

FY 2017-18 Budget Public Hearing

June 13, 2017

Agenda

- Council Goals and Priorities
- Citywide Proposed Budget Overview
- General Fund Proposed Budget Overview
- FTE Staff Summary
- Changes since the Budget Study Sessions on May 9 & 16

City Council Goals

GOAL	TITLE
1	Create a Strong, Sustainable Economic Base
2A	Promote a City Organization that is Service-Sustainable and Maintains Employee Morale
2B	Financial Sustainability
3	Provide Leadership for Environmental Initiatives
4	Maintain and Enhance our City's Cultural, Historical, and Recreational Assets
5	Improve 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

City Council Priorities

Tier 1: Underway and Receiving Highest Attention

- | | |
|-----|---|
| 1.1 | Reduce Homelessness through a comprehensive strategy |
| 1.2 | Develop a comprehensive housing strategy – “Housing for All,” including: <ul style="list-style-type: none">• Implement the Housing Action Plan• Implement rental housing inspections• Address rent stabilization, pending the June 6, 2017 election |
| 1.3 | Create a plan to address infrastructure and deferred maintenance throughout the community |
| 1.4 | Pursue current opportunities and prepare for impacts related to medical and legalized marijuana |
| 1.5 | Implement commitments associated with Roseland Annexation |

City Council Priorities

Tier 2: Also underway, with attention as resources permit

- | | |
|-----|---|
| 2.1 | Ensure long term revenue stability: <ul style="list-style-type: none">• Evaluate the Council's 17% reserve policy to determine appropriate levels• Evaluate the utility user tax and transient occupancy tax as compared with other cities to determine what level would be required to bring us to standard levels and reduce our reliance on sales taxes |
| 2.2 | Create a new framework for a 21 st century service delivery model that is nimble, fosters innovation and supports new technologies and opportunities |
| 2.3 | Encourage programming in the downtown |
| 2.4 | Develop and implement an emergency preparedness strategy including identifying vulnerable targets |
| 2.5 | Implement Open Government report components |
| 2.6 | Conduct a Study Session on community impacts reports |

City Council Priorities

Tier 2: Also underway, with attention as resources permit, cont.

2.7	Support SMART train – connectivity and transit-oriented development
2.8	Plan and implement the Southeast Greenway
2.9	Attract businesses with well-paying jobs and encourage the retention and expansion of local companies
2.10	Implement participatory budgeting
2.11	Increase funding for Community Advisory Board grants and review policies for determining awards
2.12	Increase youth engagement services
2.13	Explore options for funding the Roseland Library

City Council Priorities

Other Opportunities for the Future

- Explore business improvement districts in neighborhood commercial centers
- Adopt living/minimum wage
- Obtain a new funding source for the transit system
- Conduct an employee survey to gauge morale
- Carry out work on the climate action plan

City Council Priorities

Other Opportunities for the Future, cont.

- Develop a strategy for producing/stimulating the production of child care facilities
- Create a transition program for neonicotinoids
- Hold a study session on creating a public bank
- Explore options for funding free transit rides for K – 12 students
- Explore paid family leave

