

Fiscal Year
2017-18

Draft
Operations & Maintenance Budget



City of
Santa Rosa
Rosa

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Chris Coursey

Vice Mayor

Jack Tibbets

Council Members

Julie Combs

Ernesto Olivares

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City Manager

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**City of Santa Rosa
California**

For the Fiscal Year Beginning

July 1, 2016

Executive Director

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July 1, 2017

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

I am pleased to submit the Fiscal Year (FY) 2017-18 Operations and Maintenance Budget for the City of Santa Rosa. This budget reflects a commitment by the organization to realize the vision of the City Council for the community and to implement the Council's goals and priorities. The overarching principles of this budget are to develop a sustainable, efficient organization delivering core services to the public that enhances the quality of life in Santa Rosa.

FY 2017-18 Budget Summary

The proposed FY 2017-18 budget totals \$384.9 million across all funds, representing an increase of \$15.3 million over the prior year adopted budget. There is \$337.9 million of operational costs, and \$47 million of capital project investment in the community.

The General Fund budget is highlighted because it is where many of the core services reside and relies upon funding from sources that respond to the overall health of the economy. For FY 2017-18, the General Fund budget is made up of \$153.1 million in revenue, and transfers into the General Fund of \$2.8 million, for total General Fund revenues of \$155.9 million. General Fund expenditures are \$154.3 million, with \$7.1 million of Transfers out of the General Fund, bringing the total General Fund expenditure budget to \$161.4 million. Approximately \$5.5 million of unassigned General Fund Reserve balance will be used to bring the budget into balance.

The local Sonoma County economy is strong, and is forecasted to remain that way until around 2019 or 2020. Sales tax remains strong buoyed by continued strong auto sales; however, this should weaken in the near term. Property tax and building-related revenues are performing well, which are drivers of the strong economy.

In November 2016, Santa Rosa voters addressed two important issues. Voters approved a new baseline funding mechanism for Measure O, the City's quarter-cent special sales tax for public safety and gang prevention. This put to rest years of debate over potential funding inequalities resulting from a funding baseline within the General Fund public safety operations that was established in 2004. Voters also approved an extension of the City's quarter-cent general sales tax increase. This preserved additional funding in the amount of approximately \$9 million per year for the General Fund until 2027.

The extension of the general tax increase preserved a significant General Fund revenue stream, but the revenue is temporary. This highlights a challenge for the organization; to replace temporary revenue with new ongoing and permanent revenue sources. This, combined with continuing increases in retirement and healthcare costs presents a need to reform the organization, and to look for new, ongoing revenue sources in the General Fund. The City Council prioritized these top Tier 2 items, and staff will be addressing these needs throughout FY 2017-18.

City Manager’s Budget Transmittal

City Council Goals and Priorities

The City Council met on March 10, April 20, and April 21 to plan their priorities for the next two years. This included developing a Mission and Vision statement, as well as agreeing on their Tier 1 and Tier 2 priorities for 2017-2019.

The City Council Goals for 2017-2019 remain the same and are shown below. In addition, the City Council approved Mission and Vision statements. The Mission statement is: **“To provide high quality public services and cultivate a vibrant, resilient, and livable Santa Rosa.”** The Vision statement is: **“Santa Rosa – Leading the North Bay.”**

City Council Goals for 2017-2019

1.	Create a Strong, Sustainable Economic Base
2a.	Promote a City Organization that is Service-Sustainable and Maintains Employee Morale
2b.	Financial Stability
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

The Tier 1 priorities are defined as the City Council’s top priorities which will receive primary staff attention and resources. Tier 2 priorities are those projects which will be pursued as time and resources permit. Finally, Potential Opportunities for the Future include those items that were suggested by one or more Councilmember or members of the public which were determined to be important but will not receive attention or resources this year.

The City Council Confirmed its Tier 1 Priorities; initiatives which will receive the highest attention over the next year. They are the same priorities as on the 2016 Tier 1 list; however, the language has been updated to reflect the work that was done during the past year and any new direction from the City Council.

Tier 1: Priorities Underway and Receiving the 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 inspection• 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 opportunities and prepare for impacts related to medical and legalized marijuana.
1.5	Implement commitments associated with Roseland annexation.

The City Council reached consensus on its Tier 2 Priorities, which are shown below. These projects will receive attention as resources permit. Many of the projects cannot be completed by the City alone, and will require partnerships with third parties. Through dot voting, the City Council identified the first two items on the list (2.1 and 2.2) as their highest priorities within Tier 2. The remaining projects are listed in order of number of dots received from Councilmembers.

City Manager's Budget Transmittal

Tier 2: Priorities 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 levelsEvaluate the Utility Users Tax and Transient Occupancy Tax as compared with other cities to determine what levels would be required to bring us to standard levels and reduce our reliance on sales taxes
2.2	Create a 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 impact reports.
2.7	Support the SMART train – connectivity, 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 existing 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.

The following items are “Other Opportunities for the Future,” and it includes suggestions from the public, individual Councilmembers, and items on the previous list called “Tier 3”. These items are not moving forward, and there is no staff work or reports expected on these items at this time.

These items include:

- 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
- 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

Budget Process

The Finance Department maintains a 10-Year Long Range Financial Forecast for the General Fund. This Forecast is a planning tool for monitoring ongoing General Fund revenues and expenditures, forecasting structural deficits and fund balance levels, and implementing organizational and budget strategies. The Finance Department updates the Forecast at the beginning of the budget process in January, and when the budget is adopted.

City departments are given Guidelines for preparing their budget in January. These Guidelines factor the current condition of the General Fund and the strength of the local economy, and provide direction for developing operational budgets. For General Fund departments, the direction for FY 2017-18 was to

City Manager's Budget Transmittal

develop base operating budgets that maintain operational service levels. Any growth beyond this would be an additional need subject to approval by the City Manager. Departments and operations funded outside the General Fund were allowed to submit budgets based on their ability to pay for these services without raising rates.

Budget Document Structure

Following the Transmittal Letter is the Guide to the Budget Document, then the Budget Overview which 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 Long Range Financial Plan. Departmental sections include the department's mission and outlines initiatives for the coming fiscal year and accomplishments from the prior year, emphasizing activities that fulfill City Council goals.

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 City's Chief Financial Officer Deborah Lauchner, and the Budget and Financial Planning team in the Finance Department: Alan Alton, Shelley Reilly, Jim Arend, Mike Frugoli, Janet Klaven, Dina Manis and Jerilyn Holm. Collectively they provide tremendous resource and expertise coordinating the citywide 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 2016-17 Fiscal Year Budget.

Conclusion

In general, the local economy is strong and is forecasted to remain strong for the near term. In November, voters agreed to extend the additional quarter-cent general sales tax until 2027, providing much needed, albeit temporary, preservation of General Fund revenues. While the economy and General Fund revenues are positive notes, unfortunately, there are challenges. The FY 2017-18 General Fund budget is in a deficit requiring the use of unassigned General Fund reserves to balance the budget. The General Fund budget presented addresses a basic level of operational service to the community, without significant expansion. The deficit is driven mostly by the increased cost to provide that service, notably increases in pension and healthcare costs.

The General Fund structural deficit will be addressed by moving forward two City Council Tier 2 priorities: ensuring long-term revenue stability; and, changing the organization to become a 21st century service-delivery model.

Approximately 50% of General Fund revenue comes from Sales and Property taxes. Staff will be looking at on-going revenue sources that lessens our reliance on those two revenue sources. This includes exploring the modernization of the City's Utility Users Tax, and increasing the Transient Occupancy Tax.

In the coming year, staff will be exploring ways to transform the existing City organization into one that is more nimble, fosters innovation, and supports new technologies and opportunities. Elements of this transformation can be seen in this budget document with the inclusion of new performance measures and data points for many departments, especially those directly serving the community.

City Manager's Budget Transmittal

The combination of addressing the City's service-delivery model and developing new revenue sources for the General Fund will strengthen the financial position of the General Fund, and the City as a whole, moving forward.

City staff and the City Council are working together to accomplish significant goals established by the Council and other initiatives. The more notable accomplishments include:

- Completed the Courthouse Square reunification project
- Completed a pre-annexation agreement with Sonoma County on the Roseland Annexation, and submitted this agreement to LAFCO
- Advanced two successful ballot measures addressing Measure O baseline funding and the extension of a quarter-cent general sales tax increase until 2027
- Adopted a Housing First strategy to end homelessness
- Adopted a Housing Action Plan with a corresponding 24-point implementation plan
- Made full use of the Socrata Data Portal, providing information to online visitors, and to the City Council via performance measurements in Budget presentations and documents
- Completed the City Hall Sustainable Education Garden project
- Implemented the H2O Program which is providing water bill assistance to 156 qualified low income customers

The City is also grateful for the tremendous participation of residents as we develop online survey tools, and solicit feedback from the community as we develop the budget. We continue to look for new ways to make it easier for the public to participate in budget development, and receive financial and statistical information about the services we provide to the community. We remain committed to carrying out the recommendations from the Open Government Taskforce, as evidenced by many of the initiatives funded in this budget. As always, I look forward to working together on solutions that will continue making Santa Rosa a great place to live and do business.

Sincerely,



Sean McGlynn, 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 expenditures, 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 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, 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.

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 each department's section next to the FY 2017-18 Strategic Goals and Initiatives and the FY 2016-17 Accomplishments that relate to that goal. The associated goals 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 Violence Prevention program), a description of the budget process and budget calendar are also included in this section of the document.

City and Organization Overview

This section contains a Citywide organizational chart, which includes names of the major programs of each department; the City's Organizational Values; general information about Santa Rosa; a brief historical background; demographics and statistics.

Guide to the Document

Summary Financial Information

Included in this section are the Summary financial tables for the General Fund, Enterprise Funds, and Internal Service Funds. Analyses of the City's debts and revenues, Citywide staffing information, and a Long Range Financial Forecast are also included in this section.

- 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 are operated in a manner similar to private enterprises, and receive revenues from fees charged to customers.
- Internal Service Funds Schedule: These funds are used to report the activities that provide goods and services to other funds, departments or component units of the City programs and activities.
- Fund Use by Department: This matrix shows the relationship between the various funds and the City's departments.
- Multi-Year Revenue and Expenditure Summaries: These two schedules provide a multi-year summary of Revenues by Fund and Expenditures by Fund. Each schedule reflects three prior years of actual results, the budget or estimates for the previous fiscal year and the current year's budget.
- FTE Staffing Summary: This schedule provides a description of Citywide position changes, including a table showing five years of staffing levels for each department.
- Long Range Financial Forecast: This schedule displays the current budget of the General Fund as well as forecasted revenue, expenditures, transfers and reserve balances for the next ten years.

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.
- Department Description: 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.
- FTE By Program: A graphic representation of each department's programs. The number of employees in a program is included. These charts are representative of a point in time; the number of employees in a program for any department fluctuates throughout the year.
- Strategic Goals and 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 with the number of the corresponding goal.
- Major Budget Changes: A description of the department's major increases and decreases compared to the previous year's budget.
- Expenditures by Program: A financial table showing funds used to support departmental activities that provide benefits and services Citywide. 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.

Guide to the Document

- 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.
- Authorized Full-Time Equivalent (FTE) Positions - All Funds: A table showing the staffing level of each department for the current fiscal year and prior four fiscal years.
- Performance Measures: A collection of statistical data measuring the achievements of each department.
- Prior Fiscal Year Accomplishments: A list of the department's accomplishments from the previous fiscal year. Accomplishments related to City Council goals are designated with the number of the corresponding goal.
- Looking Ahead: An overview of future projects and priorities unique to each individual department.

Reading Expenditures Tables

The Expenditures Tables in each department's section include the adopted budget from the prior fiscal years and the current fiscal year budget as it was adopted by the City Council during the City's annual Budget Hearings in June.

Appendix

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

Glossary

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

BUDGET PRACTICES AND POLICIES

Basis of Accounting

The budget is developed on a modified accrual basis of accounting, for governmental fund types (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds), adjusted for encumbrance accounting. 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.

Proprietary fund (Enterprise Funds and Internal Service Funds) use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place.

Guide to the Document

Basis of Budgeting

Budgets are adopted for all governmental funds, except for certain Special Revenue Funds. All budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) adjusted 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.

Reserve Policies

The General Fund maintains a reserve policy based on City Council approval. 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 Fiscal Year (FY) 2017-18 Operating and Capital Budget is \$384.9 million across all funds and is comprised of \$337.9 million of operational funding and \$47.0 million of capital project funding. This represents a total increase of \$15.3 million or 4.1% over the FY 2016-17 adopted budget, Operations increasing by \$14.1 million or 4.4% and the Capital Improvement Program (CIP) increasing by \$1.2 million or 2.6%, as shown in the following table.

FUND TYPE	FY 2016-17 ADOPTED BUDGET <i>(in millions)</i>	FY 2017-18 ADOPTED BUDGET <i>(in millions)</i>	\$ Dollar Increase/ (Decrease) <i>(in millions)</i>	% Percent Increase/ (Decrease)
General Fund	\$145.2	\$154.3	\$9.1	6.3%
Enterprise Funds (non-CIP)	124.8	129.6	4.8	3.8%
Enterprise Funds - CIP	30.2	31.6	1.4	4.6%
Other Funds - CIP	15.6	15.4	-0.2	-1.3%
Special Revenue Funds	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

The City's General Fund Projected FY 2017-18 ending reserve balance is \$30.3 million or 19.6% of expenditures which exceeds the Council Reserve policy target of no less than 15% of expenditures. The proposed FY 2017-18 General Fund budget was developed with the intent to appropriate the excess reserve balance over policy of approximately \$5.5 million; including \$2.2 million to support Homeless Services and Affordable Housing, \$1.2 million to fund the Safety departments (Police and Fire) in anticipation of the Roseland Annexation, \$1.1 million in one-time additional needs requests spread across all Citywide departments and \$900 thousand transferred to the Transit division as an inter-fund loan to support operations.

