

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
SUBJECT: ROSELAND ANNEXATION WORK PLAN, APPROPRIATION
OF FUNDING, AND AMENDMENT TO THE
CLASSIFICATION AND SALARY PLAN
STAFF PRESENTER: CHUCK REGALIA, DIRECTOR
COMMUNITY DEVELOPMENT DEPARTMENT
AGENDA ACTION: RESOLUTION

ISSUE(S)

Should the City Council, by resolution, 1) authorize staff to proceed with Phase 1 of a work plan for the Roseland Annexation; 2) appropriate funding in the amount of \$1,171,355 into JL Key 00630, with the source of funds being the un-assigned fund balance of the general fund; and 3) amend the City Classification and Salary Plan to add 1.0 two year Limited Term Full Time Equivalent Senior Planner in Development Review, 080300; and 4) reclassify the existing Community Development Director to Assistant City Manager, who will act as Roseland project manager?



COUNCIL GOALS AND STRATEGIES

Council goal 5 is to “Improve the Partnerships between Neighborhoods, Community Organizations, Schools, and the City to Support and Promote Thriving, Inclusive, and Diverse Neighborhoods.” Strategic Objective 1 is to “Develop a work plan and costs for Roseland Annexation.” The proposed Roseland Annexation work plan supports this objective.

BACKGROUND

1. On February 11, 2014 the City Council reviewed the draft Roseland Annexation work plan, as well as upcoming planning efforts in southwest Santa Rosa. The work plan included an approximately 3.5 year timeline to complete the planning efforts and annexation process, beginning in the first quarter of 2014, following the budget approval at the start of the fiscal year, and completing at the end of 2017.

The work plan outlined nine specific tasks required for annexation, and estimated a \$403,000 cost for staff time and \$281,000 cost for consultant time, for a total of \$684,000. The work plan also identified approximately 5,500 hours of staff time needed to complete the annexation.

2. Following discussion on February 11th, the Council directed staff to return in 45 days with a plan to begin the staff work on the Cost Estimates for the Roseland Annexation process prior to the start of fiscal year 2014/2015. Beginning this process 4 to 6 months sooner than envisioned in the work plan was discussed as a way to achieve a cost-sharing agreement with Sonoma County prior the end of 2014.

The City Council also requested that staff prepare a cost estimate of providing police services to the Roseland area prior to annexation, as well as to all other unincorporated areas within the urban growth boundary.

ANALYSIS

1. Consistent with City Council objectives, staff prepared a work plan and cost estimate for the annexation of the unincorporated portion of the Roseland community, as well as the provision of City services to residents of Roseland. Tasks 1 through 6 (Phase 1) are intended to occur prior to, and in support of, the Council's decision as to whether to apply for the annexation of Roseland, and comprise the first phase of the process. Tasks 7 through 9 (Phase 2) will occur after the Council's decision to officially apply for the annexation of the Roseland unincorporated community to the City of Santa Rosa.

The following is a table that was included in the work plan, which identifies the nine tasks that will need to be completed to annex the Roseland area into the City of Santa Rosa, along with the estimated cost and hours to complete each task. Please note that the consultant cost listed in Task 3, which is for the review of police services, has increased from \$6,000 (as shown in the work plan presented to the Council on February 11th) to \$54,000. An explanation of the increase is included in the Police Services section of this report below (pages 4 and 5).

Phase	Work Plan Task	Hours	Staff Cost	Consultant Cost	LAFCO Application Cost
1	TASK 1: Establish staff management team; hire consultant resources.	92	\$8,317		
	TASK 2: Prepare revenue and cost estimates for services; coordinate findings with City department staff.	300	\$22,522	\$150,000	
	TASK 3: Prepare service plans and cost estimates for provision of City services.	2,840	\$197,136	\$54,000	
	TASK 4: Prepare estimate of needed capital improvements.	1,219	\$90,912		
	TASK 5: Gauge support for annexation.	286	\$20,310	\$50,000	
	TASK 6: Present findings to the City Council.	138	\$11,110		
	Phase 1 Sub-Total	4,875	\$350,307	\$254,000	
2	TASK 7: Establish the annexation boundary.	76	\$6,670	\$35,000	
	TASK 8: Prepare plan for services.	410	\$32,266	\$40,000	
	TASK 9: Complete the annexation process.	180	\$13,704		\$15,000
	Phase 2 Sub-Total	666	\$52,640	\$75,000	\$15,000
	Total (Phases 1 and 2)	5,541	\$402,947	\$329,000	\$15,000

2. To achieve a cost-sharing agreement with Sonoma County prior to the end of 2014, it is anticipated that Tasks 1 and 2, the Police Department portion of Task 3, and as much of the other portions of Task 3 as possible, would be complete by September 2014.

