EIR consultant, applicant attorney and staff to assist in drafting EIR and project approval resolutions for Spring Lake Village.

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$1,895,247	\$1,994,471	\$2,047,399	\$2,102,207	\$2,123,073
Total	\$1,895,247	\$1,994,471	\$2,047,399	\$2,102,207	\$2,123,073

Expenditures by Category

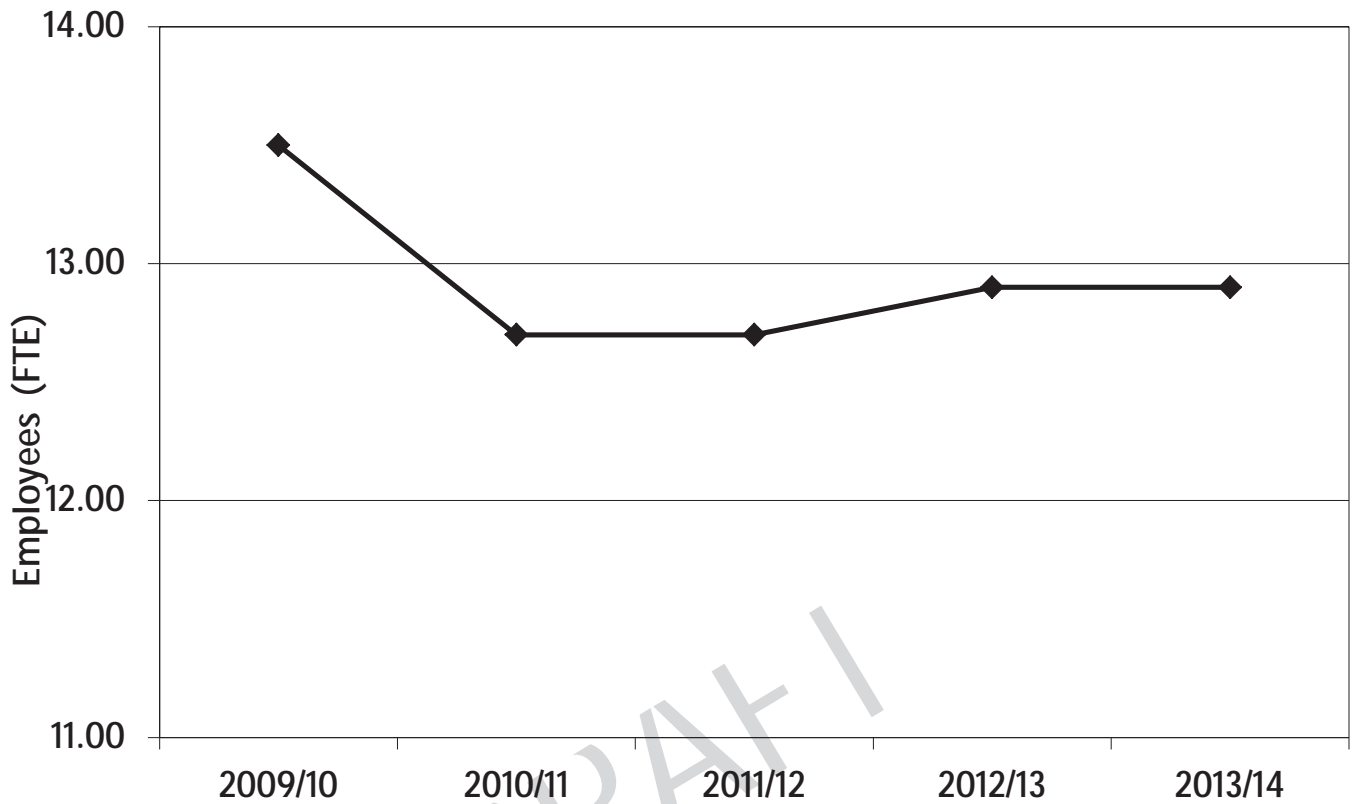
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$1,334,247	\$1,390,718	\$1,405,476	\$1,446,643	\$1,443,030
Benefits	\$446,547	\$496,837	\$494,761	\$507,510	\$526,547
Service and Supplies	\$114,453	\$106,916	\$147,162	\$148,054	\$153,496
Total	\$1,895,247	\$1,994,471	\$2,047,399	\$2,102,207	\$2,123,073

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

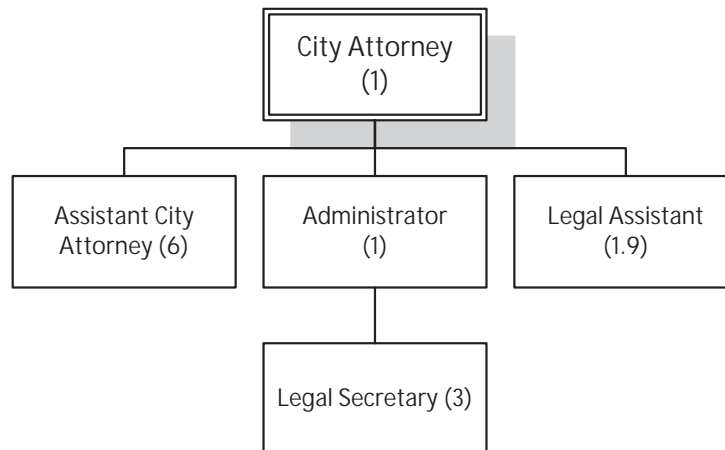
Major Budget Changes

The year over year increase in the City Attorney's Office budget is less than \$21,000 or 1%. The changes reflect increased retirement and health insurance costs in the Benefits category and increases in Information Technology (IT) costs, including the addition of a PC Replacement program, in the Service and Supplies category. The IT increases are partially offset by a \$5,000 reduction in the professional services budget to remove one-time budget added to the Department in FY 2012/13 in support of the City's Charter Review process.

Historical Staffing



Organization Chart



City Council



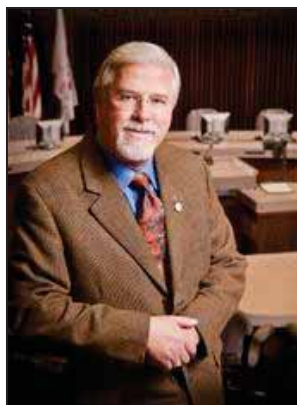
DRAFT 1

City Council

Mission

It is the mission of the City Council to provide leadership and make policy decisions for the well being of our community through public participation, sound financial policies, and appointments to City Boards and Commissions.

The City Council is the legislative and policy-making body for the City of Santa Rosa. Council Members are elected by voters to serve four-year terms. The Mayor and Vice Mayor are elected by the Council Members. The Mayor serves a two-year term. The Vice Mayor serves a one-year term. The Council makes the appointments of the City Manager and the City Attorney, as well as numerous Board and Commission members.



Scott Bartley
Mayor



Erin Carlstrom
Vice Mayor



Julie Combs
Council Member



Ernesto Olivares
Council Member



Jake Ours
Council Member



Robin Swinth
Council Member



Gary Wysocky
Council Member

2013-14 Key Initiatives

The City Council established Goals and Strategic Objectives during their annual goal setting session, and they are committed to supporting the programs, projects, and services required to accomplish the Goals and Strategic Objectives.

Council's Current Goals and Initiatives:

- ① Create a Strong, Sustainable Economic Base.
- ② Promote a City Organization that is Sustainable and Maintains Employee Morale, Productivity, and Effectiveness.
- ③ Provide Leadership in Environmental Initiatives.
- ④ Maintain and Enhance our City's Cultural and Recreational Assets (facilities, programs, parks, etc.).
- ⑤ Improve the Partnerships between Neighborhoods, Community Organizations, and the City to Support and Promote Thriving Diverse Neighborhoods.
- ⑥ Committed to Making Santa Rosa a Community Where People Feel Safe to Live, Work, and Play.

The City Council established Goals and Strategic Objectives during their annual goal setting session in February 2013, and they are committed to supporting the programs, projects, and services required to accomplish these Goals and Strategic Objectives. Council's Current Goals and Initiatives will be updated when approved by Council in April 2013.

Service Indicators

The City Council's service indicators remain the same year after year; we do not have easily measured indicators so that we might provide three years' statistics.

Council Meetings: The City Council meets almost every Tuesday at 4:00 p.m., but meetings may begin earlier in the afternoon to accommodate study sessions. Agendas are made available online at www.srcity.org.

Various Committees: The City Council Members work with City staff on various committees and provide leadership and guidance on a variety of issues. Council standing committees include: Board of Public Utilities Liaison, Downtown Committee, Economic Development, Mayor's Gang Prevention Task Force, the Refuse Subcommittee, and the Economic Competitiveness Task Force. Council Liaison committees include: Art in Public Places, League of California Cities (LOCC) North Bay, LOCC Legislative Liaison, Russian River Watershed Association, Sonoma County Transportation Authority, Waterways Advisory Committee, Water Advisory Committee, Sonoma County Solid Waste Advisory Group, and Association of Bay Area Governments. Council Ad-Hoc committees include: Courthouse Square Advisory Committee, Redevelopment Liaison Committee, and the Southwest Joint City/County

Committee.

Boards and Commissions: The City Council Members appoint City residents to positions on various Boards and Commissions. These Boards work with City staff on a variety of issues, provide the Council and citizens with important background information, and make decisions based on that information. They are: Bicycle and Pedestrian Advisory Board, Board of Building Regulation Appeals, Board of Community Services, Cultural Heritage Board, Design Review Board, Housing Authority, Personnel Board, Planning Commission, Board of Public Utilities, Community Advisory Board, Measure O Oversight Committee, and Waterways Advisory Council.

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

-
- Adopted Short Range Transit Plan, saving \$500,000 per year for continued transit service. ① ②
 - Adoption of the North Station Area Plan. ① ② ⑤
⑥
 - Completion of 11 new Economic Development-Related General Plan and Zoning Policies. ① ②
 - Consolidated Public Works and Transit Departments into the new Transportation and Public Works Department. ① ② ⑥
 - Continued support for special events such as the Amgen Tour of California. ④ ⑤ ⑥
 - Continued to develop/sustain nationally recognized Gang Prevention Program. ④ ⑤ ⑥
 - Continued work on the Media Center. ④ ⑤
 - Finalized Council Goals and Strategic Objectives for 2013-2016. ① ② ③
④ ⑤ ⑥
 - Held Joint Meetings with the Board of Community Services, Santa Rosa Schools Board, Planning Commission, and Housing Authority. ⑤ ⑥
 - Supported “Step Right Up” succession planning program; supported Community Engagement Coordinator programs. ② ⑤ ⑥

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$654,698	\$485,616	\$649,532	\$1,007,179	\$694,437
Total	\$654,698	\$485,616	\$649,532	\$1,007,179	\$694,437

Expenditures by Category

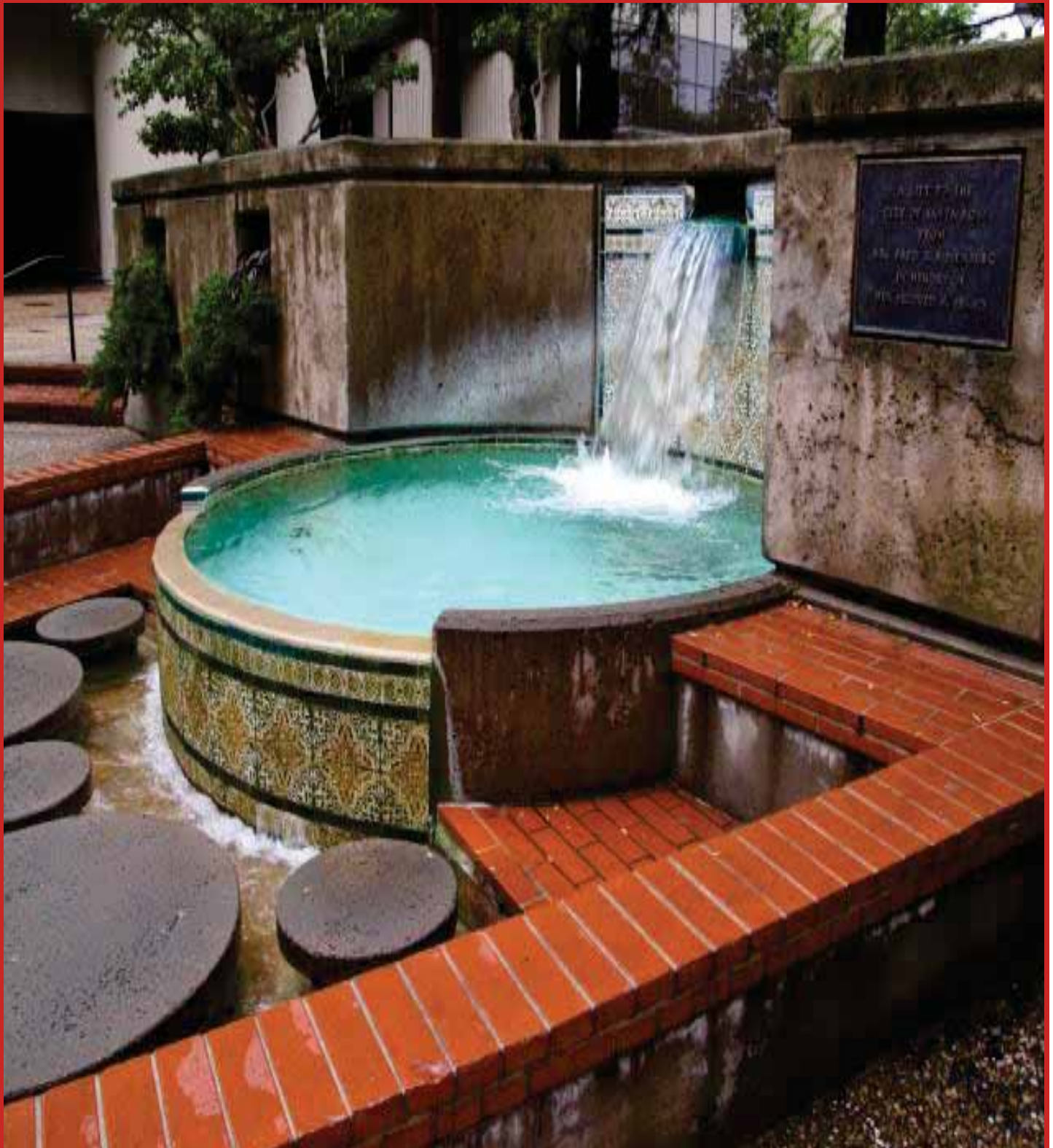
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$149,640	\$164,425	\$67,775	\$74,600	\$74,600
Benefits	\$91,764	\$114,229	\$90,667	\$88,043	\$91,343
Service and Supplies	\$413,294	\$196,720	\$491,090	\$844,536	\$528,494
Capital Outlay, Project, and Other	\$0	\$10,242	\$0	\$0	\$0
Total	\$654,698	\$485,616	\$649,532	\$1,007,179	\$694,437

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

The major change from the City Council's current FY 2012/13 budget to the proposed FY 2013/14 budget is a decrease of \$310K in the Elections budget due to FY 2013/14 being a non-election year. The budget still retains \$250K of election costs funding for a possible off-year ballot measure. An increase in health and other insurance costs of just over \$3K are more than offset by a decrease of \$6K in the Council's Information Technology budget.

City Manager's Office



DRAFT 1

City Manager's Office

Mission

It is the mission of the City Manager's Office to provide responsible leadership, cost-control management, direction based on sound strategic planning, support to City Council Members and Board and Commission members, and exceptional customer service to the community.

The City Manager's Office is made up of several divisions: General Administration, the City Clerk's Office, Community Engagement and Gang Prevention/Intervention management.

General Administration is responsible for the administration and oversight of all City departments; guides the annual budget process; coordinates the City Council agenda process; and provides direct support to the City Council. The office also administers and monitors the City's franchise agreements and a variety of service-related agreements.



The City Clerk's Office administers the legislative process; provides support to the City Council; produces the Council agenda and assembles and distributes the agenda packets in compliance with the Brown Act; records action minutes and manages the processing of all items approved by the City Council; maintains the legislative history of all City Council actions; administers regular and special municipal elections according to the Elections Code, the City Charter, and the City Code; provides support and information to candidates and voters; administers Board, Commission, and Committee recruitments and appointments in accordance with the Maddy Act and City Council policies; manages the retention and retrieval of official documents in compliance with the Public Records Act; acts as the filing official for Statements of Economic Interest and Campaign Statements in accordance with the Political Reform Act; assures proper publication of public notices and adopted ordinances; provides training; oversees the codification of the City Code; coordinates the City's Records Management Program; and provides access to information about the public's business.

The Community Engagement Program is responsible for supporting, promoting, and organizing opportunities for civic engagement to residents of Santa Rosa, including connecting residents with their local government, strengthening and empowering neighborhood groups, and connecting residents with volunteer opportunities. This program works in partnership with the

Community Advisory Board to reach out to residents throughout the City. This is accomplished through the creation of its own programs such as “Discussions Inspiring Neighborhood Engagement” (DINE) and “Coffee with a Department Head” as well as the promotion of events sponsored by community partners, neighborhood associations, other City Departments, and civic groups. This office also organizes and participates in annual events such as Day of Caring and Earth Day. When residents have questions or are in need of various City services, this office operates to link them to those services and offer support in community organizing. This office is essentially a universal resource for residents with questions, concerns, and issues important to themselves and their neighborhoods.

Gang Prevention and Intervention administration moved from Recreation and Parks to the City Manager’s Office midway through the last fiscal year, and this is the first year it is reflected in the budget. This is responsible for the administration and management of the Mayor’s Gang Prevention Task Force (MGPTF), including the implementation of the MGPTF Strategic Goals of Awareness, Prevention, Intervention, Enforcement, Re-Entry, Regionalization, and Measurements/Metrics.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

General Administration

- Assist the City Council with policy development and implementation of City Council Goals and Strategic Objectives; lead Citywide strategic planning to support Goals. ①②③④⑤⑥
- Assist the City Council with recruitments, orientations, and staffing of the various Boards and Commissions. ①②③④⑤⑥
- Lead the Mayor’s Gang Prevention Task Force and Police Department in gang prevention efforts. ⑥
- Oversee development of programs, partnerships, and funding models that maintain and enhance the City’s cultural and recreational assets and identify neighborhood needs. ④⑤⑥
- Provide analysis of Federal and State legislation impacting the City of Santa Rosa and assist the Council in providing an effective program. ①②
- Provide cost-control oversight and closely monitor impacts of budgeting constraints; develop cost saving measures that include managing labor and pension costs. ②
- Respond to citizen/business requests for assistance at the office front counter and on the telephone. ②⑤⑥

City Clerk’s Office

- Administer municipal elections; provide technical support and guidance for candidates with filing of required documents; serve as filing officer under ②⑤

Political Reform Act.

- Assure public access to legislative records; coordinate timely responses to ②⑤⑥ Public Record Act requests; serve as liaison for exchange of City information between City and public.
- Prepare and distribute preliminary and current Council agendas and web ②⑤⑥ packets; post all to the City's website and posting locations.

Community Engagement

- Organize outreach events such as Coffee with a Local Leader and DINE events. ⑤
- Develop and maintain a directory of community contacts and partner with and ⑤ support the Community Advisory Board.
- Participate in the Sunflowers for Santa Rosa grassroots initiative to create ⑤ community connections.
- Oversee and manage the Public Improvement Grant Program. ⑤

Gang Prevention/Intervention Administration

- Implement a two-year funding cycle for the Community Helping Our ④⑤⑥ Indispensable Children Excel (CHOICE) Grant Program and align with Sonoma County's Upstream Investments to enhance the efficiency and effectiveness of programs.
- Work with MGPTF Policy and Operational Teams to implement the Strategic ⑥ Plan, develop measurement of MGPTF efforts and coordinate 5th Annual Gang Prevention Awareness Week.

Service Indicators

The City Manager's Office service indicators remain the same year after year; we do not have easily measured indicators so that we might provide three years' statistics. Service indicators include:

- Assist the Mayor and the City Council in the recruitments, orientations, and staffing of the various Boards and Commissions. Provide assistance at the Mayor's monthly Board Chair lunch meetings.
- Work with the Mayor, the City Council, and the City Attorney to develop City Council Goals and Strategic Objectives. Follow up with staff to develop work plans and produce desired results.
- Provide the Mayor on-going assistance for the Gang Prevention and Intervention Task Force Committee.
- Provide analysis of Federal and State legislation impacting the City of Santa Rosa.

- Provide support for the Community Advisory Board.
- Serve on Sonoma County Waste Management Agency as a Board Member.
- Serve on Steering Committee for feasibility of Community Choice Aggregation.
- Serve as a member on the Sonoma County Library Joint Powers Agreement Review Advisory Committee.
- Negotiate terms of City participation in central landfill use.
- Provide administrative oversight to the County for Animal Care and Control.
- Respond to phone calls and assistance at the front counter: The City Manager's Office receives thousands of calls and customers each year and prides itself on providing customers with friendly, thorough, and timely assistance.

The City Clerk's Office service indicators remain the same year after year; we do not have easily measured indicators so that we might provide three years' statistics. Service Indicators include:

- City Council Meetings: Produce, publish, and post current and preliminary Council agendas and packets each week; review agenda reports; prepare minutes of Council meetings; post live streaming and archive video recordings of Council meetings to the website. Prepare staff reports as necessary. Implement web-based agenda workflow and legislative history archive to achieve greater efficiency, accuracy, and timeliness in agenda creation and agenda packet distribution and improve public access to Council and advisory body legislative records.
- Records Management: Coordinate departments' records management efforts as evidenced by up-to-date retention schedules, destruction of records when retention period has expired, continued implementation of imaging technology used by or compatible with systems in all departments; timely budget requests for resources needed for project implementation.
- Develop and maintain a database to manage records for Board and Commission members.
- Training and Publications: Provide training to staff in all City departments on Public Records Act compliance and agenda process management; provide orientation training for Board and Commission members; provide training to Board and Commission members and designated City staff on Conflict of Interest reporting and ethics; provide training for Board and Commission Chairs. Provide staff training for department records management applications. Produce and publish related training or resource handbooks.
- Political Reform Act: Review and update the City's Conflict of Interest Code; implement web-based E-filing and administration system for filings required under the Political

Reform Act (PRA) to achieve greater efficiency, accuracy and timeliness in processing and reviewing Conflict of Interest Statements and Campaign Disclosure Statements and improve public access to all PRA filings.

The Community Engagement Program receives numerous calls and e-mail inquiries seeking advice, resources, information about local programs/services, and opportunities for involvement. Service indicators include:

- Track the number of community events organized and sponsored by the Community Engagement Program (e.g., DINE events, Coffee events, Mighty Peacocks honored, Santa Rosa Stand Outs honored).
- Track demographic analysis of DINE participants (age, gender identity, ethnic identity, and geographic information) in order to assist with outreach efforts.
- Respond to calls and e-mails from the community.
- Continue regular and ongoing communications via social media to keep the public informed of community events and opportunities.
- Partner with outside agencies and various City departments to increase span of outreach and provide mutual assistance.

Gang Prevention / Intervention Service Indicators

	FY 2011/12	FY 2012/13 est.	FY 2013/14 est.
Create implementation plan for the Mayor's Gang Prevention Task Force (MGPTF) Strategic Plan	n/a	n/a	Yes
Create tracking system to report progress of the 2012-14 MGPTF and produce report card for Policy and Operational Teams of the MGPTF	n/a	n/a	Yes
Conduct 6 Policy Team and 12 Operational Team meetings for the MGPTF	Policy Team – 6 Operational Team – 12	Policy Team – 6 Operational Team – 11 Joint Mtg - 1	Policy Team – 6 Operational Team – 12 Joint Mtg - 1

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

General Administration and City Clerk's Office

- Administered general election (11 candidates and four Charter Amendment ② ballot measures); provided Council candidates with technical support and guidance for interested candidates with filing of necessary financial, campaign, and election documents; coordinated Council candidate orientation.

- Administered Lobbyist Registration Program, reviewed and processed nine applications/fees, and posted information on the City's website. ②⑤
- Assisted the City Council with recruitments, orientations, and staffing for various Boards and Commissions; monitored legislation impacting the City of Santa Rosa and recommended policy actions. ②⑤⑥
- Conducted Board and Commission recruitments for 46 vacancies, orientation, and AB 1235 Ethics Training. ②⑥
- Coordinated review and update of the City Council's Appointment Policy in coordination with the Inclusion Council. ②⑤
- Developed recommendation for annual City budget and long-term fiscal policies; assisted the City Council with policy development and implementation of City Council Goals and Strategic Objectives. ①②③④⑤⑥
- Produced, posted, and distributed 70 Council agendas (current and preliminary) and 35 agenda packets and sets of minutes; reviewed and published over 300 staff reports; conformed, archived, and posted approximately 120 resolutions; conformed, published, and posted approximately 35 ordinances; posted video of 35 Council meetings to the website; provided technical support in filing financial disclosure/economic interest reports. ②⑤
- Provided oversight for the County Animal Care and Control; served on Sonoma County Waste Management as a Board Member; served on Sonoma County Joint Powers Agreement's Library Review Advisory Committee as a member. ④⑤
- Provided technical and administrative support to staff to index and purge department files; facilitated destruction of outdated records in storage; continued monitoring and updating the Citywide records retention schedule. ②
- Responded to citizen/business requests for assistance at the front counter and on the telephone. ②⑤
- Solicited, reviewed, and received 365 Statements of Economic Interests from Council Members, designated employees, Board and Commission members, and designated consultants; monitored filing compliance. ②
- Supported Community Engagement with public participation programs, online resources, service opportunities, and problem solving; worked with the Inclusion Council, the Marketing and Communication Committee, and the Step-Right-Up succession planning program. ②④⑤
- Updated the City's Conflict of Interest Code; implemented NetFile e-filing solution for Statements of Economic Interest and implemented paperless e-filing for all employee filers. ②⑥
- Worked with the City Council in Mayor's Gang Prevention Task Force efforts; ①②③

provided participation and staff support for Community Advisory Board in establishing goals/objectives and updating of Community Improvement Grants. ⑤

Community Engagement

- Organized and coordinated 11 Coffee with Department Head/Local Leader meetings to encourage government transparency and expand resource base to residents. ⑤
- Participated and partnered in Marketing and Communication Committee; organized Earth Day clean-up and the Greenway Cleanway volunteer program ③④⑤
- Partnered with Police Department and Target Stores to organize outreach for the Citywide National Night Out event. ⑤⑥

Gang Prevention/Intervention

- Coordinated and implemented the 4th Annual Gang Prevention Awareness Week with events hosted by SRPD, Recreation and Parks, The Salvation Army's Double PUNCHES Boxing Club, and Community Action Partnership. ④⑤⑥
- Developed and adopted the 2012-2016 Mayor's Gang Prevention Task Force Strategic Plan. ④⑤⑥
- Funded programs raised 76% matching funds to serve Santa Rosa Youth; served 3,494 children and parents. ④⑤⑥

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$1,132,344	\$1,302,086	\$1,589,103	\$1,534,350	\$1,837,487
Measure "O" - Gang Prevention	\$0	\$0	\$0	\$0	\$915,802
Capital Improvement Fund	\$87,998	\$180,099	\$177,639	\$116,619	\$0
Expendable Fund-No Int Alloc	\$0	\$0	\$0	\$0	\$4,500
Total	\$1,220,342	\$1,482,185	\$1,766,742	\$1,650,969	\$2,757,789

Expenditures by Category

	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$761,535	\$813,292	\$837,292	\$901,171	\$1,199,570
Benefits	\$162,719	\$266,640	\$279,595	\$281,572	\$404,942
Service and Supplies	\$208,090	\$222,154	\$326,200	\$328,938	\$917,846
Indirect Costs	\$0	\$0	\$0	\$0	\$26,016
Capital Improvement Program	\$87,998	\$180,099	\$177,639	\$116,619	\$0
Capital Outlay, Project, and Other	\$0	\$0	\$146,016	\$22,669	\$209,415
Total	\$1,220,342	\$1,482,185	\$1,766,742	\$1,650,969	\$2,757,789

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

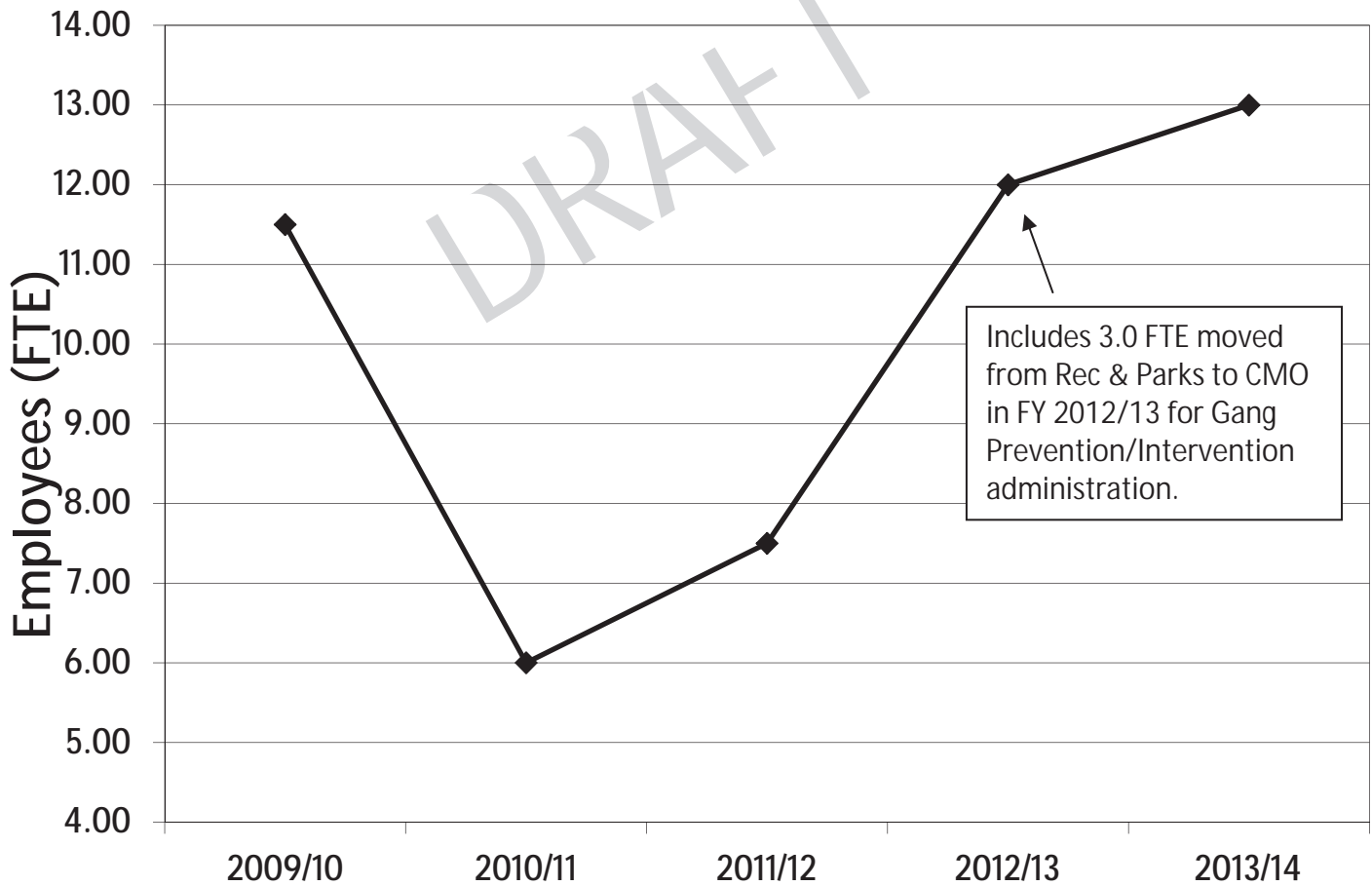
The year over year increase in the City Manager's budget is attributable primarily to the move of the administration of Gang Prevention/Intervention services from the Recreation & Parks Department to the City Manager's Office in FY 2012/13. The move impacts both the General Fund and the Measure O Gang Prevention Fund and is reflected for the first time in the FY 2013/14 budget. Three Measure O positions were included in the move - the Gang Prevention/Intervention Services Manager, Administrative Technician (to be re-classified to Administrative Analyst), and Community Outreach Specialist. All gang prevention *programs* remained in Recreation & Parks. The Salaries, Benefits and Service and Supplies costs (excluding grants) for the Measure O Fund total \$398K for FY 2013/14 with an additional \$518K for the Measure O grants program. On the General Fund side, the oversight and management of the Mayor's Gang Prevention Task Force and CHOICE Grant Program transitioned to the City Manager's Office. The total budget connected with this portion of the move is \$181K and is reflected in the General Fund in the Capital Outlay, Projects category.