The FY 2017-18 General Fund expenditure budget of \$154.3 million can be broken down into three broad categories – Salaries and Benefits, Services & Supplies, and Operating Projects. The Salaries and Benefits category representing \$121.3 million or 79% of the total General Fund budget. Services and Supplies account for another \$30.0 million or 19% of the total, with the remaining \$3.0 million or 2.0% representing operating projects in the General Fund. Increases over the FY 2016-17 adopted budget, by category, are as follows:

General Fund Salaries and Benefits: Increase of \$6.5 million or 5.7% over FY 2016-17 adopted budget. The major increases are a result of the increase of 14.25 FTE positions and employee benefit cost increases – particularly for health insurance and retirement costs.

General Fund Services and Supplies: Increase of \$2.0 million or 7.1% from the FY 2016-17 adopted budget. The additions in this broad category includes increases in Electricity costs, Information Technology costs and Vehicle Expenses driven by increased maintenance and part replacement costs.

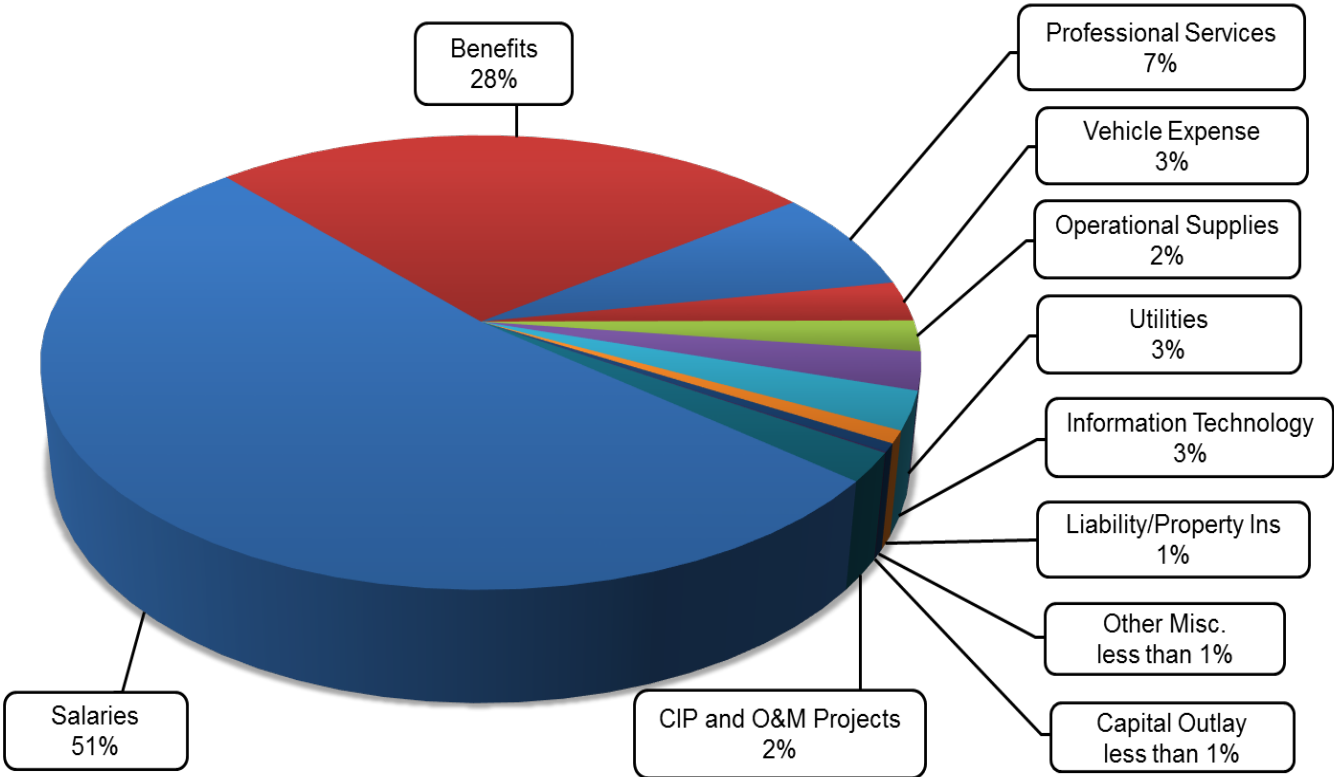
Budget Overview

General Fund Operating Projects: Increased by \$0.6 million or 25.0% from the FY 2016-17 adopted budget. The increase includes operation projects related to the improvement of Citywide facilities, Garbage Franchise analysis and case management software for the City Attorney’s office.

FY 2017-18 General Fund Budgeted Expenditures

CATEGORY	EXPENDITURES <i>(in millions)</i>
Salaries	\$78.6
Benefits	42.7
Professional Services	11.3
Vehicle Expense	4.4
Operational Supplies	3.2
Utilities	4.0
Information Technology	4.5
Liability/Property Insurance	1.5
Other Miscellaneous	1.0
Capital Outlay	0.1
O&M Projects	3.0
TOTAL	\$154.3

FY 2017-18 General Fund Expenditures – % by Category



Budget Overview

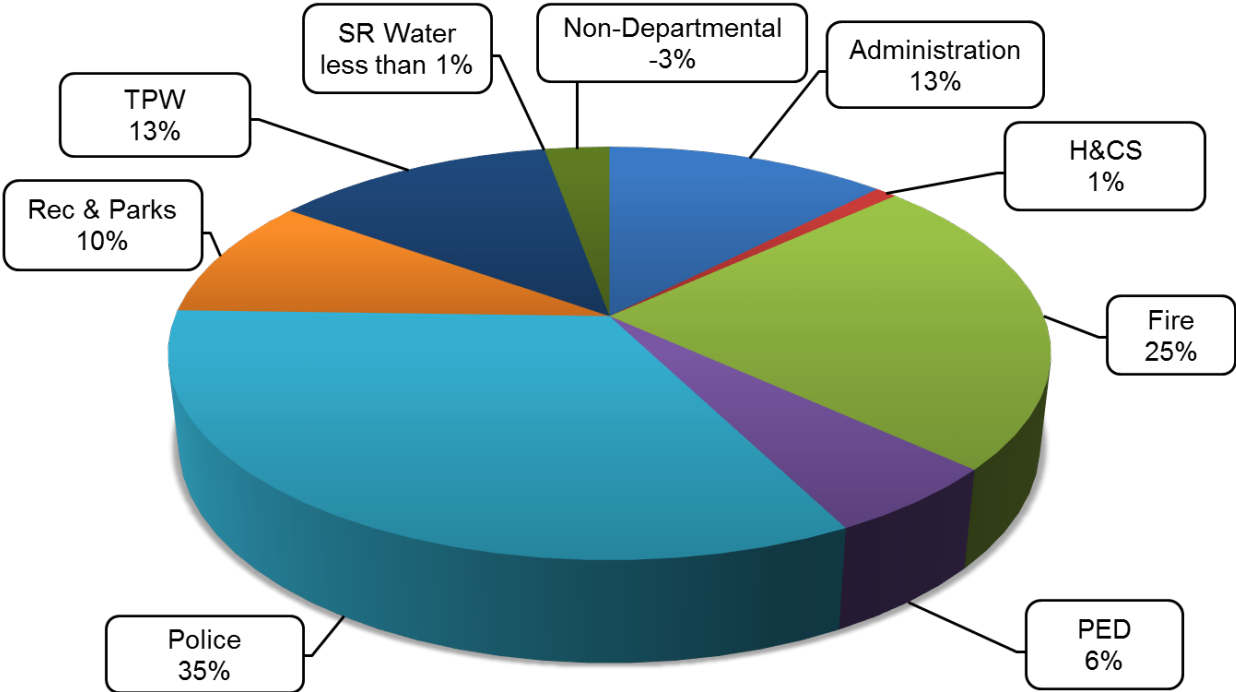
The General Fund FY 2017-18 expenditure budget of \$154.3 million reflects an emphasis on achieving stability for the core services provided to the community and addressing the City Council’s agreed upon goals and priorities. As detailed above, this includes an increase in funding for known cost increases and urgent needs across all City departments.

FY 2017-18 General Fund Budgeted Expenditures

DEPARTMENT	EXPENDITURES <i>(in millions)</i>
Administration*	\$19.8
Housing & Community Services	1.2
Fire	38.5
Planning & Economic Development	10.4
Police	53.9
Recreation & Parks	15.4
Transportation & Public Works	19.7
Water	0.3
Non-Departmental	-4.9
TOTAL	\$154.3

*Administration departments include City Attorney, City Council, City Manager, Office of Community Engagement, Finance and Human Resources.

FY 2017-18 General Fund Expenditures – % by Department



Budget Overview

General Fund revenues are projected to finish FY 2016-17 at \$152.0 million or 2.7% over FY 2016-17 adopted revenue. The increase is due to increases in Property taxes, Sales tax and multiple other taxes along with a settlement for \$2.0M received from Northbay Corporation as part of their contract termination. In November 2016, the citizens extended Measure P, a quarter-cent general sales tax measure in effect for eight additional years, which will generate approximately \$9.1 million in the upcoming year.

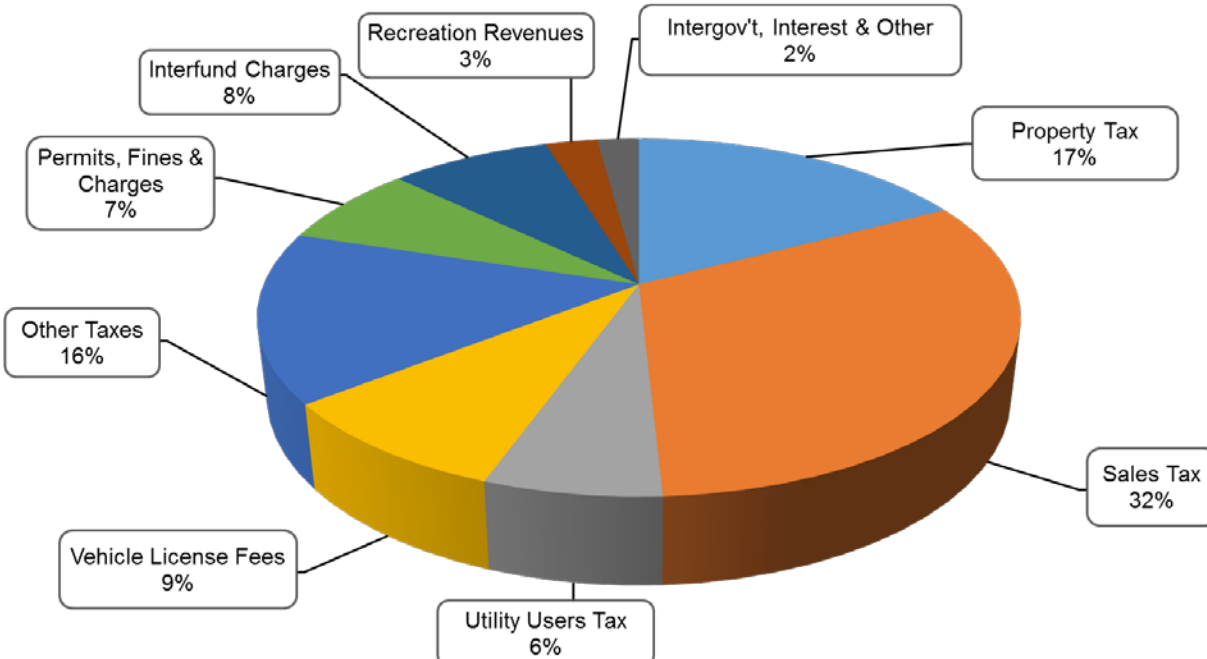
FY 2017-18 revenues are estimated at \$153.1 million, an increase of 0.7% over the FY 2016-17 projections. Sales and Property Taxes are the two largest revenue sources for the City's General Fund, together accounting for 49% of General Fund revenue. Major variances between budget years include increases in Property taxes, Other taxes and various Charges for Services.

Other tax revenues such as Utility Users Tax, Franchise Fees, Transient Occupancy Tax and others are projected to experience growth in FY 2017-18 ranging from 0% to 4%. Except for Use Tax-Telephone which is projected to drop by 50% based on possible federal legislation. For more information on General Fund revenues, please see the City Revenues table and narrative in the Summary Financial Information section of this document.

FY 2017-18 General Fund Budgeted Revenues

SOURCE	REVENUES (in millions)
Sales Tax	\$48.8
Property Tax	26.5
Utility Users Tax	9.7
Vehicle License Fees	13.6
Other Taxes	23.6
Permits, Fines and Charges	11.2
Interfund Charges	12.5
Recreational Revenue	4.0
Intergovernmental, Interest & Misc.	3.2
TOTAL	\$153.1

FY 2017-18 General Fund Revenues – % by Source



Budget Overview

Enterprise Funds

As noted in the fund chart at the beginning of this overview section, the Enterprise funds budgets include both operational (\$129.6M) and CIP (\$31.6M) elements. The Utilities Enterprise Funds (Water, Local Wastewater, and Subregional Wastewater) make up the vast majority, \$135.2M of the \$161.2M Enterprise funds budgets.