Citywide Proposed Budget Overview

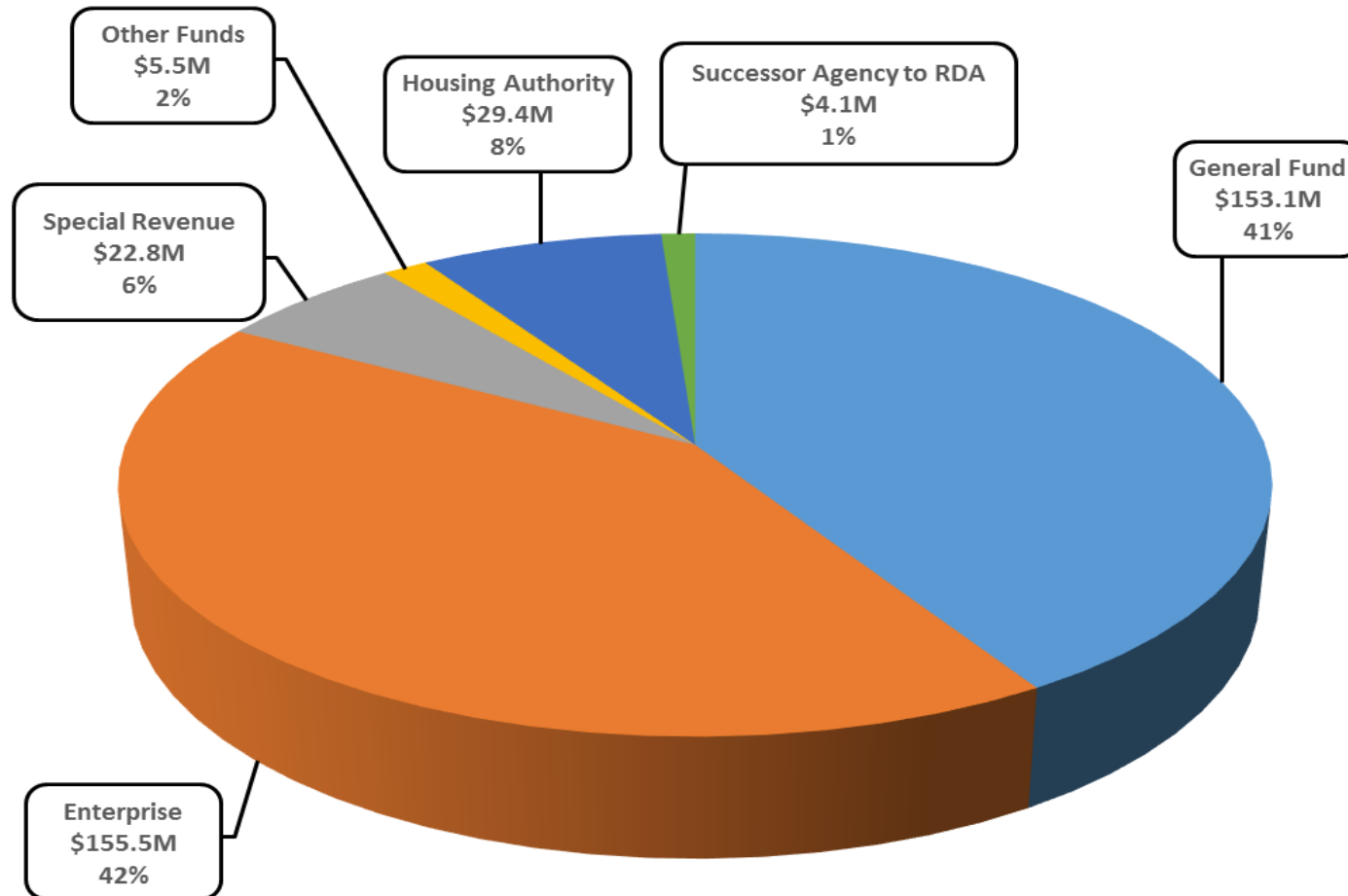
FY 2017-18 Citywide Revenues by Fund

(in millions)

Fund Type	2016-17 Adopted Revenue Budget	2017-18 Proposed Revenue Budget	\$ Change	% Change
General Fund	\$148.0	\$153.1	\$5.1	3.4%
Enterprise Funds	150.1	155.5	5.4	3.6%
Special Revenue Funds	19.2	22.8	3.6	18.8%
Other Funds	4.4	5.5	1.1	25.0%
Housing Authority	28.5	29.4	0.9	3.2%
Successor Agency to RDA	3.8	4.1	0.3	7.9%
Total	\$354.0M	\$370.4M	\$ 16.4M	4.6%