Apart from the move of the above mentioned Gang Prevention administration, the changes in the City Manager's General Fund budget include the following highlights: (a) The addition of 1.0 FTE Records Management Technician. As the City's custodian of records, the City Clerk is responsible for coordination of the City's Records Management Program. This position will provide staffing to continue implementation and oversight for the City's Electronic Document

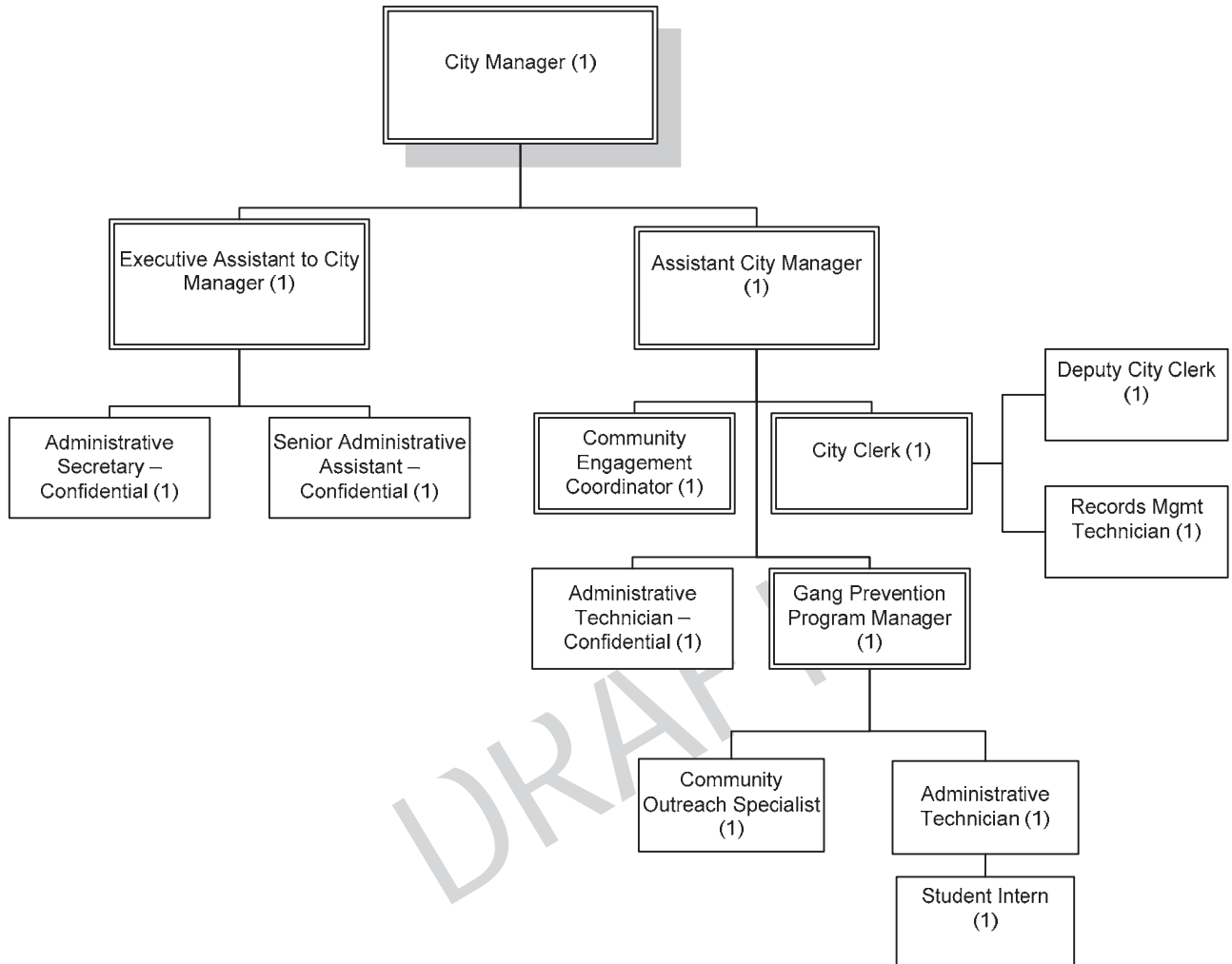
Management System (EDMS) project and assist City departments in identifying and obtaining short- and long-term records storage solutions; (b) The conversion of 1.0 FTE Administrative Secretary position to a Deputy City Clerk position. After offsetting reductions in connection with the Records Management Technician, the net cost of the position addition and position reclassification is approximately \$65K, in total; (c) Information Technology increases and base benefit cost increases in health and retirement account for the majority of the remaining General Fund increase.

Finally, there was one Capital Improvement Program project funded in FY 2012/13 that did not necessitate 2013/14 funding, hence a year over decrease of \$117K is reported for that Fund/Category.

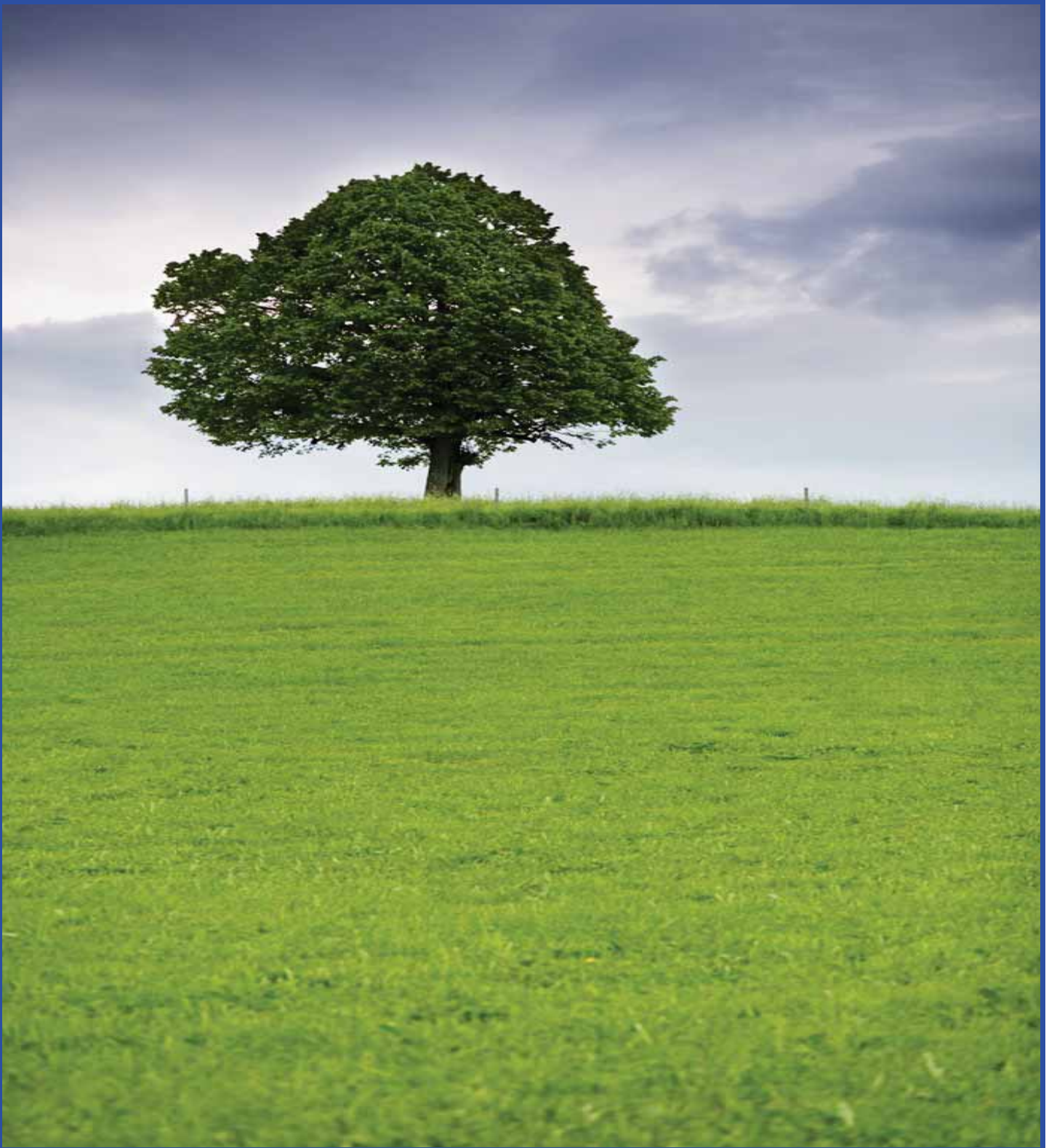
Historical Staffing



Organization Chart



Community Development



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Community Development

Mission

The employees of the Community Development Department strive to insure that the City's physical development achieves the highest quality, safety, and level of improvement while complementing and strengthening existing neighborhoods and business areas.

The Community Development Department is responsible for overseeing and guiding development activities in the City. The Department does this by assisting the City Council in developing policies, procedures, and standards to carry out the General Plan; serves as a resource for neighborhood groups concerned with the physical development of the City; and helps development interests to successfully comply with all City rules and regulations. Partnership is created with the Planning Commission, Design Review Board, Cultural Heritage Board and Waterways Advisory Committee.



2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- **Adoption of the 2013 Building Codes.** Department staff will support adoption of the 2013 California Code of Regulations, Title 24, through the Model Code Update Ordinance. This will include the adoption of the California Green Building Standards Code and the California Energy Code in addition to the other codes which regulate construction within the State of California. The new codes go into effect on January 1, 2014. ③
- **Update of the Housing Element.** Bay Area jurisdictions are required to update and adopt revised general plan housing elements by December 2014. The revision will use the existing element as a base, but will update background information and available sites inventory/analysis. A robust outreach program is planned to involve stakeholders. ①
- **Update of the Citywide Creek Master Plan.** A focused update of the 2007 Citywide Creek Master Plan commenced in late 2012 and will be adopted during this budget year, in Summer 2013. The scope of the revision includes reaffirming/clarifying policies; ensuring consistency with other City policy documents; updating maps and text to recognize changed conditions and completed projects; incorporating waterways not previously included; developing criteria to prioritize projects; working with County and Sonoma County Water Agency staff to achieve adoption by these agencies. ③
- **Complete abatement of 1-2 major Code Enforcement cases.** Department staff, coordinating with the City Attorney's office, will abate code violations that have not been resolved after all available means to encourage voluntary compliance have been expended. The properties involved pose a life/safety impact to citizens and/or involve blighted conditions within neighborhoods. ③
- **Recruitment and training of Permit Intake Manager and Community Development Technician.** Due to retirement, there will be two positions filled at the Community Development public counter. Both positions will require extensive training to successfully maintain our expected level of customer service at the public counter. ②
- **Recruitment for Senior Planner and City Planner.** Filling a vacant City Planner position through an open recruitment will provide an opportunity for full staffing of the Planning Division. An internal promotional recruitment for Senior Planner will fill a department need to perform work at this level. ②
- **Review Department cost study; determine fees to adjust.** A study of the cost to provide development review services has been conducted. The next step will be to determine which, if any, fees should be adjusted. ①
- **Sustainable Communities Strategy.** In accordance with Senate Bill 375, the Association of Bay Area Governments and Metropolitan Transportation Commission will release the draft Sustainable Communities Strategy/Regional Transportation ③

Plan/Regional Housing Needs Allocation and accompanying Environmental Impact Report for the Bay Area in early 2013. Staff has been participating in this regional planning process over the last two years and will continue to provide feedback to ABAG and MTC and keep the city council informed at appropriate junctures.

Service Indicators

- Code Enforcement responds to investigation requests within the stated time frames (determined by violation type).
- Formal issues letter is distributed to applicants within 60 days and a decision on major entitlements is made within 120 days of application submission.
- Hold face-to-face meetings with applicants within 45 days of completeness.
- Give written feedback to applicants of major projects within 14 days.
- Front counter customer assistance is provided to customers within 15 minutes of their check-in, 80% of the time.
- Building Plans Checks are completed within five weeks of submission on the first check and two weeks on subsequent checks, 80% of the time.
- Engineering Plan Checks are completed within 30 days for initial submittal and 15 days for subsequent checks.

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- **Adoption of the Climate Action Plan.** This first ever and only Greenhouse Gas Reduction Plan prepared and adopted in Sonoma County, took a comprehensive approach to reduce greenhouse gas emissions and placed an important emphasis on monitoring and implementation. ③
- **Adoption of the North Station Area Plan.** This planning level document for the ½ mile area surrounding the Guerneville Road SMART station supports future rail transit by improving pedestrian, bicycle, auto and transit connections, increasing residential density, promoting economic development, enhancing aesthetics and quality of life. ①
- **Completion of 11 new Economic Development-related General Plan and Zoning policies.** These policies are intended to remove barriers to economic development; prepare sites for future development; increase predictability and uses allowed by right; and prepare land use policy for a time when the economic climate improves. ①
- **Completed Entitlement Review for major projects at Coddington, Santa Rosa Plaza, and Montgomery Village shopping centers.** The new Target store at Coddington, for example, is key to the re-vitalization of the 1960s shopping mall and very important to the future of Santa Rosa. The Plaza received major pedestrian entry upgrades and Boudin of San Francisco is constructing a new restaurant in Montgomery Village. ①

- **Completed Entitlement Review for several new car auto dealerships involving new construction and major remodels.** Corby Avenue has seen the completion or near completion on two new dealerships (VW and Subaru) and three major remodels (BMW, Honda and Hyundai). Santa Rosa Avenue has seen the completion of the new KIA dealership. ①
- **Adoption of the Housing Allocation Plan.** This City Council action completed a four-year effort to update the City's Inclusionary zoning policy. Specific policy changes included making fee payment the primary method for compliance, requiring any on-site provision of affordable units to be rental and generally simplifying the process. ①
- **Adopted a streamlined permitting process for solar photovoltaic systems.** Community Development worked in conjunction with Solar Sonoma County and adjacent jurisdictions to streamline the permitting process for the issuance of roof-mounted photovoltaic systems. ③
- **Increased permitting with the same staffing level.** For the first seven months of fiscal year 2012-13, as compared to fiscal year 2011-12, there has been a 28% increase in project valuation of issued building permits accomplished with the same staffing level. There were 2,669 permits issued during the first seven months of fiscal year 2012-13, including permits for 197 new dwelling units. The number of new dwelling units is an increase of over 40% compared to data from the first seven months of fiscal year 2011-12. ①

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Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$3,486,605	\$3,739,737	\$4,544,689	\$3,759,688	\$3,990,598
Administrative Hearing Fund	\$146,799	\$163,450	\$179,580	\$220,729	\$287,154
Capital Improvement Fund	\$294,467	\$627,723	\$0	\$0	\$0
Total	\$3,927,871	\$4,530,910	\$4,724,269	\$3,980,417	\$4,277,752

Expenditures by Category

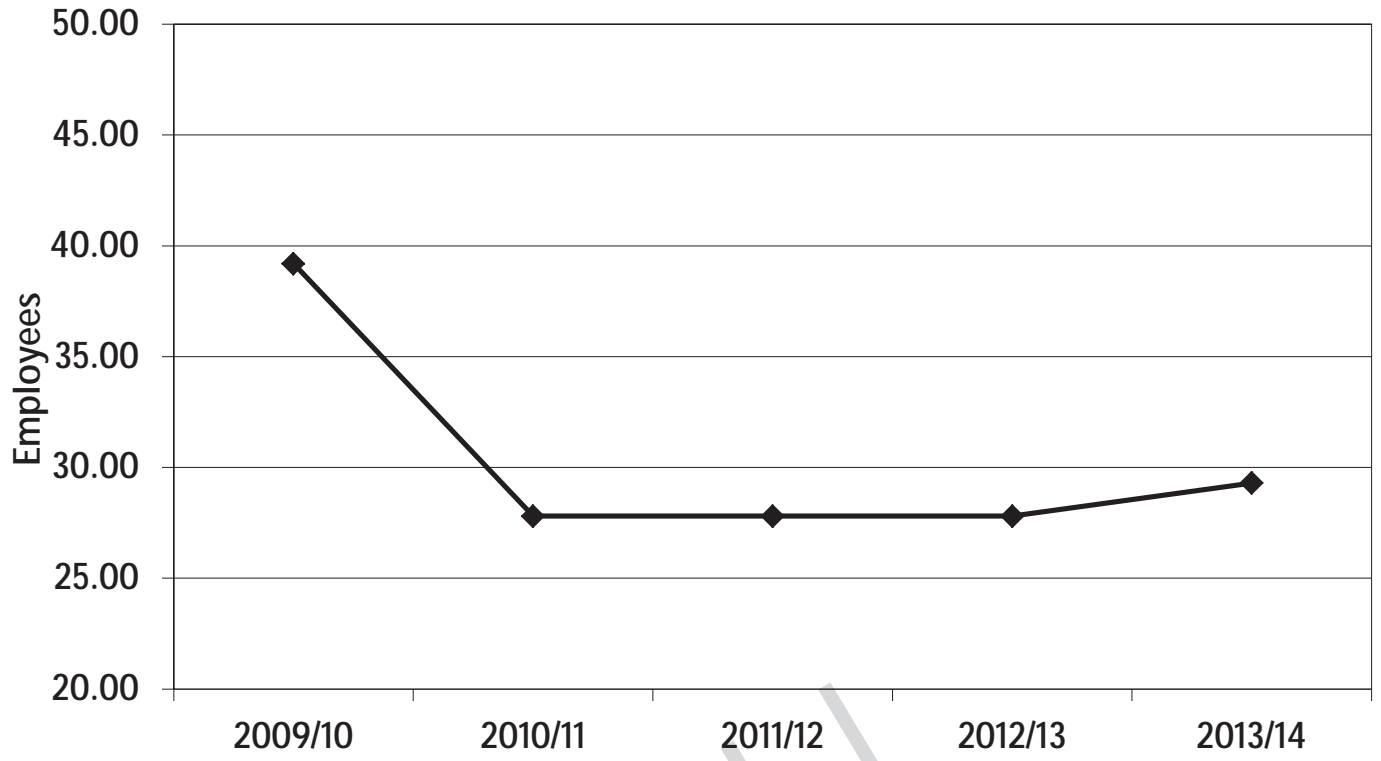
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$2,218,923	\$2,231,464	\$2,082,881	\$2,320,914	\$2,363,839
Benefits	\$749,326	\$852,398	\$831,114	\$907,572	\$950,614
Service and Supplies	\$411,136	\$451,093	\$508,493	\$701,931	\$801,299
Capital Improvement Program	\$294,467	\$627,723	\$0	\$0	\$0
Capital Outlay, Project, and Other	\$254,019	\$368,232	\$1,301,781	\$50,000	\$162,000
Total	\$3,927,871	\$4,530,910	\$4,724,269	\$3,980,417	\$4,277,752

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

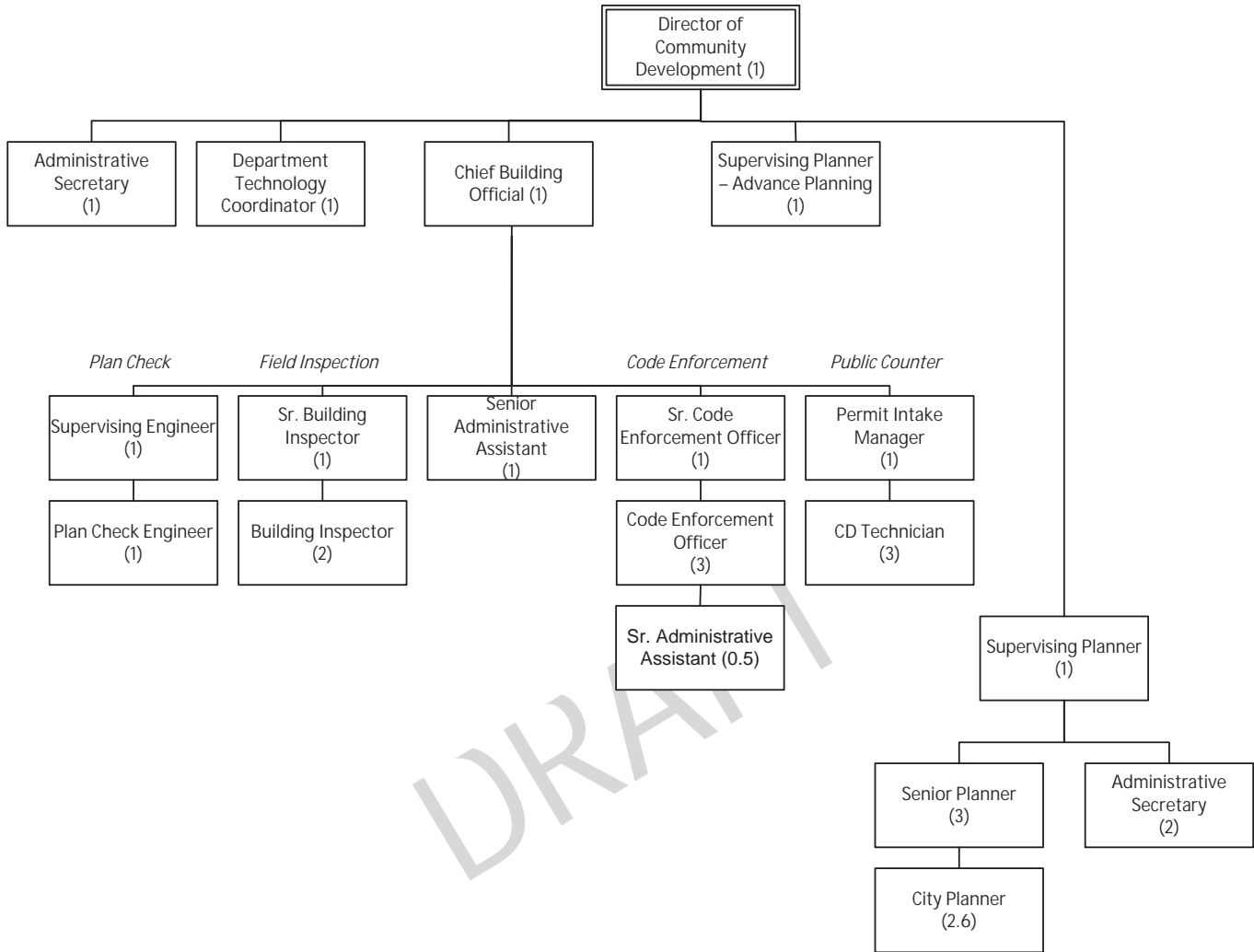
The General Fund budget for Community Development for Fiscal Year (FY) 2013/14 budget is \$231K higher than the FY 2012/13 budget. \$112K was due to project expenditures related to the General Plan Update from fees collected for Advanced Planning. Community Development is also adding a 1.0 FTE Senior Administrative Assistant Position for Code Enforcement, which will be split with the Neighborhood Revitalization Program, as well as partially funded by the Administrative Hearing Fund. The department is also upgrading a vacant 1.0 FTE Planner position to Senior Planner. One-time funding has also been added for a .5 FTE Community Development Technician to train new staff. \$50K has been added for Code Enforcement Abatement from the Administrative Hearing Fund to improve neighborhoods by demolishing or improving blighted properties.

Historical Staffing



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Organization Chart



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Economic Development & Housing



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Economic Development & Housing

MISSION

We are leaders in providing Santa Rosa's economic development, parking, neighborhood revitalization, rental housing assistance and affordable housing development services.

The Department of Economic Development and Housing is responsible for programs in three entities: the City of Santa Rosa, the Housing Authority, and the Successor Agency to the former Redevelopment Agency. The functions of the Housing Authority and the Successor Agency to the former Redevelopment Agency are shown in



separate sections of this budget adjacent to this section. Under the City entity, the Department is responsible for providing economic development programming, neighborhood revitalization outreach, assistance for homeless and managing mobile home rent control and Downtown parking district services.

The Economic Development Program supports a vital local economy by helping business grow and expand in our community. Creative programming is designed to enhance the City's innovative and entrepreneurial image; services also focus on tourism by encouraging overnight stays at local hotels and supporting unique local events and marketing campaigns that reinforce Santa Rosa as a visitor destination in Sonoma County.

The Parking Division has joined with Economic Development to maximize parking access to support the downtown economy. The division manages parking for the downtown city center and residential parking zones, serving an estimated 2 million customers per year. This division manages the City's five garages, ten surface lots, on-street metered parking and time-limited parking spaces. The Parking Enforcement Unit monitors and regulates parking meters, time zones, and other restricted parking areas in the Downtown Central Parking and Railroad Square Districts as well as six Residential Permit zones.

The Neighborhood Revitalization Program (NRP) supports improving living conditions in deteriorating neighborhoods, with employees from a City-wide taskforce. NRP helps improve neighborhood characteristics that contribute to lowering the quality-of-life in the area, by responding with possible solutions and improvements that involve all the neighborhood stakeholders.

The City provides essential homeless shelter services through contracting the operation of a 120-bed shelter at Samuel Jones Hall, which serves homeless individuals and families throughout the year. Mobile Home Rent Control services include enforcing the Ordinance, enacted in 1993, which regulates mobile home space rents in 14 mobile home parks in the City.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

-
- Deliver economic development programs to grow local businesses and attract new businesses that strengthen our industry clusters and promote Santa Rosa's unique business advantages within greater Sonoma County. ①
 - Grow ongoing tourism programming in partnership with the Santa Rosa Chamber of Commerce and the Santa Rosa Convention Visitors Bureau under the Santa Rosa Tourism Business Improvement Area Assessment (SRTBIA). ①
 - Continue strategic partnership with the Santa Rosa Community Development Department to promote positive entitlement process changes under Council's Aggressive Economic Development Zoning (AED) and Tier 1 and Tier 2 work plans. ①
 - Expand "Made in Santa Rosa" local pride campaign to highlight local entrepreneurs and commercial district niches. ①
 - Facilitate business information requests including: demographics, market studies, zoning and entitlement assistance, and available commercial property information. ①
 - Maintain the Neighborhood Revitalization Program's progress in six Santa Rosa neighborhoods including: Apple Valley, Aston Avenue, Corby/Olive, The Woods, South Park, and Sunset/McMinn with a focus on code enforcement, fire inspections, community outreach, communication with the police department on neighborhood issues, and graffiti abatement. Provide the "West Ninth" neighborhood with NRP services for FY 2013-14. ⑤⑥
 - Administer the Samuel Jones Hall Homeless Shelter operations contract. ⑥
 - Continue to administer the City's Mobile Home Rent Control Ordinance. ⑥
 - Outsource processing of parking citations and fine collection. ②
 - Continue ADA improvements identified through the DOJ self-audit and lawsuit settlement. ⑥
 - Continue street parking meter replacement with consideration of new single space meters in the Downtown. ①
 - Conduct Garage structural assessment. ①⑥

- Conduct financial audit. ①
- Complete lighting project at Garage 1 to install energy efficient LED fixtures. ③
- Resume design of a mixed-use garage on the White House site. ①

Please see Housing Authority and Successor Agency to the Redevelopment Agency sections for additional information.

Service Indicators

	FY 2010/11	FY 2011/12	FY 2012/13 estimate
Economic Development			
Number of business visitations	9	9	27
Number of businesses assisted	300	300	336
Number of Economic Development webpage hits	71,323	71,323	157,212
Neighborhood Revitalization Program (NRP)			
Number of units inspected (Building and Fire) in NRP neighborhoods	1,240	1,061	1321
Number of units passed (Building and Fire)	411	447	370
Number of total violations in NRP neighborhoods (Building and Fire)	768	774	980
Number of legal letters sent to landlords in NRP neighborhoods	11	18	10
NRP Special Events	10	14	9
NRP "Knock and Talks" to distribute information	580	600	680
Tenant calls for NRP services/fair housing/social services/mobile health clinic	1,500	1,685	1400
Homeless Facilities			
Number of persons sheltered at Brookwood Shelter (closed July 2009)	0	0	0
Number of persons sheltered at Samuel Jones Hall (open 365 days, provides additional winter occupancy)	1,121	1,100	1,000
Mobile Home Rent Control Ordinance			
Number of mobile home parks under rent control	14	14	14
Spaces under mobile home rent control	1,452	1,445	1,450
Parking Operations			
Number of parking permits issued	18,400	19,501	22,045
Number of daily garage service tickets issued	308,200	342,022	360,567
Number of residential parking permits issued	1,100	1,073	1,100

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Served as lead facilitator for businesses looking to expand or open in the City of Santa Rosa by responding to information requests and connecting businesses to city departments for entitlement services. ①
- Partnered with Sonoma County Go Local to evolve the City's Stay, Shop, Play Campaign to "Go Local Santa Rosa" to encourage shopping and dining locally. ①
- Redesigned City's Visitors' web presence, and incorporated social media as part of the City's destination communication strategy.
- Coordinated final integration phase of the Parking and Economic Development divisions. ①
- Administered year-round downtown Parking Validation program and radio campaign. ①
- Participated in the County of Sonoma's Economic Development Board and Sonoma County BEST's 100 in 100 business visitation program.
- Development and implementation of street busking policy to enhance downtown ambiance and shopping experience. ①
- Supported unique community events including: AMGEN California overall race start, Rootstock at Courthouse Square, Railroad Square Summer Nights, and Holiday Merchant Open House. ①
- The Neighborhood Revitalization Program successfully integrated "The Woods", as a new designated area where building and fire code compliance inspections were completed, education of city services through the community outreach performed and police presence and cooperation in improving the quality of life. ⑤ ⑥
- Neighborhood Revitalization Program continued to work with the City and Mawson Computers to recycle old computers used by employees to donate to those who have graduated from the computer literacy classes. ⑤
- Completed the seventh full year of operations at the Samuel Jones Hall Homeless Shelter on November 11, 2012. ⑥
- Continued to work with mobile home park owners and residents under the City's Mobile Home Rent Control Ordinance, fully sustained by its own fees. ⑥
- Successfully mediated a property tax pass-through for Rancho San Miguel Mobilehome Park.
- Successfully continued program to operate the City's parking garages with gates down on a 24-hour basis and perform round-the-clock patrols with City staff to improve facility security and achieve operational efficiencies. ① ⑥
- Enhanced parking website and marketing to Downtown employees and increased Garage and Lot employee permit sales in response to Santa Rosa Plaza charging for parking effective August 2012. ①
- Contract awarded for Years 6, 7, 8 and 9 of the ten-year capital repair program for the City's parking garages as detailed in Walker Restoration Consultant's Condition Appraisal Report, prepared in March 2006 (façade clean and seal); ① ⑥

anticipated completion Spring 2013.