Enterprise funds also include the Golf Course, Parking, Transit, and Storm Water Funds. The Golf Course fund expenditures are \$519K, which includes \$455K of debt service payments and \$64K for operations. The Golf Course fund expenditures are only slightly lower than last fiscal year due to lower debt service payments. The Parking fund expenditures are \$8.7M, comprised of Salary and Benefit costs of \$3.0M, Service and Supplies of \$2.3M and Projects of \$3.4M. The Parking fund budgeted a planned use of reserves for capital improvements to garages and to replace computer hardware/software in parking garages for \$2.0M and parking lot asphalt maintenance for \$1.1M. The Transit fund expenditures are \$14.5M. The General fund budget includes a \$980K transfer into the Transit fund to support operations included in the funding is a Transit Integration and Efficiency Study for Sonoma County. The Storm Water fund expenditures are \$2.4M; a slight increase of \$260K from the FY 2016-17 adopted budget.

Special Revenue Funds

The Special Revenue Funds FY 2017-18 budget of \$12.4 million is comprised of the following:

\$ 8.5 million - Measure O Funds

\$ 2.2 million - Homeless Shelter Operations & Mobile home Rent Stabilization Funds

\$ 0.5 million - Santa Rosa City Tourism BIA Fund

\$ 0.5 million - Administrative Hearing Fund

\$ 0.3 million - Federal and State Narcotics Asset Forfeiture Funds

\$ 0.4 million - Other Funds including AB434 Funds (Transit)

Other Funds

Total Other Funds FY 2017-18 budget of \$20.6 million includes the Capital Improvement Program Funds with a budget of \$15.4 million, non-enterprise Debt Service Funds with a budget of \$4.8 million, Trust and Agency Funds with a budget of \$0.3 million and the Special Assessment Funds with a budget of less than \$0.1 million.

Housing Authority & Successor Agency to the Redevelopment Agency

The majority of the Housing Authority's proposed FY 2017-18 \$32.3 million budget is related to funding for the \$24.9 million Housing Choice Voucher Program. This program increased by almost \$1 million year over year. The \$4.1 million budget for the Successor Agency to the Redevelopment Agency reflects approved funding agreements and debt service payments, per the Recognized Obligation Payment Schedule (ROPS).

Full-Time Equivalent Discussion

The FY 2017-18 budget has a total staffing count of 1,284.00 Full-Time Equivalents (FTE) across all funds. Staffing levels increased by 18.75 FTE or 1.5% from FY 2016-17 to FY 2017-18. For a more detailed position explanation, see the FTE Staffing Summary under the Summary of Financial Information section.

Long Range Financial Forecast

The Long Range Financial Forecast (LRFF) is intended to serve as a tool for financial planning and decision making in the years ahead, and the City aims to update this plan annually. The LRFF is a ten year forecasting model for the General Fund's revenue and expenditures. This plan should be considered a working document that will constantly change as trends begin to develop. For informational purposes, portions of the LRFF are included under the Summary Financial Information section.

Budget Overview

Conclusion and Future Challenges

The fiscal outlook for the City is showing a structural deficit beginning with FY 2017-18 and continuing throughout the forecast. General Fund unassigned reserves will be used to balance the FY 2017-18 budget, and any future budgets where a deficit exists. The deficit can be addressed through either cost control or through the addition of new, ongoing revenue streams. As such, two Tier 2 Council priorities were approved which call for ensuring revenue stability, and creating a 21st century service delivery model.

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, Federal and State Grant Funds, Development Impact 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 calendar year to solicit budget priorities from the community which was held this year on January 24, 2017. In addition, the City's Community Advisory Board (CAB) held a series of community-wide outreach meetings in September and October 2016 specifically to attain public input on the City's CIP budget priorities for FY 2017-18 with the results presented on May 16, 2017 to the City Council at the CIP process study session. The major areas of public concern identified from these meetings include affordable housing resources, street pavement improvements, police facilities and resources, and bike paths and community/recreation facilities. Public input is provided to the City Council, City Manager, and staff which evaluates and prioritizes proposed projects based on need and the amount of funding available. The CIP proposed budget is then subjected to numerous 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. After the study sessions, the CIP is reviewed by the Planning Commission for General Plan consistency and an environmental review, and once again is submitted to the City Council for consideration and approval during the budget hearings in June.

FY 2017-18 CIP

The total proposed budget for the five-year CIP is approximately \$187 million. Of this amount, the FY 2017-18 Capital Budget is approximately \$47 million. The emphasis in the FY 2017-18 CIP is funding of projects (subject to funding constraints) 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.

The Explanation of Capital Budget Funding Sources and Allowable Uses table provides an explanation of each of the funding sources in the Capital Budget with their source, restrictions, and allowable uses noted. Table I in the FY 2017-18 CIP Budget document illustrates the various

Capital Improvement Program (CIP)

funding sources in the Capital Budget, such as development fees, gas tax, federal funding, enterprise funding and others.

General Fund Overview

General Fund projects proposed as part of the FY 2017-18 Capital Budget total is approximately \$1.9 million. \$1.2 million is devoted to facility improvements to provide access for disabled persons in compliance with the Americans with Disabilities Act (ADA) and in accordance with the City's settlement agreement with the Department of Justice. Cumulative prior funding of this project is approximately \$7.5 million with estimated total project funding of approximately \$13.5 million. The other FY 2017-18 projects include the light-emitting diode (LED) Street Lighting Replacement project for \$600,000, Pre-Design/Planning to support future CIP budget development for \$50,000, and Fuel Station Repair at Municipal Service Center North for \$34,780.

Summary of CIP Projects by Department

The two departments that manage most of the nearly \$46.9 million Capital Budget are Santa Rosa Water and Transportation and Public Works. Detailed information about these two departments' proposed CIP budgets immediately follow. The other departments requesting funding this year are the Fire Department, Finance Department, and Recreation & Parks Department. The Fire Department is proposing \$151,511 of funding for Fire Training Center facility improvements, \$250,000 of funding for the new South Santa Rosa Area Fire Station, and \$1,000,000 for relocation of Fire Station 8. The Parking Division of the Finance Department is proposing \$2,305,250 of funding for garage equipment and parking meter upgrades and replacement. The Recreation & Parks Department is proposing \$1,074,005 of funding to build up project accounts and accumulate funds for Finley Aquatic Center, A Place to Play, Roseland Creek, Doyle Park, Howarth Park, and Kawana Springs (Southeast Community Park).

Santa Rosa Water

The focus of the Santa Rosa Water Capital Improvement Program is to maintain regulatory compliance, level of service and to reduce maintenance costs. The 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 are intended to reflect the estimated reasonable cost of capacity in the systems and fee revenue is used to help pay for capacity needed in the systems to serve new development. Rate revenue is used for repairs, replacing worn out infrastructure, and bringing existing infrastructure and appurtenances up to current regulations and standards as necessary.

The Water Utility cash funded request is \$13.0 million, remaining at the same level as in FY 2016-17. FY 2017-18 funding is equal to the baseline CIP funding set in the current rate model. The Local Wastewater CIP remains level at \$12.0 million, also per the current rate model. The cash funded portion of the Subregional CIP increased by approximately \$1 million (32%) to approximately \$4.1 million, continuing the gradual build-up of cash funding begun in FY 2014-15 to reduce the necessity of future bond funding.

Capital Improvement Program (CIP)

The Water FY 2017-18 CIP budget is approximately \$13.0 million. 42% of Water CIP funding is allocated to emergency groundwater supply, water peak reduction, and other non-infrastructure projects. 46% is designated for projects to replace and upgrade aging infrastructure. There are twenty-two projects receiving new funding in the FY 2017-18 request. Approximately 6,800 feet of pipe is proposed to be funded for replacement.

The Local Wastewater FY 2017-18 CIP budget is \$12.0 million. 92% of funding is allocated for pipe and other aging infrastructure replacement and upgrade projects, with 8% funding indoor water use reduction, trunk sewer replacement master plans, and other non-infrastructure projects. There are twenty projects receiving new funding in the FY 2017-18 request. Approximately 11,100 feet of pipe is proposed to be funded for replacement.

The cash-funded Subregional FY 2017-18 CIP budget is approximately \$4.1 million. New projects include digester gas conditioning improvements, upsizing the geysers connection to delta pond, nutrient removal infrastructure improvements and further electrical infrastructure replacement.

The Storm Water Enterprise FY 2017-18 CIP budget is \$720,226 this year. Creek restoration project funding includes Lower Colgan Creek Restoration Phase 2, Piner Creek Improvements, City Hall Plaza Demonstration Garden and various storm water creek restoration projects. Storm drainage project funding includes storm drain repair/replacement and rock removal at various locations and the Storm Water Drainage Master Plan projects.

Transportation and Public Works

The Transportation and Public Works Department's Capital Improvement Program budget for FY 2017-18 is \$12.2 million, which includes General Fund contributions of \$1.2 million for ADA-related projects and \$600K for LED streetlight replacements. The emphasis of this year's Transportation and Public Works budget is primarily on street rehabilitation, pavement maintenance, traffic safety, bicycle and pedestrian safety, and street lights.

Two of the larger street projects include Hearn Avenue at Highway 101 Interchange- Phase 3, and the initial phase of Pacific Avenue Reconstruction. Approximately \$6.5 million, or 54% of the total Transportation and Public Works CIP request, is related to pavement rehabilitation, which includes full reconstruction, overlay, micro-surface, and slurry seal in addition to basic surface and base repairs. It should be noted that the funding requested is well below the estimated \$17 million per year needed to maintain the City streets in an overall condition of "Good", as rated by the City's Pavement Management Program.

Another largely funded category is Traffic Safety and Transportation projects related to improving traffic circulation, traffic safety as well as bicycle and pedestrian safety. Funding for these projects is nearly \$3.0 million representing approximately 25% of the total budget request. These projects include traffic signal improvements, sidewalk installation, pedestrian signal installations, bicycle lane enhancement, and traffic calming.

Capital Improvement Program (CIP)

Additionally, the Department is continuing efforts to convert high pressure sodium street lights with light-emitting diode (LED) fixtures, and included an annual allocation of \$600,000 to continue the project. With this funding allocation, the Department anticipates that approximately 75-80% of the 16,000 streetlights will have been converted to LED by July 2018.

The Transportation and Public Works Department continues to work on implementation of improved capital project delivery, development, and prioritization for future process improvements based on the Matrix Consulting Group's capital project review and report.

Project List by Department

Please find the following list of projects being funded in FY 2017-18. For more information on any of the projects listed below, please refer to the FY 2017-18 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 2017-18 CIP document are available at the City Manager's Office and Finance Department, and online at the Finance Department page on srcity.org.

Project Number / Title	2017 – 18 Request
Department: Finance	
45021 - Garage Equipment Upgrade/Replacement	\$2,000,000
45025 - Meter Replacement	\$305,250
Finance Department Total	\$2,305,250
Department: Fire Department	
05050 - Fire Training Center Improvements	\$151,511
05054 - New Fire Station-South Santa Rosa	\$250,000
05094 - Relocation of Fire Station 8	\$1,000,000
Fire Department Total	\$1,401,511
Department: Recreation and Parks	
09532 - Doyle Park Renovation	\$52,240
09568 - Howarth Park Rehabilitation	\$82,631
09578 - A Place to Play	\$749,193
09608 - Southeast Community Park	\$128,755
09632 - Finley Aquatic Ctr Water Feature	\$52,000
09701 - Roseland Creek Park	\$9,186
Recreation and Parks Department Total	\$1,074,005
Department: Santa Rosa Water	
54001 - Storm Water Drainage Improvements	\$150,226
54004 - Storm Water Creek Restoration	\$50,000
54024 - Lower Colgan Creek Restoration -Phase 2	\$475,000
54033 - Piner Creek Improvements	\$20,000
55371 - Water Master Plan	\$80,000
55420 - Water Supply and Wastewater Planning	\$100,000
55495 - Water Conservation Indoor Water Use Efficiency	\$100,000
55498 - Local Sewer and Water Repairs - Urgent Projects	\$150,000
55511 - Pre-Design - Water	\$190,000

Capital Improvement Program (CIP)