FY 2017-18 Citywide Revenues by Fund

Total Citywide Revenues = **\$370.4M**

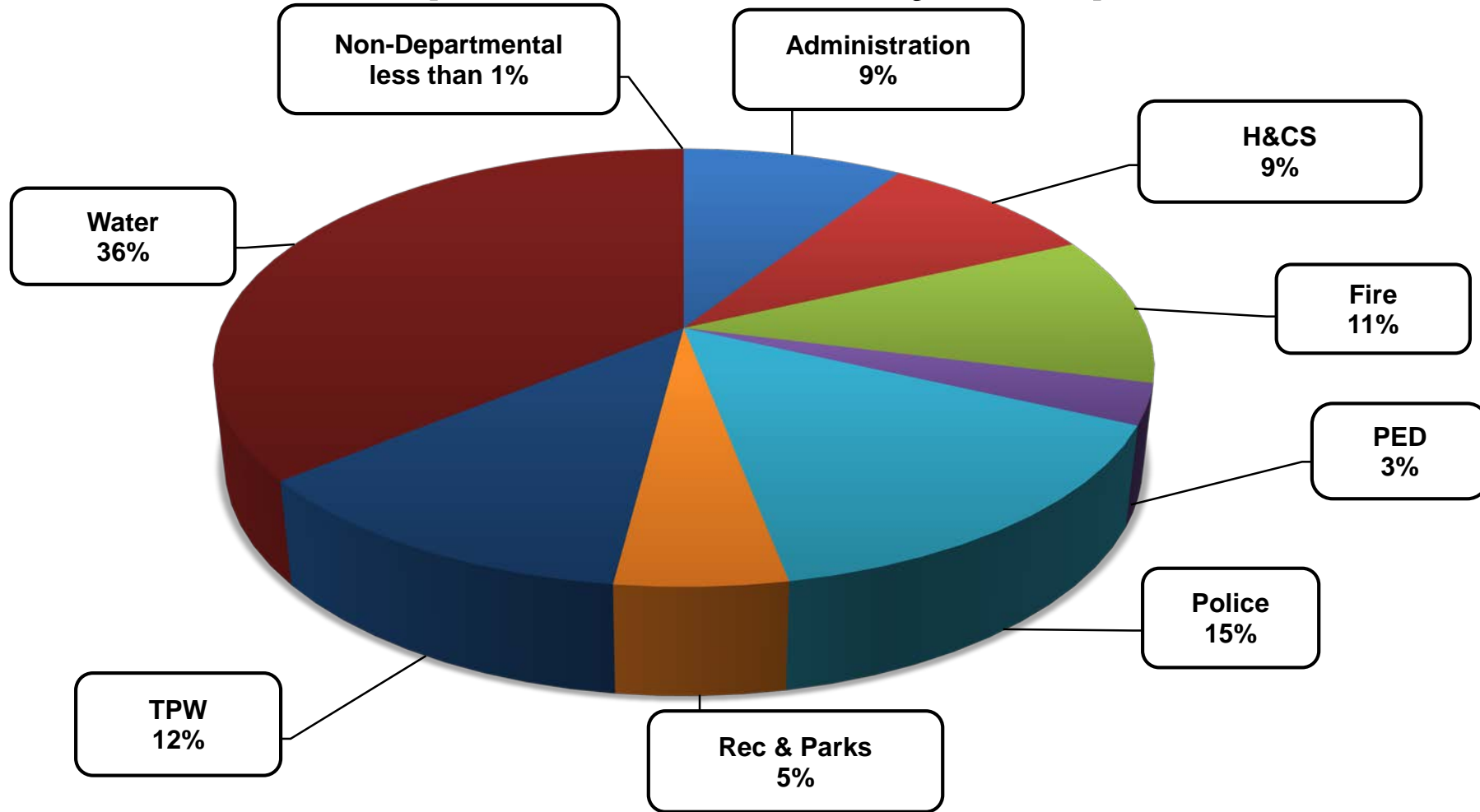


FY 2017-18 Citywide Expenditures by Department (in millions)

Department	General Fund	Other Funds	Total
Administration*	\$19.8	\$14.3	\$34.1
Housing & Community Services	1.2	34.5	35.7
Fire	38.5	4.2	42.7
Planning & Economic Development	10.4	0.5	10.9
Police	53.9	4.6	58.5
Recreation & Parks	15.4	2.5	17.9
Transportation & Public Works	19.7	27.2	46.9
SR Water	0.3	137.9	138.2
Non-Departmental	-4.9	4.9	0.0
Total FY 2017-18 Proposed Budget	\$154.3	\$230.6	\$384.9
Total FY 2016-17 Adopted Budget	\$145.2	\$224.4	\$369.6

*Administration includes: City Council, City Manager's Office, Office of Community Engagement, City Attorney's Office, Human Resources and Finance.