- Installation of upgrades to the garage parking access and revenue control systems completed, with final systems applications testing to be complete by June 30, 2013. ①
- Design complete for Garage 9 office improvements; anticipated completion in Spring 2013.
- Continued partnership with Economic Development to market downtown, educate regarding parking options, and promote the parking validation program. ①
- Completed ADA improvements to correct findings identified by the DOJ audit for Parking. ⑥
- Completed Garage intercom upgrades and booth lock replacement. ① ⑥
- Engineering and construction is underway for car barrier reinforcements on outside walls of Garage 3 (located at Fifth and Beaver Streets); anticipated completion in Spring 2013. ⑥
- Completed Phase 2 of lighting project at Garage 12 to install energy efficient LED fixtures in the exterior stairwells. ③

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Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Homeless Shelter Operations	\$473,970	\$545,308	\$532,767	\$538,764	\$537,595
EPA Brownfields Grant	\$11,506	\$11,793	\$970,821	\$0	\$0
Neighborhood Revitalization Pr	\$208,598	\$178,427	\$271,736	\$313,255	\$313,259
Mobilehome Rent Stabilization	\$43,224	\$60,207	\$58,816	\$117,188	\$108,359
Economic Development Fund	\$838,109	\$1,355,582	\$1,408,598	\$1,097,509	\$1,198,402
Parking District Fund	\$5,000,597	\$4,690,603	\$6,391,471	\$5,062,056	\$5,064,312
1998 Parking Refunding DS	\$545,248	\$543,996	\$512,718	\$512,718	\$514,418
Total	\$7,121,252	\$7,385,916	\$10,146,927	\$7,641,490	\$7,736,345

Expenditures by Category

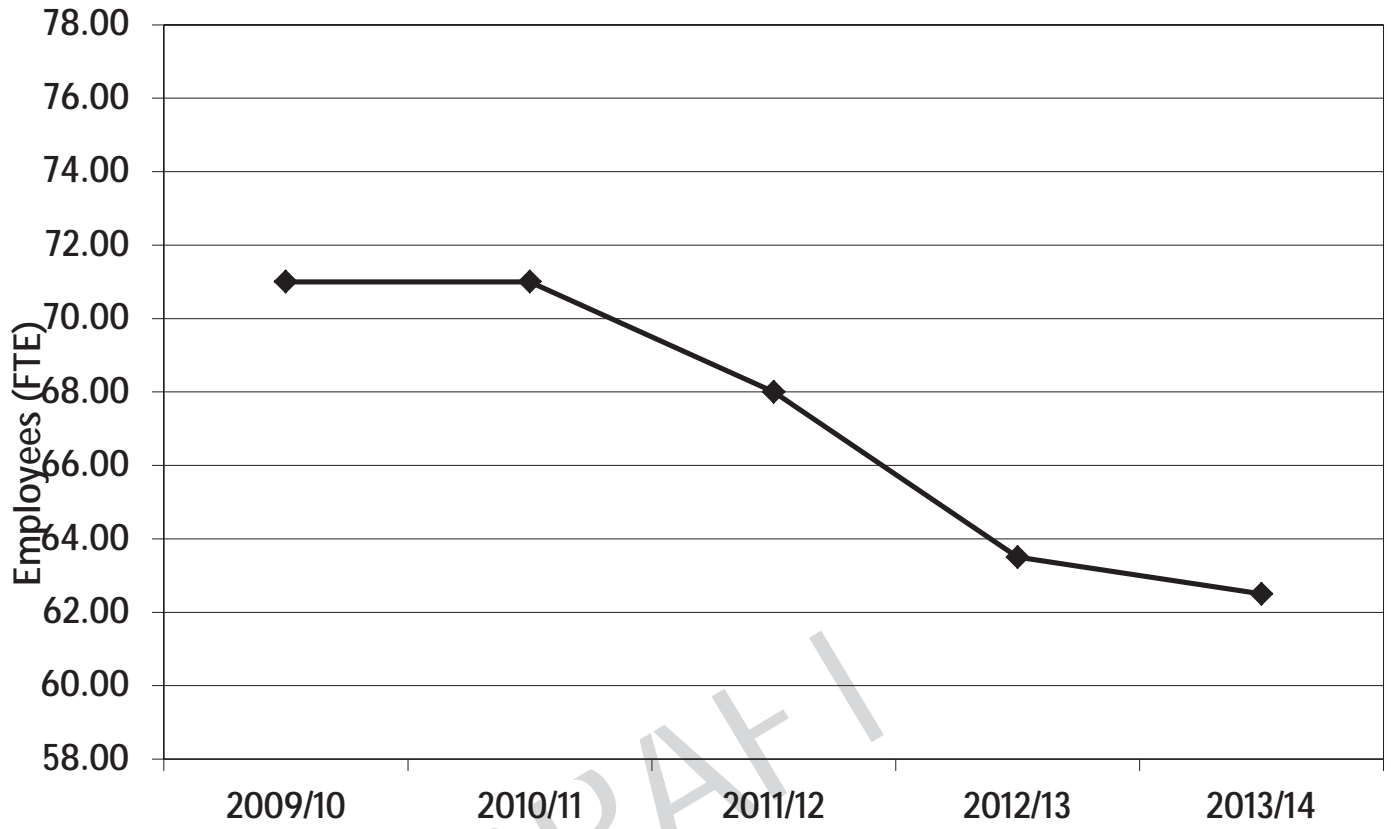
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$2,350,013	\$2,404,819	\$2,454,128	\$2,748,373	\$2,745,543
Benefits	\$942,073	\$1,032,166	\$772,318	\$1,090,997	\$1,270,906
Service and Supplies	\$1,951,999	\$2,075,111	\$2,123,348	\$2,299,241	\$2,459,211
Indirect Costs	\$245,864	\$251,005	\$249,441	\$259,579	\$382,185
Capital Outlay, Project, and Other	\$1,631,303	\$1,622,815	\$4,547,692	\$1,243,300	\$878,500
Total	\$7,121,252	\$7,385,916	\$10,146,927	\$7,641,490	\$7,736,345

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

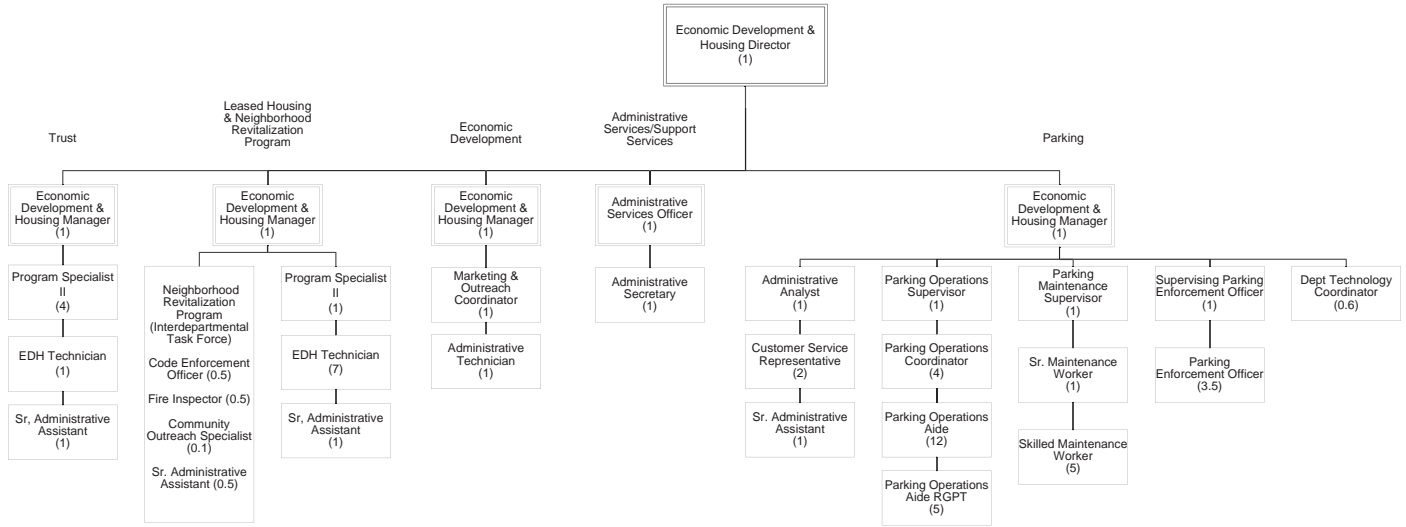
The Economic Development & Housing Department's FY 2013/14 budget request (excluding the Housing Authority and former Redevelopment Agency) is \$95K, or just over 1%, above the current FY 2012/13 budget. The major change is in the Economic Development Fund which is up by \$101K, reflecting an increase in business attraction programming. The Neighborhood Revitalization Program budget remains flat. The Parking District remains relatively flat with no new CIP projects and funding for the evaluation of contracting out parking citation administrative processing and fine collection. The remaining budgets in this portion of the Economic Development & Housing Department (Homeless Shelter and Mobilehome Rent Stabilization) are relatively flat year over year.

Historical Staffing



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Organization Chart



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Housing Authority



DRAFT 1

Housing Authority

Chairman

Emilio Gonzalez

Vice-Chairman

Stephen Burke

Commissioners

William J. Arnone, Jr.

Veronica Castro

David Harris

Helga Lemke

Philip Olsen

Executive Director

David E. Gouin

MISSION

To ensure adequate, decent, safe and sanitary housing for qualified people within Santa Rosa consistent with Federal, State, and local law.

The Housing Authority is supported by the Department of Economic Development and Housing, and primarily consists of the Santa Rosa Housing Trust, Homeless and Community Services, and Rental Housing Assistance programs. All of these programs are responsible for improving the quality and affordability of housing in the City. The target population is very low- and low-income households. Currently, the maximum qualifying income for a four-person low-income household is \$62,800. It is adjusted for household size. Different housing programs utilize different income eligibility guidelines.

The Authority works to maximize and leverage available Federal, State, and local funding to assist in the development of affordable housing; the conversion, preservation and rehabilitation of low income housing; the development and maintenance of homeless shelters; and the acquisition and development of facilities for the physically and developmentally disabled.

The authority provides rental assistance to very low-income citizens, funds community-based non-profit agencies in support of homeless service programs, and assists first-time homebuyers.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Manage the City's affordable housing portfolio consisting of 500 contracts, an economic value of approximately \$100 million dollars and monitoring of affordability covenants for 3,000 units. ①
- Evaluate, originate, close, and manage loan disbursements to developers of new affordable units and the conversion of existing housing to affordable housing through acquisition and rehabilitation.
- Negotiate and administer contracts with developers participating in the Housing Allocation Plan, Density Increase, and Infill Policies. ①
- Continue to support homeless services, the Continuum of Care planning group, and other community initiatives, including federally mandated homeless count on a bi-annual basis. ⑥
- Monitor existing affordable rental units for compliance with income and rent restrictions. ⑥ ①
- Provide rental assistance to approximately 1,900 families within the budget allocated by the Federal Housing and Urban Development (HUD) Department for the City of Santa Rosa. ⑥
- Continue receiving High Performing Agency Award for 2013/14. ②
- Continue on success of HUD-VASH program to apply for new vouchers to house homeless veterans. ⑥
- Continue enrolling participants in the Family Self-Sufficiency Program and help families towards self-sufficiency. ⑥
- Continue working on efficiencies as funding declines; improve software efficiencies to meet HUD financial and eligibility reporting requirements.

Service Indicators				
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13 Estimate
Santa Rosa Housing Trust				
Number of affordable housing units completed	61	54	139	15
Low-income units	0	13	28	9
Very low-income units	61	39	111	0
Number of affordable housing units in the pipeline	0	0	1	6
Low-income units	643	649	569	517
Very low-income units	295	293	384	325
Number of owner-occupied units rehabilitated or financed	348	356	185	192
Number of investor-owned low-income rental units rehabilitated	3	3	6	1
Number of units receiving housing accessibility modifications	0	2	56	0

Rental Housing Assistance				
Number of Housing Choice Voucher Rentals (Vouchers and Port-Ins)	1,780	1,761	1,850	1950
Number of Housing Choice Vouchers	1,439	1,511	1,585	1632
Number of landlords participating in program (all figures approximate)	700	600	660	815
Number of Port-Ins	380	250	280	320
Amount budgeted from HUD	\$15,195,194	\$15,674,746	\$15,674,746	19,743,916
Homeless and Community Services				
Number of rental units monitored	2,035	2,192	2,324	2597
Number of owner-occupied units monitored	336	304	293	288
Consolidated Plan for CDBG & HOME funds (2004-2009 and 2009-2014)	✓	✓	✓	✓
Action Plan for CDBG & HOME funds	✓	✓	✓	2012/2013 done
Consolidated Annual Performance Report (CAPER) for CDBG & HOME funds	✓	✓	✓	✓
Number of homeless and youth services sub-recipient contracts	4	N/A	N/A	N/A
Amount of funding for homeless and youth services sub-recipients	\$221,955	\$236,258	\$207,460	207,460

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- The Santa Rosa Housing Trust activities resulted in \$1.6 million committed by the Housing Authority to assist the development of 26 affordable units. ①
- The Housing Trust contracted with four non-profit organizations for homeless and housing services contracts, including the contract for the operation of the Samuel Jones Hall homeless shelter. ①
- Facilitated three bond issues for a total of \$27 million dollars resulting in the addition of 209 units and the preservation of 42 units for the City's affordable housing inventory. ②
- Housing Trust was successful in closing 12 escrows for affordable home ownership units, 11 HAP units and 1 unit in conjunction with Habitat for Humanity's Neighborhood Improvement Program.
- Negotiated a new regulatory agreement with the new owners of Redwood Park Apartments, resulting in an extension of the affordability term of 32 units for 10 additional years.
- Along with Community Development, participated in the discussion for the revision of the City's Housing Allocation Plan Ordinance resulting in the change from an acre-based trigger to a unit-based inclusionary requirement. ①
- Implemented an approved schedule of fees and charges for certain Housing Authority provided services as a partial cost recovery measure. ②
- The Section 8 Housing Choice Voucher Program was rewarded 50 additional vouchers for the HUD-VASH program, bringing the total to 185 for three years and ⑥

housed 175 chronically homeless veterans.

- For the seventh year in a row, the City of Santa Rosa received the High Performing Public Housing Agency award from HUD with a total score of 102%.
- The Housing Choice Voucher Program paid out over \$1.3 million monthly to landlords in Santa Rosa.
- Received Family Self-Sufficiency Grant (FSS) of \$68,800.
- Graduated a FSS client who received \$13,968.00 in escrow account.
- Received 56 new vouchers to preserve affordability to seniors residing at the Bethlehem Towers after it was acquired by new owners.

①

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Expenditures by Fund					
Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Housing Operations Fund	\$930,308	\$975,190	\$1,017,823	\$1,035,724	\$1,093,700
Operating Reserve Fund	\$231,263	\$48,698	\$6,700	\$100,411	\$32,400
Housing Choice Voucher Progm	\$14,297,184	\$15,252,617	\$18,083,042	\$19,743,916	\$21,036,970
1980 Moderate Rehabilitation A	\$108,104	\$127,977	\$95,395	\$113,090	\$129,360
Brookwood Property	\$0	\$13,870	\$582	\$4,304	\$4,908
Community Developmnt Block Grnt	\$2,032,098	\$500,659	\$1,231,835	\$1,251,801	\$1,413,842
Rental Rehabilitation Fund	\$0	\$0	\$0	\$3,500	\$32,940
Housing Grant Fund	\$225,872	\$155,554	\$0	\$12,856	\$23,944
Real Property Transfer Tax Fun	\$0	\$0	\$31,785	\$171,877	\$122,914
Southwest Low/Mod Housing Fund	\$362,121	\$0	\$80,246	\$87,500	\$158,698
Rental Housing Construction	\$1,385	\$1,464	\$0	\$0	\$0
Low and Moderate Income Housin	\$656,924	\$427,483	\$44,005	\$102,941	\$181,935
HA Gateways Low Mod Fund	\$655,324	\$238,324	\$47,784	\$87,500	\$0
HOME Fund	\$937,419	\$492,404	\$589,316	\$589,316	\$593,316
Mortgage Revenue Bond Fund	\$19,995	\$29,258	\$6,774	\$38,868	\$20,628
Housing Compliance Fund	\$284,326	\$281,082	\$254,678	\$276,967	\$268,422
Housing In-Lieu Fee Fund	\$304,379	\$244,116	\$253,764	\$735,786	\$429,551
Total	\$21,046,702	\$18,788,696	\$21,743,729	\$24,356,357	\$25,543,528
Expenditures by Category					
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$1,370,946	\$1,369,123	\$1,253,834	\$1,468,326	\$1,428,262
Benefits	\$518,942	\$583,512	\$483,584	\$634,011	\$672,506
Service and Supplies	\$17,247,443	\$14,997,604	\$18,017,854	\$20,324,965	\$21,480,530
Indirect Costs	\$1,703,968	\$1,646,396	\$1,664,645	\$1,728,295	\$1,787,170
Capital Outlay, Project, and Other	\$205,403	\$192,061	\$323,812	\$200,760	\$175,060
Total	\$21,046,702	\$18,788,696	\$21,743,729	\$24,356,357	\$25,543,528

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

The Housing Authority's proposed 2013/14 budget is up \$1.2M over the current fiscal year 2012/13 budget. This increase is the net result of material changes in some of the Housing Authority's primary program budgets. The Housing Choice Voucher program budget is up \$1.3M, primarily due to Port-In vouchers and the addition of 50 HUD-VASH (Housing and Urban Development – Veterans Affairs Supportive Housing) vouchers. This increase in the voucher program is partially offset by decrease in the Housing Trust portion of the Authority's budget. The Housing Trust decrease is virtually all attributed to the loss of redevelopment funding which provided for Low and Moderate income housing.

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Successor Agency to the Former Redevelopment Agency



DRAFT 1

Successor Agency to the Redevelopment Agency

<u>Chairman</u> William J. Arnone, Jr.	<u>Vice-Chairman</u> Jake Ours
<u>Commissioners</u>	
Efren Carillo	Steven Harrington
Frank Kasimov	Douglas Roberts
Shirley Zane	
<u>Executive Director</u> David E. Gouin	

FORMER REDEVELOPMENT AGENCY MISSION

To assist in reducing physical and economic deterioration and to revitalize specific areas within the City, pursuant to adopted redevelopment plans and approved projects and programs.

On February 1, 2012, the Redevelopment Agency was dissolved. A Successor Agency to the Former Redevelopment Agency and an Oversight Board were appointed to oversee the dissolution of the Redevelopment Agency assets over the life of existing valid funding agreements, contracts, and projects.

The Redevelopment Agency previously developed and implemented projects and programs that assisted in reducing blighting influences in targeted areas within the City through public improvements and private development assistance. In addition, the Former Redevelopment Agency provided funding to the Housing Authority for low- and moderate-income housing ownership and rental programs.

2013-14 Key Initiative

- Maintain existing valid funding agreements and projects as presented on the Recognized Obligation Payment Schedule (ROPS).

2012-13 Key Accomplishment

- Complied with the requirements of AB1X 26 and AB1484 to dissolve the Santa Rosa Redevelopment Agency as of February 1, 2012. Prepared all required enforceable obligation payment schedules

Expenditures by Fund					
Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
TORPA City Loan Debt Service	\$24,098	\$0	\$0	\$33,354	\$0
2002A Southwest Debt Service	\$690,364	\$690,366	\$689,719	\$689,719	\$693,291
2005A Southwest DS Tax Exempt	\$791,200	\$878,938	\$879,838	\$879,838	\$869,900
2005B Southwest DS Taxable	\$253,824	\$166,764	\$166,228	\$166,228	\$170,305
Gateways City Loan Debt Svc	\$103,738	\$0	\$0	\$128,968	\$0
2005 SRC City Loan Debt Svc	\$480,000	\$0	\$0	\$480,000	\$0
2005A COPs Debt Service (SRC)	\$114,930	\$127,708	\$134,998	\$134,998	\$136,954
2005B COPs Debt Service (SRC)	\$1,186,805	\$1,322,956	\$1,337,977	\$1,337,977	\$1,355,236
2008 Southwest HsgLoan DS Txbl	\$866,682	\$866,681	\$862,147	\$866,666	\$866,676
2008 SRC/GB Hsg Loan DS Txbl	\$315,321	\$315,321	\$313,677	\$315,316	\$315,326
2008 EPA SW Debt Service	\$0	\$0	\$0	\$337,598	\$0
City Coop Agreement - Southwes	\$0	\$3,792	\$0	\$0	\$0
City Coop Agreement - SRC/GB	\$14,915	\$0	\$0	\$0	\$0
City Coop Agreement - Gateways	\$53,214	\$0	\$0	\$0	\$0
Gateways General Fund	\$624,933	\$291,991	\$41,661	\$134,333	\$247,935
Gateways Low/Mod Housing	\$655,323	\$238,324	\$0	\$87,500	\$0
Southwest Low/Mod Housing	\$362,120	\$0	\$0	\$87,500	\$0
2002 Southwest Project	\$3,364,889	\$1,038,535	\$202,546	\$0	\$0
Southwest Project Fund	\$486,222	\$20,414	\$111,364	\$0	\$0
Gateways Project Fund	\$307,393	\$341,378	\$4,927,674	\$0	\$0
TORPA Low/Mod Housing	\$0	\$0	\$20,067	\$0	\$0
TORPA General Fund	\$53,824	\$42,923	\$0	\$0	\$0
Southwest General Fund	\$531,110	\$500,706	\$2,856,638	\$111,479	\$7,460
Grace Brothers Project	\$20,679	\$23,999	\$106,812	\$0	\$0
Santa Rosa Center Project	\$481,868	\$138,041	\$107,941	\$0	\$0
Roseland Housing	\$77,406	\$0	\$0	\$0	\$0
SRC Low/Mod Housing	\$364,481	\$305,878	\$0	\$0	\$0
SRC/GB General Fund	\$391,323	\$278,282	\$531,326	\$104,407	\$15,680
Third Implementation Agrmnt-GF	\$184,578	\$62,429	\$2,137,437	\$0	\$0
2005B Southwest Bonds Construc	\$0	\$492,861	\$337,856	\$0	\$0
1996B COPs Construction (SRC)	\$73,072	\$0	\$0	\$0	\$0
2008 Brownfields Construction	\$0	\$675,596	\$74,404	\$0	\$0
2005 SRC City Loan Constructio	\$0	\$110	\$0	\$0	\$0
2005A Southwest Bonds Construc	\$3,751,111	\$147,785	\$1,601,619	\$0	\$0
2000 Grace Bros Lease Agmt-GF	\$20,239	\$0	\$0	\$0	\$0
2005 Reimbsmt Agreement-GF	\$202,344	\$162,171	\$168,697	\$0	\$0
Total	\$16,848,006	\$9,133,949	\$17,610,626	\$5,895,881	\$4,678,763

Expenditures by Category	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$454,708	\$215,569	\$42,582	\$61,794	\$54,173
Benefits	\$169,362	\$88,487	\$18,150	\$26,658	\$19,762
Service and Supplies	\$6,831,097	\$5,181,555	\$4,429,542	\$5,664,531	\$4,469,486
Indirect Costs	\$486,911	\$476,843	\$2,686	\$142,898	\$135,342
Capital Outlay, Project, and Other	\$8,905,928	\$3,171,495	\$13,117,666	\$0	\$0
Total	\$16,848,006	\$9,133,949	\$17,610,626	\$5,895,881	\$4,678,763

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects

NOTE: the FY 2012-13 Estimate columns above include prior project commitments that are being evaluated as part of the redevelopment dissolution process.

Major Budget Changes

The FY 2013/14 budget request reflects the approved funding agreements in the July through December 2013 Recognized Obligation Payment Schedule (ROPS) as approved by the Successor Agency to the Former Redevelopment Agency and the Oversight Board.

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Finance



DRAFT 1

Finance

Mission

To safeguard the City's assets, provide excellent customer service, and assure sound financial management and accurate, timely and complete financial information.

The Finance Department is responsible for providing a variety of financial and support services to City operations, as well as the business community and general public. The Department is made up of the following divisions: Administration; Purchasing, which includes the Warehouse; Revenue, which includes Utility Billing and Revenue and Collections operations; Financial Reporting, which includes Accounting and Accounts Payable; Payroll and Employee Benefits; and Budget and Financial Analysis.

The Department is responsible for accounting and financial management for the City organization, Housing Authority, and Redevelopment Agency. Services include collecting tax and utility fee revenues, debt management, investing the City's cash, processing the City's payroll, paying the City's bills, budgeting and long-range financial planning. The Department is also in charge of billing and collecting water and wastewater utility invoices for over 50,000 Santa Rosa residents and businesses. This includes reading all the water meters in the City each month, performing a variety of customer outreach for issues such as excessive water use and preparing and reviewing outgoing bills. Collection duties are performed for delinquent utility accounts. Finally, the Department provides purchasing, procurement, and warehousing support to the entire City organization.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

General Administration

- Implement the PayNearMe payment alternative for Utility Billing customers to be able to pay their bill at any 7-11 store nationwide (at no cost to the City) ①
- Implement the Wells Fargo Desktop Deposit scanner to electronically deposit checks received at the Revenue division counter to assist in reducing bank charges and expedite the City's cash flow. ②
- Implement two-week timecards. ②
- Investigate the use of paycards (in lieu of paper payroll checks). ②
- Select and implement a comprehensive online bidding system to include automated vendor notification when bids are issued. ②
- Working with IT, complete Phase 2 and begin Phase 3 of the first major upgrade to the IFAS Financial and HR System ②

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Service Indicators

	FY 2010- 2011	FY 2011- 2012	FY 2012- 2013 (Jul-Feb)	FY 2012- 2013 Est
Utility Billing (UB)				
# Water Service Accounts	52,326	52,519	52,666	52,666
# of Payment Transactions:				
Electronic	537,310	585,215	433,646	650,469
Counter	145,140	133,985	89,989	134,984
Mail	530,487	503,732	316,995	475,493
Total UB Payment Transactions	1,212,937	1,222,932	840,630	1,260,945
Revenue & Collections (R&C)				
# Business Tax Certificates Active	15,376	15,306	15,398	15,398
# Parking Citations Issued	34,007	32,671	19,097	32,738
# Invoices Issued	1,890	2,100	2,500	2,800
# Misc Other	705	715	725	735
Total R&C Accounts	51,978	50,792	37,720	51,671
# of Payment Transactions:				
Electronic	10,188	11,300	8,276	12,414
Counter	7,249	8,049	5,549	8,324
Mail / Phone	8,760	10,083	6,309	9,464
Total R&C Payment Transactions	26,197	29,432	20,134	30,201
Total Division Accounts	104,304	103,311	90,386	104,337
Total Division Payment Transactions	1,239,134	1,252,364	860,764	1,291,146

For UB: Electronic payments = AutoPay, RapidPay, InfinityLink and IVR amounts

For R&C: Mail / Phone = Mail and Encoder amounts

For R&C: Misc Other = TOT, City BIA, County BIA, Debrisbox, Taxi, ASPF, UUT, Franchise Fee

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- All mandated financial reports were completed and submitted on time.
- Enhanced the outbound Interactive Voice Response (IVR) telephone system to include notification for high water usage.
- Implemented mandatory W-2 reporting changes.
- Implemented Payroll system modifications necessary to facilitate the City's new three-tiered retirement system.
- Implemented Payroll system modifications necessary to produce the revised, mandated State Controller's Office Annual Compensation Report.
- Implemented Purchasing Task Force recommendations to streamline the procurement process. ②
- Saw a drop in utility disconnections of 15% since the Revenue division instituted the IVR telephone system in 2011/12.
- Through the competitive bidding process performed by the Purchasing division, achieved a total savings of \$553,000 when comparing bids awarded to bids received.

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Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$7,761,969	\$7,695,129	\$8,129,116	\$8,420,633	\$8,857,135
Capital Improvement Fund	\$579,487	\$73,864	\$140,642	\$0	\$0
ARP Capital Lease Fund	\$652,613	\$240,745	\$146,833	\$0	\$0
Pooled Investment Fund	\$163,912	\$158,475	\$173,000	\$173,000	\$173,000
Fountaingrove AD 2011 Refunding	\$214,103	\$0	\$0	\$0	\$0
Skyhawk AD 2011 Refunding	\$110,083	\$0	\$0	\$0	\$0
Total	\$9,482,167	\$8,168,213	\$8,589,591	\$8,593,633	\$9,030,135

Expenditures by Category

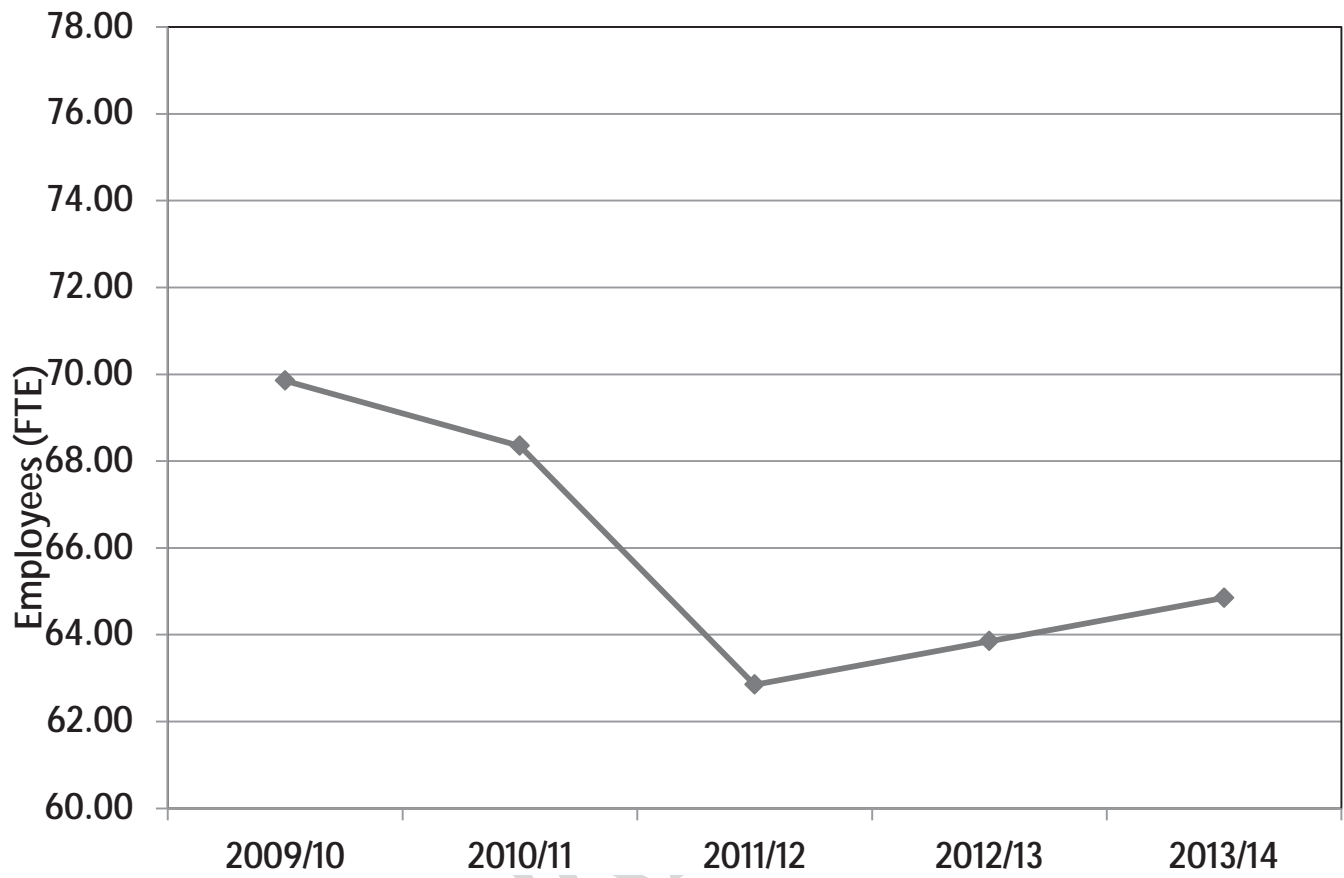
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$4,092,151	\$3,961,948	\$3,885,656	\$4,241,452	\$4,423,024
Benefits	\$1,547,799	\$1,671,090	\$1,721,322	\$1,813,935	\$1,981,112
Service and Supplies	\$2,224,079	\$2,152,542	\$2,251,856	\$2,290,246	\$2,560,999
Capital Improvement Program	\$579,487	\$73,864	\$140,642	\$0	\$0
Capital Outlay, Project, and Other	\$1,038,651	\$308,769	\$590,115	\$248,000	\$65,000
Total	\$9,482,167	\$8,168,213	\$8,589,591	\$8,593,633	\$9,030,135

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

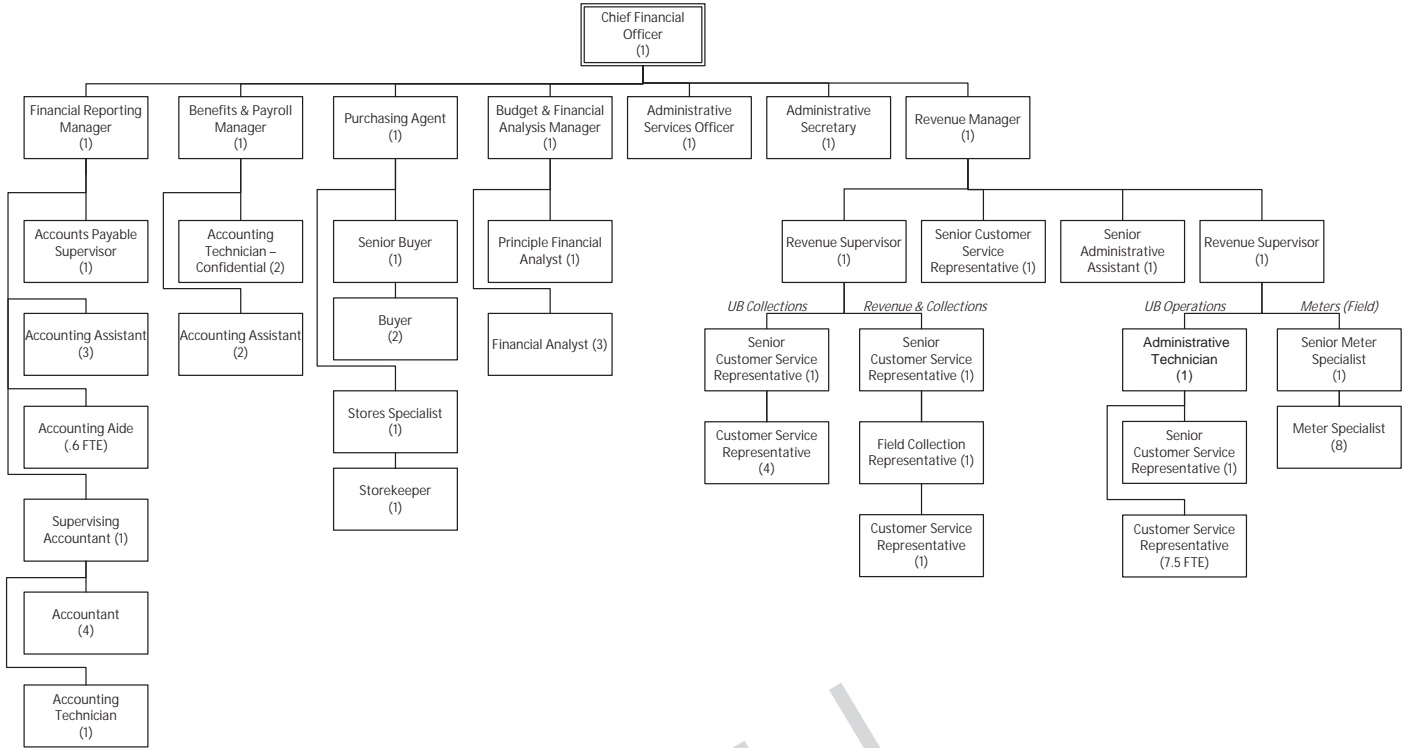
Major Budget Changes

The Finance Department Fiscal Year (FY) 2013/14 General Fund budget is \$437K higher than in FY 2012/13. This includes the addition of 1.0 FTE Financial Analyst Position. Other position changes include the reclassification of 2.0 FTE Accounting Technicians to Confidential, and the reclassification of 1.0 FTE Senior Meter Specialist to Meter Specialist Supervisor. There is an additional \$200K for a Business Tax administration contract.

Historical Staffing



Organization Chart



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Fire



DRAFT 1

Fire

Mission

To minimize the loss of life, and damage to property and the environment resulting from fires, medical emergencies, complex rescues, and disasters through prevention, education, fire suppression, medical services, and other related emergency and non-emergency activities. We actively participate in our community, serve as role models, and strive to effectively and efficiently utilize all of the necessary resources at our command to provide a service deemed excellent by our citizens.

The Fire Department is made up of three divisions: Administration, Fire Prevention, and Fire Operations.