55517 - Water Project Litigation	\$10,000
55523 - Groundwater Supply Development	\$1,600,000
55527 - Water Peak Reduction	\$400,000
55572 - Water Main Replacements	\$225,000
55574 - Water CIP Contingency	\$2,000,000
55592 - Water Main Replacement: Apple Valley Lane	\$700,000
55641 - Water Main Replacement: Montgomery Mission to Jackson	\$600,000
55675 - Advanced Metering Infrastructure (AMI) Feasibility Study & Implementation	\$275,000
55691 - Farmers Lane Well and Treatment Plant Rehabilitation	\$2,500,000
55706 - City Hall Plaza Demonstration Garden and Low Impact Development Retrofit	\$35,000
55712 - Water Main Replacement: Mohawk Sioux Yuma	\$400,000
55731 - Cobblestone Dr Zone R2-R4 Water Main Connection	\$325,000
55733 - Water Main Replacement: Mount Olive Drive	\$1,245,000
55734 - Water Main Replacement: Palomino Drive and Sunny Manor	\$150,000
55738 - Water Main Replacement: Decker Street	\$200,000
55740 - Replacement of Computer Maintenance Management System-Water	\$635,000
55743 - Emergency Groundwater Well - Madrone Wells	\$1,400,000
70550 - Fulton Road Lift Station	\$1,000,000
70556 - Pre Design, Planning, Budget, GIS Support-Sewer	\$255,000
70560 - Local Wastewater Project Litigation	\$10,000
70579 - Sewer and Water System Replacements	\$110,000
70610 - Apple Valley Lane Sewer Replacement	\$650,000
70620 - 2020 CCTV, Sonar, and Laser Trunk Sewer Inspection	\$150,000
70621 - West College Pond No. 2 Decommissioning and Grading Project	\$10,000
70640 - North Trunk Sewer Replacement - Mendocino Avenue to Terra Linda Drive	\$2,700,000
70669 - Wastewater Planning	\$75,000
70670 - Water Conservation Indoor Water Use Efficiency	\$100,000
70714 - Oakmont Treatment Plant Sewer Trunk Relocation	\$1,000,000
70728 - AMI/Automatic Meter Reading (AMR) Meters-Sewer	\$30,000
70743 - Miscellaneous Minor Contracts - Water and Sewer	\$150,000
70746 - Sewer Main Lining -15 Locations- 2015	\$500,000
70761 - Airport Trunk Replacement Master Plan	\$150,000
70763 - Sewer Main Replacement:Palomino Drive and Sunny Manor	\$150,000
70768 - Sewer Main Replacement: Donahue, Decker, Boyce	\$500,000
70773 - North Trunk Lining- Stony Point	\$675,000
70775 - Robles Trunk Lining Phase I	\$3,500,000
86458 - Subregional CIP Contingency	\$1,000,000
86489 - Laguna Treatment Plant On-Call Contractor	\$130,000
86494 - Energy Optimization Plan	\$25,000
86525 - Alternative Funding Pursuit	\$25,000
86540 - Nutrient Offset Program	\$100,000
86553 - Subregional System Master Plan, Phase 2	\$50,000
86559 - Water Efficient Landscape Upgrade	\$50,000
86568 - AMI-AMR Implementation Subregional	\$75,000
86569 - Nutrient Removal Infrastructure Improvements	\$250,000
86572 - Laguna Treatment Plant Electrical Infrastructure Replacement	\$300,000
86573 - Superstructure Removal Phase 2	\$250,000
86577 - Reclamation System Condition Assessment Analysis - Phase 1	\$50,000
86586 - Upsize Geysers Connection to Delta Pond	\$400,000
86587 - Combined Heat and Power Engine Exhaust Piping Modifications	\$200,000
86588 - Digester Gas Conditioning Improvements	\$450,000
86589 - Replace Chillers and Climate Control Upgrades at Administration Building	\$725,000
86590 - Recycled Water Pond Metering, Valve Improvements	\$100,831
Santa Rosa Water Department Total	\$29,911,057

Capital Improvement Program (CIP)

Department: Transportation and Public Works

02034 - Miscellaneous Library Improvements	\$773
09708 - ADA Settlement-Facilities Project	\$1,200,000
17014 - Slurry Seal Selected Streets	\$370,778
17015 - Sidewalk Program	\$400,000
17016 - Street Overlay - Various Locations	\$1,579,334
17075 - Hearn Avenue at Highway 101 Interchange	\$2,600,000
17116 - Slurry Seal Preparation and Traffic Control	\$450,000
17134 - Traffic Safety Projects	\$40,000
17216 - Stony Point Road Widening - Sebastopol Road to Hearn Ave	\$300,000
17238 - Pavement Markings - Various Locations	\$75,000
17269 - Traffic Signal Interconnect	\$30,000
17308 - Bicycle Master Plan Project	\$20,000
17317 - Annual Pedestrian Access Ramp	\$179,516
17325 - Bridge Repairs per CalTrans Inspection Reports	\$35,000
17341 - Pacific Avenue Reconstruction	\$706,755
17346 - McDonald Area Traffic Calming	\$60,000
17377 - Farmers Lane at Fourth Street	\$50,000
17444 - Fulton Rd from Guerneville Rd to Piner Rd - Widen to Four Lanes	\$48,000
17450 - Contract Pavement Preventive Maintenance	\$550,000
17477 - Pre Design Planning CIP	\$190,000
17483 - SMART Planning and Design	\$10,000
17496 - CIP Grant & Environmental Support	\$15,000
17497 - Hearn Ave Crossing with SMART	\$319,518
17522 - Hoen Ave Washout Repair	\$265,000
17526 - Fulton Rd Sidewalk Improvements - College to Santa Rosa Creek	\$24,000
17531 - LED Street Light Replacement Program	\$600,000
17534 - Streetlight Wire Replacement	\$160,000
17537 - Citywide Ped Enhancements	\$150,000
17543 - College Ave from Marlow Rd to Kowell St - Pedestrian Path	\$100,000
17546 - Signal Bike/Vehicle Detection Various	\$80,000
17547 - Montgomery Drive and Sotoyome Street Signal Modification	\$201,482
17558 - McConnell Pedestrian Hybrid Beacon	\$250,000
17561 - Citywide Green Bike Lane Transition Enhancements	\$60,000
17562 - Corporation Yard Security	\$1,394
17571 - One Bay Area Grant (OBAG) 2 - Bicycle and Pedestrian Gap Closures	\$20,000
17572 - Flashing Yellow Arrow Retrofit	\$1,034,000
17576 - Electric Vehicle Charging-Courthouse Square	\$25,000
17578 - Fuel Station Repair Municipal Service Center North	\$34,780
17580 - OBAG 2 Pavement Rehabilitation	\$20,000
Transportation and Public Works Department Total	\$12,255,330

Total FY 2017-18 CAPITAL BUDGET REQUEST

\$46,947,153

Conclusion

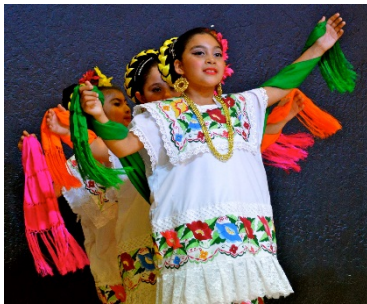
As in recent years, the FY 2017-18 CIP Budget was developed within the limited financial resources available. Development fees, grants, special sales taxes, and enterprise fund revenues are not adequate to fund all of the necessary infrastructure improvements identified in the City. Staff will continue 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 year 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 March and April for the City Council Goals Setting Workshop to develop the City Council Goals and Priorities.



The Santa Rosa City Council previously established six broad goal areas to move the City forward. They include:

- 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 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.

City Council Goals

The City continues to operate under the framework of the established City Council Goals. The 2017 City Council Goal Setting established priorities where City staff and resources will be directed in the coming year. Tier 1 Priorities reflect the Council's highest priorities. Tier 2 Priorities will also be addressed based on resources available.

Tier 1: Council's Top Priorities which will receive primary staff attention

- 1.1 Reduce homelessness through a comprehensive strategy.
- 1.2 Develop a comprehensive housing strategy – "Housing for All," including:
 - Implement the Housing Action Plan
 - Implement rental housing inspection
 - 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.

Tier 2: Projects to receive attention as resources permit

- 2.1 Ensure long term revenue stability:
 - 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 21st 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.
- 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.

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 Violence 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 \$7.6M annually over the past 13 years. Revenues for FY 2017-18 are budgeted at \$9.5M.



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 funding for youth and violence prevention and intervention programs. Administered by the Office of Community Engagement, funding provides leadership, coordination and resources to the Santa Rosa Violence Prevention Partnership and continuum of youth and family services that work together toward the prevention and reduction of youth and gang violence in Santa Rosa. It also provides funding for the Recreation & Parks Department to provide direct services and high quality youth development programs in high-need areas of Santa Rosa. Please follow this link to the Measure O Implementation Plan: <http://srcity.org/188/Measure-O-Oversight-Committee>

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 FY 2017-18 Measure O budget provides funding for positions consistent with the uses and purposes outlined in the Implementation Plan. All programs were subject to ongoing labor agreements that increased salaries and increased benefit costs in retirement and health insurance premiums. Total Measure O authorized positions for FY 2017-18 remains at 38.5 FTE; 10.0 in the Fire department, 19.0 in the Police department and 9.5 in Violence Prevention.



Measure O Overview

The following budget highlights point out major budget changes for each program:

Fire: In FY 2017-18, Salaries and Benefits expenditures went up slightly by \$66K reflecting current labor agreements, Citywide benefit cost increases and additional overtime. The department also saw a slight drop of \$11K in Administrative Overhead.

Police: For FY 2017-18, Salaries and Benefits expenditures went up by \$63K reflecting the current labor agreements, Citywide benefit cost increases, additional overtime and reductions in personnel charge-outs resulting in higher department costs. Equipment Repair and Replacement costs decreased by \$6K due to lower anticipated maintenance costs and the replacement of one Police vehicle. The department also saw a slight drop of \$11K in Administrative Overhead.

Violence Prevention: For FY 2017-18, in the Office of Community Engagement, Salaries and Benefits went up by \$70K reflecting the current labor agreements, Citywide benefit cost increases and a reduction in the California Gang Reduction, Intervention, and Prevention (CalGRIP) grant reimbursement which is scheduled to end 12/31/17 resulting in higher department labor costs. Large reductions also are reflected in Service and Supplies for the Partnership Strategic Plan in the amount of \$35K, Community Services Scorecard down \$50K and the Community Awareness Outreach costs of \$24K. These costs were one time additional needs last budget year which have not been repeated this year. The department also saw a decrease of \$3K in Administrative Overhead.

For Recreation and Parks, Temporary Salaries and Benefits increased by \$48K for the additional staffing needed to run new sites/programs and to reflect additional costs due to the state mandated minimum wage increase. The department also saw a decrease of \$3K in Administrative Overhead.

Measure O Overview

FIRE - MEASURE O:	FY 2017-18 Proposed Budget	FY 2016-17 Current Budget	Change
Salaries	1,609,719	1,557,518	52,201
Benefits	993,416	979,633	13,783
Services and Supplies	70,705	69,631	1,074
Administrative Overhead	104,550	115,410	(10,860)
Capital	-	-	-
Total Operating	2,778,390	2,722,192	56,198
Interim Fire Stations (CIP)			
Debt Service - Fountaingrove Fire Station	367,727	367,727	-
TOTAL FIRE - MEASURE O	3,146,117	3,089,919	56,198

POLICE - MEASURE O:	FY 2017-18 Proposed Budget	FY 2016-17 Current Budget	Change
Salaries	2,167,664	2,121,097	46,567
Benefits	1,296,564	1,280,240	16,324
Services and Supplies	187,318	193,024	(5,706)
Administrative Overhead	104,550	115,410	(10,860)
Capital - Vehicles	-	-	-
Total Operating	3,756,096	3,709,771	46,325
Projects	-	-	-
TOTAL POLICE - MEASURE O	3,756,096	3,709,771	46,325

VIOLENCE PREVENTION MEASURE O:	FY 2017-18 Proposed Budget	FY 2016-17 Current Budget	Change
Salaries	876,961	776,717	100,244
Benefits	297,851	269,058	28,793
Services and Supplies	151,935	263,036	(111,101)
Grants Program	643,870	650,110	(6,240)
Administrative Overhead	52,276	57,706	(5,430)
Total Operating	2,022,893	2,016,627	6,266
TOTAL VIOLENCE PREV - MEASURE O	2,022,893	2,016,627	6,266

TOTAL - ALL MEASURE O FUNDS	8,925,106	8,816,317	108,789
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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.

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 costs 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.

During the first quarter of the year, the City Council holds a public hearing to solicit information from Santa Rosa residents on their budget priorities. The input from the public hearing provides Council members and City staff input prior to the Council Goal setting process and the development of the City's budget. The City encourages public participation at City Council public hearings, financial updates, community outreach events and the online budget comment form. In February and March, departments prepare their operations and maintenance budgets based on the budget guidelines, public feedback from outreach events, 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 and April, the Budget and Financial Planning staff reviews each department's budget and prepares the budgets for review by the Chief Financial Officer. The Chief Financial Officer and the City Manager review the requests and makes adjustments as needed. The proposed 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 around June 1. The City Council holds public hearings in mid-June and generally adopts the Operations and Maintenance and Capital Improvement Program budgets at the end of the hearings. The final budget document is then printed and distributed.

Around mid-year, the Budget and Financial Planning staff presents financial updates to the Council and the public. The update includes a discussion on 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 Chief Financial Officer and departments are constantly monitoring the budget throughout the year.

Budget Process and Calendar

	Residents	Mayor & City Council	City Administration
December	<ul style="list-style-type: none"> • Input on Budget Priorities • Direct contact with Mayor and Council by attending City Council meetings and study sessions • Community outreach events and online budget comment form 	<ul style="list-style-type: none"> • Receive information from the public 	<ul style="list-style-type: none"> • Gather assumptions for upcoming year's budget process • Receive information from the public
January February	<ul style="list-style-type: none"> • Provide input during annual budget priorities public hearing • Participate in an community outreach events • Participate in Mid-Year Financial update 	<ul style="list-style-type: none"> • Receive input at budget priorities public hearing and community outreach events • Receive information from Mid-Year Financial Update, offer guidance and feedback • Participate in City Council goal setting session (every 2 years) 	<ul style="list-style-type: none"> • Receive input at public hearing and community outreach events for use in preparation of upcoming FY budget • Present Mid-Year Financial Update to Council and public for the General Fund and the Capital Improvement Program • Prepare upcoming FY budget request
March April	<ul style="list-style-type: none"> • Offer feedback to Council and staff by attending City Council meetings, written correspondence and online budget comment form 	<ul style="list-style-type: none"> • Receive feedback from the public and staff through City Council meetings, written correspondence and online budget comment form. 	<ul style="list-style-type: none"> • Review and refine each department budget request for upcoming Fiscal Year • Analyze budget balancing strategies and service delivery options within the constraints of the financial outlook
May	<ul style="list-style-type: none"> • Attend City Council study sessions to gain information and offer input 	<ul style="list-style-type: none"> • Attend City Council study sessions 	<ul style="list-style-type: none"> • Prepare materials for review by the Council and public • Review the budget with City Council at study sessions • Refine as necessary based on feedback
June	<ul style="list-style-type: none"> • Attend Budget Public Hearing (last chance to provide feedback on proposed budget) 	<ul style="list-style-type: none"> • Attend City Council Budget Public Hearing to review each department's budget with department representatives and Budget staff 	<ul style="list-style-type: none"> • Prepare draft budget documents for review by Council and public at public counters and online • Prepare materials to be reviewed at Budget Public Hearing • Participate in Budget Public Hearing and present final information to Council and the public
July August			<ul style="list-style-type: none"> • Finalize the budget documents, print copies, post online and ensure public and Council access to information.