FY 2017-18 Citywide Expenditures by Department



Total Citywide Expenditures = **\$384.9M**

*Administration includes: City Council, City Manager's Office, Office of Community Engagement, City Attorney's Office, Human Resources and Finance.

FY 2017-18 Citywide Expenditures by Fund Type (in millions)

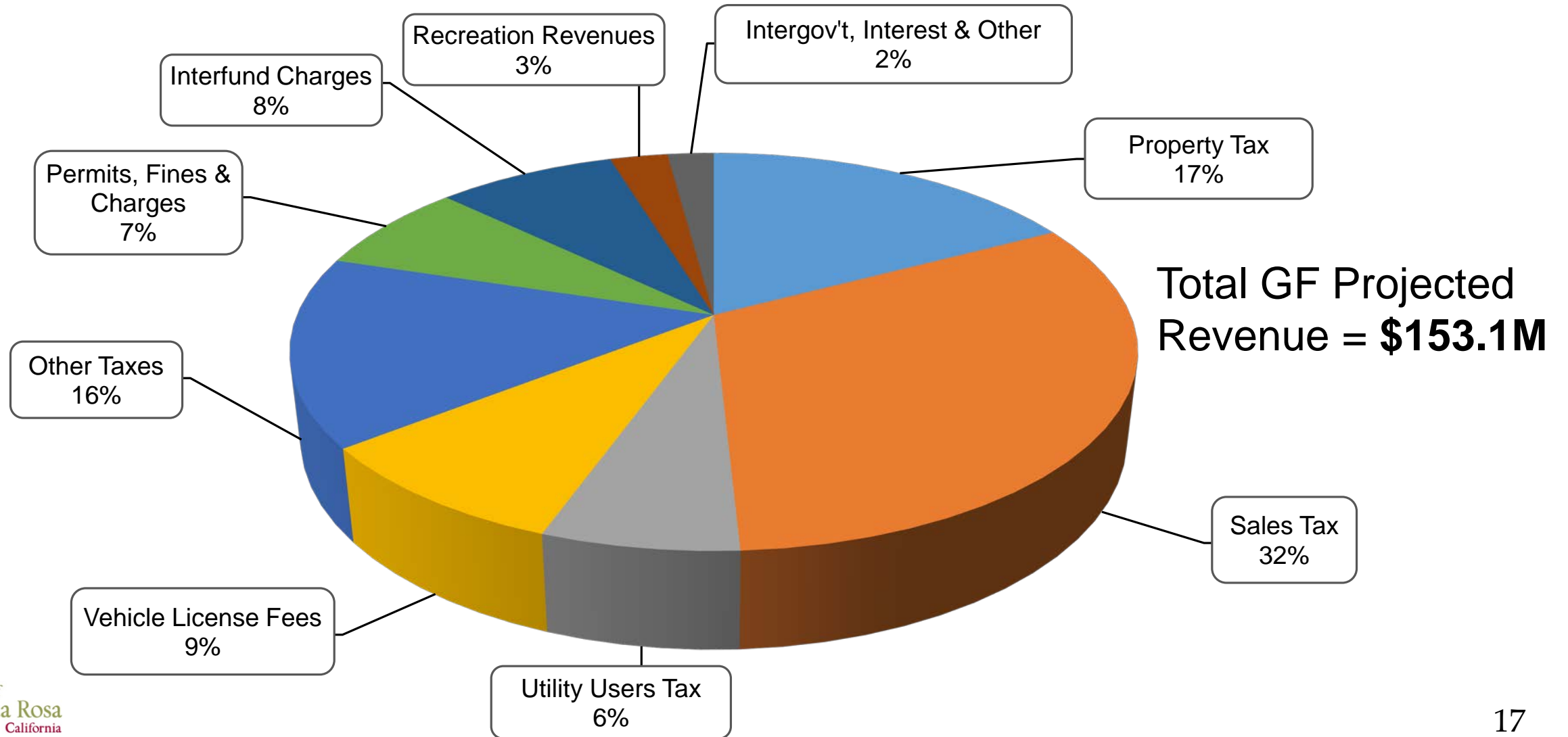
Fund Type	2016-17 Adopted Budget	2017-18 Proposed Budget	\$ Change	% Change
General Fund	\$145.2	\$154.3	\$9.1	6.3%
Enterprise (non-CIP)	124.8	129.6	4.8	3.8%
Enterprise (CIP)	30.2	31.6	1.4	4.6%
Non-Enterprise (CIP)	15.6	15.4	-0.2	-1.3%
Special Revenue	12.4	12.4	-	-
Other Funds	5.2	5.2	-	-
Housing Authority	32.4	32.3	-0.1	-0.3%
Successor Agency to RDA	3.8	4.1	0.3	7.9%
Total	\$369.6	\$384.9	\$15.3	4.1%
Operations (net of CIP)	\$323.8	\$337.9	\$14.1	4.4%
CIP only	45.8	47.0	1.2	2.6%