The Administration Division coordinates the preparation and monitoring of the Department's budget. Major activities include personnel recruitment; conducting studies of departmental operations and problems; formulating policies, rules and procedures; promoting life safety and environmental protection; providing administrative support to Fire Department personnel; contracting; and representing the interests of the department.



The Fire Prevention Division's mission is to prevent and limit the spread of fire and to provide life safety through community safety education and the application and enforcement of regulations, codes and ordinances. The Division administers a number of programs such as plan review, inspections, fire investigations, Certified Unified Program Agency (CUPA), hazardous materials, weed abatement, vegetation management, and Community Outreach within the City and the Roseland Fire Protection District.

The Fire Operations Division responds to and mitigates emergency incidents within the City and Roseland Fire Protection District. Major services to the community include paramedic and emergency medical care, extinguishment of fires, technical rescue, mitigation of the effects from natural disasters, and hazardous materials containment.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Collaborate with other agencies to share services and provide efficient and effective services; complete the shared services study and review. ⑤
- Construct Station 5 at Newgate. ⑥
- Deployment planning towards compliance with General Plan response time goals. ⑥
- Design of the Tower Propane Burn Building. ⑥
- Design Station 9 and receive Planning and Building Approvals. ⑥
- Develop plans and specifications for purchase of replacement fire apparatus; purchase a Truck and Engine in 2013-14. ⑥
- Emphasize safety through all activities with greater emphasis during emergency operations. ⑥
- Fill the Fire Marshal position. ②
- Plan for long-term maintenance and restoration of facilities. ⑥
- Provide our customers with quality emergency services. ⑥
- Succession Planning at all levels of the Organization. ②

Service Indicators

	2010	2011	2012
Budgeted Sworn Personnel	128	128	132
Population	168,856	168,841	168,841
Number of Incidents	19,570	20,203	21,554
Fire Loss	\$2,543,220	\$2,932,810	\$3,166,321
On Scene within 5 Min; council goal is 90%	76%	74%	72%
Civilian Fire Fatalities	1	1	1
Engine Company Inspections	2,671	2,677	2,533
Fire Inspector Inspections	662	618	613
CUPA Inspection	385	353	392
Construction Inspections	950	1,390	1,234
Plan Reviews	1,043	1,301	1,099
Total Number of Inspections	5,711	6,339	5,871

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

-
- Added Windsor FPD units (2 engines) to the tower major drill rotation and collaboratively shared the RMS incident database for state and federal reporting. ⑥
 - Completed committee work for shared services proposal for the 2nd Battalion. shared Fire Prevention and Training. ②
 - Completed GIS modeling of response coverage scenarios for Stations 1,10 and 11 and RV Station 9 to assist with future deployment evaluations. ⑥
 - Completed interviews and backgrounds of firefighter Candidates on February 27th for fourteen new firefighters. ②
 - Completed several Fire Station Maintenance projects including new roofs at Stations 4 and 6. ⑥
 - Completed the 10-year community fire protection review by the Insurance Services Office (ISO) Rating Bureau. ⑥
 - Completed the development of an EOC SharePoint website with individual web pages for each EOC Section. This allows for the EOC Sections to share incident, resource and status information. ②
 - Completed the Probationary Firefighter, Acting Engineer and Acting Captain task books. ②
 - Completed working with the EMS agency to implement a County-wide system for tracking cardiac survival. ⑥
 - Continued the recruitment of volunteers for Fire Corps. We continue to have several active volunteers assisting each week with administrative work, COPE, community outreach and fire prevention education for seniors and youth. ②
 - Contracted a .5 FTE Analyst for REDCOM to Fund 50% of the Emergency Preparedness Coordinator position cost. ①
 - Coordinated the design and implementation of a fire Department billing module to replace the current ADMINS fire billing module ②
 - Coordinated the outreach of the Hands-Only CPR program to the community through FireCorps. ⑥
 - Improved electronic patient care (ePCR) reporting by upgrading the software, and purchasing new computers and scanners for each fire station, and trained all our paramedic personnel ②
 - Maintained the 85% Fire Prevention cost recovery budget model goal. ①
 - Obtained a \$2,500,000 two-year SAFER Grant for the hiring of 9 Firefighters ①

and elimination of the current station brownout beginning 2013. Additional 3rd year funding of \$600,000 for reimbursement of the four veterans we hired as firefighters.

- Obtained a Grant to upgrade the CUPA Hazardous Materials Area Plan. ①
- Obtained a Hazardous Materials Technician Training Grant (\$50,000), Hazardous Materials Response Plan Grant (\$25,000), and a grant to provide Hazardous Materials Incident Commander training to incident Commanders. ①
- Participated in the Solar Sonoma County meetings to refine Solar permitting requirements and provide consistent application of solar requirements. ⑤
- Provided City-wide EOC related training for staff. Conducted two EOC Table Top Exercises. ②
- Received State EOC funding for laptops (\$12,500) and Impact resistant blast window system for UFO (\$46,974) ①

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Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$24,936,821	\$27,464,994	\$32,121,659	\$30,629,008	\$29,498,439
Measure "O" - Fire	\$3,472,874	\$2,066,872	\$2,283,658	\$2,528,575	\$2,926,037
Administrative Hearing Fund	\$0	\$0	\$30,000	\$10,000	\$10,000
Environmental Crimes Investiga	\$0	\$0	\$30,000	\$10,000	\$10,000
Capital Improvement Fund	\$537,450	\$506,151	\$2,745,810	\$1,182,474	\$811,218
Total	\$28,947,145	\$30,038,017	\$37,211,127	\$34,360,057	\$33,255,694

Expenditures by Category

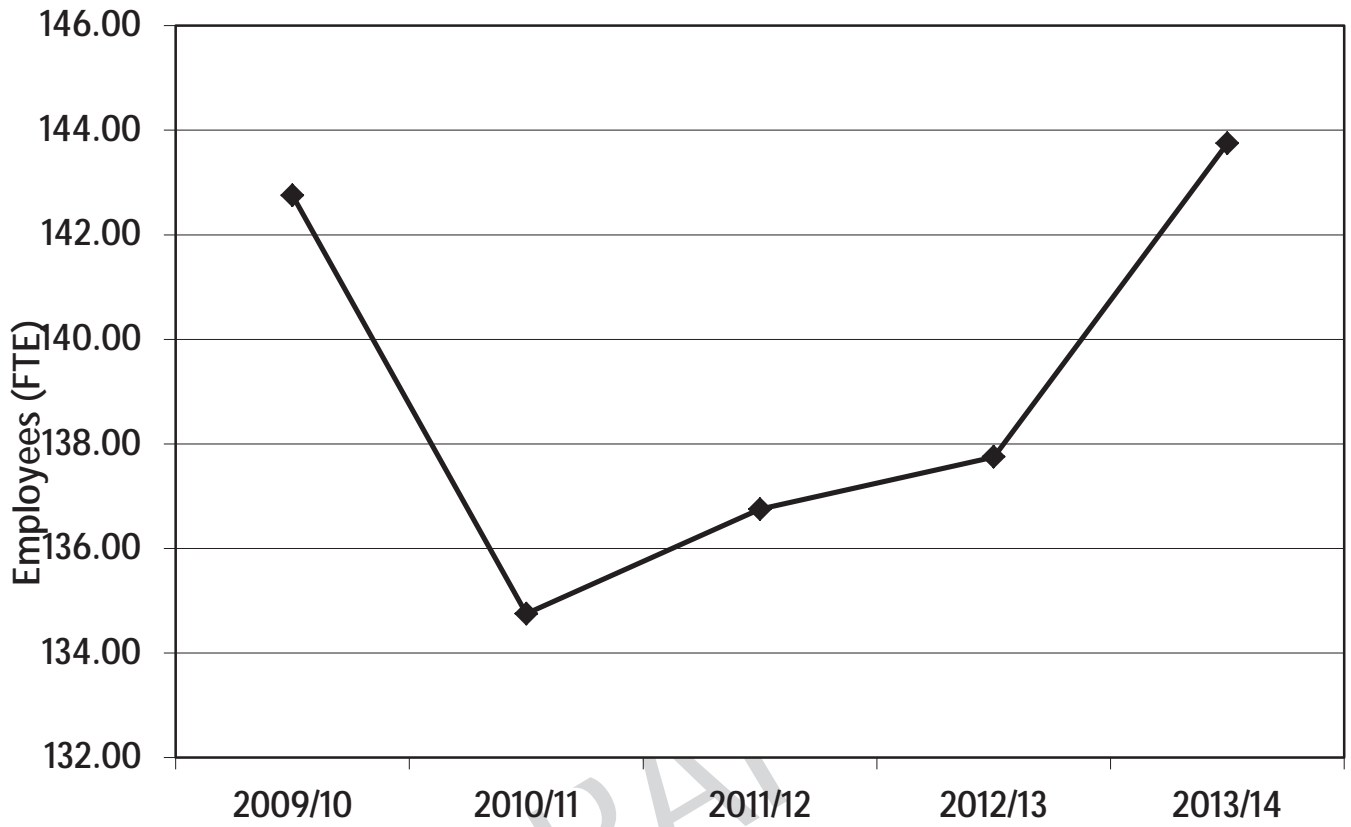
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$16,586,721	\$16,615,859	\$17,132,929	\$17,161,839	\$17,570,067
Benefits	\$9,105,671	\$9,631,090	\$9,792,174	\$9,771,589	\$10,629,210
Service and Supplies	\$2,422,225	\$2,593,459	\$2,698,651	\$2,808,669	\$3,425,604
Indirect Costs	\$82,018	\$82,290	\$139,155	\$139,155	\$130,082
Capital Improvement Program	\$537,450	\$506,151	\$2,745,810	\$1,182,474	\$811,218
Capital Outlay, Project, and Other	\$213,060	\$609,168	\$4,702,408	\$3,296,331	\$689,513
Total	\$28,947,145	\$30,038,017	\$37,211,127	\$34,360,057	\$33,255,694

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

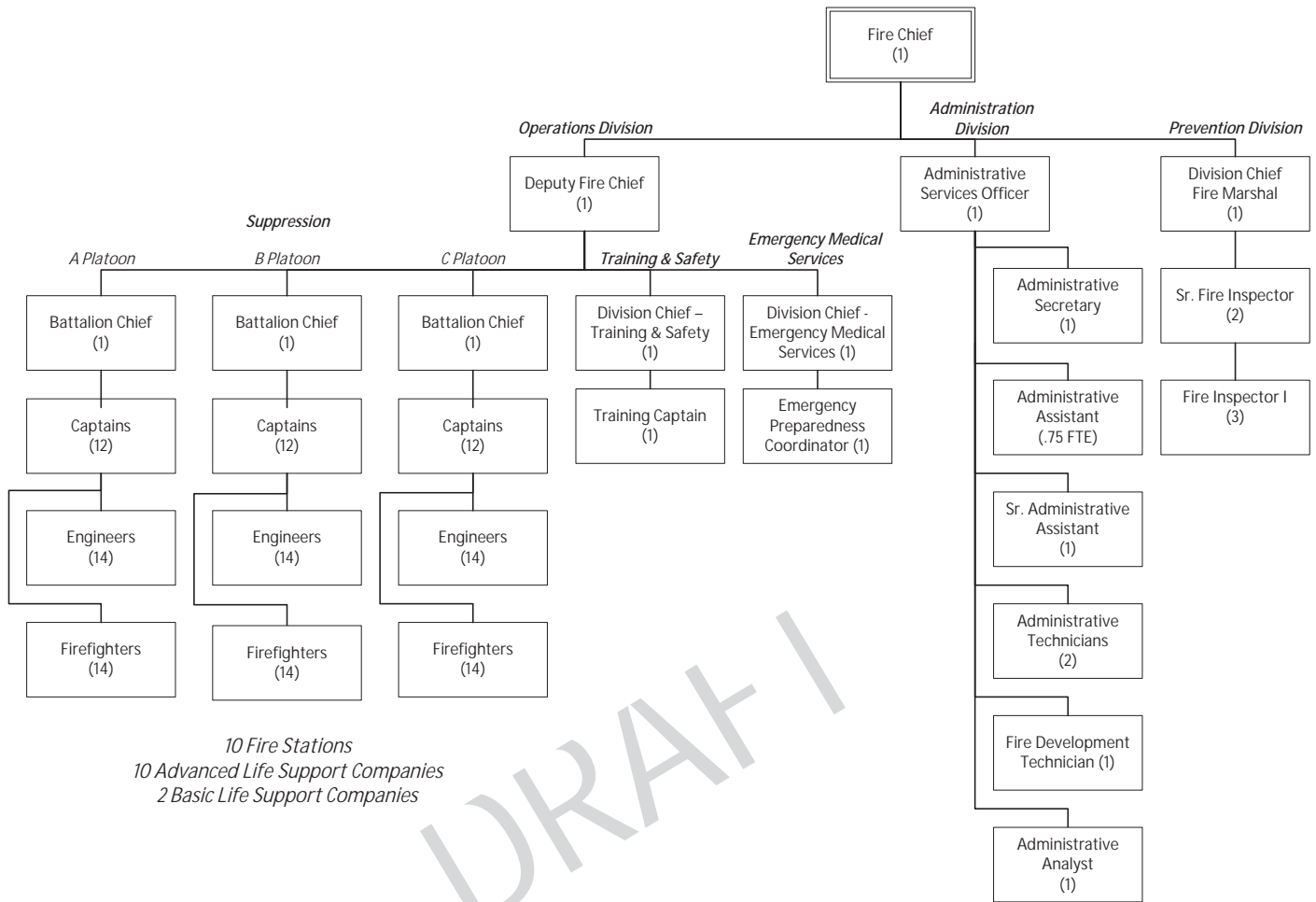
Major Budget Changes

In Fiscal Year (FY) 2012/13, the Fire Department saw the acceptance of a \$2.5 million FEMA SAFER Grant, eliminating the brownouts of Fire Stations 10 and 11. For FY 2013/14, the department is adding 6.0 FTE Firefighter positions, with the funding offset by a reduction in overtime. Other position changes in FY 2013/14 include the reclassification of a vacant 1.0 FTE Senior Fire Inspector position to Fire Marshall and the reclassification of a vacant 1.0 FTE Administrative Assistant to Administrative Analyst. Benefit costs have increased close to 9% with the majority of the increase attributable to increases in base health insurance costs as well as the expiration of firefighters' employee contributions to health. In the Service and Supplies category, an increase in lease payments of \$168K in FY 2013/14 will be utilized toward funding the purchase of fire apparatus. IT costs will increase \$92K in FY 2013/14 along with increases in REDCOM dispatch and American Medical Response paramedic contract (approximately \$25K each), with the paramedic contract increase being offset by increased revenue. A \$300K increase in Measure O funding for FY 2013/14 will go towards construction funding for the Fountaingrove fire station.

Historical Staffing



Organization Chart



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Human Resources



DRAFT 1

Human Resources

Mission

The mission of Human Resources is to serve our community by attracting and retaining a highly qualified workforce and creating a work environment for them that supports their commitment to public service, reflects the diversity of the community and minimizes risk to the human and fiscal resources of the City.

The Human Resources Department monitors and advises departmental managers and supervisors on the full array of human resources issues including discipline, conflict resolution, contract and policy interpretation, classification and compensation, grievances, harassment and discrimination complaints.

The Human Resources Department plans, conducts and oversees the recruitment, hiring and position transitions of qualified staff that reflect the diversity in our community. The Department works to provide a healthy environment to retain and develop staff through diverse benefit plans, employee training and development programs, and excellent employee relations resources including facilitation and mediation services. The department also manages, in the most responsible manner possible, the complex personnel transitions occurring due to organizational downsizing and position reduction.

In addition, the Department negotiates labor contracts with bargaining units; administers current contracts; participates in on-going labor/management problem-solving committees addressing significant issues raised during negotiations; conducts thorough, responsive investigations to claims of discrimination; supports departments in conflict analysis and resolution, restructuring, customer service, team development; encourages constructive communication, and supports change management and other organizational development efforts.

The Department's Risk Management division reviews activities of the City and develops programs to: minimize the City's exposure to risk; contain loss through proper risk management and control; provide a safe and healthful work environment for City employees; and promote safety in the services provided to City residents. This division administers the various insurance and risk control programs for employees such as employee safety, OSHA and workers compensation as well as the City liability and property insurance programs, ADA compliance, and employee benefit programs.



2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Continue Employee Services Awards Banquet for Employees.
- Continue to assist staff, departments and Council with department reorganizations, conflict resolution and staff development.
- Development of succession planning program. ②
- Further develop new IFAS HR Information System to maximize utility and efficiency for departments.
- Implement City-wide Employee Wellness Program to achieve savings on Healthcare and Workers Compensation Costs. ②
- Manage successful concession bargaining and negotiations with ALL 12 units.
- Oversee and coordinate departments' continued compliance with ADA settlement and Department of Justice.
- Provide expanded no cost sources for employee training through Consortiums, Employee Assistance Program and increased safety training through insurance providers.
- Replace aging liability software with new system.
- Research and reinvent the classification process to be more responsive to our internal customers.

Service Indicators

	FY 2010/11	FY 2011/12	FY 2012/13 est.
Applications received	1,718	3,528	3,500
Percentage of applications received online	88%	99%	99%
Recruitments conducted	44	45	50
New hires*	34	52	60
Retirements, resignations, layoffs	87	63	60
Turnover rate (new hires/total employees)	2.77%	4.31%	5%
Labor contracts open and negotiating	12	12	12
Training sessions held	46	32	51
Job/class studies	15	12	18
Workers Comp cases and incidents	174/135	176/102	180/120
Liability claims and events	89/233	113/269	120/275

*Does not include temps

2012-13 Key Accomplishments

- Achieved concessions with miscellaneous units totaling \$2.3 Million in savings, \$1M to general fund.
- Continued coordinating ADA DOJ suit – all interim reports filed and accepted.
- Developed succession planning program.
- Facilitated teambuilding and strategic planning sessions, including City Council and specific retreats in various Departments.
- Held successful BENEFITS FAIR and Implemented new Health Plan payment design, oriented many employees to newer, less costly plans, resulting in almost no increase in miscellaneous health plan costs for the fiscal year.
- Held successful year-long Weight Watchers program for employees, ending with 620 pounds lost overall. ②
- Hosted 5 year service award luncheon.
- Implemented 2 tier retirement for Miscellaneous (2.5%@55) and Public Safety (3%@55). ②
- Introduced Citywide newsletter "Grapevine" to focus on employee accomplishments.
- Maintained costs of various miscellaneous benefits (Dental, Vision, Life, LTD, EAP) at almost flat costs for 3 years.
- Managed and/or directly recruited high profile recruitments for City Clerk, Gang Prevention Manager, and Director of Utilities.
- Mentoring Committee held Brown Bag lunch series. ②
- Participated in Career Fairs, including one specially for returning Veterans.
- Provided expanded no-cost sources for employee training through Consortiums, Employee Assistance Program and our Excess Carriers Free Training Resources. ②
- Updated ADA Transition Plan to reflect changes from ADAA 2010 Amendment to ADA. ②⑥

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$1,426,667	\$1,465,022	\$1,539,092	\$1,587,162	\$1,618,481
Risk Management Fund	\$22,455,220	\$21,549,874	\$23,825,806	\$24,639,722	\$26,308,775
Total	\$23,881,887	\$23,014,896	\$25,364,898	\$26,226,884	\$27,927,256

Expenditures by Category

	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$1,347,592	\$1,388,395	\$1,390,298	\$1,497,169	\$1,479,752
Benefits	\$430,369	\$469,248	\$489,085	\$542,950	\$569,522
Service and Supplies	\$21,955,659	\$21,009,102	\$23,337,364	\$24,038,614	\$25,598,485
Indirect Costs	\$148,267	\$148,151	\$148,151	\$148,151	\$279,497
Total	\$23,881,887	\$23,014,896	\$25,364,898	\$26,226,884	\$27,927,256

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

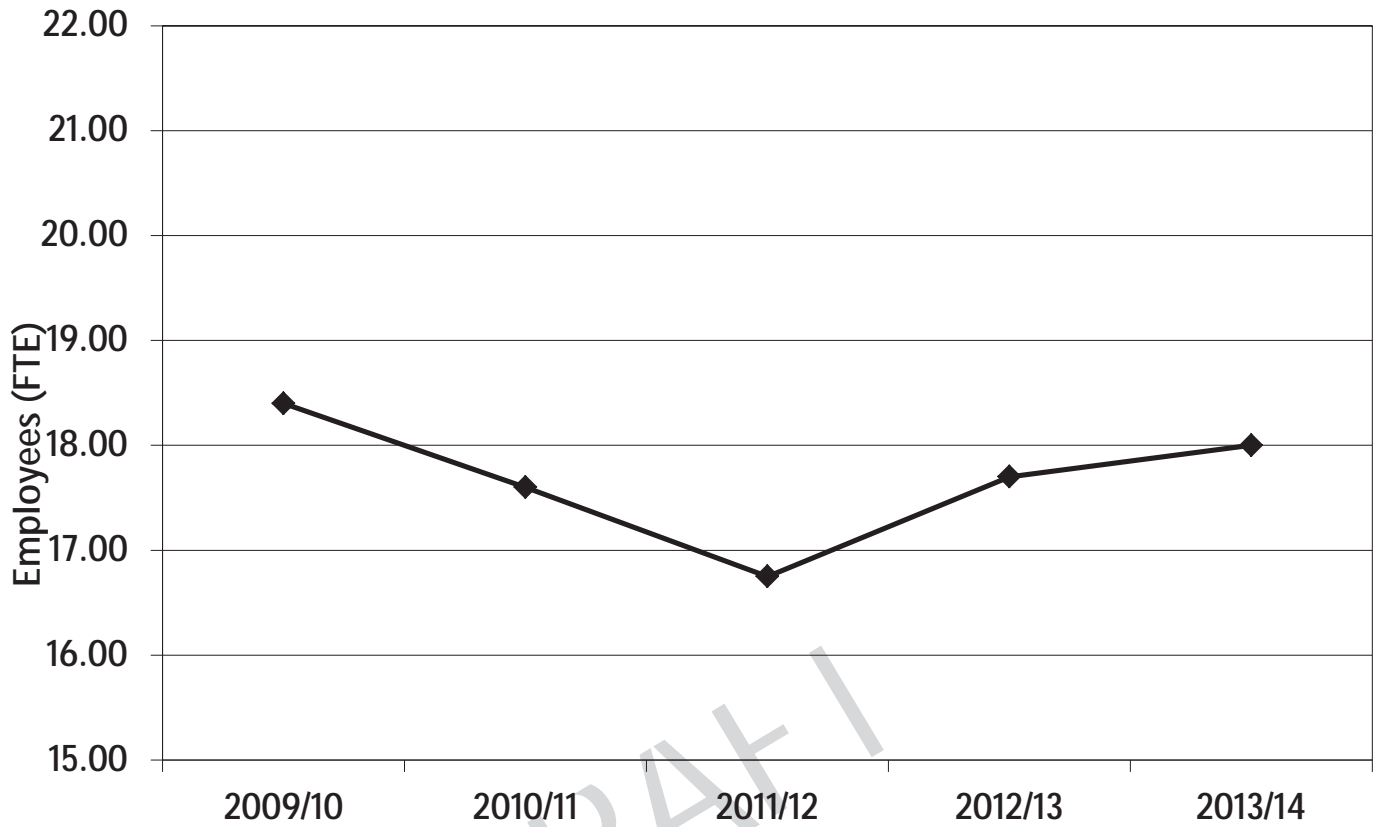
Major Budget Changes

The Human Resources Department encompasses two funds – the General Fund and the Risk Management (Insurance) Fund.

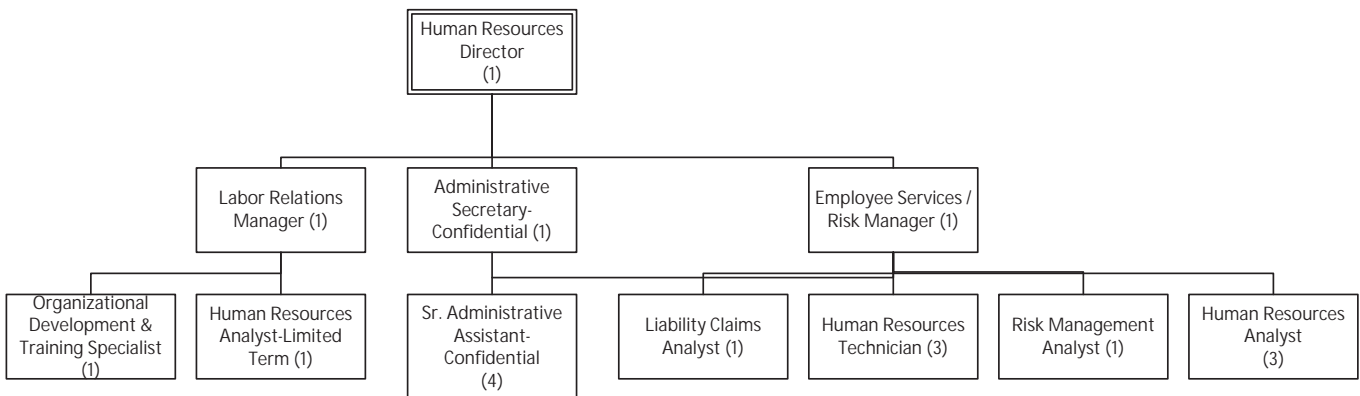
The HR General Fund budget for FY 2013/14 reflects an increase of \$31K over the 2012/13 budget and includes bringing two .90 FTE positions up to full-time – an FTE increase of .20 FTE total. Additionally, the status of one of those positions, an HR Analyst, is proposed to be changed from limited-term to permanent. The cost for the increased FTE's, net of a proposed reduction in overtime, is just under \$15K. The remainder of the General Fund increase is in base benefit costs, specifically, health insurance and retirement, which are partially offset by a reduction in Workers' Compensation insurance as well as a decrease in the department's Information Technology costs.

The Risk Management Fund year over year increase is \$1.7M and is almost entirely attributable to increases in the health insurance budget. Most of the other insurance plans reflect relatively small increases or decreases from the prior year. On the position side of the Risk Management Fund, the budget includes bringing a .90 FTE Senior Administrative Assistant up to full-time, a .10FTE increase, at a cost of approximately \$7.5K.

Historical Staffing



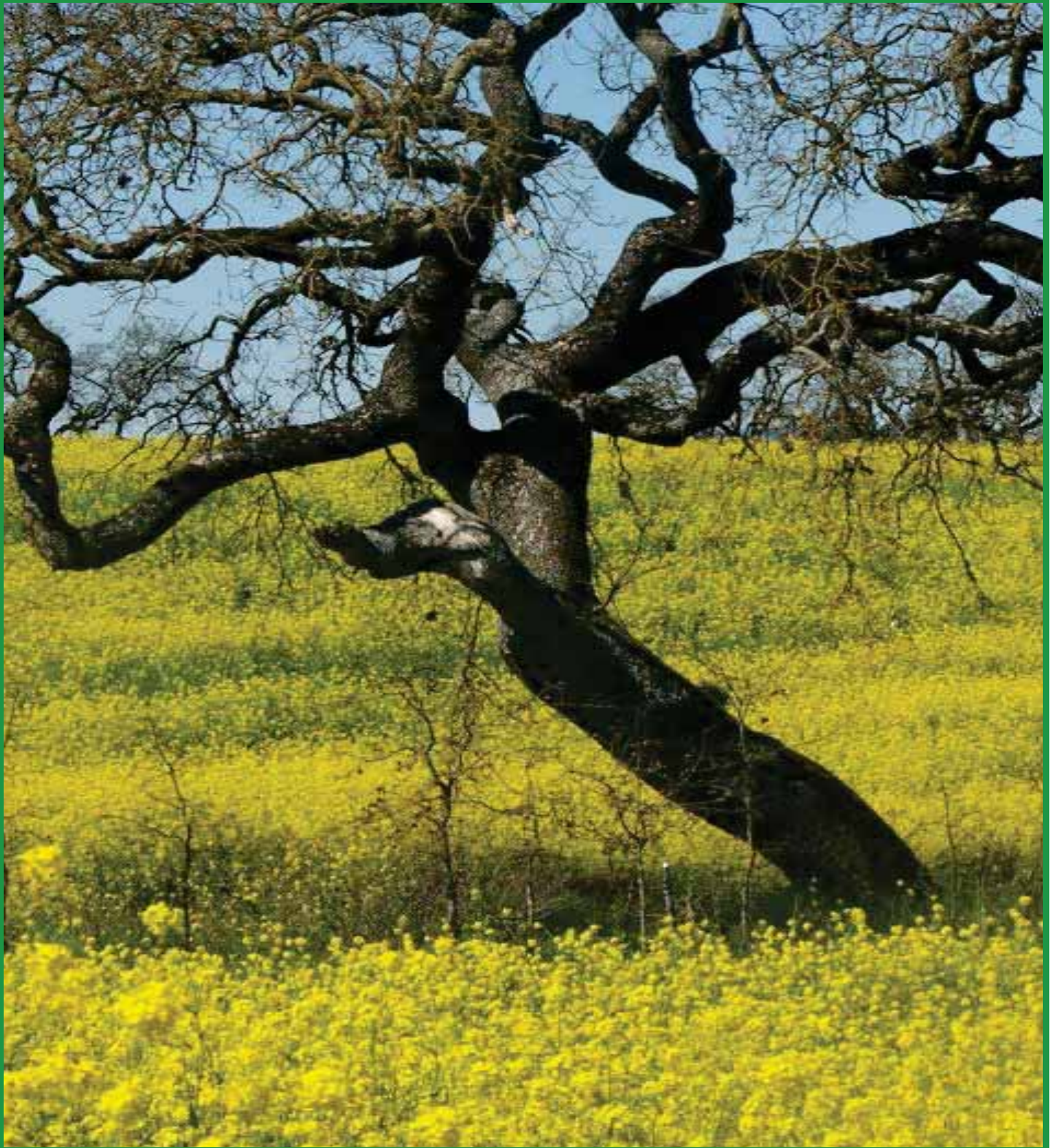
Organization Chart



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Information Technology



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Information Technology

MISSION

Our mission is to develop, leverage, and implement technology to make government more efficient, transparent, and responsive to citizens. This includes driving business efficiency and "Green IT" solutions at the desktop and core systems level.

Information Technology (IT) operates as an internal service fund, meaning that the Department charges other City departments for services provided. The rates for the services are based on cost recovery. Costs include City personnel costs, costs for outside maintenance and professional support of City computer equipment and program software, providing technology related training to City personnel, telephone costs, and operational and maintenance equipment and supplies. There are four divisions in the IT Department.



The Administration division provides the overall strategy and administration for the Department, including franchising responsibility for video and cable services within the City of Santa Rosa and overall website administration for the City's website: srcity.org

The IT Operations division provides the strategy and operations management of the core City data, storage, and phone storage networks. The division also provides "Help Desk" support for all City employees (currently over 1,500 desktop units). The Help Desk is available to employees Monday through Friday. It completes the support of approximately 70% of the service calls, with the remaining calls being forwarded to development or technical staff. Technical Support within IT Operations includes the support of all voice communications, data communications, computer networks, and all peripheral equipment, i.e., printers and personal computers (PCs). The division supports 270 printers, over 1,200 PCs, roughly 130 servers, a City-wide computer network with 1,280 connections in over 60 City locations with hundreds of pieces of communications equipment, and a phone system that includes six separate switches and over 1,200 phone instruments.

The Application Services division provides strategy and leadership for implementing the large-scale City-wide software migration programs, while providing application development, project management, and application support services. The division supports, enhances, and maintains over 50 in-house developed systems used by departments throughout the City, and also provides second-tier support for third party enterprise applications, including the core Finance/HR/Payroll system and the Utility Billing/Customer Information System. The Application Services division develops and maintains dozens of electronic interfaces between

internal and external systems, migrates aging code to current technologies, and converts data for new migrations. The division is also responsible for system architecture definition, database design, application configuration, workflow development, and custom report writing for the various supported systems. Current projects include development of the City-wide Budget Planning System, development of the Centralized Cash Receipting system, Phase II implementation of the Finance/HR/Payroll system, replacement of the Fleet Management system, and planning for the development and migration of the Bid Tabulation system.

The Geographical Information System (GIS) Services division provides coordination, support, and maintenance of the City's GIS system and GIS services for all departments. The City GIS group also works closely with Sonoma County GIS to support county-wide 911 dispatch. The GIS system is accessible by employees and the public.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

-
- Retire mainframe ADMINS system by July 2013
 - Launch new centralized PC Replacement Program
 - Permits+ recurring licenses systems upgrade (Accela Automation)
 - Support migration of Business Tax system off mainframe
 - Finish implementation of Fleet and Grants Management applications

Service Indicators

	FY 2010/11	FY 2011/12	FY 2012/13 estimate
Operations Division service requests completed	4,519	4,879	4,750
Online GIS log-ins per month	3,904	4,362	4,360

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Launched IFAS phases 3 & 4 - services focused on productivity enhancements.
- Launched major software applications replacement programs:
 - Permits+ / Recurring Licenses (Accela Automation)
 - Fleet Management
 - Grants Management
 - CIS (Utility Billing) upgrade
- Upgraded GIS client & website to standardized solution.
- Began shift to a standardized desktop platform through deployment of Office 365.
- Designed new centralized PC Replacement Program.
- Completed city-wide phone system migration.