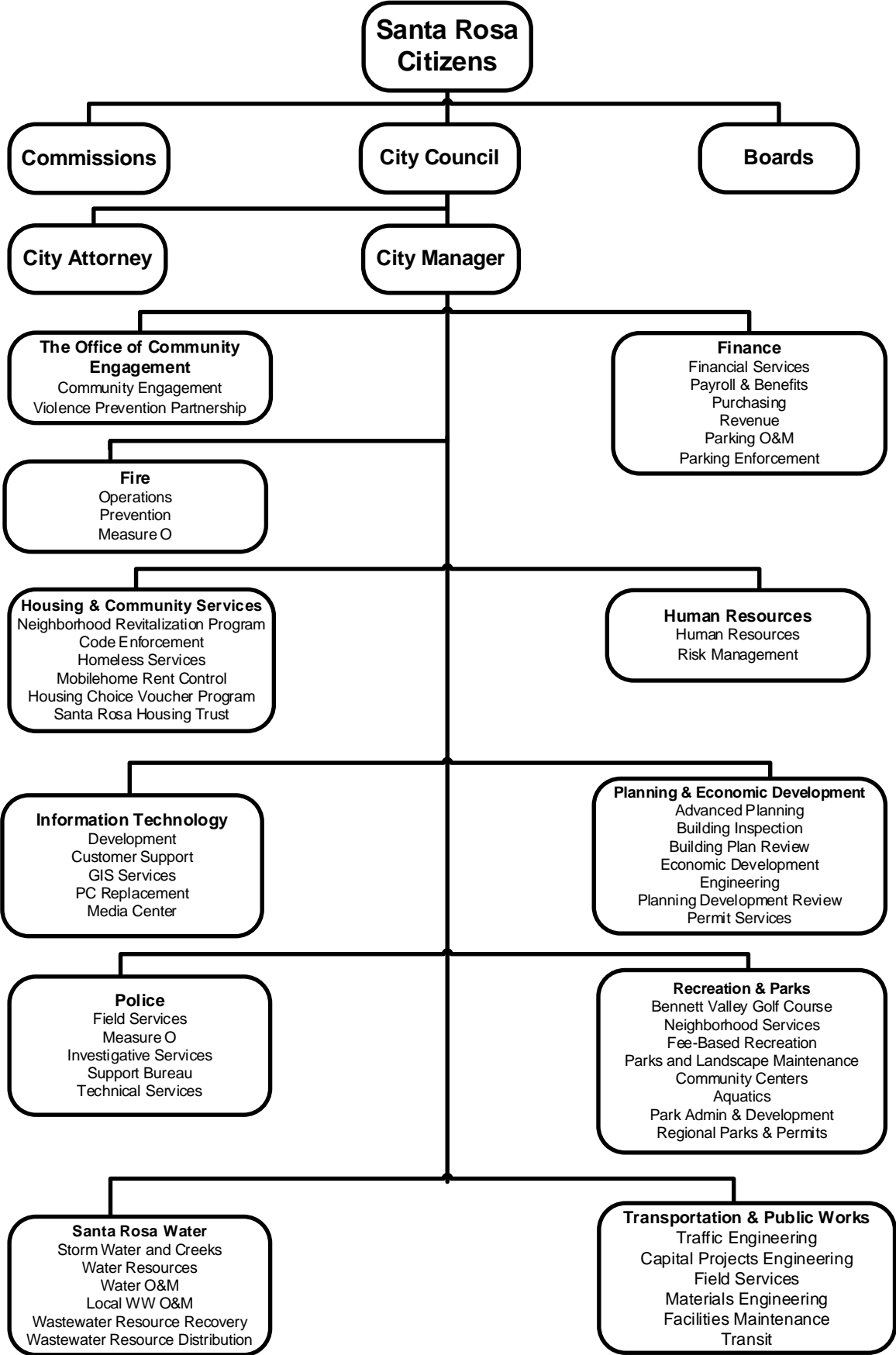
We are committed to a creative process which develops mutual respect and pride in ourselves and the community.

To this end we value:

- Providing Quality Service
- Encouraging Accessibility, Open Communication and Participation in Decision Making
- Seeking and Celebrating Diversity
- Developing an Environment of Mutual Trust, Fairness, Sensitivity and Dignity
- Promoting Confidence in the Individual Capabilities and Cooperation Throughout the Organization
- Adapting to the Changing Circumstances of the Community

ORGANIZATIONAL VALUES

City of Santa Rosa Organizational Chart



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 more than 400 Sonoma County wineries and 197 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 Rec & Parks Facebook page -Kid's Fishing Derby

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 Street, featuring an array of booths with food, music, agricultural products, arts, and crafts.

Santa Rosa is known as one of the top cycling destinations in the world and has hosted a stage, start or finish of the Amgen Tour of California eight of the eleven years the tour has run. The City hosted the 2016 Men's Stage 7 and Women's Stage 3 races of the Tour. The Amgen Tour has been an event that attracts large crowds and visitors. Santa Rosa also hosts Levi's GrandFondo, started by former professional cyclist Levi Leipheimer. It began in 2009 and benefits local communities and charities.

Santa Rosa recently became the new home to Ironman Vineman. Participants will swim, bike and run their way through Santa Rosa and surrounding areas. Ironman Village will be open at beautiful Courthouse Square July 29-30, 2017.



On summer evenings, there are outdoor concerts in Juilliard Park and Courthouse Square that fill the air with music. Live theater is available at the Santa Rosa Junior College Summer Repertory Theatre, the Luther Burbank Center for the Arts, and the 6th Street Playhouse. In addition to theatre, the Luther Burbank 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.

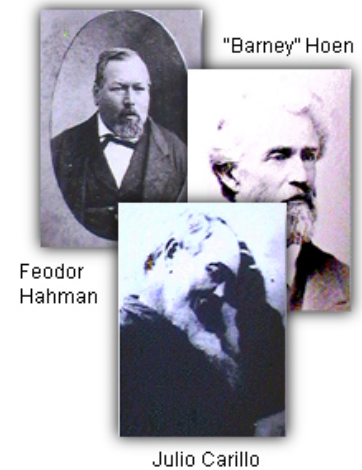
According to popular legend, this area was named Santa Rosa by Father Juan Amorosa. After baptizing a young Native American woman in a stream, he followed the usual custom of naming rivers and creeks for saints. Because the baptism took place on the day of the Feast of Santa Rosa de Lima, Santa Rosa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

City at a Glance

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 Designed 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

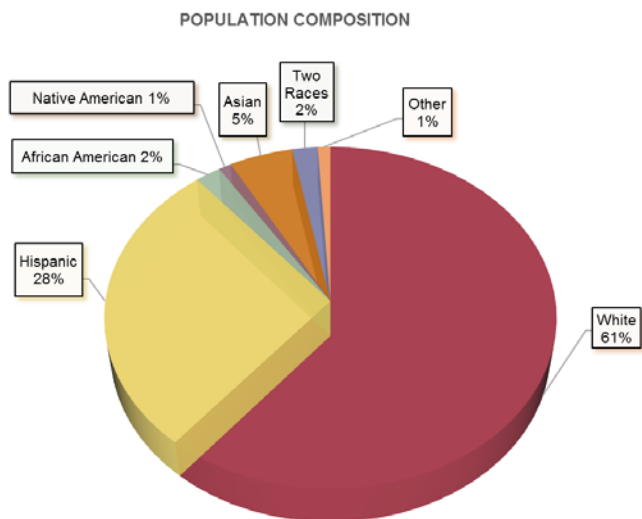
LOCATION

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 41.5 square miles. The City's Urban Growth Boundary includes 45 square miles. Santa Rosa is 167 feet above sea level and we are the 27th largest city in the state.



Source: US Census Bureau, 2013 Census; American Community Survey 2009-2013

According to the latest US Census Bureau QuickFacts 2011 - 2015, there are approximately 2.64 persons per household, the median age is 37.6 and the median household income is \$61,7050. The homeownership rate was 52.7% with a median value of \$386,100 for owner-occupied homes. In regard to the education of Santa Rosa residents, the survey states 85.7% are high school graduates and 30.8% have a bachelor's degree or beyond. The gender distribution is 51% female and 49% male. Approximately 12.6% of the City of Santa Rosa's population lives below poverty level.

The US Census Bureau estimates the City of Santa Rosa population at 174,972 (July 2015). The unemployment rate, provided by The U.S. Bureau of Labor Statistics, was 4.1% (January 2017). The table to the left displays Santa Rosa's major employers.

Major Employers (2016)	
Employer	Employees
County of Sonoma	3,886
Kaiser Permanente	2,640
Santa Rosa Junior College	1,675
Santa Rosa School District	1,608
St. Joseph Health System	1,578
Keysight/Agilent Technologies	1,300
City of Santa Rosa	1,249
Sutter Medical Center of Santa Rosa	936
Amy's Kitchen	870
Medtronic/Arterial Vascular Eng	840
Total	16,582

Source: City of Santa Rosa CAFR; all figures approximate

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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 operating fund of the City, used to account for all revenues and expenditures of the City not legally restricted as to use or required to be accounted for in another fund. The majority of funding of City operations and most of the City’s services are derived from the first four groups.

The “All City Funds” schedule consolidates all funds Citywide 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. 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 2017-18

	GENERAL FUND	ENTERPRISE FUNDS	SPECIAL REVENUE FUNDS	OTHER FUNDS	HOUSING AUTHORITY	SUCCESSOR AGENCY	TOTAL ALL FUNDS
ESTIMATED RESERVES- JUNE 30, 2017	35,800,000	157,111,000	42,213,000	1,990,000	7,840,000	-	244,954,000
REVENUES:							
Sales Tax	48,813,344	-	13,304,178	-	-	-	62,117,522
Property Tax	26,449,735	-	-	-	-	4,088,901	30,538,636
Other Taxes	33,283,320	829,412	251,491	86,744	-	-	34,450,967
Vehicle License Fees	13,626,872	-	-	-	-	-	13,626,872
Licenses & Permits	1,647,056	4,267	-	-	-	-	1,651,323
Fines & Forfeitures	1,753,523	-	400,000	-	-	-	2,153,523
Intergovernmental Revenue	700,215	26,611,434	5,347,837	-	23,618,008	-	56,277,494
Uses of Money & Property	161,755	1,177,781	45,059	215,000	8,164	-	1,607,759
Charges for Services	11,794,499	126,154,342	1,995,562	275,000	768,300	-	140,987,703
Interfund Charges	12,476,324	-	-	4,932,285	1,123,330	-	18,531,939
Miscellaneous	2,363,902	696,000	1,439,000	-	3,925,064	-	8,423,966
TOTAL REVENUES	153,070,545	155,473,236	22,783,127	5,509,029	29,442,866	4,088,901	370,367,704
TRANSFERS IN	2,784,130	75,755,619	4,126,751	16,451,949	881,287	-	99,999,736
TOTAL REV & TRNSFS IN	155,854,675	231,228,855	26,909,878	21,960,978	30,324,153	4,088,901	470,367,440
EXPENDITURES:							
General Government	19,796,166	8,728,393	1,284,159	215,000	-	4,088,901	34,112,619 *
Housing & Community Svcs	1,229,857	-	2,236,637	-	32,279,929	-	35,746,423
Fire	38,456,107	-	2,803,390	1,401,511	-	-	42,661,008
Planning & Economic Dev.	10,399,190	-	504,500	-	-	-	10,903,690
Police	53,934,508	-	4,556,096	-	-	-	58,490,604
Recreation & Parks	15,377,188	518,998	789,106	1,236,518	-	-	17,921,810
Transportation & Public Works	19,715,881	14,710,128	248,109	12,255,330	-	-	46,929,448 **
Water	329,069	137,259,799	-	633,826	-	-	138,222,694 ***
Non-Departmental	(4,971,153)	-	-	4,830,714	-	-	(140,439)
TOTAL EXPENDITURES	154,266,813	161,217,318	12,421,997	20,572,899	32,279,929	4,088,901	384,847,857
TRANSFERS OUT	7,106,450	76,928,557	15,886,019	867,130	-	-	100,788,156
TOTAL EXP & TRNSFS OUT	161,373,263	238,145,875	28,308,016	21,440,029	32,279,929	4,088,901	485,636,013
SURPLUS / (DEFICIT)	(5,518,588)	(6,917,020)	(1,398,138)	520,949	(1,955,776)	-	(15,268,573)
ESTIMATED RESERVES- JUNE 30, 2018	30,281,412	150,193,980	40,814,862	2,510,949	5,884,224	-	229,685,427

General Government includes: City Attorney, City Council, City Manager, Office of Community Engagement, Finance, Human Resources and Information Technology

* Total General Government = \$73,914,945 (includes Insurance Internal Service Fund \$31,652,459 & Information Technology Internal Service Funds \$8,149,867).