General Fund Proposed Budget Overview

FY 2017-18 General Fund Revenues by Category (in millions)

Category	2016-17 Adopted Budget	2017-18 Proposed Budget	\$ Change	% Change
Property Tax	\$25.2	\$26.5	\$1.3	5.2%
Sales Tax	50.8	48.8	-2.0	-3.9%
Utility Users Tax	9.1	9.7	0.6	6.6%
Vehicle License Fees	12.8	13.6	0.8	6.3%
Other Taxes	21.7	23.6	1.9	8.8%
Permits, Fines & Charges	9.0	11.2	2.2	24.4%
Interfund Charges	12.0	12.5	0.5	4.2%
Recreation Revenues	3.9	4.0	0.1	2.6%
Intergov't, Interest & Other	3.5	3.2	-0.3	-8.6%
Total	\$148.0M	\$153.1M	\$5.1M	3.4%

FY 2017-18 General Fund Revenues by Category

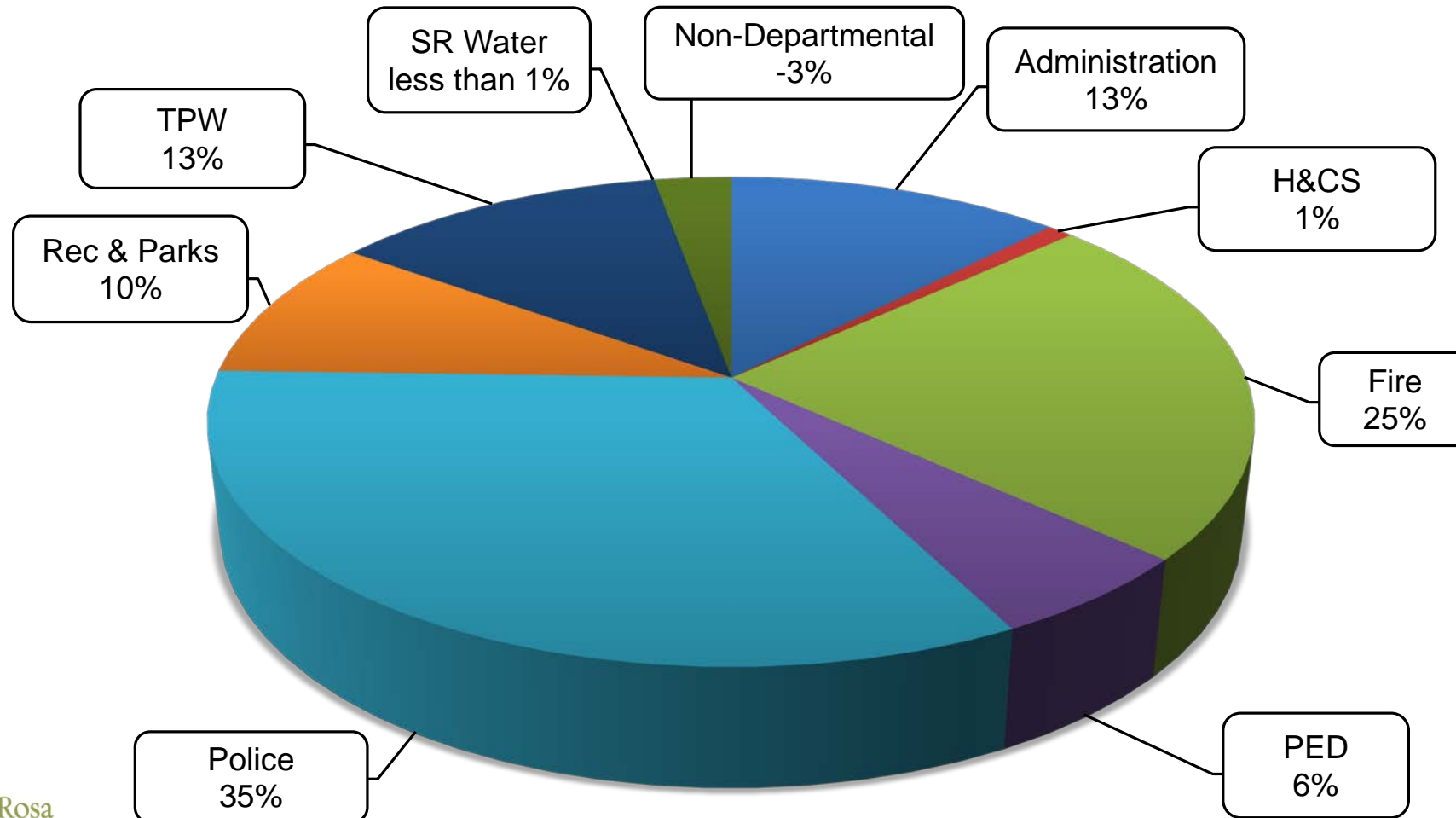


FY 2017-18 General Fund Expenditures by Department (in millions)

Department	2016-17 Adopted Budget	2017-18 Proposed Budget	\$ Change	% Change
Administration*	\$18.4	\$19.8	\$1.4	7.6%
Housing & Community Services	1.3	1.2	-0.1	-7.7%
Fire	34.8	38.5	3.7	10.6%
Planning & Economic Develop.	8.3	10.4	2.1	25.3%
Police	47.8	53.9	6.1	12.8%
Recreation & Parks	13.2	15.4	2.2	16.7%
Transportation & Public Works	16.5	19.7	3.2	19.4%
SR Water (Storm Water GF only)	0.3	0.3	-	-
Non-Departmental	4.6	-4.9	-9.5	-206.5%
Total	\$145.2M	\$154.3M	\$9.1M	6.3%

*Administration includes: City Council, City Manager's Office, Office of Community Engagement, City Attorney's Office, Human Resources and Finance.