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Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Capital Improvement Fund	\$50,754	\$45,818	\$575,313	\$190,000	\$0
Information Technology	\$3,894,789	\$4,526,219	\$4,980,839	\$4,796,047	\$5,446,868
PC Replacement	\$0	\$0	\$0	\$0	\$449,677
Total	\$3,945,543	\$4,572,037	\$5,556,152	\$4,986,047	\$5,896,545

Expenditures by Category

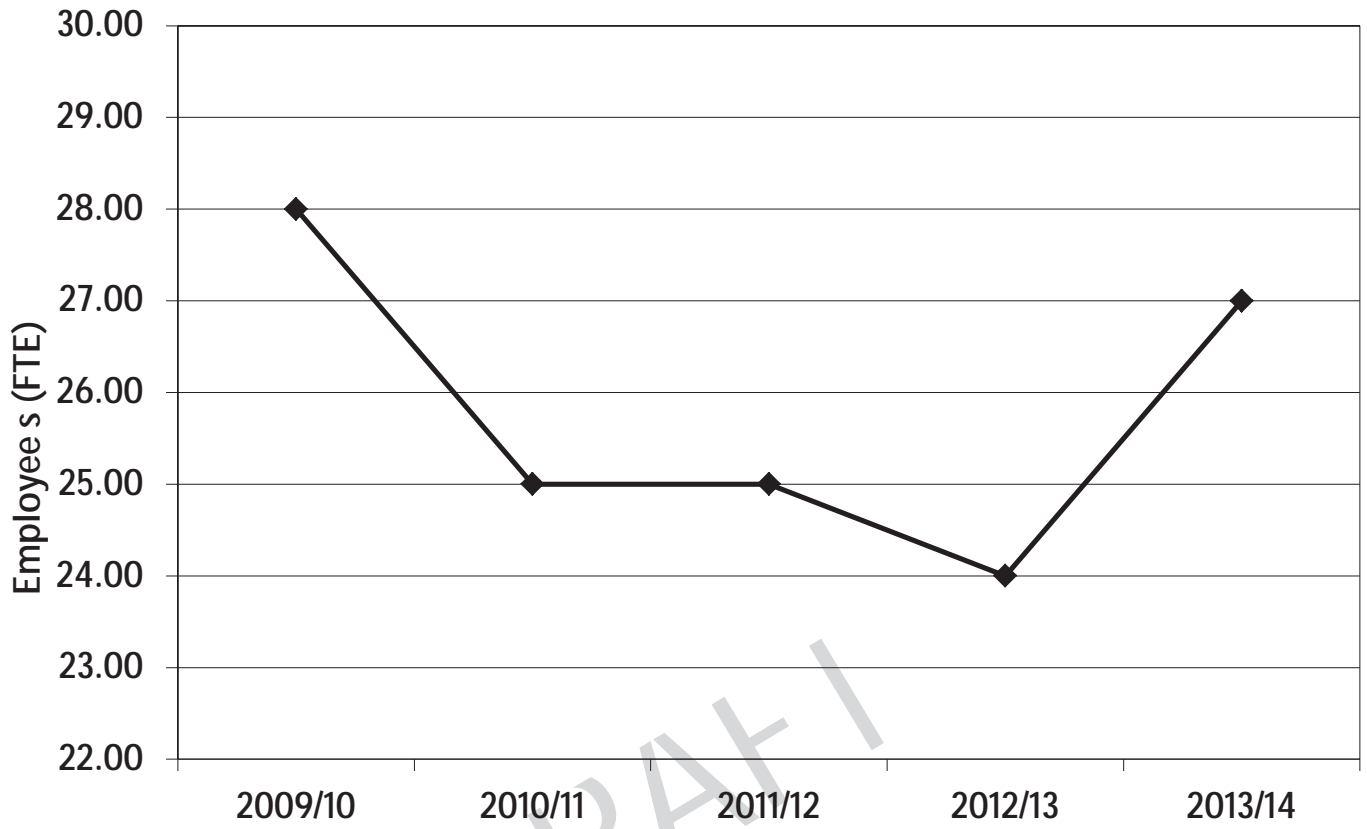
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$1,887,447	\$1,997,700	\$2,135,206	\$2,200,706	\$2,437,501
Benefits	\$638,349	\$775,436	\$840,012	\$864,648	\$1,013,420
Service and Supplies	\$954,984	\$1,114,775	\$1,309,292	\$1,270,674	\$1,437,741
Indirect Costs	\$279,300	\$279,245	\$308,019	\$308,019	\$298,300
Capital Improvement Program	\$50,754	\$45,818	\$575,313	\$190,000	\$0
Capital Outlay, Project, and Other	\$134,709	\$359,063	\$388,310	\$152,000	\$709,583
Total	\$3,945,543	\$4,572,037	\$5,556,152	\$4,986,047	\$5,896,545

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

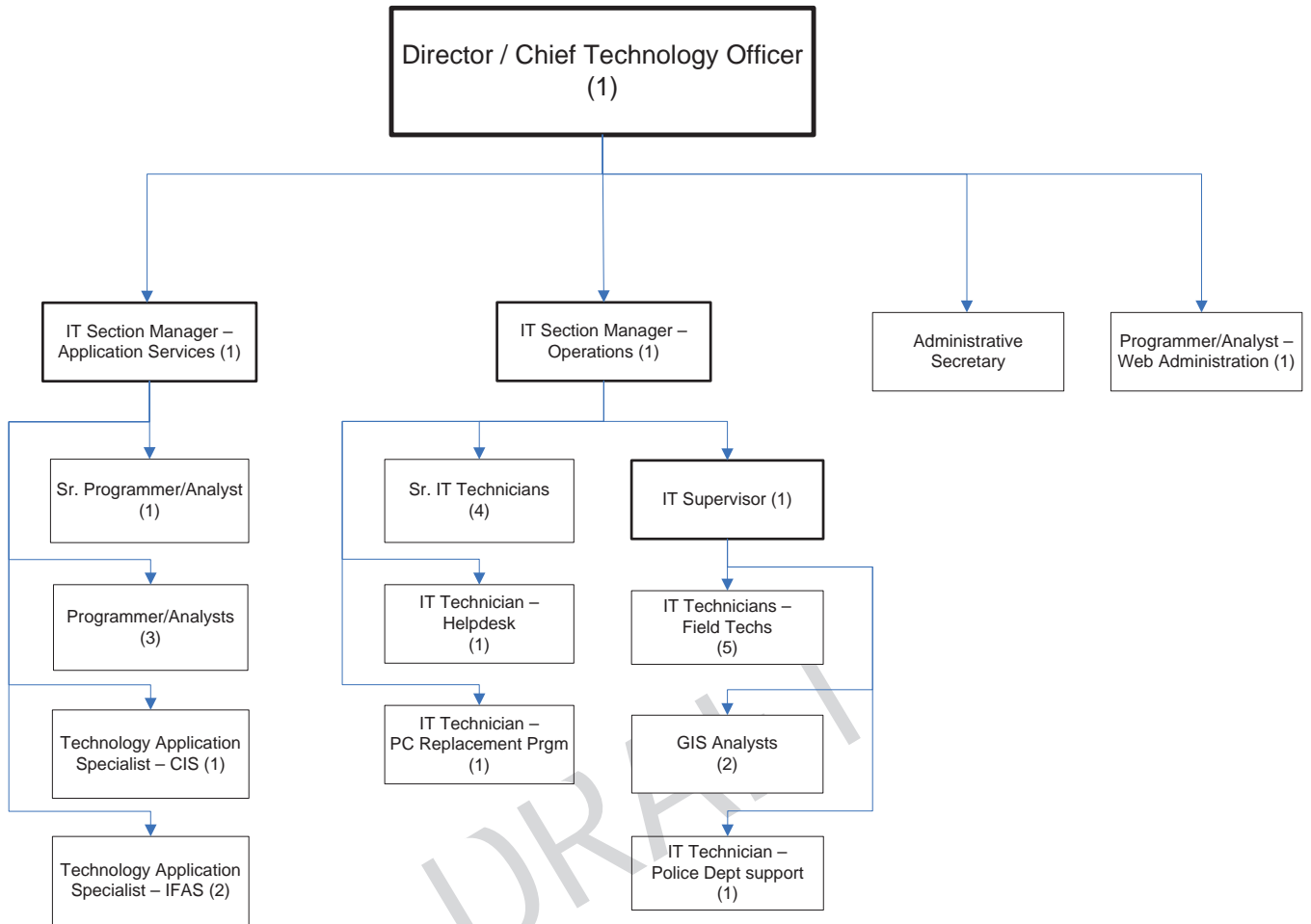
Major Budget Changes

The Information Technology Department budget increased by approximately \$910K between FY 2012/13 and FY 2013/14, with increases in all categories except Capital Improvement Projects. New in FY 2013/14 is the addition, under the management of the IT Department, of a centralized PC Replacement Program to streamline and standardize the replacement of computers throughout the City. Year over year Salaries increased for several reasons: three new positions are proposed for the department – 1.0 FTE Senior Information Technology Technician dedicated to the Police Department, 1.0 FTE Information Technology Technician dedicated to the new centralized PC Replacement Fund/Project and 1.0 FTE Administrative Secretary (the department previously paid for half of an Admin. Secretary). Additionally, several employees from other departments will be charging into the IT department to allow disbursement of their costs to other departments for their support of technology needs. Benefits increased both due to the above noted position additions, as well as increases to health and retirement costs. The Service and Supplies category increased mainly because several large software license and support costs were moved from other departments to IT, again to allow distribution of costs across all departments using the software. In addition, the City is budgeting for several new applications including city-wide grant and fleet maintenance software, permitting, and offsite data storage. The Capital Outlay, Projects category increased by \$558K, with \$297K of the increase attributed to PC purchases as part of the aforementioned PC Replacement program, and \$129K of the increase added to the Technology Upgrade project for necessary upgrades to data storage and server capacity equipment. An additional \$32K in project costs is designated for Citywide GIS Aerials.

Historical Staffing



Organization Chart



Police



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Police Department

Mission

The Santa Rosa Police Department is committed to making Santa Rosa a safe place to live, work and play.

The Police Department is responsible for safeguarding lives and property, the preservation of constitutional rights, and the maintenance of quality of life in order to promote safe and secure neighborhoods for our citizens. The three major divisions that carry out these core functions are Field Services, Special Services and Technical Services. The Department is a full-serve police organization that responds to a wide-range of calls for service, and provides a number of community support and outreach programs to promote police/community partnerships. The backbone of the Police Department is its patrol force, whose primary function is to provide a rapid response to emergency and non-emergency calls for service, reporting and documentation of crimes and unusual incidents, arrests of suspects, resolution of disputes, and the patrol of our residential and business communities.



A major responsibility of the Police Department is traffic safety, enforcement and accident investigation. The Field Services Division investigates traffic collisions, enforces the provisions of the California Vehicle Code, and conducts DUI and seatbelt checkpoints. In addition to administering several grants from the Office of Traffic Safety (OTS), the Traffic Bureau addresses city-wide traffic issues through enforcement, education and engineering. The Department is also responsible for the follow up investigation of crimes such as homicide, robbery, rape and other sexual offenses, aggravated assault, narcotics, child abuse, domestic violence, gang crimes, vehicle theft as well as grand and petty larceny. The Technical Services Division includes the Communications Bureau and the Records Bureau. These Bureaus provide key components towards the Department's overall function.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Continue to enhance and refine our Community Policing efforts and strategies. ⑥
- Continue to manage impacts related to Community Corrections Realignment. ⑥
- Continue to refine and develop our succession plan at all classifications throughout the organization. ②
- Create an implantation plan for additional radio channels. ②⑥
- Develop a plan to relocate the R5 radio tower. ⑥
- Identify additional resources in the areas of traffic, gangs and quality of life. ⑥
- Improve traffic safety by continuing to refine efforts in the 3 E's of traffic safety - Engineering, Education and Enforcement. ⑥
- Increase bike and pedestrian enforcement through training and tracking. ⑥

Service Indicators

	YTD 2010	YTD 2011	YTD 2012	% change from 2011 to 2012
PART 1 CRIMES REPORTED 1				
Homicide	2	5	2	-60%
Forcible Rape	56	58	67	16%
Robbery	166	134	126	-6%
Aggravated Assault	543	485	441	-9%
Simple Assault	867	757	724	-4%
Burglary	757	637	725	14%
Larceny – Theft, Grand	769	732	877	20%
Larceny – Theft, Petty	2,272	2,062	1,900	-8%
Motor Vehicle Theft	298	275	316	15%
Arson	9	17	22	29%
Part 1 Crimes (Crimes Against Persons)	1,634	1,439	1,360	
Part 1 Crimes (Property Crimes)	4,105	3,723	3,840	
Part 1 Crimes - TOTAL	5,739	5,162	5,200	
ARRESTS REPORTED				
Juvenile	1,010	935	799	-15%
Adult	9,529	9,563	9,626	1%
Total Arrests	10,539	10,498	10,425	-1%

COMMUNICATIONS CENTER CALLS				
911 Calls	55,235	59,952	60,835	1%
Other Incoming Calls	115,106	114,229	120,636	6%
Outbound Calls	38,045	36,676	37,244	2%
Total Calls	208,386	210,857	218,715	4%
PATROL CALLS AND RESPONSE TIMES				
Calls Routed to Patrol	71,398	68,210	71,957	5%
Officer Initiated Calls	59,923	63,626	56,378	-11%
Total Calls	131,321	131,836	128,335	-3%
% Officer Initiated	46%	48%	44%	-9%
Priority 1 Calls / Median Average Response Time (MM:SS)	7,187 / 5:29	5,903 / 5:39	5,971 / 5:51	1% / 4%
Priority 2 Calls / Median Average Response Time (MM:SS)	n/a	27,229 / 9:35	27,781 / 9:38	2% / 1%
Priority 3 Calls / Median Average Response Time (MM:SS)	n/a	15,265 / 19:02	17,050 / 20:08	12% / 6%

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Complied with FCC deadline to narrowband all radios and antennas by 1/1/13. ⑥
- Continued collaborative work with the Family Justice Center, Mayor's Gang Prevention Task Force, North Bay Regional Gang Task Force, and Sonoma County Auto Theft Task Force. ⑥
- Disposed of 400 lbs of ammunition, and destroyed 181 guns and all confiscated marijuana. ⑥
- Established Community Services Officer program. ②⑥
- Established the Mobile Support Team in partnership with Public Health to respond to individuals in the field who are experiencing a mental health crisis. ⑥
- Hosted POST classes for Communications Dispatchers to mitigate the cost of sending personnel to off-site training. ②⑥
- Improved community awareness and engagement by creating, managing, and marketing the Department's social media policy and Facebook page. ②⑥
- Increased drunk driving arrests by 14% through patrol, saturation programs and check points. ⑥
- Outfitted all Police Officers with cellular phones within our existing budget. ⑥
- Provided ethics training for all employees. ②⑥

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$39,765,652	\$40,023,834	\$40,293,649	\$41,282,480	\$42,307,220
Measure "O" - Police	\$2,822,541	\$2,791,682	\$3,069,275	\$3,128,882	\$3,186,242
Law Enforcement Federal Block	\$0	\$0	\$17,635	\$0	\$0
Capital Improvement Fund	\$34,082	\$225,138	\$135,223	\$0	\$0
Total	\$42,622,275	\$43,040,654	\$43,515,782	\$44,411,362	\$45,493,462

Expenditures by Category

	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$23,997,263	\$23,518,440	\$24,185,720	\$24,767,552	\$26,185,082
Benefits	\$13,069,480	\$13,981,717	\$13,194,580	\$14,520,712	\$14,262,630
Service and Supplies	\$3,853,998	\$3,497,653	\$3,922,711	\$4,066,868	\$4,580,413
Indirect Costs	\$82,018	\$82,018	\$139,155	\$139,155	\$130,082
Capital Improvement Program	\$34,082	\$225,138	\$135,223	\$0	\$0
Capital Outlay, Project, and Other	\$1,585,434	\$1,735,688	\$1,938,393	\$917,075	\$335,255
Total	\$42,622,275	\$43,040,654	\$43,515,782	\$44,411,362	\$45,493,462

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

The Police Department's year over year increase from the FY 2012/13 **adopted** budget to the proposed FY 2013/14 request is \$1.4M. This increase is somewhat masked by the mid 2012/13 receipt, and appropriation, of over \$300K in grant funds (reflected in the Capital Outlay, Project category above) reducing the year over year increase to \$1.1M from the **current** to the proposed budget.

The increase in the Salary category is reflective of existing MOU scheduled increases, a reduction in the amount the department is charging out to Asset Forfeiture funds and the proposed addition of 6.5 FTE. The position additions, both sworn and civilian, are proposed in part to bring the department closer to Measure O baseline funding as specified in the Measure O Ordinance. The additions include increasing the number of police officers, including positions for the Community Policing Team and Background Investigations; Police Technician; Administrative Support positions; staffing in the Records Bureau and the development of an Information Technology section.

While there were some cost increases in the Benefits category (such as Health and Workers' Compensation insurance), these increases were more than offset by the reduction in retirement

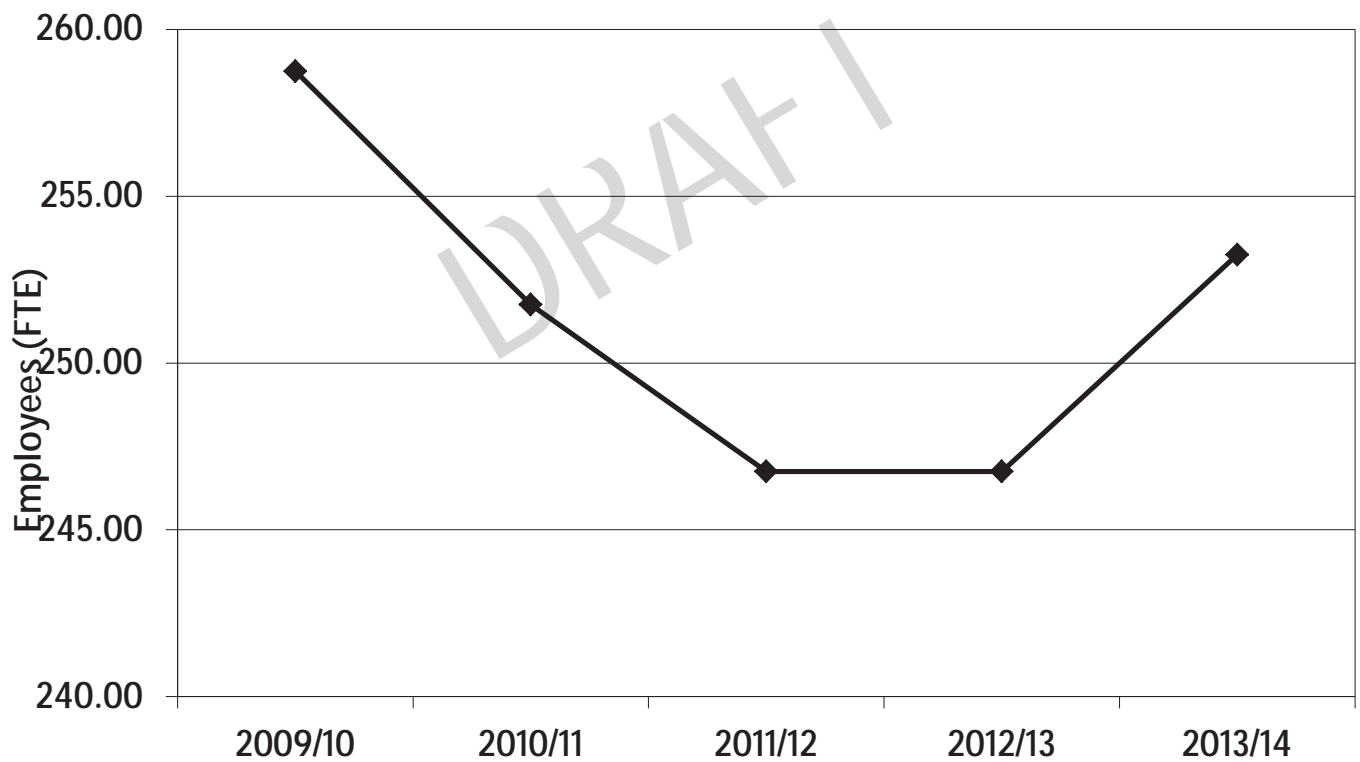
costs due to the above mentioned MOU agreement wherein Police Officers are contributing a greater share toward retirement costs.

The Service and Supplies category increases are comprised primarily of increases to the training budget (\$105K), Information Technology (\$274K) - including the new PC Replacement program, and increases to the vehicle replacement program (\$92K).

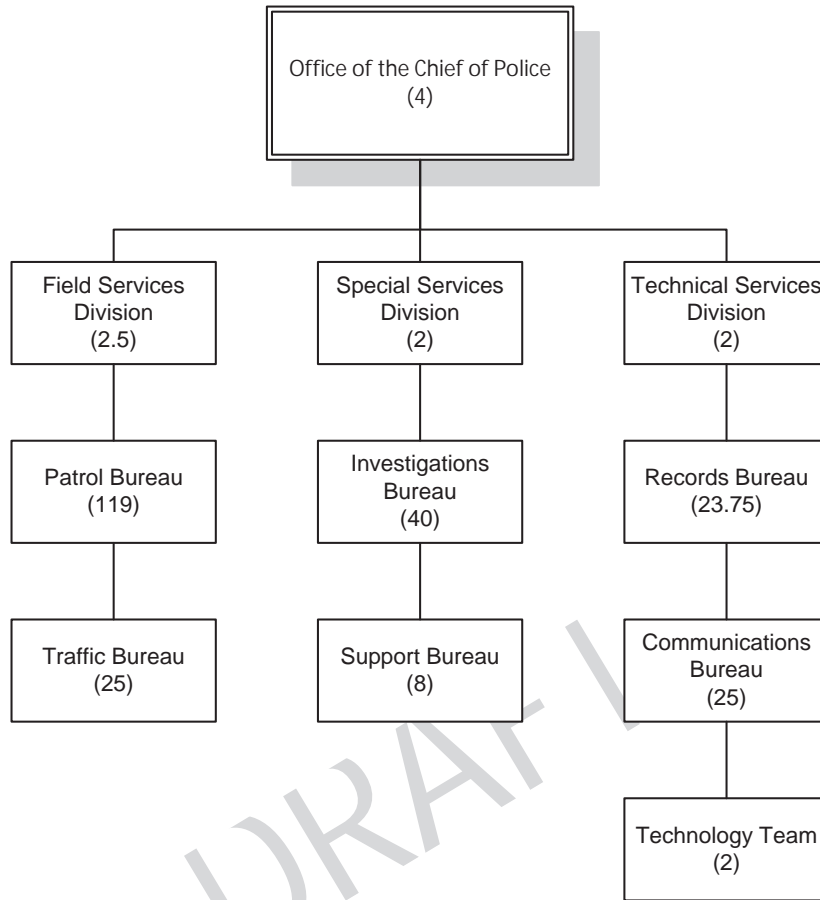
The Capital Outlay, Projects category decrease is, again, attributable mostly to the current year receipt, and budgeting, of grant funds.

The Measure O - Police Fund budget year over year increase is just under 2% and is reflective of the same salary & benefit issues discussed above.

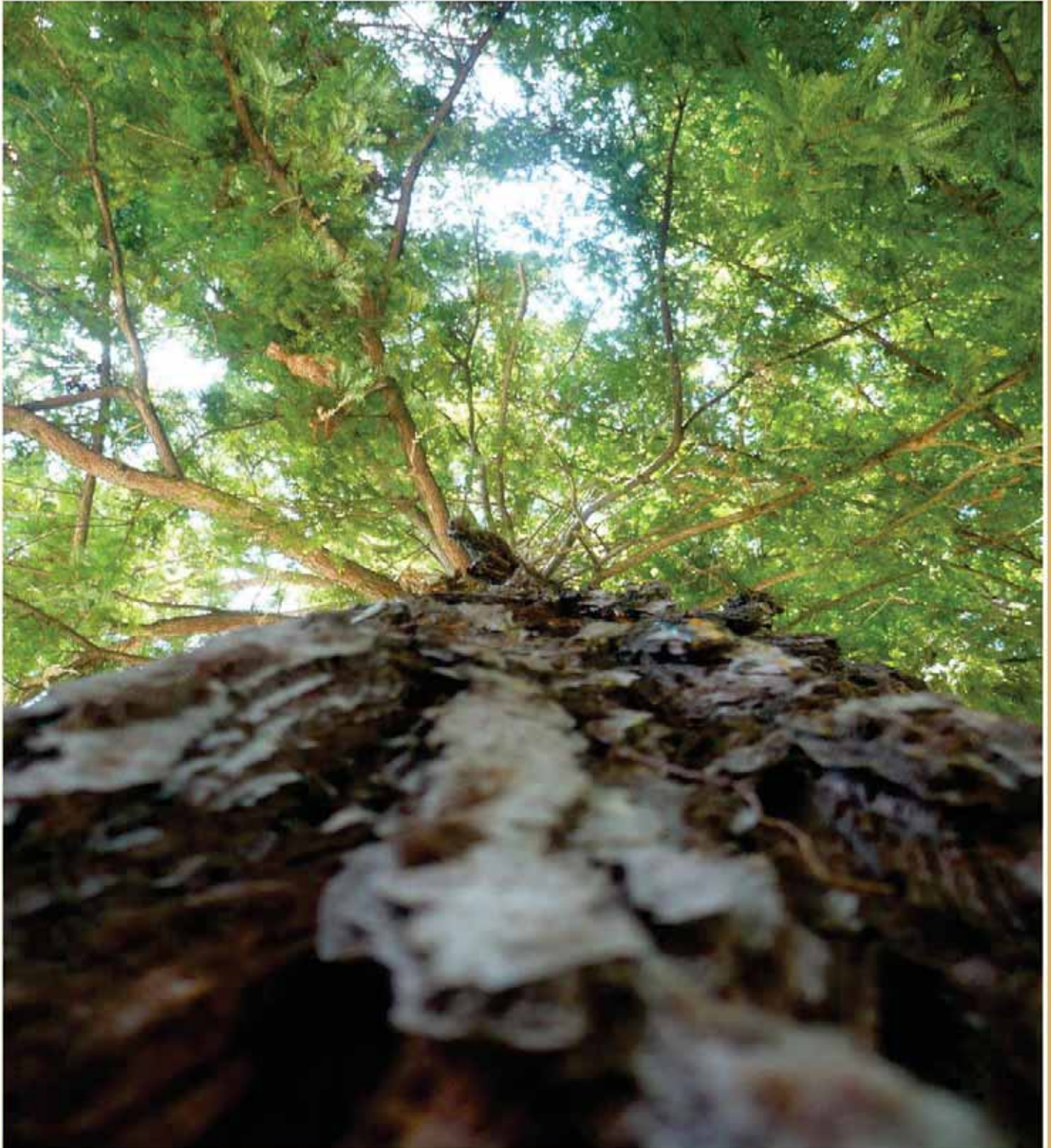
Historical Staffing



Organization Chart



Recreation and Parks



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Recreation & Parks

Mission

The Recreation & Parks Department creates community through people, parks and programs. Our mission is to provide recreational experiences, foster human development, increase cultural unity, protect environmental resources, facilitate community problem solving, strengthen safety and security, promote health and wellness, strengthen community image and sense of place, and support economic development.

Recreation & Parks designs, constructs, operates, and maintains approximately 555 acres of City parks and sports facilities. In addition, the Department provides recreation activities to 100,000 participants a year through 1,600 scheduled classes, workshops, day camps, youth and adult sports, public swim, birthday parties, picnic reservations, and the amusement rides and boat rentals at Howarth Park. The Department serves as the caretaker for an additional 250 acres of public landscaped areas, undeveloped parks, landscaped street medians, and frontage landscaping. Recreation & Parks maintains park and street trees, and a large number of special recreational and historic facilities, including Howarth Park, Luther Burbank Home & Gardens, the Church of One Tree, DeTurk Round Barn, the Santa Rosa Rural Cemetery, Finley and Steele Lane Community Centers, Person Senior Wing, Bennett Valley Senior Center, Ridgway and Finley Aquatic Centers, Courthouse Square, Railroad Square, the Downtown core, and the Bennett Valley Golf Course. Maintenance of the downtown core and Courthouse Square includes litter removal, decorative fountain service, irrigation and general on-site repairs to City Hall, Comstock Mall, City Hall Annex, and Fourth Street Mall, as well as special events.

With a share of the funding from the Transactions and Use Tax (Measure "O"), the Department provides gang prevention and intervention services to youth in Santa Rosa through after-school and summer programs.

The Facilities Planning, Development and Maintenance Division is responsible for facility management, planning and maintenance services to the Sonoma County Museum and 35 City-owned facilities.