** Total Transportation & Public Works = \$59,909,072 (includes Equipment and Repair Replacement Internal Service Fund \$12,070,722 & a portion of internally allocated Administration Fund \$908,902).

*** Total SR Water = \$146,091,764 (includes internally allocated Utilities Administration Fund \$7,869,070).

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.

Enterprise Funds Schedule

Enterprise funds account for City activities that are operated in a manner similar to private 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 the public golf course.
- **Parking Fund:** Accounts for the revenues and expenditures associated with the City's over 4,500 parking spaces, five multi-level garages and ten surface parking lots.
- **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 2017-18

	GOLF FUND	PARKING FUND	TRANSIT FUND	STORM WATER FUNDS	WATER FUND	LOCAL WASTEWTR FUND	SUBREG. WASTEWTR FUND	TOTAL ENTERPRISE FUNDS
ESTIMATED RESERVES- JUNE 30, 2017	1,272,000	11,877,000	-	1,638,000	42,437,000	65,729,000	34,158,000	157,111,000
REVENUES:								
Sales Tax	-	-	-	-	-	-	-	-
Property Tax	-	-	-	-	-	-	-	-
Other Taxes	-	-	829,412	-	-	-	-	829,412
Vehicle License Fees	-	-	-	-	-	-	-	-
Licenses & Permits	-	4,267	-	-	-	-	-	4,267
Fines & Forfeitures	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	10,664,486	84,000	-	510,161	15,352,787	26,611,434
Uses of Money & Property	186,000	30,000	-	-	300,000	471,781	190,000	1,177,781
Charges for Services	350,000	4,354,480	1,729,553	2,414,925	46,591,214	69,060,064	1,654,106	126,154,342
Interfund Charges	-	-	-	-	-	-	-	-
Miscellaneous	14,000	65,000	-	42,000	14,000	31,000	530,000	696,000
TOTAL REVENUES	550,000	4,453,747	13,223,451	2,540,925	46,905,214	70,073,006	17,726,893	155,473,236
TRANSFERS IN	-	1,063,937	979,529	-	310,000	-	73,402,153	75,755,619
TOTAL REV & TRNSFS IN	550,000	5,517,684	14,202,980	2,540,925	47,215,214	70,073,006	91,129,046	231,228,855
EXPENDITURES:								
General Government	-	8,728,393	-	-	-	-	-	8,728,393
Housing & Community Srvc	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Planning & Economic Dev.	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Recreation & Parks	518,998	-	-	-	-	-	-	518,998
Transportation & Public Works	-	-	14,202,980	507,148	-	-	-	14,710,128
Water	-	-	-	1,938,409	47,366,132	23,581,300	64,373,958	137,259,799
Non-Departmental	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	518,998	8,728,393	14,202,980	2,445,557	47,366,132	23,581,300	64,373,958	161,217,318
TRANSFERS OUT	-	-	-	500,000	2,715,689	49,753,399	23,959,469	76,928,557
TOTAL EXP & TRNSFS OUT	518,998	8,728,393	14,202,980	2,945,557	50,081,821	73,334,699	88,333,427	238,145,875
SURPLUS / (DEFICIT)	31,002	(3,210,709)	-	(404,632)	(2,866,607)	(3,261,693)	2,795,619	(6,917,020)
ESTIMATED RESERVES- JUNE 30, 2018	1,303,002	8,666,291	-	1,233,368	39,570,393	62,467,307	36,953,619	150,193,980

Internal Service Funds Schedule

Internal Service Funds are used to report the activities that provide goods and services to other funds, departments, or component units of City programs or 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 cost of maintenance and accumulation of resources for replacement of city vehicles.
- **Insurance Fund:** Accounts for the costs of providing various types of insurance to all departments within the City, including liability and workers' 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.

Internal Service Funds Schedule FY 2017-18

	EQUIPMENT REPAIR & REPLACEMENT FUND	INSURANCE FUND	INFORMATION TECHNOLOGY FUND	TOTAL INTERNAL SERVICE FUNDS
ESTIMATED RESERVES- JUNE 30, 2017	17,813,000	7,536,000	967,000	26,316,000
REVENUES:				
Sales Tax	-	-	-	-
Property Tax	-	-	-	-
Other Taxes	-	-	-	-
Vehicle License Fees	-	-	-	-
Licenses & Permits	-	-	-	-
Fines & Forfeitures	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Uses of Money & Property	-	-	-	-
Charges for Services	-	-	-	-
Interfund Charges	8,977,108	32,486,609	7,441,468	48,905,185
Miscellaneous	87,000	-	20,000	107,000
TOTAL REVENUES	9,064,108	32,486,609	7,461,468	49,012,185
TRANSFERS IN	-	-	788,420	788,420
TOTAL REV & TRNSFS IN	9,064,108	32,486,609	8,249,888	49,800,605
EXPENDITURES:				
General Government	-	31,652,459	8,149,867	39,802,326
Housing & Community Services	-	-	-	-
Fire	-	-	-	-
Planning & Economic Development	-	-	-	-
Police	-	-	-	-
Recreation & Parks	-	-	-	-
Transportation & Public Works	12,070,722	-	-	12,070,722
Water	-	-	-	-
Non-Departmental	-	-	-	-
TOTAL EXPENDITURES	12,070,722	31,652,459	8,149,867	51,873,048
TRANSFERS OUT	-	-	-	-
TOTAL EXP & TRNSFS OUT	12,070,722	31,652,459	8,149,867	51,873,048
SURPLUS / (DEFICIT)	(3,006,614)	834,150	100,021	(2,072,443)
ESTIMATED RESERVES- JUNE 30, 2018	14,806,386	8,370,150	1,067,021	24,243,557

Fund Use by Department

The following matrix shows which funds each Department is a part of:

Department	General Fund	Enterprise Funds	Special Revenue Funds	Internal Service Funds	Housing Authority	Successor Agency to the Redev. Agency	Other Funds
City Attorney	√						
City Council	√						
Office of Community Engagement	√		√				
City Manager	√						
Fire	√		√				√
Finance	√	√				√	√
Housing & Community Services	√		√		√		
Human Resources	√			√			
Information Technology				√			
Planning & Economic Development	√		√				
Police	√		√				
Recreation & Parks	√	√	√				√
Transportation & Public Works	√	√	√	√			√
Santa Rosa Water	√	√					√
Non-Departmental	√						√

Enterprise Funds:

Golf Fund
 Parking Fund
 Municipal Transit Fund
 Storm Water Fund
 Water Utility Fund
 Local Wastewater Utility Fund
 Subregional Wastewater Utility Fund

Special Revenue Funds:

Gas Tax Funds
 Federal Grants Fund
 State Grant Fund
 Measure "O" Funds
 Development Impact Fees Fund
 Homeless Shelter Operations Fund
 Santa Rosa Tourism BIA Fund

Internal Service Funds:

Equipment Repair and Replacement Funds
 Insurance Fund
 Information Technology Funds

Housing Authority Funds:

Community Development Block Grant Fund
 Housing Choice Voucher Program Fund
 Housing Operations Funds

Successor Agency to the Redevelopment Funds:

Debt Service Funds (ROPS)

Other Funds:

Debt Service Funds
 Capital Improvement Fund
 Special Assessment Funds
 Trust and Agency Funds

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City Revenues

General Fund

Description:	2016-17 Projected Revenues	2017-18 Proposed Budget	Dollar Change	Percent Change
Tax Revenue Detail				
Sales Tax - Local	\$ 36,978,509	\$ 38,457,649	\$ 1,479,140	4.0%
Sales Tax - Measure P	8,786,665	9,138,132	351,467	4.0%
Sales Tax - Prop 172	1,170,734	1,217,563	46,829	4.0%
Property Taxes	25,471,798	26,449,735	977,937	3.8%
Utility Use Taxes	10,229,908	9,723,982	(505,926)	-4.9%
Franchise Fees	8,640,131	8,812,812	172,681	2.0%
Motor Vehicle License Fees	13,105,031	13,626,872	521,841	4.0%
Business Licenses	4,278,329	4,363,896	85,567	2.0%
Real Property Transfer Tax	4,278,091	4,406,434	128,343	3.0%
Transient Occupancy Tax	5,745,800	5,975,632	229,832	4.0%
Lobbyist Registration Fees	564	564	-	0.0%
Total Tax Revenues	\$118,685,560	\$122,173,271	\$ 3,487,711	2.9%
Other Revenue Detail				
Licenses and Permits	\$ 1,573,667	\$ 1,647,056	\$ 73,389	4.7%
Fines and Forfeitures	1,703,712	1,753,523	49,811	2.9%
Intergovernmental Revenue	700,215	700,215	-	0.0%
Use of Money and Property	161,755	161,755	-	0.0%
Charges for Services	7,166,825	7,769,499	602,674	8.4%
Interfund Charges	12,817,916	12,476,324	(341,592)	-2.7%
Miscellaneous Revenues	5,395,076	2,363,902	(3,031,174)	-56.2%
Recreation Fees and Revenues	3,824,500	4,025,000	200,500	5.2%
Total Other Revenues	\$ 33,343,666	\$ 30,897,274	\$ (2,446,392)	-7.3%
Total General Fund Revenues	\$152,029,226	\$153,070,545	\$ 1,041,319	0.7%

City Revenues

General Fund

Total General Fund revenues are projected to be \$153.1M during the FY 2017-18. This represents a \$1.0M, or 0.7% increase over projected FY 2016-17 revenues. The increase is diluted by several one-time revenues which were received in FY 2016-17 and are not expected to be repeated in FY 2017-18 which are explained by category below. After eliminating the multiple one-time revenues we received in FY 2016-17, the true increase in revenue is \$4.8M, or 3.25%.

Sales Tax revenues (including Measure P) are projected to increase this year by 4.0%, or about \$1.9M. Measure P, the voter-approved, quarter-cent sales tax, is projected to generate approximately \$9.1M in revenue for FY 2017-18. In November 2016, the voters approved the extension of this tax measure until 2027. Sales tax revenues account for close to a third of General Fund revenues (32%) and account a large part of the increase in General Fund revenues from FY 2016-17 to FY 2017-18. 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 FY 2017-18.

Sales tax has continued to experience growth in overall retail sales, with the strongest sector being auto sales. The forecast beyond FY 2017-18 shows continued growth at 3%, assuming new car sales will slow, but overall retail sales will continue to grow, but at a slower pace. 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 \$26.4M for FY 2017-18, a \$978K or 3.8% increase from the previous fiscal year. This increase is due to expected steady growth in home prices and sales. Property values are anticipated to remain strong for the coming year with a modest slow down to 2% growth looking forward.

Utility Users Tax (UUT) revenues are projected to drop by \$506K or 4.9% during FY 2017-18. It is anticipated that the UUT-Telephone revenues could decline by 50% this year due to changes in the federal law concerning collectability. This could result in a decline of UUT-Telephone revenues by \$596K in FY 2017-18. The other UUT revenues are anticipated to increase by \$90K or 1% over FY 2016-17.

Franchise Fees are projected to increase by \$173K or 2.0% in FY 2017-18 over the previous year due to modest increases in all categories. Franchise fee revenue for garbage disposal is the largest component of this revenue source, comprising \$5.1M or 57.3% of the total franchise fee revenues for FY 2017-18.

Motor Vehicle License Fees, which essentially fluctuate with the annual assessed property valuation, are expected to mirror the property tax trend and increase by 4% in FY 2017-18, approximately \$522K above FY 2016-17.

Business Tax revenues are projected to grow by \$86K or 2% for FY 2017-18 over the previous year. With a \$3,000 cap on Business taxes, 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 to increase by \$128K or 3.0% in FY 2017-18 over the previous year. This tax is collected based on the sale of homes in Santa Rosa which are projected to remain steady during the coming year. This 3% increase is lower than the anticipated growth in property taxes since this revenue is based entirely on home sale values and not on overall property values.

Transient Occupancy Tax (TOT) revenue is projected to grow by \$230K or 4% for FY 2017-18, totaling just under \$6.0M. Santa Rosa tourism continues to increase with occupancy rates and average daily hotel rates seeing their highest totals since before the economic downturn. This increase is expected to continue over the next few years.

City Revenues

License and Permit Revenues are projected to be \$73K or 4.7% higher in FY 2017-18 over the previous year. The primary driver of this category is Building Division Permit Fees which are expected to come in at \$1.4M this year which makes up 82% of the total revenue of \$1.6M.

Fines and Forfeitures are expected to increase by \$50K or 2.9% in FY 2017-18. Parking Violation revenue makes up most this category at \$1.3M or 73% of the total. Other fines and fees are projected to grow by 3%.

Intergovernmental Revenues are received from grant funds and other government entities. This revenue is expected to remain flat for FY 2017-18 with no projected increase over FY 2016-17. Since we do not budget for grant revenues which are not certain for next year, this revenue is primarily comprised of the following: Sonoma County Auto Theft Task Force \$152K, Crime Impact Mitigation/Casino \$287K and the Roseland Fire Contract \$224K.

Interfund Charges are projected at \$12.5M for FY 2017-18, a decrease of \$342K or 2.7% when compared to FY 2016-17. This is due entirely to a decrease in Citywide overhead charges that are distributed to various departments and funds within the City.