To begin preparation of the Roseland cost estimates prior to the start of the 2014/2015 fiscal year, funds will need to be allocated in the current fiscal year with a budget established for at least Tasks 1 through 6 (Phase 1).

3. In order to accelerate the initial work plan tasks, it is estimated that the following additional funding is necessary:
 - a. **Project Management – Phase 1:** The Roseland work plan includes direction that preparation of the cost estimates for the annexation process and overall direction of the annexation process be managed out of the City Manager's Office.

Executive oversight will be needed during the preparation of the analysis of the annexation budget impacts, during the cost-sharing discussions between

the City and Sonoma County, and in the preparation and presentation of work plan findings to the City Council (Task 6). Should the City Council decide to move forward with the annexation, management from the City Manager's Office would continue.

The existing Assistant City Manager is committed to other assignments and responsibilities and cannot take on the Roseland project. In order to manage the Roseland Project over the next two years, the existing Director of Community Development will be reclassified to Assistant City Manager and will manage the Roseland Project (50%) and the Department of Community Development (50%).

Costs will be split between the City Manager's Office (50%) and the Department of Community Development (50%).

Assistant City Manager Cost (two years):

Hours	Staff Cost	Consultant Cost
	\$237,048*	

b. Police Services

Roseland & Other Unincorporated Areas: The City staff and consultant resources that will be needed to determine the cost of police services in the Roseland Annexation area were included in Task 3 of the work plan and were originally estimated to be approximately \$35,000, with \$29,000 for staff cost and \$6,000 for consultant cost. The initial estimate for the consultant cost was based on the level of work that was estimated when the City last considered annexation of the Roseland area in 2005 to 2007.

During the February 11, 2014 meeting, the Council expressed interest in information regarding the resources that would be needed to determine the cost of providing similar police services to the remaining unincorporated lands in southwest Santa Rosa, as well as those in the southeast, northwest and northeast within the Urban Growth Boundary. Based on this direction, staff requested that their consultant prepare a proposal and updated cost estimate for review of the unincorporated areas. The scope of work would include preparation of a staffing analysis for the Police Department that involves review of patrol, field and evidence, communications and records functions for the entire Department. The prior estimate (at \$6,000) was based on the 2005/2007 estimate that was limited to patrol functions only.

The cost of the analysis would be approximately \$54,000, which would be a one-time cost, and would provide the Police Department with the tools necessary to analyze the cost of police services to the unincorporated areas within the City of Santa Rosa.

* The Assistant City Manager cost includes salary and benefits.

The following identifies the total staff hours and cost, as well as the consultant cost, for reviewing police services in the Roseland area:

Police Services - Roseland Cost:	Hours	Staff Cost	Consultant Cost
	450	\$29,000	\$54,000

Southwest Santa Rosa: Southwest Santa Rosa includes three other unincorporated areas similar in size and complexity to Roseland; these include Standish-Moorland, Yuba and Price-Chico (the Brittain Lane and Victoria Drive islands are small and would be absorbed in the cost of reviewing the other islands). The staff cost of reviewing the three additional County areas is expected to be the same as the cost of reviewing Roseland (\$29,000 each).

Police Services - Southwest Santa Rosa Cost:	Hours	Staff Cost	Consultant Cost
	1,350	\$87,000	

Southeast Santa Rosa: Southeast Santa Rosa includes a number of County areas, the most significant of which is along Santa Rosa Avenue. Studies similar to those that will be prepared for Roseland would also need to be prepared for the southeast area.

Police Services – Southeast Santa Rosa Cost:	Hours	Staff Cost	Consultant Cost
	453	\$40,200	

Northeast & Northeast Santa Rosa: The County lands in northeast and northwest Santa Rosa are much smaller than those in the southwest and southeast areas. Because of their small size, and the fact that the Police Department currently patrols around these areas, the cost to provide police services is expected to be minimal.

- c. **Contingency Budget:** The Roseland annexation work plan presented to the Council on February 11, 2014 included a schedule outlining project commencement in the first quarter of the 2014/2015 fiscal year. The period from March to June 2014 was to be spent identifying possible consultants, determining the best fit for the Roseland Annexation project and, if necessary, adjusting the budget to fit the project needs.

Because of the Council's direction to accelerate the process, staff is recommending that a contingency fund be included to address resource needs that arise as the process commences. This contingency is

recommended to be approximately 25% of the work plan's consultant budget and will ensure that staff will not need to return to the Council to secure additional funds.

Recommended Contingency:

Hours	Staff Cost	Consultant Cost
		\$50,000

4. **One three year Limited Term Full Time Equivalent (FTE) Senior Planner – Roseland Area Specific Plan and Roseland Annexation:** One full-time Senior Planner will be needed to work on the Roseland Area Specific Plan and Roseland Annexation projects over the next 2 to 3 years. During that time, due to the work load in development review, it will be necessary to back-fill the Senior Planner position in the Department of Community Development.