2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Actively support the City organization with facility planning and maintenance services. ②
- Apply for grant funds for the California Department of Boating and Waterways to assist with the replacement of boats at Lake Ralphine. ④
- Complete Phase III of the Person Senior Wing at Finley Community Center. ④
- Complete the Department of Justice Initial and Self-Audit ADA accessibility improvement projects for FY 2013-14. ②
- Complete the restroom remodeling at the Senior Center on Bennett Valley Road. ④
- Continue the roll out of technology improvements that track work orders, volunteer efforts, preventative maintenance and other Department activities. ④
- Continue to improve the playability of Bennett Valley Golf Course with ongoing drainage improvement projects. ④
- Continue to provide quality, affordable recreation programs for all ages.
- Continue to provide volunteer opportunities for on-going beautification and one-time community service projects within City parks. ④
- Continue to pursue grant funding for final land acquisition for Roseland Creek Community Park and Trail. ④
- Evaluate installing the Ridgway pool heater replacement and solar heating system. ④
- Start construction of Bayer Neighborhood Park and Gardens. ④

Service Indicators

Indicator	FY 10-11	FY 11-12	FY 12-13 estimate
<i>Parks & Landscape Maintenance</i>			
Percentage of community parks and facilities rated in good condition based on surveys of park patrons.	83%	85%	76%
Acres of parks maintained per Skilled Maintenance Worker (SMW). National Average = 15 acres/maintenance worker per National Park and Recreation Society (NPRS).	107 acres/SMW	111 acres/SMW	111 acres/SMW
<i>Recreation</i>			
Percentage of people who rate programs in signature facilities (BVSC, FCC, Aquatic Centers) as good or excellent.	81%	97%	90%
Increase in the number of people participating in programs and activities. (Target: 5% increase).	-7%	1.5%	2%
Number of people receiving information from Department public information efforts (includes email and Facebook)	46,730	45,999	46,500
Percentage of planned programs, classes and activities cancelled. (Target: Less than 25%)	31%	16%	20%
Percentage of direct program costs offset by revenues.	76%	73%	73%

<i>Neighborhood Services</i>			
Percentage of Santa Rosa CHOICE funded programs that met or exceeded the Services Performance Index goal.	92%	88%	100%
Percentage of Neighborhood Services programs that met or exceeded the Services Performance Index goal.	100%	83%	100%
Increase in the number of at-risk youth participating in youth sports programs. (Target: 20% a year)	-	60%	20%
<i>Facilities Planning, Development & Maintenance</i>			
Park acreage provided as City share of 6 acres of parkland per 1,000 residents standard (3.5 acres per 1,000 is City Share).	5.02	5.02	5.02
Square feet of facilities maintained per employee (47,000 square feet is standard).	84,629	86,083	88,302
Square feet of facilities maintained per year.	456,458	473,458	497,866
Water savings through water conservation projects. (Target: 2%).	28%	5.4%	-10.4%
Total number of construction project completed. (Target: 30).	193	150	141
Total value of construction projects completed (Target: \$500,000).	\$928,209	\$900,000	\$1,172,000
Value of energy cost savings and rebates earned	\$30,000	\$30,000	\$30,000
Energy Use – Natural Gas	-0.2%	0.6%	8.1%
Energy Use – Electricity	-5%	-8%	-

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Achieved fundraising goal of \$25,000 to support the Bennett Valley Senior Center and Aquatic Centers. ④
- Adopted an agreement with Fountaingrove II Open Space Maintenance Association to preserve and protect City land. ④
- Completed a Master Plan for Jennings/Range Neighborhood Park. ④
- Completed Department of Justice Initial and Self-Audit ADA accessibility improvement projects on time and within budget for FY 2012-13. ②
- Completed Finley pool cogeneration project to conserve energy and reduce operating costs. ④
- Completed initial drainage improvement projects at Bennett Valley Golf Course to improve playability in wet weather conditions. ④
- Completed Phase II of the Person Senior Wing at Finley Community Center and opened the first floor in November 2012. ④
- Doubled rental revenue at the Church of One Tree over the last year. ④
- Facilitated community engagement through the Adopt-a-Park, Park-a-Month, and Greenway Cleanway programs. ④
- Increased participation in Measure O funded youth sports programs including soccer, basketball, flag football, and futbol. ④
- Initiated technology improvements that track work orders, volunteer efforts, preventative maintenance and other park maintenance activities. ④

- Nominated and won a California Parks & Recreation Society award on behalf of the Finley Foundation in the category of Champion of the Community for their support of the Finley Recreation Complex. The Finley Foundation has donated \$18.5 million to the City over the past two decades to develop and expand the Finley Community Center; \$11.5 million was donated within the last 18 months for the Person Senior Wing. ④
- Received the Press Democrat "Reader's Choice Awards" for the Best Park (Howarth Park), Best Day Camp (Camp Wa-Tam), Best Pool (Finley Aquatic Center), and Best Dog Park (Rincon Valley Dog Park). ④
- Refurbished the Animal Barn, Snack Bar, Boathouse, and rental house in Howarth Park with volunteer labor and materials. ④

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Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$12,662,317	\$13,206,103	\$14,308,009	\$13,600,577	\$14,782,798
Art In-lieu Fee	\$116,460	\$183,318	\$168,233	\$245,600	\$145,235
Measure "O" - Recreation	\$1,134,155	\$1,284,269	\$1,285,633	\$1,546,284	\$612,926
Change For Kids Fund	\$22,503	\$23,625	\$21,710	\$30,000	\$72,000
Capital Improvement Fund	\$7,974,720	\$7,093,314	\$14,060,305	\$1,871,081	\$2,230,248
St. Francis Knolls	\$1,983	\$3,688	\$1,765	\$1,905	\$1,535
Stony Ranch	\$470	\$884	\$577	\$4,031	\$3,890
The Orchard at Oakmont	\$12,271	\$17,269	\$15,984	\$39,511	\$39,910
Sandra's Place Tax District	\$134	\$60	\$148	\$3,776	\$3,885
Woodbridge Tax District	\$171	\$3,341	\$6,818	\$9,415	\$9,688
North Village I Special Tax District	\$0	\$173	\$4,864	\$7,940	\$8,170
Kawana Springs 6 Special Tax District	\$0	\$0	\$120	\$5,330	\$5,447
Kawana Town Center Special Tax	\$0	\$0	\$120	\$7,147	\$7,314
Bennett Valley Golf Course Ops	\$1,130,615	\$1,400,732	\$1,280,560	\$1,298,480	\$1,270,315
Bennett Valley Golf Course Projects	\$97,169	\$272,946	\$430,425	\$15,000	\$65,000
Taxable Golf Bond Debt Serv	\$133,378	\$135,990	\$131,467	\$131,467	\$129,077
Tax-exempt Golf Bond DS	\$272,659	\$268,636	\$263,250	\$263,250	\$263,650
Subdivisions Back-on Landscaping	\$37,971	\$0	\$0	\$0	\$0
Railroad Square Maintenance Fund	\$1,124	\$675	\$4,500	\$4,500	\$4,500
Expendable Fund-Int Alloc	\$4,401	\$19,665	\$32,719	\$39,937	\$42,937
Expendable Fund-No Int Alloc	\$34,822	\$41,667	\$38,254	\$56,445	\$140,574
Total	\$23,637,323	\$23,956,355	\$32,055,461	\$19,181,676	\$19,839,099

Expenditures by Category

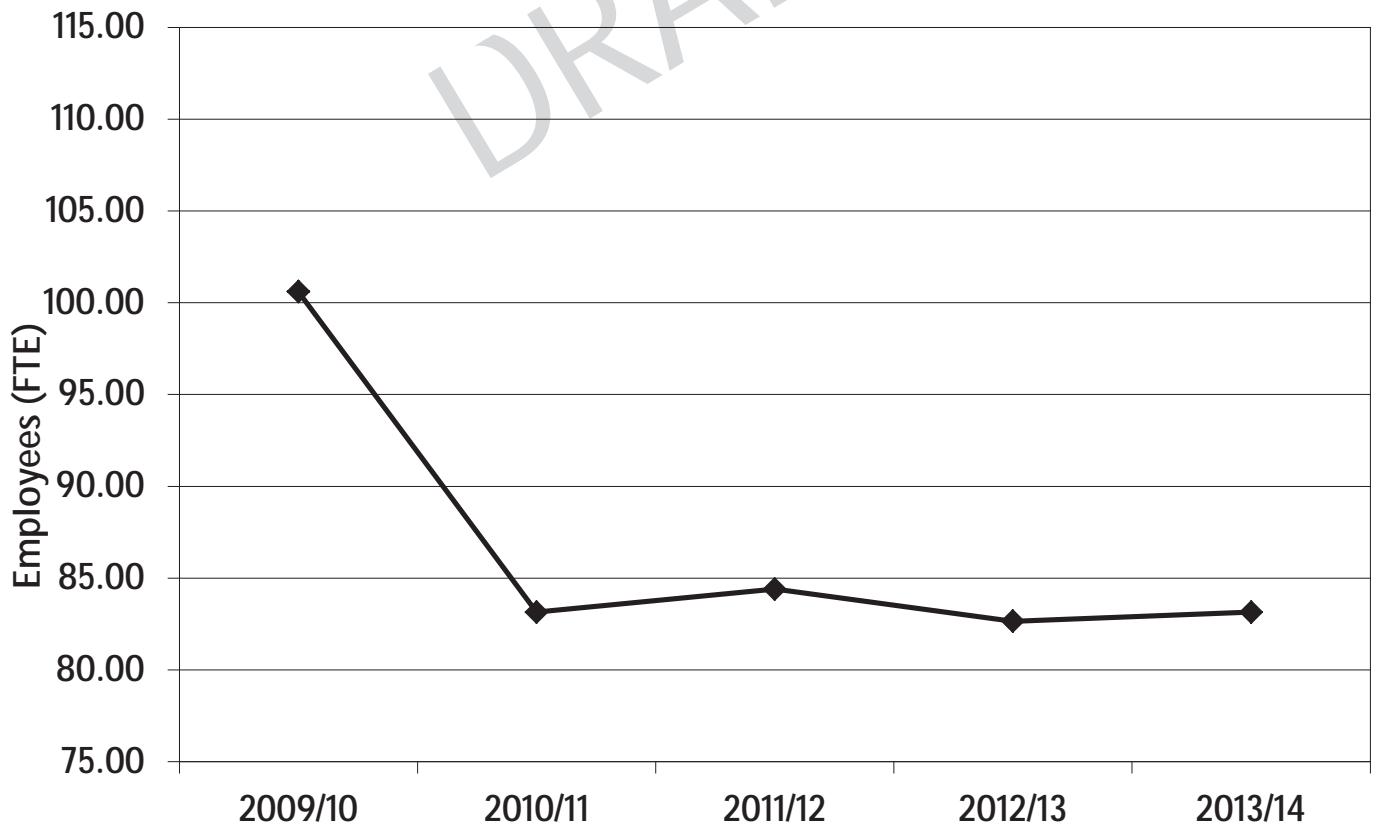
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$5,950,884	\$5,929,228	\$5,737,331	\$6,025,392	\$6,124,755
Benefits	\$1,817,688	\$2,035,339	\$1,891,475	\$2,018,720	\$2,115,993
Service and Supplies	\$7,100,751	\$7,555,968	\$8,136,760	\$8,246,485	\$8,171,819
Indirect Costs	\$194,104	\$194,104	\$206,023	\$206,049	\$151,973
Capital Improvement Program	\$7,974,720	\$7,093,314	\$14,060,305	\$1,871,081	\$2,230,248
Capital Outlay, Project, and Other	\$599,176	\$1,148,402	\$2,023,567	\$813,949	\$1,044,311
Total	\$23,637,323	\$23,956,355	\$32,055,461	\$19,181,676	\$19,839,099

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

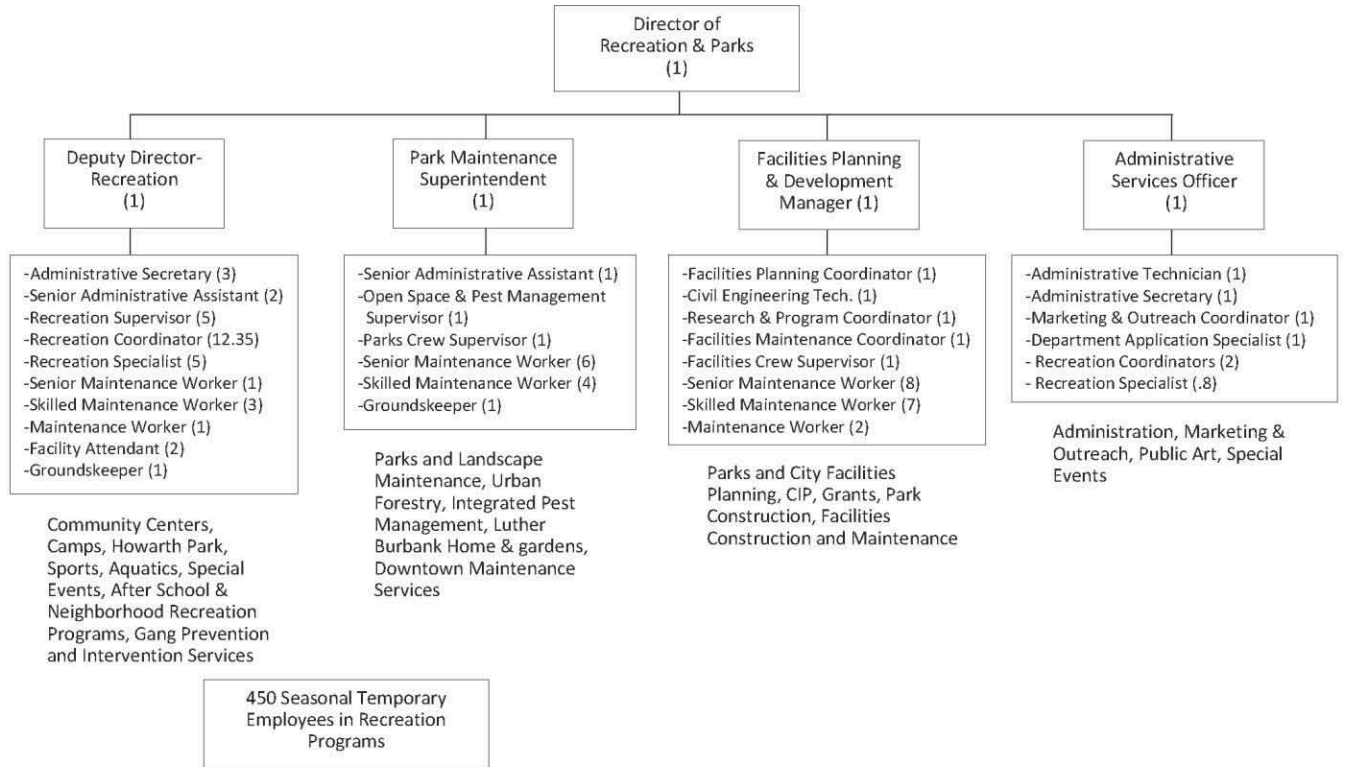
Major Budget Changes

The Recreation & Parks General Fund budget will increase 8% in Fiscal Year (FY) 2013/14 over the previous fiscal year. Increases include \$240K in salary reimbursement changes including In-House Construction Crew salaries as well as the movement of 1.0 FTE Public Art/Recreation Coordinator from the Art In-Lieu Fund to the General Fund. Other increases include \$212K for increases in utilities and janitorial services for all city facilities, and a \$200K increase for Water/Irrigation of City parks and facilities. Position changes include the continuation of 2.0 FTE Limited Term Skilled Maintenance Workers and 1.0 FTE Civil Engineering Technician for ADA projects. Reclassifications include 1.0 FTE Facility Attendant to Skilled Maintenance Worker for Aquatics and 1.0 FTE Recreation Specialist to Recreation Coordinator for facility rentals. A \$933K decrease in Measure O funding for FY 2013/14 is due to the shift of Gang Prevention Administration from Recreation & Parks to the City Manager's office. Capital Improvement Program expenditure increases in FY 2013/14 over the previous fiscal year are primarily driven by a 200k increase for facilities projects related to the ADA settlement.

Historical Staffing



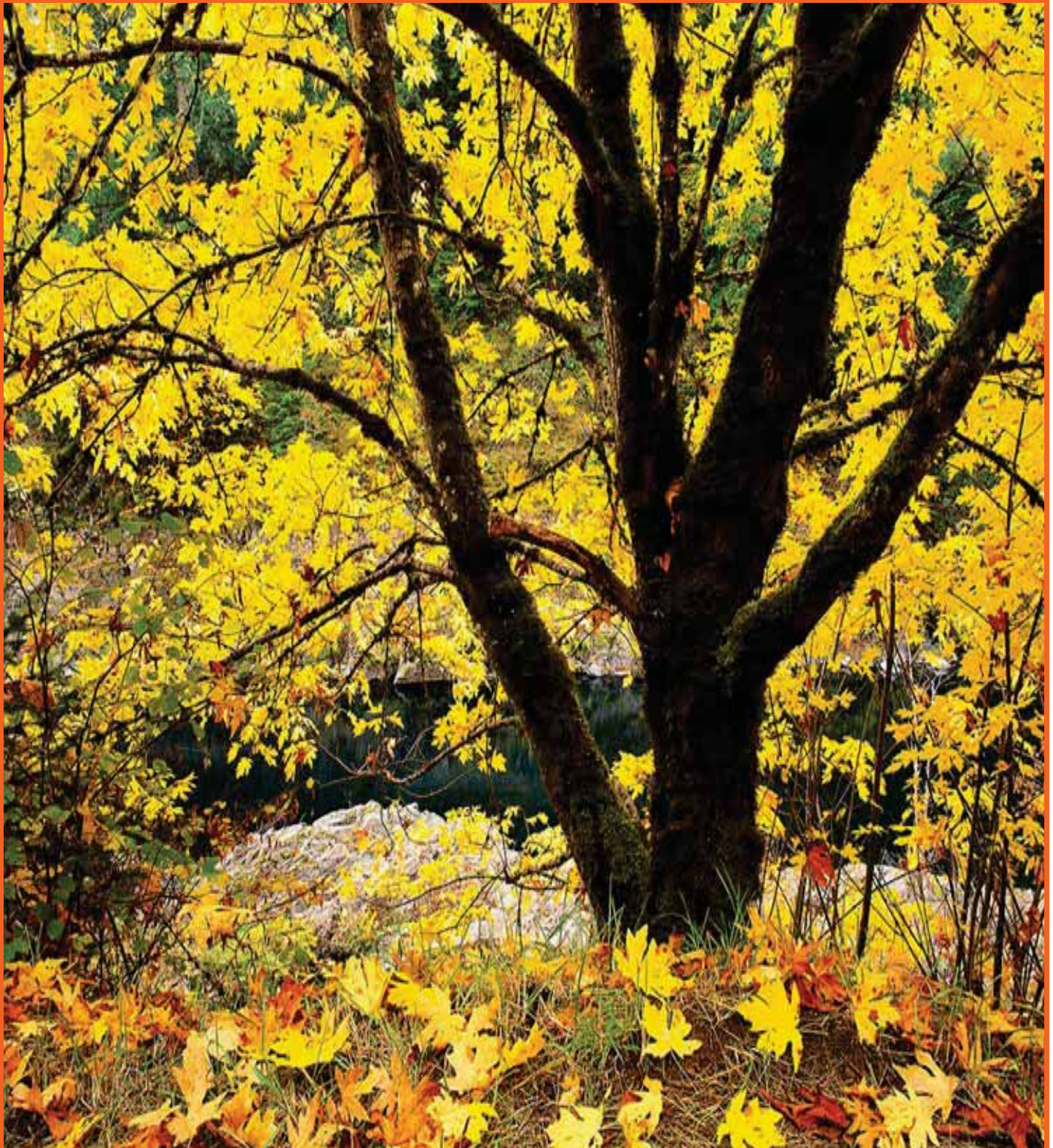
Organization Chart



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Transportation and Public Works



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Transportation and Public Works

Mission

Provide effective transportation options through planning, design, and construction while being responsive and competent stewards of the public infrastructure and environment.

A healthy transportation system and public infrastructure are critical to the economic vitality and quality of life in Santa Rosa. The Department works to design and maintain the public infrastructure in a manner that is both environmentally and economically sustainable. The Department also provides transportation services to the residents and visitors for Santa Rosa to enable the vitality of the Santa Rosa economy, environment, and public welfare.



In FY 11-12, the Transit Department and the Public Works Department initiated reorganization, at the direction of the City Manager, to create the Transportation & Public Works Department. The reorganization consolidated the transportation-related services within the City to improve the long-term planning and development of these environmentally and economically vital services. A new strategic plan for affecting the changes was developed in FY 11-12 and implemented starting in the FY 12-13 budget process.

As of January 1, 2013, the Transportation and Public Works Department maintains:

- 492 centerline miles of City streets and related assets.
- 15,713 street and park lights (3,546 of those have been de-energized).
- 202 signalized intersections that include both City and State owned equipment.
- 49 pedestrian actuated flashing beacons.
- Electrical equipment beneath City streets, in City parks, and in many City buildings.
- City storm drain system (352 miles of pipe and 17,900 structures) for flood protection and water quality.
- 1,026 City vehicles and equipment (total value \$50 million).

In addition, the Department provides engineering and inspection services including private development and subdivision plan check and inspection, encroachment permit issuance and inspection, Storm Water Discharge compliance, Water Efficient Landscape compliance, and requested engineering services to other City departments.

The Transit Division operates Santa Rosa CityBus, a fixed route public transit system; contracts for curb-to-curb Paratransit service; staffs the City Council-appointed Bicycle & Pedestrian Advisory Board; and provides single-passenger commute demand management to employers and the community, including incentives, events, and infrastructure. CityBus' daily services provided over 3 million passenger trips annually using an active fleet of 36 buses operating on 17 fixed routes serving over 400 bus stops, and one deviated fixed route in the community of Oakmont. The Santa Rosa Paratransit service provides curb-to-curb service for individuals clinically determined to be unable to use the fixed route service.



2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

Public Works Division

The Public Works Division has three major measurable objectives: to minimize traffic delays, to maintain the City's pavement in the most cost-effective way, and to bring in outside funding to accomplish these and other goals. For ease of comparison, FY 2013/14 Key Initiatives and FY 2012/13 Key Accomplishments are shown together for this division.

Pavement

The replacement value of the city's pavement is about \$1 billion. To keep that asset in good repair, we should be spending about 1.5% of its value each year or about \$15 million dollars annually. Instead, the City typically spends about \$6 million annually. We are falling behind \$9 million per year. The City's pavement backlog could be considered in parallel with the City's operating budget structural deficit. If we solve the City's operating budget issues, but defer significant upkeep on our pavement, we will eventually pay a high price. Both problems need to be addressed.

Significant street and paving projects completed in 2012-13 include:

- Annual Slurry Seal 2012
- Pavement Preventative Maintenance 2011 and 2012
- Brush Creek Bike/Pedestrian Path
- Colorado Blvd.
- Spring Creek Drive from Hahman to Yulupa
- Nordyke Ave., Oliver Lane, Victor Drive
- Poplar Street from Peach to Olive
- 6th St. Undercrossing from Davis to Morgan

Neighborhood infrastructure upgrades (sewer, water, paving and some drainage and pedestrian improvements) completed in 2012-13 include:

- Spring Creek Drive Sewer and Water Improvements
- Range Avenue Water Main Installation
- Bennett Valley Rd and Maple Ave Sewer Replacement
- Poplar Street Sewer and Water Improvements
- Nordyke Ave, Oliver Ln and Victor Dr Sewer and Water Improvements
- King Street Sewer, Water and Storm Drain Improvements - Phase 1
- Colorado Boulevard Sewer and Water Improvements

Outside Funding

Maximize use of outside revenue sources to maintain an active Capital Improvement Program (CIP) and address infrastructure needs by securing grant revenues equaling 30% of the budgeted Public Works Department CIP.

<u>Total Public Works CIP</u>		<u>% Grant Funded</u>
FY12-13	\$ 7,073,383	61%
FY11-12	\$ 9,604,454	67%
FY10-11	\$11,961,542	56%

Transit Division

- Complete the installation of an enhanced Automated Vehicle Locator (AVL) system with real-time bus departure information.
- Initiate the development of a Long Range Transit Plan for transit services to serve the Santa Rosa community for the next twenty years.
- Purchase 4-6 buses to replace aging buses in the CityBus fleet.

Service Indicators

	FY 2010/11	FY 2011/12	FY 2012/13 estimate
Grant Revenues Secured	\$6.7M	\$6.4M	\$4.3 M
Travel Time Along 5 Major Arterial Streets (PM Peak)(M:SS):			
College/West College Avenue - Cleveland Avenue to 4th Street	3:11	3:33	3:40
Guerneville Road/Steele Lane - Range Avenue to Illinois Street/County Center Drive	1:34	1:24	2:29
Mendocino Avenue - College Avenue to Steele Lane	3:04	3:09	4:21
Santa Rosa Avenue - Baker Overcrossing to Yolanda Avenue	3:33	1:49	2:04

Stony Point Road - West College Avenue to Hearn Avenue	6:52	6:23	5:51
Engineering Development Services:			
Completed plan checks	124	77	96
Completed Inspections	465	492	525
Field Services and Capital Projects:	FY 2009/10	FY 2010/11	FY 2011/12
Asphalt and Portland Cement Concrete Recycled (tons)	34,750	4,960	9,908

Completed Field Services Work Orders (Calendar year):	2010	2011	2012
Streets	1,440	1,636	1,660
Electrical	7,352	3,090	4,014
Fleet	7,850	7,869	7,691
Transit Operations	FY 2010/11 estimate	FY 2011/12 estimate	FY 2012/13 estimate
Number of annual CityBus passenger trips	3,120,000	3,182,400	3,077,065
Number of annual Paratransit trips	45,000	46,000	50,477

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- Completed the rehabilitation for the Second Street Transit Mall and Wayfinding Project, including rehabilitation of the restrooms.
- Completed the update of the Short Range Transit Plan FY 2012 - 2021 that included a service reduction plan and fare increase to bring the fixed route system into line with community needs and financial resources.
- Managed construction of 54 CIP projects with a total contract value of over \$43 million during 2012. Contract change orders on these projects totaled less than 4.5% of the total contract amount. Consultants designed 44% of these projects. City staff designed 56%.

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$11,013,199	\$11,266,229	\$11,861,392	\$11,888,259	\$12,036,079
Street Light Fee Fund	\$4,858	\$0	\$0	\$0	\$0
AB 434 Funds (Transit)	\$246,645	\$207,659	\$235,789	\$235,788	\$228,636
Capital Improvement Fund	\$14,569,578	\$15,846,738	\$56,345,793	\$7,325,680	\$10,043,290
Utilities Administration Fund	\$1,880,222	\$1,670,553	\$1,716,601	\$1,861,568	\$1,735,281
Municipal Transit Fund	\$9,756,576	\$10,056,118	\$9,615,414	\$10,758,791	\$10,387,862
Transit Capital Fund	\$1,003,430	\$6,265,267	\$4,545,422	\$3,433,635	\$1,602,731
Paratransit Operations	\$1,129,315	\$1,235,152	\$1,327,090	\$1,334,481	\$1,295,889
Storm Water Enterprise Fund	\$326,211	\$336,232	\$373,540	\$390,388	\$420,278
Equipment Repair	\$4,429,716	\$4,638,322	\$4,657,093	\$5,492,226	\$5,278,747
Equipment Replacement Fund	\$2,374,590	\$2,083,452	\$4,852,973	\$4,535,951	\$5,005,894
Total	\$46,734,340	\$53,605,722	\$95,531,107	\$47,256,767	\$48,034,687

Expenditures by Category

	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$12,796,828	\$12,691,314	\$12,302,094	\$13,789,013	\$13,280,123
Benefits	\$5,566,054	\$5,982,153	\$5,705,741	\$6,648,127	\$6,661,536
Service and Supplies	\$9,054,986	\$9,486,989	\$9,632,573	\$10,283,229	\$9,920,532
Indirect Costs	\$1,368,923	\$1,350,418	\$1,275,027	\$1,275,027	\$1,768,529
Capital Improvement Program	\$14,569,578	\$15,846,738	\$56,345,793	\$7,325,680	\$10,043,290
Capital Outlay, Project, and Other	\$3,377,971	\$8,248,110	\$10,269,879	\$7,935,691	\$6,360,677
Total	\$46,734,340	\$53,605,722	\$95,531,107	\$47,256,767	\$48,034,687

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

The Transportation & Public Works Department (TPW) has four primary components – the General Fund, the Transit Enterprise Funds, the Capital Improvement Fund and the Equipment Repair and Replacement Internal Service Funds. Among these various components, the year over year budget has increased in some, decreased in some and remained relatively flat in others, for an overall net department-wide increase of \$778K, or less than 2%.

General Fund – year over year increase \$148K

The proposed FY 2013/14 budget reflects the elimination of 2.0 FTE positions housed in the General Fund Capital Projects Engineering Division (CPE Division), along with the proposed extension of a Limited-Term Supervising Engineer position from that division which will be moved to the Traffic division. An additional 2.0 FTE Utilities funded CPE Division positions are being eliminated as well. The position reductions in the Capital Projects Engineering Division

are the result of a reduction, from five teams to four, in the number of CIP design/construct teams. This change is a response to the reduction in the total value of the City's Capital Improvement Program. Of the four remaining teams, two are dedicated to Utilities projects while the other two are multi-purpose teams. The CIP teams are entirely funded by projects and, as of July 1, 2013, will be centralized in one City facility and will no longer be paying for leased office space (reflected as a savings in the Service & Supplies category). The other material change in the TPW General Fund Salary & Benefits budget is the reduction of \$225K in salary charge-outs to CIP projects (effectively increasing the budget) in order to provide more street maintenance.

Transit Division – year over year decrease \$(2.2)M

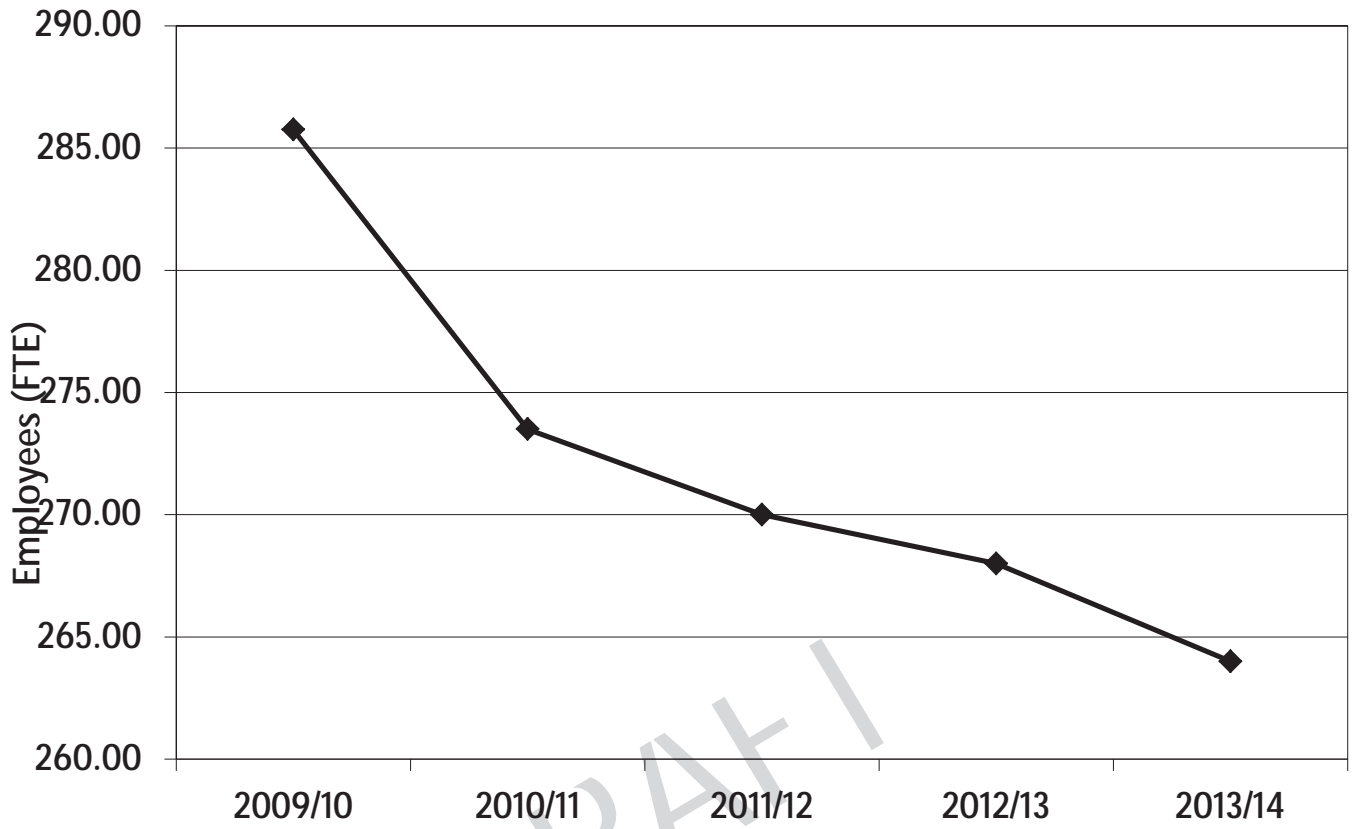
A reduction of fixed route transit service of approximately 5% was implemented February 3, 2013. The Transit Division budget estimates for salaries and benefits, fuel and vehicle maintenance for FY 2013/14 have been reduced to reflect that reduction in service. The Transit Division fare revenues for 2013/14 reflect the Council approved fare increase and change in transfer policy, which were also effective February 3, 2013. Within the Services and Supplies section of the Transit budget, the two greatest cost drivers include a reduction of \$155K

(-13.3%) in the Transit Fleet fuel budget and a reduction of \$90K in operational repairs as well as a reduction of \$185K in salaries and benefits for the fixed-route fleet, reflecting a full year savings attributable to the service reductions implemented in February 2013. Costs of the contract for paratransit service are expected to continue increasing. Capital Projects funding in the Transit Capital Fund is down by \$1.8M from the previous year, with reduction in new bus purchase funding and the completion in FY 2012/13 of the Transit Mall remodel.

Capital Improvement Fund and E&R Funds – year over year increase \$3.0M

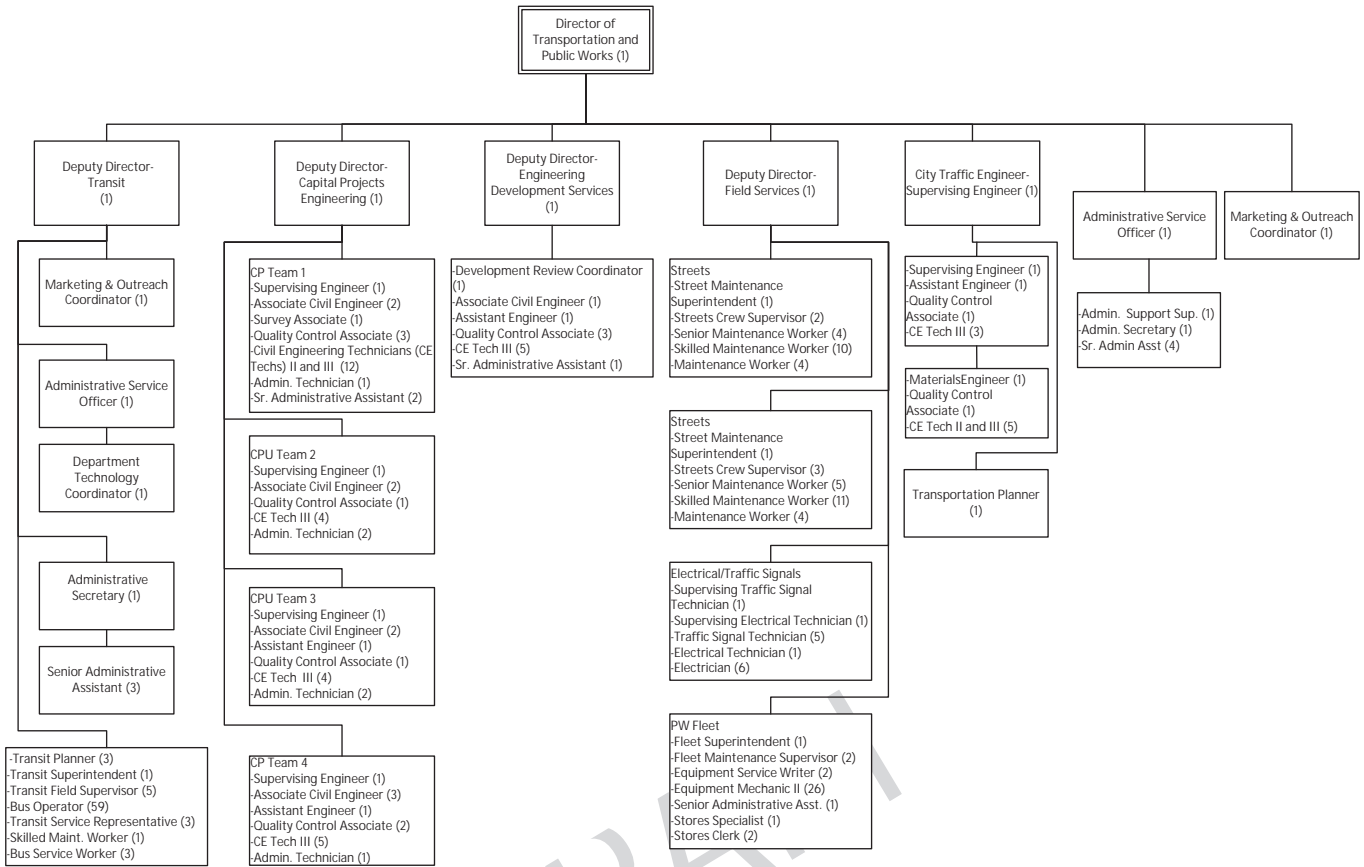
The TPW CIP fund budget grew by \$2.7M over 2012/13 with funding directed toward various pavement maintenance, pedestrian/bicycle/ADA access and street capacity projects. The Equipment Repair & Replacement funds saw a net increase of \$256K comprised of a \$408K increase in vehicle purchases and a \$102K increase in Indirect Costs, partially offset by project reductions of \$250K in connection with the 2012/13 budget for the garage software replacement project.