Charges for Services are expected to increase \$603K in FY 2017-18 or 8.4%. Most of this increase is coming from the following Planning and Economic Development revenues: Planning Fees \$217K, Building Plan Review Fees \$254K and Engineering Fees of \$110K.

Miscellaneous Revenues are expected to come in at \$2.4M during FY 2017-18 reflecting a decrease of \$3.0M or 56.2%. Most of the decrease was related to a one-time settlement for \$2.0M from Northbay Corporation related to the termination of our garbage contract and an additional \$1.3M the City received from Village Gardens.

Recreation Fees and Revenues are projected to increase \$201K or approximately 5.2% to \$4.0M for FY 2017-18. The increases are spread among multiple programs and activities within the department.

The following paragraphs discuss the Enterprise Fund Revenues collected by the City. More detailed revenue information can be found under the Enterprise Fund Schedule.

Water Fund

The Water Utility's main source of revenue is rates, which make up close to 93% of the total revenue. Water rate revenues for FY 2017-18 are expected to increase to \$43.8M which is 7.3% higher than budgeted revenues for FY 2016-17. This is based on a 5.0% increase to water fixed charges and an average 2.2% increase to water usage charges. Assumption is that water usage will be flat compared to FY 2016-17. Demand fees are projected to increase by 56.0%, from \$1.0M in FY 2016-17 to \$1.56M in FY 2017-18. Total revenues for the Water Utility, including demand fees are estimated at \$46.9M for FY 2017-18.

Local Wastewater Fund

Rate revenue comprises approximately 95% of the projected revenue for the upcoming year for the Local Wastewater Utility. Wastewater rate revenues are expected to decrease by less than 1% in FY 2017-18 to \$66.5M. The decrease is driven by lower anticipated delinquent fees and miscellaneous Utility Billing Fees. Overall, rates are expected to increase 3% in the sewer fixed and usage charge and the assumption that sewer usage will increase 2% based on 2016 winter water usage. Wastewater demand fees are expected to remain flat in FY 2017-18 at \$2.5M. Total Wastewater Utility revenues, including demand fees are estimated at \$70.1M for FY 2017-18.

City Revenues

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 their 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. Subregional Wastewater revenues are expected to increase 8.8% in FY 2017-18 to \$17.7M from \$16.3M last fiscal year.

Golf Course Fund

Golf revenues are projected to be down 2.8% by \$16K for the FY 2017-18 budget year. The decrease is driven by \$20K decrease in Operator Fees. Overall, total Golf Course revenues are \$550K less budgeted expenditures of \$519K, for a net surplus of \$31K.

Parking Fund

Parking revenues reflect an increase of 6.4% for FY 2017-18. Total budgeted Parking revenues are \$4.45M for FY 2017-18 versus \$4.19M for FY 2016-17. Overall, Parking Fund revenues plus the net of transfers along with budgeted expenditures result in a net deficit of \$3.2M to the fund. This deficit is largely due to the intentional use of fund balance to fund several new projects including garage repair and upgrades, replacement of coin-only meters with credit card enabled meters and parking lot asphalt maintenance.

Transit Fund

Transit revenues reflect a slight increase of less than 1% for FY 2017-18. Total budgeted Transit revenues are \$13.2M for FY 2017-18, versus \$13.1M for FY 2016-17.

Multi-Year Revenue Summary – All Funds

FUND	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget/Estimate	2017-18 Budget
GENERAL FUND REVENUES:					
Sales Tax	41,330,687	43,338,044	46,636,403	46,935,908	48,813,344
Property Tax	21,037,895	23,118,059	26,625,351	25,471,798	26,449,735
Other Taxes	28,016,194	29,654,300	31,383,144	33,172,823	33,283,320
Vehicle License Fees	10,576,828	11,553,426	12,416,153	13,105,031	13,626,872
Licenses & Permits	1,569,428	1,406,754	1,435,463	1,573,667	1,647,056
Fines & Forfeitures	1,864,984	1,793,971	1,842,158	1,703,712	1,753,523
Intergovernmental Revenue	2,575,819	3,604,345	4,561,741	700,215	700,215
Uses of Money & Property	150,010	247,822	694,779	161,755	161,755
Charges for Services	9,608,671	9,428,800	10,191,760	10,991,325	11,794,499
Interfund Charges	11,737,016	12,084,404	12,455,110	12,817,916	12,476,324
Miscellaneous	4,552,263	5,891,007	4,003,750	5,395,076	2,363,902
TOTAL GENERAL FUND REVENUES	133,019,795	142,120,932	152,245,812	152,029,226	153,070,545
ENTERPRISE FUND REVENUES:					
Golf Fund	1,624,789	581,184	515,471	566,045	550,000
Parking Fund	4,882,623	5,072,440	4,656,471	4,186,507	4,453,747
Transit Fund	13,102,983	11,890,503	10,686,021	13,123,156	13,223,451
Storm Water Funds	2,227,004	2,279,919	2,552,814	2,499,723	2,540,925
Water Fund	44,816,280	42,266,567	43,272,625	43,331,778	46,905,214
Local Wastewater Fund	66,845,866	68,683,402	67,469,157	70,070,475	70,073,006
Subregional Wastewater Fund	33,795,115	16,291,554	15,715,544	16,295,889	17,726,893
TOTAL ENTERPRISE FUND REVENUES	167,294,660	147,065,569	144,868,103	150,073,573	155,473,236
SPECIAL REVENUE FUND REVENUES	24,766,524	23,174,620	23,439,009	19,204,295	22,783,127
OTHER FUNDS REVENUES	42,509,703	4,972,921	5,239,261	4,405,794	5,509,029
HOUSING AUTHORITY REVENUES	22,403,355	25,473,481	25,097,738	28,510,304	29,442,866
SUCCESSOR AGENCY TO THE REDEV. AGENCY	5,068,264	2,321,658	51,599,192	3,831,930	4,088,901
TOTAL REVENUES	395,062,301	345,129,181	402,489,115	358,055,122	370,367,704

NOTE: 'Other Funds' include: CIP, Debt Service, Special Assessment & Trust Funds.

Where applicable, Actual and Budgeted Revenue amounts above include proceeds from long-term borrowing.

On February 1, 2012, the Redevelopment Agency was dissolved. A Successor Agency to the 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.

Multi-Year Expenditure Summary – All Funds

FUND	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Budget
GENERAL FUND EXPENDITURES:					
City Attorney	2,100,052	2,175,962	2,386,399	2,590,408	3,067,461
City Council	598,951	737,017	521,029	1,158,128	1,140,021
City Manager	1,934,818	2,223,230	2,894,970	2,019,933	2,530,765
Office of Community Engagement	-	-	-	560,118	647,742
Finance	7,971,926	8,068,389	8,871,522	9,679,244	10,158,868
Human Resources	2,048,672	1,884,774	2,141,575	2,428,669	2,251,309
Subtotal - General Government	14,654,419	15,089,372	16,815,495	18,436,500	19,796,166
Housing & Community Services	-	-	561,641	1,307,767	1,229,857
Fire	31,021,132	31,580,515	32,928,993	34,827,082	38,456,107
Planning & Economic Development	3,913,572	4,312,163	6,785,168	8,276,546	10,399,190
Police	40,782,131	43,942,693	46,339,265	47,784,655	53,934,508
Recreation & Parks	13,562,063	14,473,798	16,196,596	13,180,511	15,377,188
Transportation & Public Works	12,367,491	12,894,689	12,867,139	16,542,380	19,715,881
Water	335,087	312,487	330,486	303,667	329,069
Non-Departmental	3,590,557	3,980,994	3,817,117	4,603,480	(4,971,153)
TOTAL GENERAL FUND EXPENDITURES	120,226,452	126,586,711	136,641,900	145,262,588	154,266,813
ENTERPRISE FUND EXPENDITURES:					
Golf Fund	2,084,430	1,204,488	1,069,228	555,553	518,998
Parking Fund	6,000,548	5,474,984	6,031,889	6,666,522	8,728,393
Transit Fund	17,351,111	13,346,954	15,678,044	13,133,156	14,202,980
Storm Water Funds	1,657,388	1,676,548	1,775,055	2,233,442	2,445,557
Water Fund	43,228,255	45,734,878	52,477,004	46,556,374	47,366,132
Local Wastewater Fund	28,506,094	25,280,874	32,045,333	22,939,251	23,581,300
Subregional Wastewater Fund	72,934,344	78,517,431	80,365,542	62,912,710	64,373,958
TOTAL ENTERPRISE FUND EXPENDITURES	171,762,170	171,236,157	189,442,095	154,997,008	161,217,318
SPECIAL REVENUE FUND EXPENDITURES	9,820,869	10,323,073	11,576,460	12,400,531	12,421,997
OTHER FUNDS EXPENDITURES:					
Capital Improvement Program (CIP) Fund	19,275,040	22,590,663	27,481,778	15,658,544	15,356,072
Debt Service Funds	37,931,849	5,667,337	5,017,526	4,752,795	4,830,714
Special Assessment Funds	25,164	18,868	42,608	71,159	76,556
Trust Funds	291,730	322,082	355,244	258,963	309,557
TOTAL OTHER FUNDS EXPENDITURES	57,523,783	28,598,950	32,897,156	20,741,461	20,572,899
HOUSING AUTHORITY EXPENDITURES	21,884,167	26,259,346	25,178,669	32,388,016	32,279,929
SUCCESSOR AGENCY TO THE REDEV. AGENCY	6,006,239	6,199,369	71,213,999	3,831,930	4,088,901
TOTAL EXPENDITURES	387,223,680	369,203,606	466,950,279	369,621,534	384,847,857

* NOTE: CIP Fund represents non-Enterprise CIP only;
Enterprise Fund CIP amounts are reflected in the appropriate Enterprise Fund.

Where applicable, Actual and Budgeted Expenditure amounts above include principal paid on bonds and notes as well as expenditures for acquisition and construction of capital assets.

On February 1, 2012, the Redevelopment Agency was dissolved. A Successor Agency to the 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.

City Debt

Computation of Legal Debt Margin as of June 30, 2016

The City has a legal debt limitation not to exceed 3.75% of the total assessed valuation of taxable property within the City boundaries. In accordance with California Government Code Section 43605, only the City's general obligation bonds are subject to the legal debt limit. With \$36,150,000 of debt subject to the limit and a legal debt limit of \$836,692,977, the City is not at risk of exceeding its legal debt limit.

<u>Computation of Legal Debt Margin</u>	
Assessed Value	\$22,311,812,719
Debt Limit (3.75% of Assessed Value)	\$836,692,977
Less Net Debt Applicable to Limit	(36,150,000)
Legal Debt Margin	\$800,542,977

Cities primarily have three choices in financing their operations and funding public facilities: Pay-as-you-go, public/private ventures, and debt financing. The City has used debt financing mainly to finance major capital facilities in the City's enterprises (Wastewater, Water, etc.) or to prepay long-term obligations for pension costs at a lower interest rate.

The charts below and on the next page summarize the City's long-term debt and future obligations.

Debt Obligations Outstanding as of 6/30/2017	<u>Principal Outstanding</u>
Wastewater Bonds	\$ 218,878,380
Wastewater Loans	243,211
Water Bonds	11,685,000
Golf Course Bonds	4,010,000
Redevelopment Bonds	37,475,000
Courthouse Square Project and Building Acquisition Certificates of Participation	11,435,000
Pension Obligation Bonds	24,715,000
Capital Leases	4,180,500
	<hr/>
	\$ 312,622,090

City Debt

Annual Debt Service Requirements

		2018	2019	2020	2021	Thereafter	Total
Wastewater Bonds	Principal	14,504,900	14,441,761	14,878,853	15,337,437	159,715,429	218,878,380
	Interest	<u>10,816,925</u>	<u>10,436,914</u>	<u>9,998,448</u>	<u>9,537,719</u>	<u>139,447,721</u>	<u>180,237,726</u>
	Total Debt Service	25,321,825	24,878,675	24,877,300	24,875,156	299,163,150	399,116,106
Wastewater Loans	Principal	94,441	98,208	50,562	-	-	243,211
	Interest	<u>8,686</u>	<u>4,919</u>	<u>1,001</u>	-	-	<u>14,606</u>
	Total Debt Service	103,127	103,127	51,563	-	-	257,817
Water Bonds	Principal	320,000	330,000	345,000	360,000	10,330,000	11,685,000
	Interest	<u>554,494</u>	<u>541,694</u>	<u>527,978</u>	<u>512,988</u>	<u>5,270,444</u>	<u>7,407,597</u>
	Total Debt Service	874,494	871,694	872,978	872,988	15,600,444	19,092,597
Golf Course Bonds	Principal	210,000	215,000	230,000	240,000	3,115,000	4,010,000
	Interest	<u>185,545</u>	<u>175,556</u>	<u>165,103</u>	<u>154,049</u>	<u>802,714</u>	<u>1,482,967</u>
	Total Debt Service	395,545	390,556	395,103	394,049	3,917,714	5,492,967
Redevelopment Bonds	Principal	1,700,000	1,725,000	1,755,000	1,795,000	30,500,000	37,475,000
	Interest	<u>1,343,853</u>	<u>1,315,912</u>	<u>1,278,369</u>	<u>1,232,101</u>	<u>8,610,942</u>	<u>13,781,177</u>
	Total Debt Service	3,043,853	3,040,912	3,033,369	3,027,101	39,110,942	51,256,177
Courthouse Square Project and Building Acquisition Certificates of Participation	Principal	320,000	330,000	345,000	355,000	10,085,000	11,435,000
	Interest	<u>406,900</u>	<u>398,750</u>	<u>388,625</u>	<u>378,125</u>	<u>4,134,200</u>	<u>5,706,600</u>
	Total Debt Service	726,900	728,750	733,625	733,125	14,219,200	17,141,600
Pension Obligation Bonds	Principal	2,670,000	2,760,000	2,860,000	2,980,000	13,445,000	24,715,000
	Interest	<u>1,062,577</u>	<u>974,120</u>	<u>872,236</u>	<u>754,250</u>	<u>1,482,450</u>	<u>5,145,633</u>
	Total Debt Service	3,732,577	3,734,120	3,732,236	3,734,250	14,927,450	29,860,633
Capital Leases	Principal	727,669	744,040	760,787	483,648	1,464,356	4,180,500
	Interest	<u>96,015</u>	<u>79,644</u>	<u>62,897</u>	<u>45,766</u>	<u>76,307</u>	<u>360,629</u>
	Total Debt Service	823,684	823,684	823,684	529,415	1,540,663	4,541,129
Citywide	Principal	20,547,009	20,644,009	21,225,201	21,551,086	228,654,785	312,622,090
	Interest	<u>14,474,995</u>	<u>13,927,508</u>	<u>13,294,657</u>	<u>12,614,999</u>	<u>159,824,777</u>	<u>214,136,936</u>
	Total Debt Service	35,022,004	34,571,517	34,519,858	34,166,085	388,479,562	526,759,026

FTE Staffing Summary

In fiscal year (FY) 2017-18, the City's proposed authorized Full-Time Equivalent (FTE) position count is 1,284.00, an increase of 18.75 FTE or 1.5% from last fiscal year's budget. Proposed additions and eliminations are discussed below.