Instead of funding for all three needed years, the Council could fund staff to complete the Roseland Area Specific Plan (for two years), and then fund the annexation efforts at the time the Council decides to proceed with annexation.

One Limited Term FTE Senior Planner Cost:

1 Year	2 Years	3 Years
\$140,000*	\$280,000*	\$420,000*

ALTERNATIVES

The following are three alternatives for Council's consideration regarding funding of the Roseland Annexation project:

1. Fund Phase 1

	Hours	Staff Cost	Consultant Cost	LAFCO Application Cost
a. Roseland Annexation Phase 1	4,875	\$350,307	\$254,000	
b. Project Management – Assistant City Manager – 2 Years		\$237,048		
c. LT Senior Planner – 2 Years		\$280,000		
d. Contingency			\$50,000	
<i>Sub-Total</i>	<i>4,875</i>	<i>\$867,355</i>	<i>\$304,000</i>	
Total Cost	4,875	\$1,171,355		

* The Senior Planner cost includes salary and benefits.

2. Fund Phase 1 and 2

	Hours	Staff Cost	Consultant Cost	LAFCO Application Cost
a. Roseland Annexation Phase 1	4,875	\$350,307	\$254,000	
b. Roseland Annexation Phase 2	666	\$52,640	\$75,000	\$15,000
c. Project Management – Assistant City Manager – 2 Years		\$237,048		
d. Limited Term FTE Senior Planner – 3 Years		\$420,000		
e. Contingency			\$50,000	
<i>Sub-Total</i>	<i>5,541</i>	<i>\$1,059,995</i>	<i>\$379,000</i>	<i>\$15,000</i>
Total Cost	5,541	\$1,438,995		

3. Fund Phase 1 and 2 with the Additional Police Services (Southwest and Southeast Areas)

	Hours	Staff Cost	Consultant Cost	LAFCO Application Cost
a. Roseland Annexation Phase 1	4,875	\$350,307	\$254,000	
b. Roseland Annexation Phase 2	666	\$52,640	\$75,000	\$15,000
c. Project Management – Assistant City Manager – 2 Years		\$237,048		
d. Police Services – Southwest and Southeast	1,803	\$127,200		
e. Limited Term FTE Senior Planner – 3 Years		\$420,000		
f. Contingency			\$50,000	
<i>Sub-Total</i>	<i>7,344</i>	<i>\$1,187,195</i>	<i>\$379,000</i>	<i>\$15,000</i>
Total Cost	7,344	\$1,566,195		

CONCLUSION

Proceeding with the funding of Phase 1 only, at this time, (alternative one above) would reduce the amount of funds that would need to be allocated prior to the start of the 2014/2015 fiscal year, and would allow the Council time to consider whether or not to proceed with the annexation before encumbering additional funds.

Alternative two, above, would allocate the funds needed for both Phase 1 and 2 prior to the start of the new fiscal year. The benefit of this alternative would be that staff would not need to request additional funding once the project commences.

The final alternative noted above includes Phases 1 and 2, as well as the funding needed for review of police services in the remaining unincorporated areas in southeast and southwest Santa Rosa. Expanding the analysis to include these other unincorporated areas is estimated to cost an additional \$127,200 and 1,803 of staff hours (as identified in the chart below), which amounts to nearly one full-time City staff member for one year. Such an expansion of analysis will divert resources and focus away from the current goal of the annexation of Roseland.

Police Services Total Cost of
Additional Studies (not including
Roseland):

Hours	Staff Cost	Consultant Cost
1,803	\$127,200	

Staff recommends proceeding with alternative one, above, and requests that the Council appropriate \$1,171,355 from the un-assigned fund balance of the general fund for completion of Phase 1 of the Roseland Annexation work plan, to begin on May 1, 2014. Further, it is recommended that the Roseland analysis be completed as a first priority. Once Phase 1 of the annexation work is finished, and the Council has decided to proceed, further analysis could be expanded to the other unincorporated areas, including Standish-Moorland, Yuba, Price-Chico and Santa Rosa Avenue, subject to additional funding.

RECOMMENDATION

It is recommended by the City Manager's Office and the Department of Community Development that the Council, by resolution, 1) authorize staff to proceed with Phase 1 of a work plan for the Roseland Annexation; 2) appropriate funding in the amount of \$1,171,355 into JL Key 00630, with the source of funds being the un-assigned fund balance of the general fund; 3) amend the City Classification and Salary Plan to add 1.0 two year Limited Term Full Time Equivalent Senior Planner in Development Review, 080300; and 4) reclassify the existing Community Development Director to Assistant City Manager, who will act as Roseland project manager.

Author: Chuck Regalia

Attachments:

- Maps of Unincorporated County Areas within the Urban Growth Boundary