FY 2017-18 General Fund Expenditures by Department



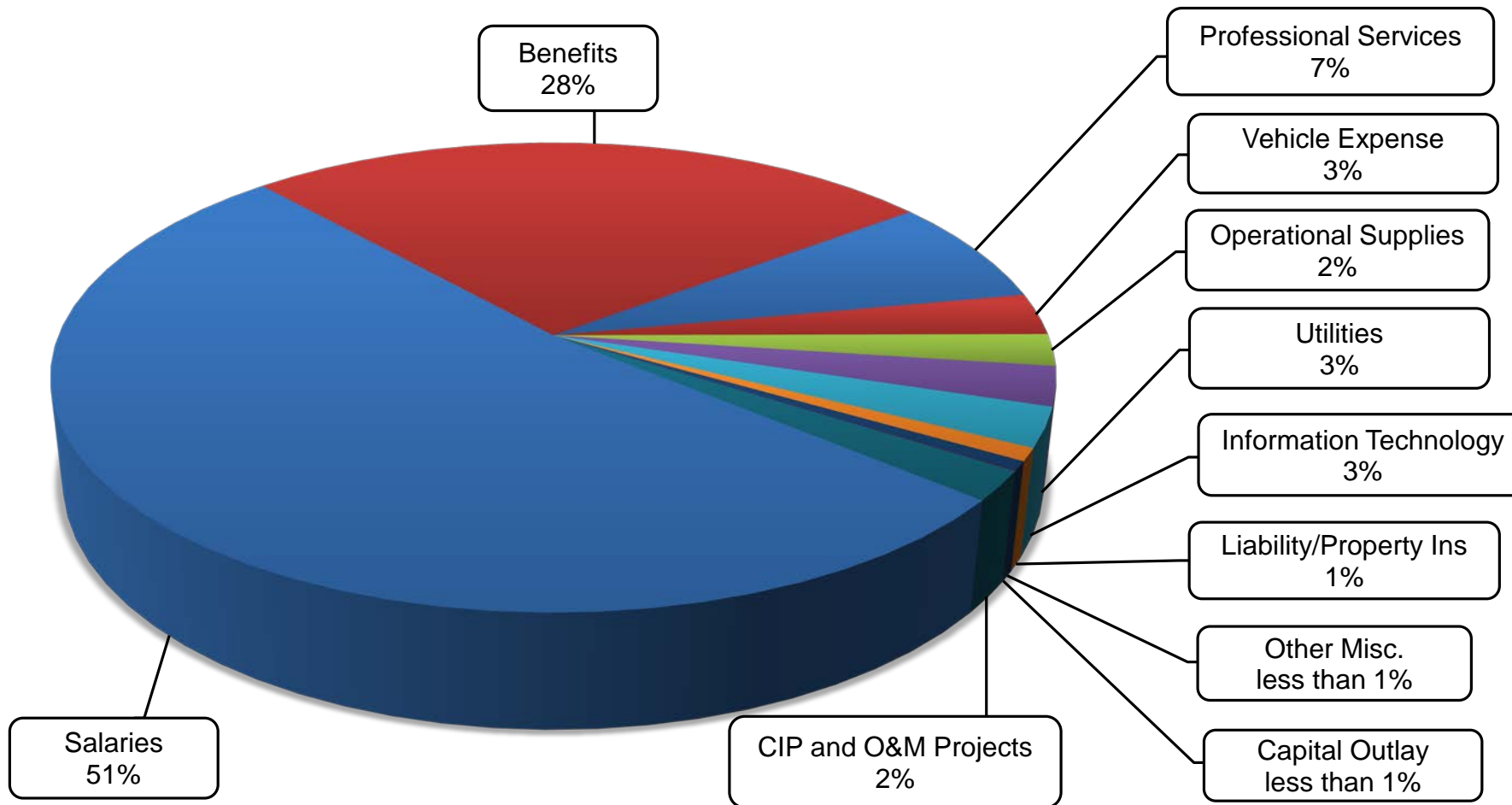
Total GF Expenditures = **\$154.3M**

FY 2017-18 General Fund Expenditures by Category (in millions)

Category	2016-17 Adopted Budget	2017-18 Proposed Budget	\$ Change	% Change
Salaries	\$74.9	\$78.6	\$3.7	4.9%
Benefits	39.9	42.7	2.8	7.0%
Professional Services	10.9	11.3	0.4	3.7%
Vehicle Expense	4.0	4.4	0.4	10.0%
Operational Supplies	3.2	3.2	-	-
Utilities	3.4	4.0	0.6	17.6%
Information Technology	3.8	4.5	0.7	18.4%
Liability/Property Insurance	1.4	1.5	0.1	7.1%
Other Miscellaneous	1.2	1.0	-0.2	-16.7%
Capital Outlay	0.1	0.1	-	-
CIP and O&M Projects	2.4	3.0	0.6	25.0%
Total	\$145.2M	\$154.3M	\$9.1M	6.3%

FY 2017-18 General Fund Expenditures by Category

Total GF Expenditures = **\$154.3M**



FY 2017-18 General Fund Summary

(in millions)

Transfers IN	
Gas Tax	\$1.88M
Measure M	\$235K
Traffic Safety	\$400K
Consumer Protection Acct-Trust Fund	\$226K
Various	~\$41K
Total Transfers IN	\$2.8M
Transfers OUT	
CIP	\$1.88M
Parking Enforcement	\$1.06M
Homeless Services	\$1.1M
Real Property Transfer Tax-Homeless Svc & Aff Housing	\$1.1M
Transit Loan	\$900K
Transit Operations	\$85K
CHSQ Debt Service	\$728K
Various	~\$200K
Total Transfers OUT	\$7.1M

	Proposed Budget 2017-18
Revenue	\$153.1
Transfers In	2.8
Total	\$155.9
Expenditures	\$154.3
Transfers Out	7.1
Total	\$161.4
Use of GF Fund Balance	-\$5.5M

Use of Unassigned General Fund Reserves

Unassigned Fund Balance	\$11.6M	Included in FY 2017-18 Budget
FY 2017-18 Operating Budget Deficit	-\$2.9M	Yes
Inter-fund loan to Transit	-\$904K	Yes
Roseland Annexation	-\$1.2M	Yes
Homeless Services	-\$466K	Yes
Use of Unassigned GF Fund Balance	-\$5.5M	
Roseland Annexation	-\$2.9M	Future
Rent Stabilization	-\$1.25M	Future
Rental Inspection	-\$700K	Future
Support of Cannabis Industry	-\$1.0M	Future

Homeless Services and Affordable Housing

	Proposed Budget FY 2017-18
Homeless Services	220,322
Fair Housing	36,000
Affordable Housing	845,287
Total RPTT Transfer of 25%	\$1,101,609
Additional General Fund Contributions to Homeless Services	\$675,075
Use of General Fund Unassigned Reserve to Homeless Services	\$466,450
Total General Fund Contribution	\$2,243,134

General Fund Baseline Calculation

	FY 2017-18	% of Total GF Expenditures
Total General Fund Expenditures	\$154.3M	
POLICE		
Baseline	\$52.9M	34.3%
Adopted Budget	\$53.9M	
Over/(Under) Baseline	\$1.0M	
FIRE		
Baseline	\$36.6M	23.7%
Adopted Budget	\$38.5M	
Over/(Under) Baseline	\$1.9M	
VIOLENCE PREVENTION		
Baseline	\$644K	0.4%
Adopted Budget	\$693K	
Over/(Under) Baseline	\$49K	

Long Range Financial Forecast

(in millions)