Historical Staffing



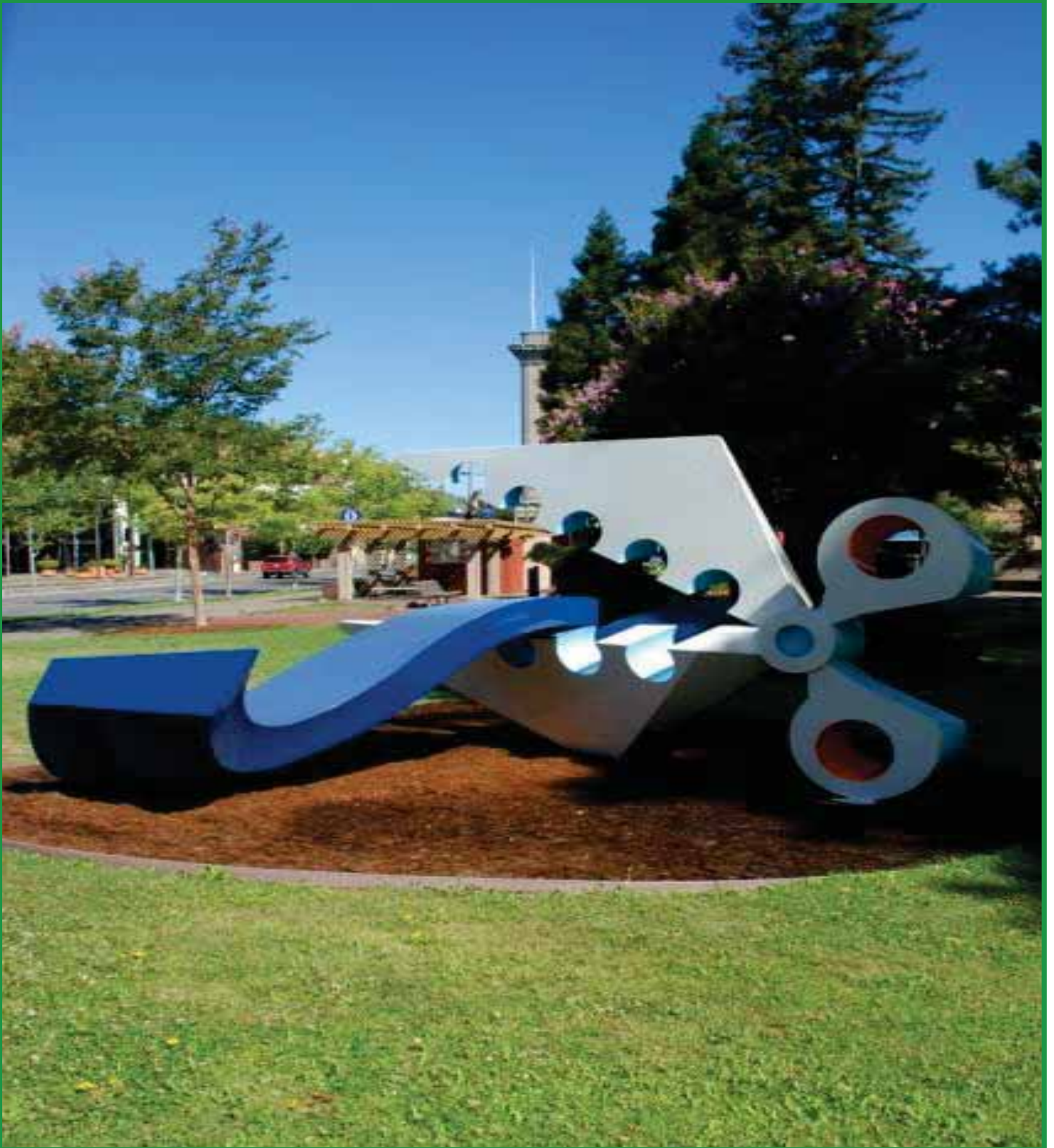
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Organization Chart



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Utilities



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Utilities Department

Mission

Santa Rosa Utilities - protecting public health by sustaining water and wastewater resources, infrastructure and the environment: our future in every drop.

The Utilities Department protects public health by sustaining water and wastewater resources, infrastructure and the environment. The department protects and maintains the watershed, delivers safe, potable water, cleans and maintains sewer mains, and treats and beneficially reuses wastewater 24/7, while at the same time having reduced operating costs and staffing levels.



The City of Santa Rosa delivers over 7 billion gallons of potable water to over 51,000 customer accounts, operates a recycled water system for agricultural and urban irrigation and commercial processes, collects wastewater from over 45,000 customer accounts, and operates the Subregional Water Reuse System which beneficially reuses over 7.5 billion gallons of tertiary treated wastewater and 27,289 wet tons of biosolids annually. The Storm Water and Creeks Sections are also managed by the Utilities Department and works closely with other sections in the department to safeguard water sources.

There are separate enterprise funds that finance each of these operations. The water and wastewater funds are primarily financed by Santa Rosa ratepayer user fees and charges, and the Subregional Fund is funded by the 5 user agencies (through wastewater fees and charges), with Santa Rosa contributing about 74% of the total Subregional revenue based on flow. The Storm Water and Creeks Section is financed by parcel tax and the General Fund.

Over the last 5 years, the department has prudently used reserves to buffer the effect of economic recession, drought and cool summer weather. 2012 was a recovery year for the department as some of the effects of the recession began to fade and both water supply and weather were 'normal', resulting in more typical water use revenue.

2013-14 Key Initiatives

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- I. Customer Service ②
- II. Meet and Exceed Present and Future Regulations ③
- III. Communication, Outreach & Education (internal & external) ③ ⑥
- IV. Public and Environmental Health ③ ⑥
- V. Fiscal Responsibility & Cost-Effectiveness ①
- VI. Planning for the Future – Workforce and Infrastructure ② ③
- VII. Collaboration ③

Service Indicators

	2010	2011	2012
Subregional Treatment*			
Billion gallons wastewater treated	7.5	7.1	6.9
Treated wastewater recycled	99%	90%	100%
Biosolids reused	97%	96%	100%
Environmental compliance inspections - grease related food industries	626	666	565
Grease related sanitary sewer overflows (residential/commercial)	3/0	0/0	0/0
Number of people attending Treatment Plant educational tours	2,102	2,644	2,806
Laguna Lab annual proficiency acceptance rating	99%	95%	99%
Water Supply, Distribution and Quality*			
Miles of water main in system	617	617	619
Million gallons of water purchased	6,032	5,598	6307
Million gallons metered water delivered	5,667	5,706	6190
Million gallons water produced from well	292	410	258
Unaccounted for water	9.9%	4.75%	5.55%
Water Main repairs	10	16	20
Drinking Water Compliance Rate (AWWA benchmark)	100%	100%	100%
Local Wastewater Collection*			
Miles of sewer main in system	588	588	588
Miles of sewer lines flushed	314.9	152.3	178.2
Miles of sewer lines rodded	9.78	9.36	9.04
CCTV inspection of sewer main miles	135.3	124.6	146.1
Sewer Main repairs	61	80	77
Sewer laterals repair/replace	90	23	24
Engineering**			
Number of water and/or sewer connection permits issued	54	129	272
Miles of water line replaced	2.6	0.65	1.78

System replaced - .88% goal	0.40%	0.10%	0.29%
Miles of sewer main replaced	2.4	0.64	2.59
System replaced - 1.2% goal	0.40%	0.15%	0.53%
Water CIP projects completed	19	3	15
Wastewater CIP projects completed	7	2	6
Laguna Treatment Plant CIP projects completed	5	2	1
Storm Water and Creeks Section**	2010	2011	2012
Educational creek related activities with youth		74	73
Volunteer creek cleanups		58	79
Cubic yards of debris removed from creeks		178	85
Illicit spill discharges responded to by SW Team		136	108
Materials Engineering**			
Centerline miles in City street system		491.6	492
Area of street pavement inspected for PMP		36%	30
Number of field tests performed		998	1528
Number of laboratory tests performed		1184	1624
Caltrans Reference Sample Program score (1=lowest, 5=highest)		5	5

*Calendar Year figures

**Fiscal Year figures

2012-13 Key Accomplishments

(Numbered circles at right show relation to City Council Goals; see Council Goals section)

- The Laguna Subregional Wastewater Treatment Plant processed 6.9 billion gallons of wastewater into recycled water with no river discharge other than a one-day event to test discharge program enhancements.
- The Geysers Recharge Project met contract deliveries to Calpine with a total delivery of 4.4 billion gallons, for a cumulative system operations total of 39.5 billion gallons since 2003.
- The Laguna Environmental Laboratory, a state-accredited environmental laboratory that must comply with certain requirements from the State, including annual proficiency testing studies administered by the California Department of Public Health passed their annual proficiency testing with an incredibly high score of 99%.
- 9,472 pounds of pharmaceuticals in the Subregional System service area (7,031 pounds in Santa Rosa) were collected and disposed of through the Safe Medicine Disposal program. This is an 11.7% increase over the 8,483 pounds (6,293 pounds in Santa Rosa) collected in the Subregional System in 2011. ③
- The US Environmental Protection Agency (EPA) audited the NPDES Storm Water permit compliance program. The auditors were very impressed with the City's program with one US EPA auditor quoted as saying, "Santa Rosa is setting the bar for storm water." ③
- Successfully achieved 100% California Department of Public Health compliance reporting.

- The City's sewer model expansion and calibration was completed. The analysis determined that the expansion of the City's existing Wet Weather Facility eliminated the need to construct a parallel Llano Trunk sewer main to the Treatment Plant, saving the City over \$100 million. ②
- An evaluation and re-design for the fire flows for the City's Wildland Urban Interface was completed. By re-evaluating existing water system operations and collaborating with the Fire Department, the original construction cost estimate to provide fire flow to our citizens was reduced from \$110 million to under \$5 million. ②
- Rebated the 1.9 millionth square foot of lawn removal. ③
- Completed the new low water-use demonstration garden at MSCS. It showcases climate-appropriate plants, new irrigation technologies and low-impact development techniques. A majority of the work was done with volunteer labor by City employees. ②③
- Received a \$139,000 grant for the expansion and refinement of the Landscape Water Management Return on Investment (ROI) Calculator and Workshops. ③
- Partnered with Rethink Your Drink, Association of California Water Agencies – Region 1, Sonoma County Water Agency and the Russian River Watershed Association to create regional support for a "Take it From the TAP!" campaign.
- Achieved a total department solar portfolio of 359 kW (709,748kWh/year) with an annual estimated savings of \$83,000 in electricity costs and 354 metric tons of GHGs.
- Developed and provided required safety programs for rigging and hazardous material handling with in-house training programs, resulting in cost savings to the department. ②
- Crews repaired, replaced and/or installed 670 water/wastewater services, mains, valves and/or sewer manholes. Crews located and replaced over 191 leaking water services through our Leak Detection program. These are leaks that can go undetected for long periods of time before they surface and are called in by the public. This program ultimately contributes to lowering the amount of unaccounted water used in the water distribution system and is a positive contribution toward this department's water conservation efforts.
- As part of the effort to reduce sanitary sewer overflows (SSO's), crews cleaned a total of 195 miles of the wastewater collection system. This breaks down to 100 miles of zone cleaned as part of a five-year cleaning program that includes all mains ranging from 6 inches all the way up to 36" in diameter. This includes 95 miles of our repetitive maintenance programs that are on monthly, quarterly, six month and yearly schedules. .
- Crews handled 1,228 customer service calls as they relate to water and local wastewater. Over 12,000 requests for USA mark-outs were received and over 4,000 required Local Operations to respond and mark-out. ⑥
- Crews working to reduce inflow and infiltration into the sewer system had a busy year smoke testing 46 miles of wastewater mains. Crews also video inspected over 146 miles of wastewater mains, including 69 sewer laterals, while supporting the capital improvement program team on researching future rehabilitation areas. ③

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$810,396	\$846,238	\$514,716	\$769,882	\$790,702
Capital Improvement Fund	\$529,249	\$645,853	\$2,521,308	\$1,102,650	\$401,658
Special Tax District Funds	\$659	\$3,092	\$6,500	\$6,500	\$7,300
Stom Water Enterprise/Creek Funds	\$1,252,066	\$1,212,337	\$2,308,728	\$1,860,991	\$1,615,015
Utilities Administration Fund	\$4,182,396	\$5,261,315	\$5,683,156	\$5,491,575	\$6,216,877
Water Utility Funds	\$33,415,231	\$32,716,240	\$61,785,920	\$33,989,315	\$45,814,931
Local Wastewater Utility Funds	\$17,364,709	\$20,411,777	\$63,784,840	\$22,326,125	\$30,877,803
Subregional Waste Operations	\$24,492,340	\$24,030,466	\$28,447,473	\$27,594,108	\$28,509,836
Subregional Waste Capital	\$5,710,475	\$13,069,072	\$20,058,521	\$973,001	\$1,000,000
Debt Service	\$30,550,262	\$30,852,091	\$29,841,387	\$28,627,427	\$28,266,141
Total	\$118,307,783	\$129,048,481	\$214,952,549	\$122,741,574	\$143,500,263

Expenditures by Category

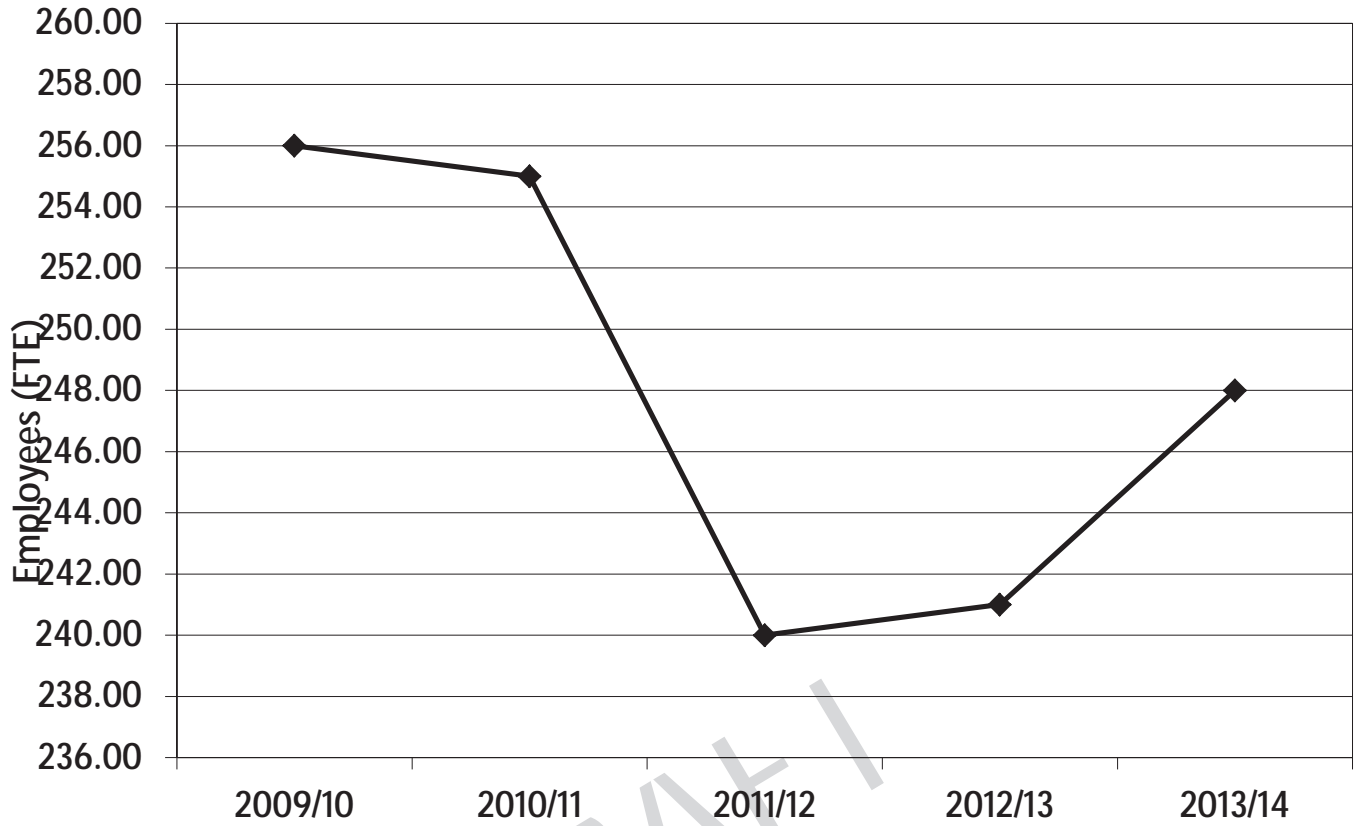
	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$16,698,390	\$16,239,519	\$14,378,200	\$17,679,995	\$18,116,756
Benefits	\$6,836,795	\$7,315,652	\$6,281,190	\$7,859,532	\$8,327,677
Service and Supplies	\$59,866,882	\$59,450,666	\$57,184,095	\$63,319,644	\$67,302,386
Indirect Costs	\$7,369,504	\$8,366,286	\$8,742,184	\$8,727,588	\$9,316,242
Capital Improvement Program	\$529,249	\$645,853	\$2,521,308	\$1,102,650	\$401,658
Capital Outlay, Project, and Other	\$27,006,963	\$37,030,505	\$125,845,572	\$24,052,165	\$40,035,544
Total	\$118,307,783	\$129,048,481	\$214,952,549	\$122,741,574	\$143,500,263

FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

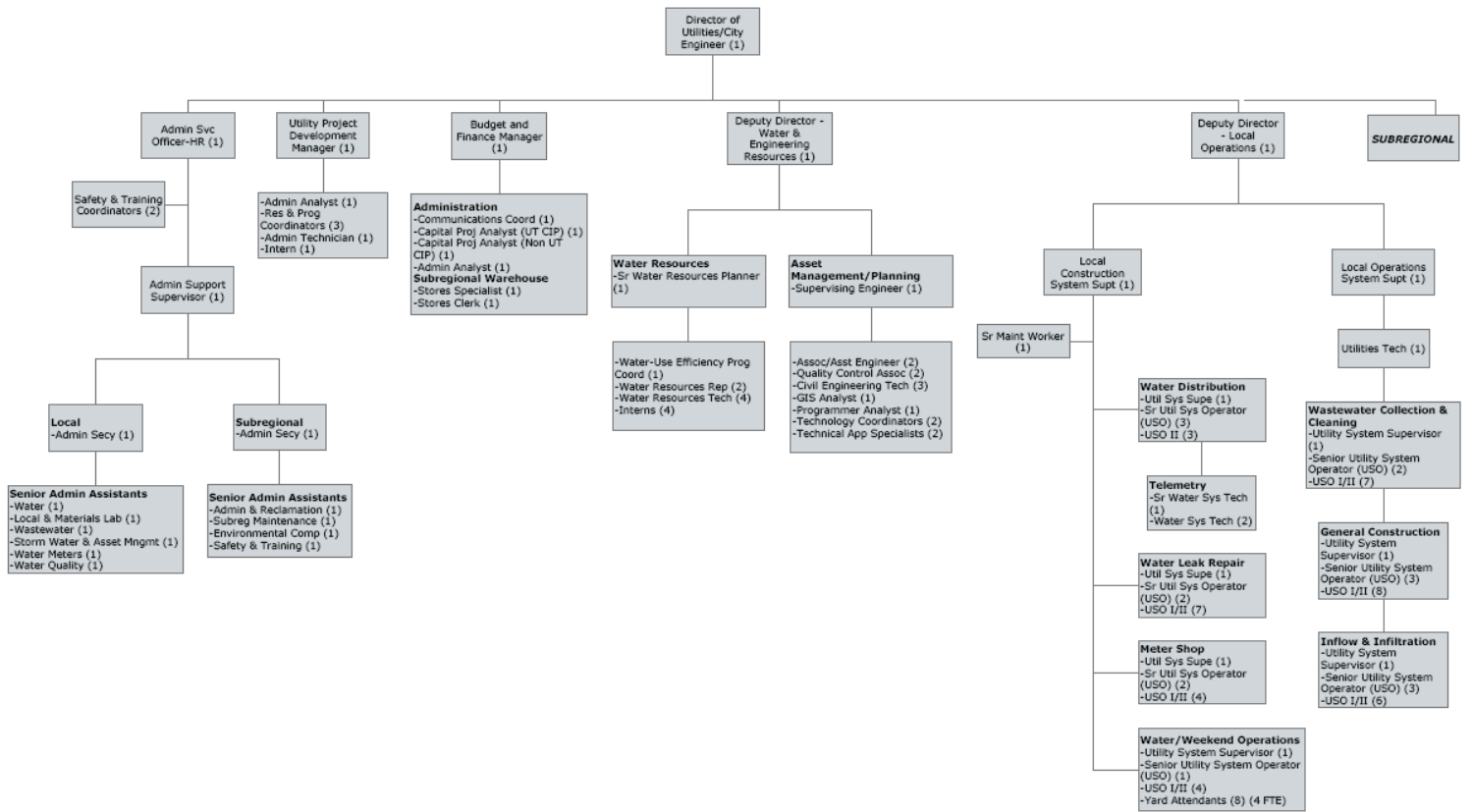
The overall Utilities budget will total \$143.5 million across all funds including Capital Improvement Projects for Fiscal Year (FY) 2013/14, which is 17% higher than the FY 2012/13 budget. The largest increases are experienced with Water Utility funds, with a 34.8% increase, driven by increases in the purchase of water and Capital Improvement costs. Local Wastewater Utility funds are up 38.3%, driven primarily by Capital Improvement costs. Major changes to the Utilities budget in FY 2013/14 include the addition of 5.0 FTE, including Lab Analyst, Mechanical Technologist, Senior Maintenance Worker, Communications Coordinator and Programmer Analyst. 2.0 FTE Skilled Maintenance Workers will be converted from temporary-seasonal to permanent full-time. Other position reclassifications and changes result in a \$541K increase department-wide for FY 2013/14. This budget anticipates a water wholesale rate increase of 4.95% in FY 2013/14.

Historical Staffing

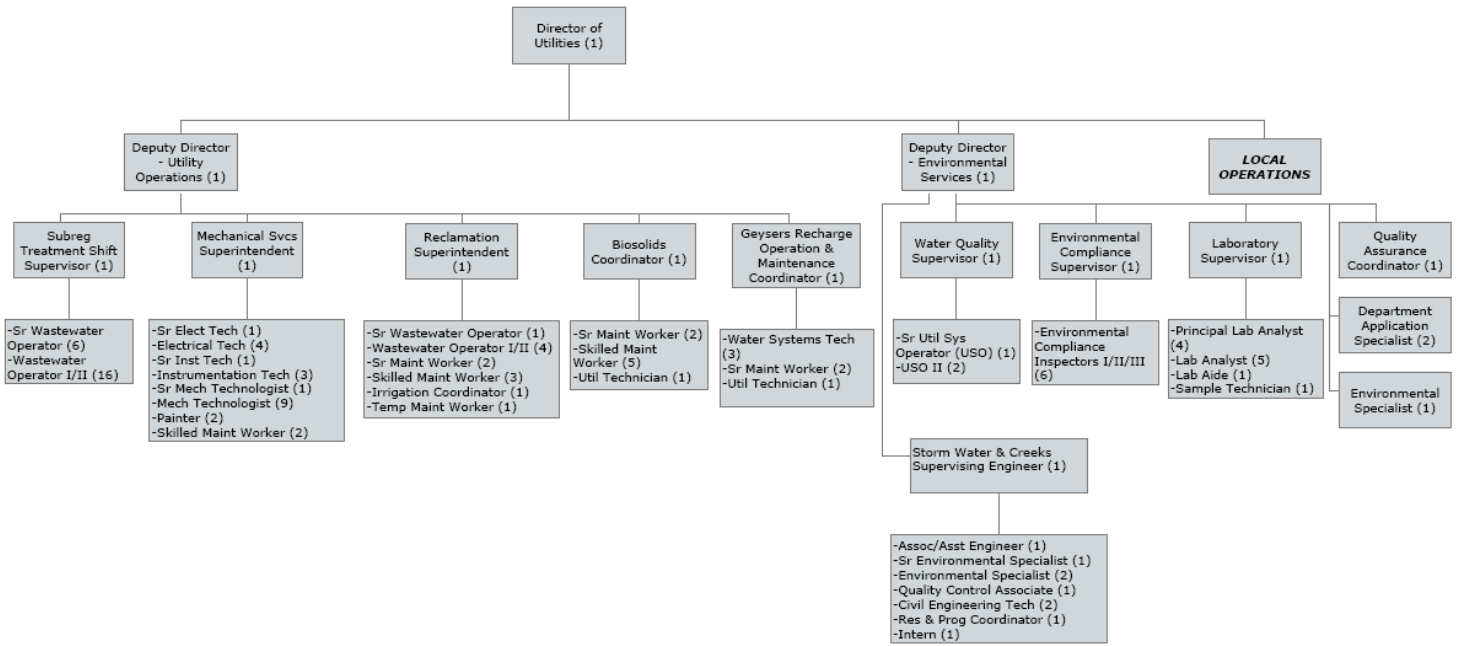


Organization Charts

Local Operations



Subregional Operations



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Non-Departmental



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Non-Departmental

The purpose of the Non-Departmental account is to record expenditures that are not associated with a specific department of the City.

PROGRAMS

Public Pound: This program includes the managing of animal control services with the County.

Media Access Center: The Community Media Center is a collaborative project funded through the City's cable communication franchise agreement with Comcast. The Center offers services to Santa Rosa schools, local government, non-profit organizations and individuals on a nondiscriminatory basis.

Public access provides opportunities to local residents and non-profit organizations to become trained to use broadcast quality production equipment and create non-commercial programming reflecting their interests and ideas. Organizations can also utilize simplified, call-in program options in the "Hotline" studio, and downlink programs and professional development materials from satellite.

Educational access serves the training, production and communication needs of local educational institutions including teacher training, access to equipment and facilities, cablecast of school-sponsored programming, technical advice and assistance, student training and internship opportunities, and satellite down-linking services.

Government access is designed to foster better communication with residents and within local government. The Community Media Center provides City meeting coverage to residents via cable TV, trains City staff to use video technology, facilitates studio use for the dissemination of government information and cablecasts government sponsored programming.

NON-PROGRAM

The Non-Program category includes three types of costs:

- Costs charged from the Insurance Fund to the General Fund for the General Fund's portion of City liability and fire insurance.
- A contingency appropriation in the General Fund, for the City Manager's use, as required, primarily for funding special studies, analyses, or other special projects, approved by the Council, but which were not anticipated or budgeted for during the budget process, and to respond to changed departmental operating needs during the year.
- Costs related to retirements and voluntary terminations for all General Fund operating departments have been centrally budgeted.

Debt Service: The Debt Service Program includes all general debt service expenditures, including debt service for pension obligation bonds, certificates of participation, and capital lease payments. This does not include debt service associated with the enterprise funds, such as debt service for the Water, Local Wastewater and Subregional Wastewater Utilities, the Parking Fund and the Golf Course Fund. Such expenses are reflected in the appropriate enterprise fund. Debt service associated with the Redevelopment Agency is shown in the Redevelopment Agency portion of the budget.

Expenditures by Fund

Funding Source	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
General Fund	\$4,068,192	\$4,334,089	\$4,602,571	\$3,241,095	\$5,044,407
2003A Pension Oblg (Variabl)	\$2,531,188	\$896,217	\$813,500	\$893,500	\$957,300
2003B Pension Oblig (Fixed)	\$2,243,812	\$2,302,838	\$2,350,973	\$2,350,973	\$2,412,383
2007 COPs Bldng Acquisition	\$540,213	\$649,752	\$651,200	\$651,200	\$652,281
ARP Capital Lease Debt Serv	\$561,027	\$561,028	\$561,028	\$561,028	\$561,028
Capital Improvement Fund	\$0	\$0	\$53,391	\$0	\$0
Total	\$9,944,432	\$8,743,924	\$9,032,663	\$7,697,796	\$9,627,399

Expenditures by Category

	2010 - 2011 Actual	2011 - 2012 Actual	2012 - 2013 Estimate	2012 - 2013 Budget	2013 - 2014 Request
Salary	\$0	\$0	\$0	\$398,000	\$1,400,000
Benefits	\$0	\$0	\$0	-\$240,000	\$0
Service and Supplies	\$9,769,704	\$8,570,556	\$8,192,896	\$7,251,935	\$8,036,899
Capital Improvement Program	\$0	\$0	\$53,391	\$0	\$0
Capital Outlay, Project, and Other	\$174,728	\$173,368	\$786,376	\$287,861	\$190,500
Total	\$9,944,432	\$8,743,924	\$9,032,663	\$7,697,796	\$9,627,399

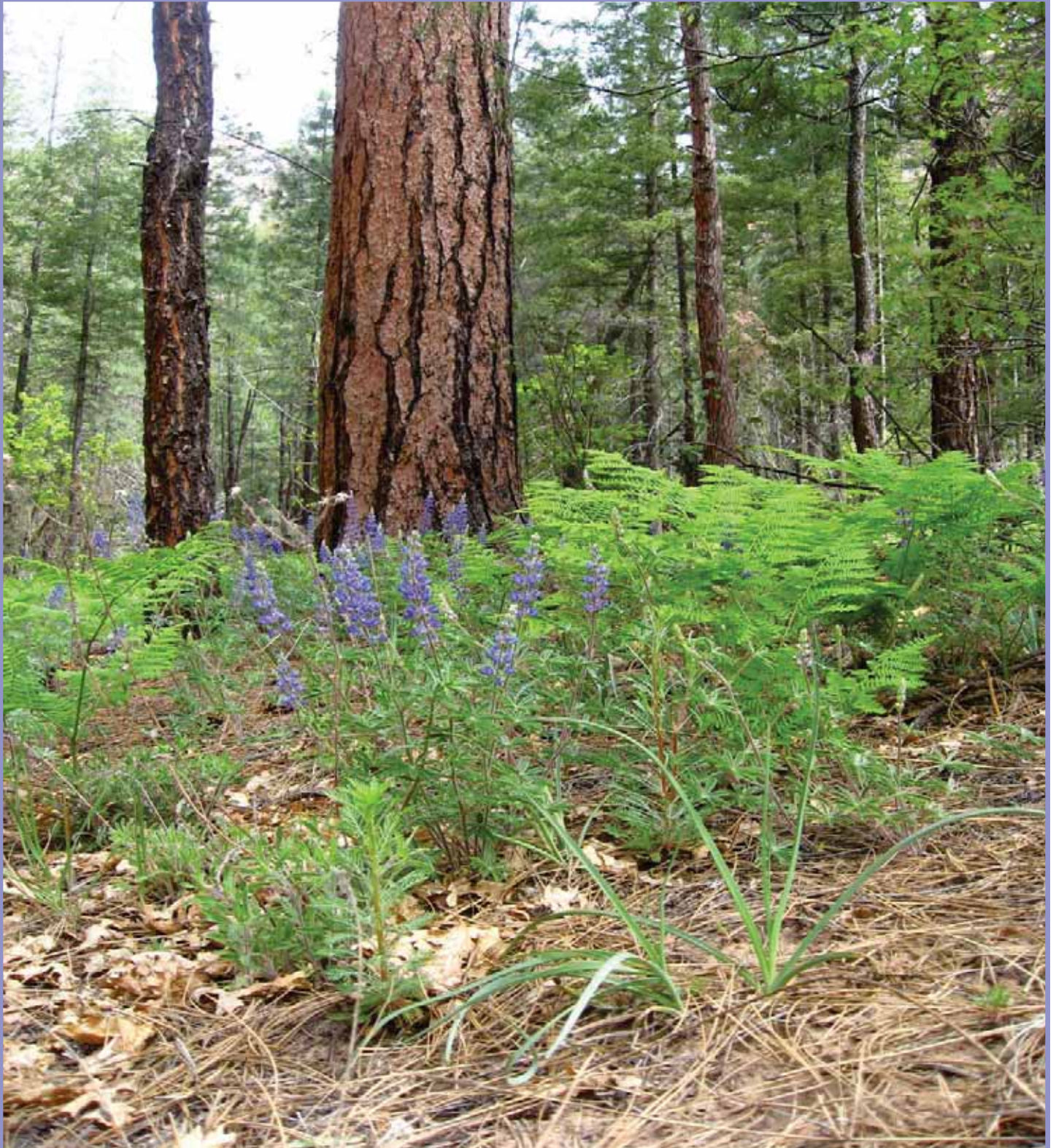
FY 2012-13 Estimates may exceed FY 2012-13 Budget due to appropriations carried over from previous years' ongoing projects.

Major Budget Changes

The Non-Departmental budget includes a General Fund component as well as non-enterprise debt service funds for Pension Obligation Bonds, Certificates of Participation (for building acquisition) and a capital lease (for the City-wide software upgrade). Apart from increases in the POB funds consistent with the debt service schedules, the major year over changes in the Non-Departmental budget are in the General Fund, and account for \$1.8M of the \$1.9M change in the overall department budget.