	Budget FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Revenue*	\$153.1	\$156.2	\$159.3	\$162.6	\$165.9	\$169.3	\$172.8	\$176.4	\$180.0	\$183.8
Transfers In	2.8	2.8	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total	\$155.9	\$159.0	\$162.0	\$165.2	\$168.5	\$171.9	\$175.4	\$179.0	\$182.6	\$186.4
Expenditures	154.3	161.3	167.2	173.2	177.2	180.6	183.4	186.3	189.4	192.5
Transfers Out	7.1	5.5	5.6	5.6	5.7	5.7	5.8	5.8	\$5.9	5.9
Total	\$161.4	\$166.8	\$172.8	\$178.8	\$182.9	\$186.3	\$189.2	\$192.1	\$195.3	\$198.4
Surplus / (Deficit)	-\$5.5	-\$7.8	-\$10.8	-\$13.6	-\$14.4	-\$14.4	-\$13.8	-\$13.1	-\$12.7	-\$12.0

*Revenue does not include any forecasted amounts for future initiatives;
Roseland Annexation, Cannabis, Rent Stabilization or Rental Inspections

FTE Staff Summary

Authorized FTE Staff Summary

Dept.	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FTE Change	FY 17-18
CMO	12.00	11.50	6.00	7.50	12.00	13.00	14.00	17.00	11.00	2.00	13.00
CAO	15.80	13.50	12.70	12.70	12.90	12.90	12.90	12.90	14.90	1.00	15.90
Comm Engage	-	-	-	-	-	-	-	-	7.00	--	7.00
Finance	75.35	69.85	68.35	62.85	63.85	62.85	62.35	64.35	97.35	1.50	98.85
Fire	143.75	142.75	134.75	136.75	137.75	143.75	147.75	147.75	147.75	1.00	148.75
EDH	74.00	71.00	71.00	68.00	63.50	62.50	65.00	60.00	--	--	--
H&CS	-	-	-	-	-	-	-	-	30.75	2.25	33.00
HR	20.40	18.40	17.50	17.00	17.70	18.00	19.00	20.00	21.00	--	21.00