The single largest increase in the Non-Departmental General Fund is a change in the budget assumed for employee concessions. In FY 2012/13, the budget included \$1.2M of employee concessions related primarily to unpaid furloughs for Miscellaneous employees. Those concessions cease at the end of this fiscal year and are not part of the proposed FY 2013/14 budget, resulting in that \$1.2M coming back into the budget. The department's 13/14 request also includes budget to set aside the Redevelopment Property Tax Trust Fund-Residual Distribution (RPTTF) revenue, estimated to be \$873K in 13/14, for working through the unwinding of the former redevelopment agency and any obligations associated with that process. Other increases and decreases net out to \$(.3)M and include increases in animal control services offset by project decreases and reclassification of some costs formerly captured in the Non-Departmental budget to department specific budgets.

Miscellaneous



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Policies

Policies have been summarized for brevity. Copies of the policies in their entirety are available for review at City Hall in the City Manager's Office, 100 Santa Rosa Avenue, Room 10.

CONTINGENCY RESERVE POLICIES

General Fund

The City of Santa Rosa maintains contingency reserves for all major operating funds. An analysis was conducted on the General Fund that evaluated revenues and their volatility, condition of capital assets, access to other resources, unanticipated expenditures, and the industry norm of General Fund reserves. A survey of comparable California cities showed that the average General Fund reserve was approximately 15% of expenditures.

A contingency reserve for the General Fund shall be maintained at a level of 15% to 17% of annual expenditures. The amount up to 17% of expenditures will be "designated for contingencies" and listed as such in the Comprehensive Annual Financial Report (CAFR).

The amount "designated for contingencies" will be ideally maintained at 17%. The amount between 15% and 17% may be used during the budget process to alleviate short term revenue or expenditure volatility; or to address high priority one-time needs. If the General Fund contingency reserve level is below 15%, a plan will be established to increase the reserve to a minimum of 15% during the upcoming budget process. Reserves over the 17% will be "designated for future expenditures" and listed as such in the Comprehensive Annual Financial Report.

VARIOUS OTHER FUNDS

Equipment Repair Fund

The Equipment Repair Fund is an internal service fund that provides funding for the repair of City-owned vehicles by the City Garage. An annual labor rate is established in order to recoup costs. This policy was established to provide an adequate contingency reserve for the purpose of maximizing rate stabilization.

The reserve is set at 5% of the annual budget. This can be established as a multi-year plan with the review and approval of the Finance Department. If the contingency reserve level is below 3%, a plan will be established to increase the reserve. Reserves in excess of the minimum reserve shall be designated for future expenditures or reductions in rates.

Storm Water Utility Fund

The Storm Water Enterprise Funds provide for compliance with the National Pollutant Discharge Elimination System (NPDES) requirements as well as creek restoration efforts. The reserve provides funding for economic and catastrophic contingencies.

The reserve is maintained at a level consistent with that established for the City's General Fund, currently 15% to 17% of annual expenditures. If the reserve level is below 15%, a plan will be established to increase the reserve to a minimum of 15% during the upcoming budget process. Reserves of over 17% will be designated for future expenditures or reductions in rates.

Insurance Fund

The Insurance Internal Service Fund charges City departments for the costs of providing Liability and Property insurance and employee benefits. The reserve was established to cover unanticipated claims.

A reserve for potential liability claims should be maintained at a level at least equal to the discounted expected value of reserves determined by the annual actuarial valuation that estimates the potential loss from incurred but not reported (IBNR) claims. Due to the lack of predictability of future IBNR claims, and the potential of non-insured claims against the City, additional reserves of twice individual claim Self Insured Retention should be set aside.

A reserve for Employee Benefit Insurance claims on self-insured City benefit plans should be set at a level that allows for at least three months runout of claims to be paid, as well as a reserve equal to 7% of annual claims. Currently, the City maintains a self-insured Dental and Vision Plan. The City also participated in two self-insured health plans through a joint power authority (JPA). However, reserves are held by the JPA, so funds equal to one month's premium are sufficient for potential premium adjustments.

A reserve for Workers Compensation claims should be maintained at a level at least equal to the discounted expected value of reserves determined by the annual actuarial valuation. Recommended reserves for workers compensation included development of known claims as well as IBNR claims. A 50% (expected) level is deemed adequate due to the extended period of time in which claims will be paid out.

A reserve for property insurance claims deductible payments, equal to two deductibles, should be maintained.

Information Technology Internal Service Fund

The Information Technology Internal Service Fund provides funding for the deployment, support, and maintenance of City-wide computer networks, communications infrastructure (phone/data) and City-wide software applications. This reserve will provide funds for Rate Stabilization, and large, unplanned expenditures. The contingency reserve is set at 10% of annual expenditures.

Bennett Valley Municipal Golf Course Reserve Fund

The Bennett Valley Municipal Golf Course enterprise fund provides for maintenance, supervision, and improvements at the Bennett Valley Municipal Golf Course. The reserve is to provide adequate funds to insure ongoing operation of Bennett Valley Municipal Golf Course, for annual repayment of debt, to accrue funds for certain improvements, for rate stabilization, and for unexpected project expenditures.

A contingency reserve for the Bennett Valley Municipal Golf Course shall be maintained at a level of between six and eight months' operating expenditures. In addition, \$200,000 will be kept in reserve for emergency expenditures.

If, following an annual review, the level is below six months' operating expenditures, plus \$200,000 emergency funds, a plan will be identified to increase the reserves to that amount. If the level is above eight months' operating expenditures, plus \$200,000 emergency funds, the excess funds will be designated for a facility operating program(s) or a capital project(s).

UTILITIES DEPARTMENT AND SANTA ROSA SUBREGIONAL WATER REUSE SYSTEM RESERVE POLICIES

The City of Santa Rosa's water and wastewater enterprises and the Santa Rosa Subregional Water Reuse System enterprise provide a safe and economical water supply and wastewater collection for the City of Santa Rosa and wastewater treatment, as well as disposal, reclamation, industrial waste inspection, and laboratory services to all of the Subregional partners.

Maintaining adequate reserves provides flexibility to respond to fluctuations in revenues and costs as well as short-term emergencies. Adequate reserves directly affect a utility's bond rating and ultimately its ability to borrow money at lower interest rates. This policy establishes the intended use of the various reserves and the desired level of reserves.

Discretionary Reserves

The operating reserves will have a target balance of 15% of annual budgeted operation and maintenance expenses in each utility to provide working capital, as well as funds for unanticipated expenditures or revenue shortfalls, and for minor emergencies. In addition, the utility may plan for the use of up to 50% of the minimum target reserve with each biennial rate update process, so long as the operating reserve is shown to return to the target minimum balance within a five-year planning period.

Capital Replacement Reserves

The target level for capital replacement reserves is \$2,000,000 each for the water and local wastewater enterprises and \$1,000,000 for the Subregional Water Reuse System enterprise.

Catastrophic Reserves

Catastrophic reserves, intended to protect against the potential financial risk to each utility associated with a major earthquake or other catastrophic event, will have a target balance of \$4,400,000 for the water enterprise; \$5,200,000 for the local wastewater enterprise, \$1,300,000 for the Subregional Water Reuse enterprise, and an additional \$1,250,000 specifically for the Geysers Recharge portion of the Subregional enterprise. A new Subregional User Agency Reserve was established in 2013 to enhance Subregional liquidity and provide a user-funded reserve as a security for debt service payments. This reserve is set at 20% of the annual debt service amount.

Rate Stabilization Reserves

Debt rate stabilization reserves are intended to mitigate the gradual increase in rates needed to support long-term debt obligations. The reserve can also be used annually in the net revenue calculation for determining debt service coverage. Debt rate stabilization reserve levels will be determined as part of the utility's long-term financing plan.

Operating Rate Stabilization Reserves will be utilized during the biennial rate setting analysis to offset the need for rate increases and, in the case of the water utility, will help smooth volatility caused by weather trends and the irrigation efficiency tiered rate. Operating Rate Stabilization Reserves will fluctuate as revenues and expenses exceed or fall short of projections. A surplus of revenue over expenses in any operating year will be added to the Operating Rate Stabilization Reserve; a deficit in any operating year will be mitigated to the extent possible by the Operating Rate Stabilization Reserve.

Designated or Restricted Reserves

Designated (or restricted) reserves are set by external requirements and restraints of creditors, grantor contributors, or law. The water, local wastewater, and Subregional Water Reuse System will maintain such reserves as required by bond covenants, state revolving loan contracts, or other requirements as needed.

AFFORDABLE HOUSING POLICY

The City Council has made a determination to annually designate a calculated amount from the General Fund to the Housing and Economic Department to be used for homeless and affordable housing programs.

Prior to the preparation of the Economic Development and Housing Department's proposed budget for each upcoming fiscal year, the Department of Finance shall provide the Department with an estimate of the Real Property Transfer Tax (RPTT) revenues that will be received by the City during the upcoming fiscal year.

The annual amount to be designated shall be a figure arrived at by multiplying 20 percent times the estimated amount of Real Property Transfer Tax projected to be received by the City in that fiscal year.

Following the close of each fiscal year, the Department of Finance shall confirm the total amount of RPTT actually received by the City during the prior fiscal year. The City's Director of Finance will then reconcile the amount received with the amount previously designated and notify the Director of Economic Development and Housing of any additional funds available for appropriation. Nothing in this policy shall prevent the Council from making additional appropriations for Homeless and Affordable Housing programs.

COMMUNITY PROMOTIONS FUNDING POLICY

The current total annual contribution for community promotion is \$75,000, an amount which can be changed by action of the City Council.

All requests for support or continued support from the Community Promotion Fund shall be reviewed annually during the budget hearing process. Requesting organizations must be non-profit. The organizations must submit a list of its Board of Directors and a complete budget for the current fiscal year, which will be reviewed in advance of their appearance before the City Council. This budget must also indicate specifically how City funds are proposed to be used.

All requested background material shall be submitted to the City not later than March 1 in order that it is given proper consideration within the City's established budget process. The organization must show, by submitting evidence satisfactory to the Council, that it is not asking the City to be the sole support of the project or activity which the organization seeks to finance and that the activity is reflective of the goals of the City.

Each event should be evaluated annually, based on its own merits, and funding is not guaranteed from year to year. It is preferable that Community Promotion funds be used primarily to fund in-kind City services. The City Council Community Promotion Committee should include at least one City Council Member with experience on the committee in a prior year and the assignment should be rotated.

INVESTMENT POLICY

This policy applies to all funds managed by the City, and its designees, excluding bond proceeds and pension obligation funds which are governed by the terms of their covenants. The City contracts with PFM Asset Management Group for investment services. This policy is reviewed regularly and updates are taken to the City Council for approval as needed.

The investment policy specifies the regulations and procedures that support a prudent and systematic program for the City's investments. The investment objectives are, in priority order, safety, liquidity and yield. Safety of the principal is the foremost priority, with preservation of capital and minimization of credit and market risk as the primary facets. The second priority is liquidity which enables the City to maintain enough capital to meet all operating requirements. Yield is the third priority, with the portfolio designed to attain a market rate of return through budgetary and economic cycles, taking into account the risk constraints, liquidity needs and cash flow characteristics of the portfolio.

The investment policy follows the California Government Code "prudent investor" standard to ensure careful management and oversight of public funds. The policy stipulates that an investment management committee should be appointed by the City Manager to review investment strategies and portfolio performance.

Authorized and suitable investments as allowed by California Government Code are outlined in the policy. The City recognizes the risks inherent with investing and strives to mitigate them through risk management and diversification. Credit criteria (ratings) and percentage limitations are given for each category and type of investment. Additionally, ineligible investments are specified.

The City's Investment Policy gives investment parameters in regards to diversification, length of investment (no longer than five years), socially responsible investing, sales of securities, and authorized broker/dealers and banks. Additionally rules regarding safekeeping and custody, including an annual audit by an external auditor, are specified as are monthly reporting requirements.

DEBT MANAGEMENT POLICY

The purpose of the debt management policy is to organize and formalize debt issuance related policies and procedures for the City, subject to and limited by applicable provisions of State and Federal law and by prudent debt management principles. The primary objectives of the City's debt

and financing related activities are to: Maintain cost effective access to capital markets through prudent fiscal management policies and practices; minimize debt service commitments through effective planning and cash management; and, achieve the highest practical credit ratings. This policy is reviewed regularly and updates are taken to the City Council for approval as needed. It's noted that the City Council's adoption of the City's Annual Budget and Capital Improvement Program does not, in and of itself, constitute authorization for debt issuance for any capital projects.

This policy provides direction for City staff on management, ethical conduct and conflicts of interest, and integration into the City's Capital Improvement Program. The consideration of debt financing will occur when public policy, equity and economic efficiency favor it over cash funding. The policy specifies standards to use as guides when considering debt financing including credit risk, long term capital projects, debt financing mechanisms, ongoing debt administration and internal controls and rebate policy and system.

When the City determines the use of debt is appropriate, criteria has been specified for long-term debt; short-term debt; variable rate debt and variable debt rate capacity, with consideration of adequate safeguards against risk, variable revenue stream and as a component to synthetic fixed rate debt; financial derivative products; and, refunding financing. Specific guidelines are given for each.

There is a section on terms and conditions of bonds with guidelines for term, capitalized interest, lien levels, call provisions and original issue discount. The City will consider the use of credit enhancements such as bond insurance, debt service reserve surety bond, and letter of credit on a case by case basis, evaluating the cost and benefit of such enhancements.

The City will continually evaluate outstanding bond issues for refunding opportunities and will consider the following issues: debt service savings, restructuring, terms of refunding issues, escrow structuring and arbitrage.

The policy has several provisions regarding methods of debt issuance and strives to sell its bonds competitively but will pursue negotiated sales when conditions warrant. Methods of issuance include competitive sale, negotiated sale and private placement. Issuance of revenue bonds will be accompanied by a finding that demonstrates the projected revenue stream's ability to meet future debt service payments.

In regards to market relationships, the City's Chief Financial Officer (CFO) is responsible for maintaining relationships with ratings agencies such as Moody's, Standard & Poor's, and Fitch, and investors. In addition to general communication, the CFO will meet with credit analysts at least once per fiscal year and prior to each competitive or negotiated sale, offer conference calls with agency analysts regarding the planned sale. The CFO is responsible for including comments received from ratings agencies or investors in the City's Comprehensive Annual Financial Report to Council, with recommendations addressing any weaknesses. The City will remain in compliance of Rule 15C2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bond holders in a timely manner and the CFO will ensure timely filing with each Nationally Recognized Municipal Securities Information Repository and State Repository. The CFO will ensure

that bond proceeds and investments are tracked in a manner that facilitates accurate, complete calculation and timely rebate payments if necessary. The City may issue bonds on behalf of another public entity, as long as the City is isolated from all risks and the conduit findings achieve a rating at least equal to the City's ratings or that a credit enhancement is obtained. Finally, the City will charge an administrative fee equal to direct costs to reimburse its administrative costs incurred in debt issuance and ongoing reporting costs.

The policy notes procedures for hiring of its primary consultants. Consultants will be selected by a competitive process. The CFO will make recommendations for financing team members, with the City Council giving final approval. The City will use a financial advisor to assist in its debt issuance and debt administration processes as prudent and expects to receive object advice and analysis from its advisor. City debt will also include a written opinion by legal counsel (bond counsel) affirming the City is authorized to issue the proposed debt, has met all requirements necessary for issuance, and a determination of the proposed debt's federal income tax status, and the policy lists other possible requirements of bond counsel.

Finally, the policy gives guidelines for selection of an underwriter, specifying the City has the right to select a senior manager for a proposed negotiated sale, as well as co-managers and selling group members as appropriate. Selection of underwriters will be by competitive process and may be for a single transaction or an as-needed pool. Specifics about underwriter's counsel, discount and disclosure by the finance team members are provided.

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Gann (Appropriations) Limit

Article XIII B of the California Constitution (Article 4) and related implementing legislation provide for an annual “appropriations limit” for each entity of local government and require the governing body of each local jurisdiction to establish its appropriation limit by resolution each year.

The appropriation limit does not apply to the entire City budget but only to the appropriation of “proceeds of taxes” in the City’s “general government” type funds.

From 1980-81 to 1989-90, each year’s appropriation limit was based on the previous year’s limit, multiplied by the percentage change in population and the percentage change in the United States Consumer Price Index or the change in California per capita income, whichever was less.

Proposition 111, which was approved by the voters in June 1990, amended the factors used in the calculation of each year’s limit. The factors to be used now are:

- **Population Factor**- At the City’s choice, either the annual change in City or County population.
- **Price Factor**- At the City’s choice, either the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ change in population} + 100.00}{100}$$

multiplied by either

$$\frac{\% \text{ change in per capita income} + 100.00}{100.00}$$

or

$$\frac{\text{Change in non-residential assessments} + 100.00}{100.00}$$

The resultant rate multiplied by the previous appropriation limit equals the new appropriation limit. Both the California per capita personal income price factor and the population percentage change factors are provided by the State Department of Finance to local jurisdictions each year. Population percentage change factors estimate change in the City’s population between January of the previous fiscal year and

Gann Limit

January of the current fiscal year. These numbers provide the factor to be used in the City's calculation of the Gann limit.

In May 2013, the California State Department of Finance notified cities of the population change and the per capita personal income factor be used to determine the appropriation limit. Using the change in per capita income method, the calculation as applied to the City of Santa Rosa for FY 2013/14 is:

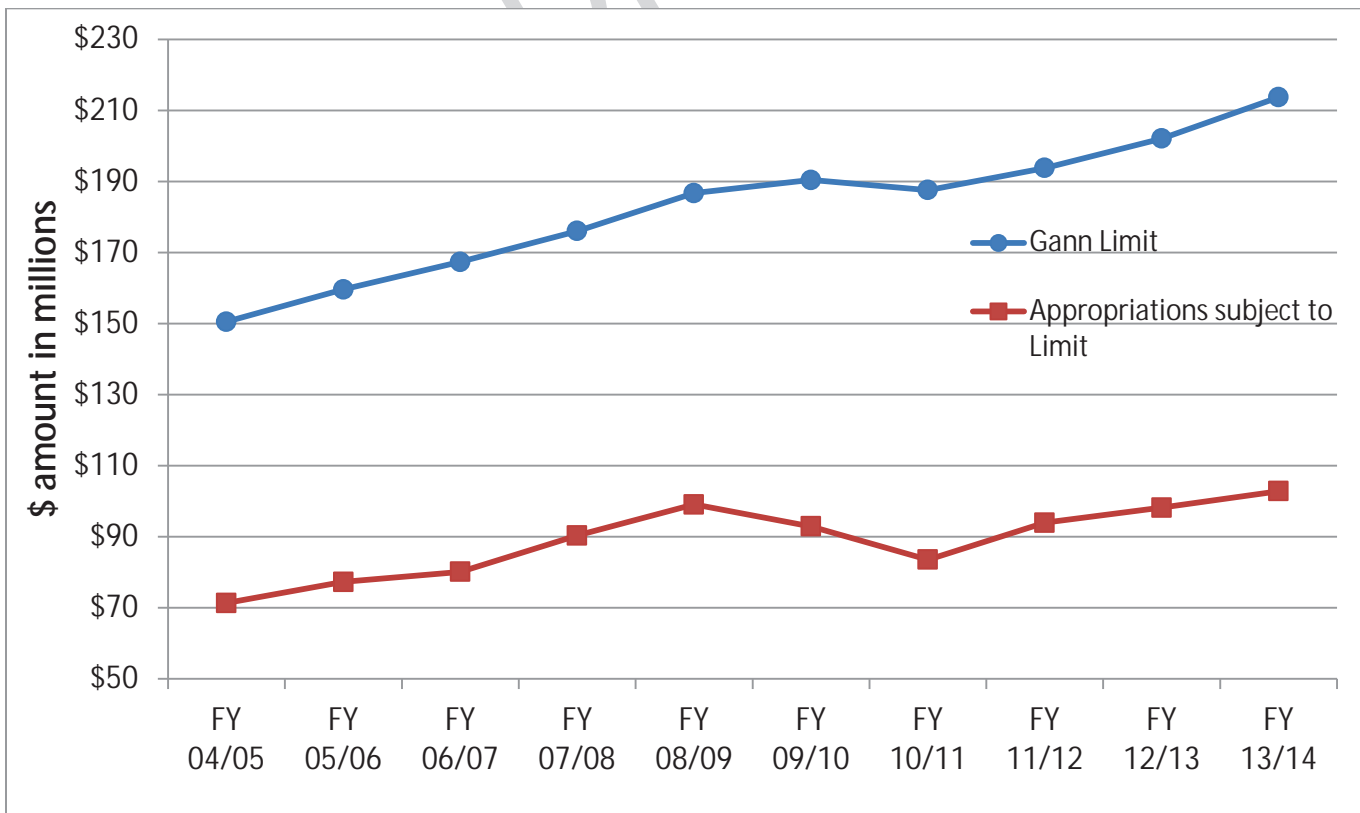
- The percent population increase of the City of Santa Rosa from Jan. 1, 2012 to Jan 1, 2013 is .61% .
- The change in the California per Capita Income for FY 2013/14 is 5.12%.

The factor for determining the year-to-year increase computed as:

$$\frac{5.12 + 100.00}{100.00} \times \frac{0.61 + 100.00}{100.00} = 1.0576$$

Applying the year's factor of 1.0576 to last year's limit of \$202,056,000, the Gann limit for FY 2013/14 is \$213,694,000. With appropriations subject to the limitation totaling approximately \$102,804,000, the City of Santa Rosa is not at risk of exceeding the Gann limit.

Ten-Year History of Gann Limit and Appropriations Subject to Limit



Glossary & Budget Resolutions



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Glossary

(ADA) Americans with Disabilities Act: The Federal act prohibiting discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities.

Adjusted Budget: The adopted budget including changes made during the fiscal year.

Adopted Budget: The annual City budget as approved by the City Council on or before June 30.

(ALS) Advanced Life Support: The name given to a Fire Engine company when its staff includes a Paramedic and paramedic medical supplies.

Annual Operating Contingency: An account, used at the discretion of the City Manager, to fund emergency or extraordinary items.

Appropriation: An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

(ARP-IFAS) ADMINS Replacement Project / Integrated Financial and Administrative Solution: The name given to the multi-departmental project to replace existing financial/human resources/payroll software used by City staff.

(ARRA) American Recovery & Reinvestment Act: An act established by the federal government in February 2009 whose intent is to create and save jobs, spur economic activity and focus on long term growth through the funding of various projects and initiatives.

Assessed Valuation: A dollar value placed on real estate by counties as a basis for levying property taxes.

Audit: Scrutiny of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented in accordance with generally accepted accounting principles.

(AVL) Automatic Vehicle Locator: A device that makes use of the Global Positioning System (GPS) to enable a business or agency to remotely track the location of its fleet using the Internet.

(AWWA) American Water Works Association: An international nonprofit scientific and educational society dedicated to the improvement of drinking water quality and supply.

Balanced Budget: The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unallocated fund balance from the previous years, meet or exceed total budgeted uses of resources, including expenditures and transfers out to other funds.

Base Budget: Under traditional budgeting, the base budget is that amount carried over from one year to the next. Each year, approved amounts may be added or reduced from the base budget.

Beginning Balance: Unencumbered resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

(BLS) Basic Life Support: The name given to a Fire Engine company when its staff includes an Emergency Medical Technician (EMT), who is more limited than a Paramedic in the medical services they can provide based on their training.

Bond: Capital raised by issuing a written promise to pay a specified sum of money, called the face value or principle amount, with interest at predetermined intervals.

Glossary

Budget: A fiscal plan of financial operation listing an estimate of proposed allocations or expenditures and the proposed means of financing them. The budget must be approved by the City Council prior to the beginning of the fiscal year.

Business Tax: A tax levied on persons or companies doing business in Santa Rosa, based on gross receipts, which must be renewed each year.

(CAB) Community Advisory Board: A Board appointed by the City Council to represent views and ideas from a broader community on issues of interest to the Council, such as public safety, capital improvement priorities, development issues, etc.

(CALED) California Association for Local Economic Development: A statewide professional economic development organization dedicated to advancing its members' ability to deliver economic development services to their communities and business clients.

(CalPERS) California Public Employees' Retirement System: The retirement system, administered by the State of California, to which all permanent City employees belong.

Capital Asset: Land, infrastructure, and equipment that are used in operations that have initial useful lives of at least five years. The City has set the capitalization threshold for reporting infrastructure capital assets at \$25,000 and for all other capital assets at \$5,000.

(CHOICE grant) Community Helping Our Indispensable Children Excel grant: Measure O funded grants given to organizations offering specific gang prevention and intervention related services in targeted areas of Santa Rosa.

(CIP) Capital Improvement Program: The five-year financial plan for improving asset and integrating debt service and capital assets

maintenance, adopted in a separate budget document and updated every year.

(CIS) Customer Information System: Automated customer management software which provides customer support, account management, billing and collections for water and wastewater services, used by the City's Utility Billing staff. The CIS system was implemented in FY 2009/10.

(COPs) Certificates of Participation: A lending agreement secured by a lease on the acquired asset or other assets of the City.

(COPE) Citizens Organized to Prepare for Emergencies: A citizen/City partnership group whose mission is to help residents, families, and neighborhoods become and remain better prepared to respond to and recover from emergency situations.

(CPI) Consumer Price Index: A measure estimating the average price of consumer goods and services purchased by households. A consumer price index measures a price change for a constant market basket of goods and services from one period to the next within the same area (city, region, or nation).

(CUPA) Certified Unified Program Agency: A program that provides information regarding hazardous materials to emergency responders and the general public.

Debt Service: Payment of the principle and interest on an obligation resulting from the issuance of bonds, notes, or certificates of participation (COPs).

Deficit: An excess of expenditures over revenues (resources).

Department: An organizational unit comprised of divisions or functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

Glossary

Designated Fund Balance: The portion of fund balance segregated to reflect the City Council's intended use of resources.

(EIR) Environmental Impact Report: An assessment of the likely influence a project might have on the environment.

(EMS) Emergency Medical Service: Paramedic and medical service provided by the Santa Rosa Fire Department.

Encumbrances: A legal obligation to pay funds for expenses yet to occur, such as when a purchase order has been issued but the related goods or services have not yet been received. They cease to be encumbrances when the obligations are paid or terminated.

Enterprise Fund: A type of fund established for the total costs of those governmental facilities and services which are operated in a manner similar to private enterprise. These programs are entirely or predominantly self-supporting. The City has a number of enterprises such as the Utilities and Transit departments. May also be referred to as Proprietary Funds.

Expenditure: The actual spending of governmental funds.

Fiscal Year: A twelve-month period of time to which a budget applies. In Santa Rosa, it is July 1 through June 30.

Five-Year Forecast: The Finance Department's long-range projection of revenues and expenditures, which is updated quarterly.

(FPCC) Fair Political Practices Commission: A bipartisan independent commission whose mission is to promote the integrity of representative state and local government in California through fair, impartial interpretation and enforcement of political campaign, lobbying, and conflict of interest laws.

(FTE) Full Time Equivalent: The percentage of full time an employee is assigned to work. Full-time equals 100% or 40 hours per week. 1.0 equals one employee working 40 hours per week.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance: The difference between fund assets and fund liabilities.

Gann Limit: State of California legislation that limits a City's appropriations growth rate to two factors: Changes in population, and either the change in California per capita income or the change in the local assessment roll due to non-residential new construction.

General Fund: The primary fund of the City used to account for all revenues and expenditures of the City that are not legally restricted as to use. This fund is used to accumulate the cost of the City's general operations.

General Obligation Bond: Bonds backed by the full faith and credit of the City, used for various purposes and repaid by the regular revenue raising powers (generally property taxes) of the City.

(GFOA) Government Finance Officers Association: A professional association of state, provincial, and local finance officers in the United States and Canada whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training, leadership.

(GIS) Geographic Information System: A system of maps that can be accessed online through the srcity.org webpage.

Glossary

(GPS) Global Positioning System: A satellite-based navigation system made up of a network of satellites placed into orbit by the United States Department of Defense, originally intended for military applications, but was made available for civilian use in the 1980s.

Grant: Contributions or gifts of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant provided by the Federal government.

(HUD) Housing and Urban Development: The Federal agency whose mission is to increase home ownership, support community development, and increase access to affordable housing free from discrimination through a variety of ways.

(ICMA) International City/County Management Association: A professional and educational organization for chief appointed managers, administrators, and assistants in cities, towns, counties, and regional entities throughout the world.

Interfund Transfers: Moneys transferred from one fund to another, such as from a fund receiving revenue to the fund through which the resources are to be expended.

(LID) Local Improvement District Bonds: Bonds paid for by special assessments on benefiting property owners for specific capital improvements.

(LOCC) League of California Cities: An association of California city officials who work together to exchange information and combine resources to influence policy decisions that affect cities in California.

(LTP) Laguna Treatment Plant: The wastewater treatment plant operated by the City of Santa Rosa that treats wastewater from homes,

businesses, and industry located within the Santa Rosa Subregional Water Reuse System, which serves the cities of Santa Rosa, Rohnert Park, Sebastopol, and Cotati.

Measure "O": A quarter cent sales tax measure passed by Santa Rosa voters in 2004, of which proceeds are used to fund public safety and gang intervention and prevention programs.

(MOU) Memoranda of Understanding: A document describing an agreement between parties, most often used in the City of Santa Rosa to describe the agreement resulting from labor negotiations between the City and its various bargaining units.

(MTC) Metropolitan Transportation Commission: The transportation planning, coordinating, and financing agency for the nine-county San Francisco Bay Area, including Sonoma County.

(NIMS) National Incident Management System: A program developed by the Federal Department of Homeland Security so responders from different jurisdictions and disciplines can work together better to respond to natural disasters and emergencies.

(NPDES) National Pollutant Discharge Elimination System: As authorized by the Clean Water Act, the NPDES permit program controls water pollution by regulating point sources that discharge pollutants into U.S. waters.

(NRP) Neighborhood Revitalization Program: A coordinated inter-departmental City task force that works in certain neighborhoods to ensure decent, safe, and sanitary housing.

Object Code: The line item where a revenue or expenditure is recorded.

Objectives: The expected results or achievements of a budget activity.

Operating Budget: Annual appropriation of funds for ongoing program costs, including salaries and

benefits, services, and supplies. This is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled. Reserves and contingencies are also components of Santa Rosa's annual budget.

Ordinance: A formal legislative enactment by the City Council, which has the full force and effect of law within City boundaries.

Overhead: Charges to various funds to cover the cost of administrative services, rent, custodial services, etc.

(PCI) Pavement Condition Index: A numerical index between 0 and 100 that is used to indicate the condition of a roadway.

Proprietary Funds: Revenues from City of Santa Rosa activities that operate as public enterprises, in which revenues are derived from fees charged to users, and programs are largely cost-covering. Also referred to as Enterprise Funds.

(PV) Photovoltaic system: A system that uses panels (or cells) of semiconductor material similar to that used in computer chips to absorb sunlight and convert it to electricity.

(RCPCP) Regional Climate Protection Coordination Plan: A coordinated Sonoma County-wide plan to reduce greenhouse gas emissions and promote energy efficiency through a variety of initiatives and programs.

(REDCOM) Redwood Empire Dispatch Communications Authority: The agency who provides regional fire and emergency medical dispatching services for Sonoma County.

Reserve: A portion of fund balance that is designated for contingencies or emergencies, which generally has a policy dictating a minimum level.

Reserved Fund Balance: Accounts used to record a portion of the fund balance as legally segregated for a specific use or not available for appropriation.

Resolution: A special order of the City Council which has a lower legal standing than an ordinance.

Revenue: Income received during the fiscal year from taxes, fees, permits, franchises, interest, and intergovernmental sources.

(RFP) Request for Proposal: An invitation for suppliers, often through a bidding process, to submit a proposal for a specific commodity or service.

(RPTT) Real Property Transfer Tax: Tax revenues generated by the transfer of ownership of real property. Taxes are charged on the sale price of the property and are paid by the seller, buyer, or both.

Salaries and Benefits: A budget category which generally accounts for full-time and temporary employees, overtime, and all employee benefits such as medical, dental, and retirement.

(SCEIP) Sonoma County Energy Independence Program: A program that provides low interest loans to citizens and businesses wishing to make energy improvements to homes or properties.

(SCTA) Sonoma County Transportation Authority: A group that acts as the county-wide planning and programming agency for transportation related issues, including securing funds, project oversight, and long term planning.

(SEMS) Standardized Emergency Management System: The State system for managing emergencies involving multiple jurisdictions and agencies.

Glossary

Services and Supplies: A budget category which accounts for expenditures that are ordinarily consumed within a fiscal year.

(SMART) Sonoma Marin Area Rail Transit Project: A project to install a passenger rail in San Francisco's North Bay, which aims to provide rail service along 70 miles of the Northwestern Pacific Railroad alignment, offering an alternative to driving.

Special Revenue Fund: A fund used to account for revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

(SRCEA) Santa Rosa Employees Association: The union representing City of Santa Rosa employees in bargaining units 4-Support Services, 6-Professional, and 7-Technical.

Structural Deficit: The permanent financial gap that results when ongoing revenues do not match or keep pace with ongoing expenditures.

(TOT) Transient Occupancy Tax: A tax imposed on travelers who stay in temporary lodging facilities within the City.

Transfers In and Transfers Out: Movement of revenue out of one fund and into another. The recipient fund uses the money to cover the cost of services provided or to cover the cost of a contract between two funds.

(UUT) Utility Users Tax: A 5% tax charged by the City of Santa Rosa on the usage of electricity, gas, cable television, local non-cellular communications, and intrastate non-cellular communications.