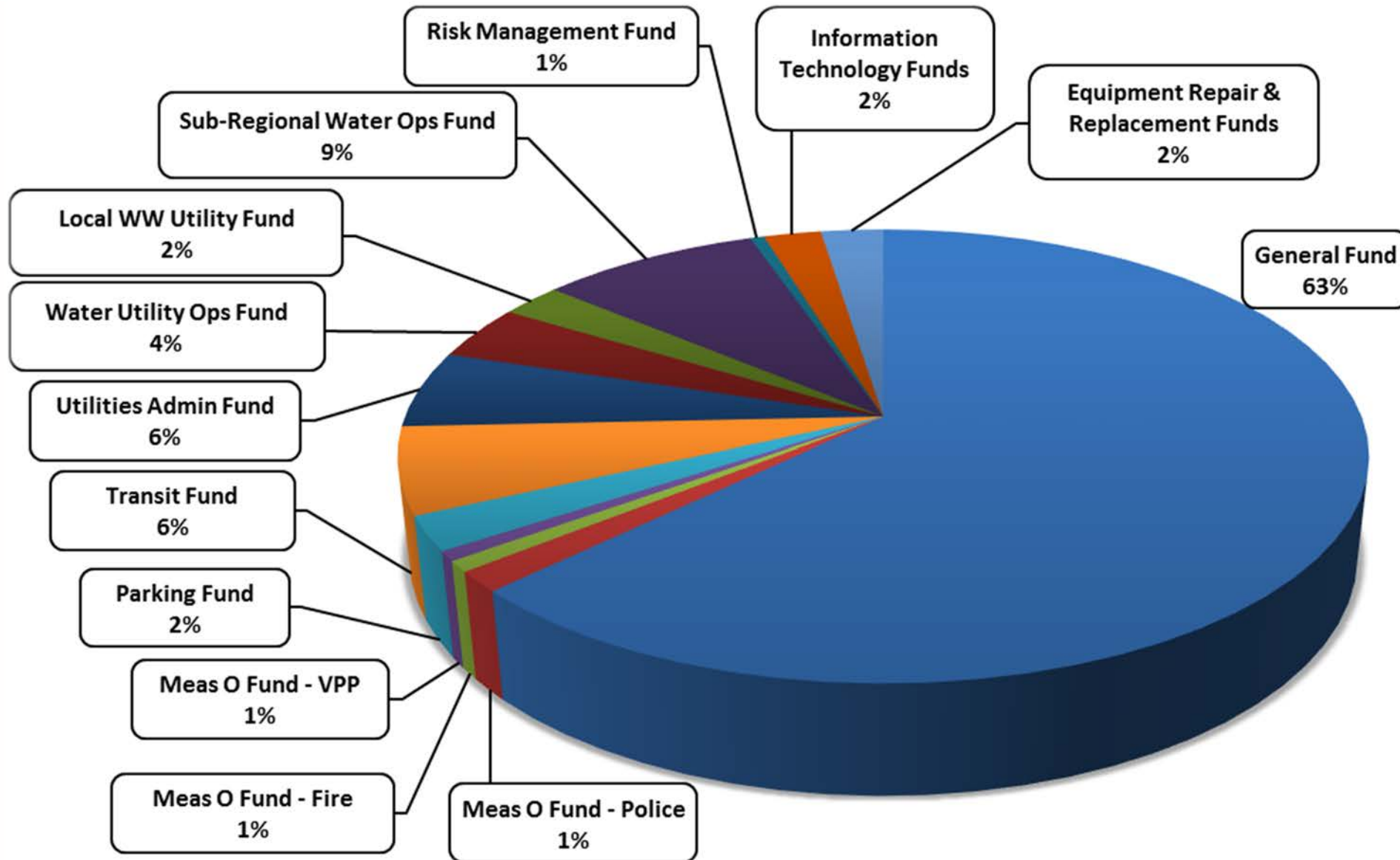
Authorized FTE Staff Summary

Dept.	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FTE Change	FY 17-18
IT	28.00	28.00	25.00	25.00	24.00	27.00	25.00	26.00	28.00	1.00	29.00
CD	49.20	39.20	27.80	27.80	27.80	28.80	34.50	37.75	--	--	--
PED	-	-	-	-	-	-	-	-	50.00	1.00	51.00
Police	274.75	258.75	251.75	246.75	246.75	253.25	258.75	256.75	256.50	8.00	264.50
TPW	298.05	285.75	273.50	270.00	268.00	264.00	275.50	270.50	277.50	-3.00	274.50
R&P	132.60	100.60	83.15	84.40	82.65	83.15	85.15	93.15	74.00	--	74.00
Water	253.00	256.00	255.00	240.00	241.00	248.00	239.50	243.50	249.50	4.00	253.50
Total FTE's	1,376.90	1,295.30	1,226.50	1,198.75	1,197.90	1,217.20	1,239.40	1,249.65	1,265.25	18.75	1,284.00

FTE count by Fund

Fund	Budgeted FTE's
General Fund	805.50
Measure O Fund - Police	19.00
Measure O Fund - Fire	10.00
Measure O Fund - VPP	9.00
Parking Fund	31.50
Transit Fund	79.00
Utilities Administration Fund	70.50
Water Utility Operations Fund	50.00
Local Wastewater Utility Fund	31.00
Sub-Regional Water Operations Fund	111.00
Risk Management Fund	7.00
Information Technology Funds	29.00
Equipment Repair & Replacement Funds	31.50
Total Citywide FTE's	1,284.00

FTE count by Fund



FY 2017-18 General Fund Position Change Detail

Dept.	Position Title	FTE
HCS	Approved Mid-Year 2016-17 positions	1.25
Multiple	Various Reclassifications	--
CMO	Communications & Intergovernmental Relations Officer	1.00
CMO	Administrative Analyst	1.00
CAO	Chief Assistant City Attorney	1.00
Finance	Payroll Specialist	1.00
HCS	HCS Technician Limited term to Permanent	--
Fire	Fire Inspector I (Roseland Annex.)	1.00
Police	Communication Dispatcher (Roseland Annex.)	2.00
Police	Police Officers (Roseland Annex.)	5.00
Police	Police Sergeant (Roseland Annex.)	1.00
	Total General Fund FTE Changes	14.25

FY 2017-18 Non-General Fund Position Change Detail

Dept.	Position Title	FTE
IT	Sr. IT Technician (Mid-Year 2016-17)	1.00
Finance	Parking Operational Aide	-1.50
Finance	Sr. Administrative Assistant	1.00
PED	Program Specialist	1.00
HCS	Administrative Secretary	1.00
TPW	Administrative Service Officer	-1.00
TPW	Sr. Administrative Assistant	-1.00
TPW	Skilled Maintenance Worker	-1.00

FY 2017-18 Non-General Fund Position Change Detail

Dept.	Position Title	FTE
Water	Associate Right-of-Way Agent	1.00
Water	Community Outreach Specialist	1.00
Water	Sr. Administrative Assistant	1.00
Water	Electrical Technician	1.00
Multiple	Various Reclassifications	--
Finance	Limited Term Customer Service Representative (paid for by Water funds) NEW since Study Session	1.00
	Total Non-General Fund FTE Changes	4.50

Position Reclassifications Summary

Dept.	Reclassification: From > To
CMO	Executive Management Assistant To Administrative Support Supervisor – Confidential
FIN	Accounting Technician – Confidential To Payroll Supervisor
HCS	Program Specialist To HCS Manager
PED	Deputy Director Engineering Services To Deputy Director Development Services
TPW	Research and Program Coordinator To Administrative Analyst
TPW	CE Tech II To Department Applicant Specialist (DAS)
TPW	CE Tech II To GIS Analyst

Budget Changes since Study Sessions

Finance: Additional 1.00 Limited Term Customer Service Representative

- Approved by BPU on May 4th, paid for by Water funds
- Salary/Benefit costs of \$77,500, General Fund cost of \$0
- Total Citywide FTE from 1,283.00 to 1,284.00

Budget Changes since Study Sessions

Housing & Community Services:

- FY 2016-17 Re-appropriated \$250K from Housing Action Plan funds (\$3M) to expanded Homeless Services
 - 6 Month, 50 bed expansion at SJH
 - Housing Navigator & Locator
 - Add'l Storage & Transportation
 - Add'l Rapid Re-housing & Risk Mitigation
 - Partnership with County-Add'l Rapid Re-housing
 - Funds will Carryover for use in FY 2017-18
 - Zero effect on FY 2017-18 budget
- FY 2016-17 Appropriated \$20K from City Manager Contingency to CHAP Assistance program
 - Funds will Carryover for use in FY 2017-18
 - Zero effect on FY 2017-18 budget

Questions / Comments