The City Manager's Office increased by 2.00 FTE positions including 1.00 FTE Communications and Intergovernmental Relations Officer and 1.00 FTE Administrative Analyst. The City Attorney's Office added an additional 1.00 FTE Assistant City Attorney to assist with labor related issues. The Finance department increased by 1.00 FTE Payroll Specialist funded by the General Fund and 1.00 FTE Limited Term Customer Service Representative in Utility Billing funded by the Water Fund. Also in the Finance department, the Parking Fund added a 1.00 FTE Senior Administrative Assistant and eliminated 1.50 FTE vacant Parking Operational Aides due to increased efficiencies gained through the new Parking operational model.

The Transportation and Public Works department decreased by 3.00 FTE vacant positions in the Transit division; eliminating 1.00 FTE Senior Administrative Assistant, 1.00 FTE Administrative Service Officer, and 1.00 FTE Skilled Maintenance Worker. The Planning and Economic Development department increased by 1.00 FTE Program Specialist in the Economic Development division which will be funded by the Santa Rosa Tourism BIA funds.

During FY 2016-17, the Housing and Community Services department was approved for 1.00 FTE Housing Technician in the Code Enforcement division and an additional 0.25 FTE to increase a part-time 0.75 FTE to a full-time 1.00 FTE Senior Administrative Assistant. An additional 1.00 FTE Administrative Secretary was approved with the FY 2017-18 budget for the Housing and Community Services department which will primarily support the Housing Authority.

Also in FY 2016-17, the Information Technology department was approved for a 1.00 FTE Senior IT Technician to provide services for the media services center after contracted services were canceled.

In Public Safety, the Fire and Police departments were approved for a combined additional 9.00 FTEs for the anticipation of the approval of the Roseland Annexation. The Fire department was approved for an additional 1.00 FTE Fire Inspector. The Police department was approved for 5.00 FTE Police Officers, 1.00 FTE Police Sergeant and 2.00 FTE Communication Dispatchers.

The Santa Rosa Water department has added a total of 4.00 FTE; all of which were funded by the Water Enterprise funds. The Water department additions include 1.00 FTE Associate Right-of Way Agent, 1.00 FTE Community Outreach Specialist, 1.00 FTE Senior Administrative Assistant and 1.00 FTE Electricidal Technician.

In addition to the staffing changes discussed above, several positions have been, or are being, evaluated for classification changes. Reclassifications that will occur in FY 2017-18 have been proposed as a means of maximizing existing staffing levels to carry out core services.

FTE Staffing Summary

Authorized and Proposed Position (FTE) Count

DEPARTMENT	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
City Attorney	12.90	12.90	12.90	14.90	15.90
City Manager	13.00	14.00	17.00	11.00	13.00
Office of Community Engagement	-	-	-	7.00	7.00
Finance	62.85	62.35	64.35	97.35	98.85
Fire	143.75	147.75	147.75	147.75	148.75
Housing & Community Services	62.50	65.00	60.00	30.75	33.00
Human Resources	18.00	19.00	20.00	21.00	21.00
Information Technology	27.00	25.00	26.00	28.00	29.00
Planning & Economic Development	28.80	34.50	37.75	50.00	51.00
Police	253.25	258.75	256.75	256.50	264.50
Recreation & Parks	83.15	85.15	93.15	74.00	74.00
Transportation & Public Works	264.00	275.50	270.50	277.50	274.50
Water	248.00	239.50	243.50	249.50	253.50
Total FTE Positions	1,217.20	1,239.40	1,249.65	1,265.25	1,284.00

Detailed position classifications and salary ranges by department are available on the City's website at www.srcity.org under Departments/Human Resources/Salaries or through the following link <http://srcity.org/192/Salaries>.

Long Range Financial Forecast

The Long Range Financial Forecast (LRFF) is intended to serve as a tool for financial planning and decision making in the years ahead, and the City aims to update this forecast annually. The LRFF is a ten-year forecasting model for the General Fund. The LRFF provides the proposed budget for FY 2017-18, and forecast projections for fiscal years 2018-19 through 2026-27. The LRFF shows total General Fund revenues, summarized by major revenue source; total General Fund expenditures summarized by major expenditure group; transfers in and out; the projected surplus or deficit for a given year; and ending fund balance projections. Please note at the time the forecast was developed the FY 2017-18 budget had not been approved and is based on the City's revenue estimates and the budgeted expenditure requests.

Revenue Assumptions

This summary chart shows all General Fund revenues and percentage growth assumptions, rolled up by major revenue category. The growth percentages are net amounts of all revenues in that category. In general, the forecasts represent cautious optimism.

In general terms, the following assumptions apply to the major revenue line items:

- Sales Tax. The projected sales tax growth for FY 2017-18 is 4% over our revised budget estimates for FY 2016-17. This represents the "Most Likely" scenario from MuniServices, the City's revenue consultant, which is based on local sales tax data. The annual growth from FY 2018-19 through FY 2026-27 is 3% each year.
- Measure P. The projected revenue for Measure P is identical to Sales Tax revenue projections.
- Property Tax. Property tax is projected to grow at 4% for FY 2017-18. This is, again, based on the "Most Likely" scenario from our revenue consultants analyzing Santa Rosa-specific property tax data. A 2% growth factor is assumed through the remainder of the forecast.
- Utility Users Tax (UUT). The projected revenue for UUT – Telephone was decreased by 50% for FY 2017-18 to reflect the loss of revenue associated with the IRS ruling to exempt certain telephone services from Federal Excise Tax (FET). For FY 2018-19 and beyond, revenue growth remains at 50% level while awaiting a final court ruling. All Other UUT (PG&E, Cable TV and Other) are expected to grow at a rate of 1% each year for all years.

Expenditure Growth Assumptions

Since all the Memorandum of Understanding contracts are set to expire on June 30, 2017, budgeted salaries for FY 2017-18 are reflective of potential step and merit increases only. FY 2017-18 and all future years do not include any Cost of Living Adjustments since salaries are currently under negotiations. All salaries are forecasted at a 1% growth rate for FY 2018-19 and forward to account for step increases.

Benefit Costs are identified and forecasted by major categories including Healthcare, Dental/Vision Insurance, Retirement by PERS group, Employee portion of PERS retirement and All Other Benefits.

- Healthcare. Healthcare is projected to have a 6.25% growth rate in FY 2018-19 and decrease by 0.50% for each of the following 3 years. In FY 2021-22, the growth projection is held at a constant 5.0%.
- Dental/Vision Insurance. This benefit is expected to grow at a rate of 3% in years 1-10.
- Retirement for Fire, Police and Miscellaneous Employees. The retirement rates used was provided by CalPERS actuarial valuation reports for FY 2017-18 to FY 2022-23 with an

Long Range Financial Forecast

adjustment for the lowering of the discount rate to 7.0%. For the following future years, the growth rate was held flat. Also, included in the retirement rate is additional 4.0% contribution to the Pension Obligation Bond and 1.0% contribution to the Unfunded Liability for all CalPERS Groups for all years. Together these three retirement rates are applied against forecasted Salaries in the model.

- Employee portion of PERS retirement. The current MOU contracts include an employee contribution to CalPERS retirement at a rate of 1.5% to 4.0% of salary depending on bargaining unit. This percentage rate was held constant for all years and applied against forecasted Salaries in the model.
- All Other Benefits. This category includes Medicare, Unemployment Insurance, Worker's Compensation Insurance, Life/Disability Insurance, Employee Assistance Program and other miscellaneous benefits. These benefits were projected at a constant 1.0% growth rate for all years.

Service and Supplies were generally projected at a 2.0% annual growth rate for all future years with exception of IT Costs, Liability, Property, Auto, Fire and Earthquake Insurance. IT Costs are projected to grow at 3.0% annually for all future years. Liability, Property, Auto, Fire and Earthquake Insurance are projected to grow at 5.0% annually for all future years.

O&M and CIP Projects assumed zero growth in all future years.

Transfers In and Out Growth Assumptions

Other funds transferring funds into the General Fund were projected zero growth. The General Fund transfers out into other funds growth rate was based on the nature of the transfer. Transfer outs that were based on debt service followed the payment schedules. Transfer out that were based on funding Salaries, Benefits and Supplies in other funds were projected at a general 2.0% growth rate. Transfer out that were one-time expenditures were not forecasted in future years. All other transfers out of the General Fund were projected at zero growth.

Summary of Findings

Budgeted General Fund revenues represent a "most likely" view of major, forecastable revenues. The FY 2017-18 revenue budget, and subsequent forecast estimates are based on trend analysis from the Budget staff, and, where applicable, discussions with consultants. Expenditures, based on best available cost data, continue to grow. While there is some expansion in General Fund operations, the growth in expenditures is largely due to the cost of providing a base level of service.

It should be noted that a recession is not included in this forecast. Based on historical trends, recessions are cyclical and the City is due to experience one. Experts studying the Sonoma County economy forecast the next recession to occur around 2020; however, the impact of such a recession on the Santa Rosa economy is unknown. Therefore, we have not included it in the forecast. There are signs, though, that would indicate a recession may be imminent, and when those occur the LRFF will be adjusted accordingly.

The LRFF indicates a structural deficit beginning with FY 2017-18 and continuing throughout the forecast. General Fund unassigned reserves will be used to balance the FY 2017-18 budget, and any future budgets where a deficit exists. The deficit can be addressed through either cost control or through the addition of new, ongoing revenue streams. As such, two Tier 2 Council priorities were approved which call for ensuring revenue stability, and creating a 21st century service delivery model.

Long Range Financial Forecast

	PROPOSED BUDGET	FORECAST								
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
(in millions)										
Beginning Fund Balance	40.3	34.8	26.9	16.2	2.5	(11.9)	(26.3)	(40.1)	(53.4)	(66.0)
Revenue										
Property Tax	26.4	27.0	27.5	28.0	28.6	29.1	29.7	30.3	30.9	31.5
Sales Tax	39.7	40.9	42.1	43.4	44.7	46.0	47.4	48.8	50.3	51.8
Triple Flip	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Measure P	9.1	9.4	9.7	10.0	10.3	10.6	10.9	11.2	11.6	11.9
UUT - Telephone	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
All Other UUT	9.1	9.2	9.3	9.4	9.5	9.6	9.7	9.8	9.9	10.0
Other Taxes	23.6	24.0	24.5	25.1	25.6	26.1	26.7	27.2	27.8	28.4
Motor Vehicle Fees	13.6	13.9	14.2	14.5	14.7	15.0	15.3	15.6	16.0	16.3
License and Permits	1.6	1.7	1.8	1.8	1.9	1.9	2.0	2.1	2.1	2.2
Fines and Forfeitures	1.8	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3
Intergovernmental	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Use of Money & Property	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
R&P Revenues	4.0	4.1	4.1	4.2	4.2	4.2	4.3	4.3	4.4	4.4
Charges for Services	7.8	7.9	8.0	8.1	8.2	8.3	8.4	8.6	8.7	8.8
Interfund Charges	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Misc.	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Total 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
Expenditures										
Salaries	78.6	79.3	80.0	80.8	81.5	82.2	83.0	83.8	84.7	85.5
Retirement	24.0	28.5	32.0	35.7	37.1	38.1	38.2	38.4	38.5	38.7
Healthcare	13.9	14.8	15.7	16.5	17.3	18.2	19.1	20.0	21.0	22.1
All Other Benefits	4.9	5.0	5.1	5.2	5.4	5.5	5.6	5.8	6.0	6.2
IT Costs	4.4	4.6	4.7	4.9	5.0	5.1	5.3	5.4	5.6	5.8
Insurance	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3
Service & Supplies	24.0	24.5	25.0	25.5	26.1	26.6	27.2	27.7	28.3	28.9
O&M Projects	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total 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
Surplus/(Deficit)	(5.5)	(7.8)	(10.7)	(13.7)	(14.4)	(14.5)	(13.8)	(13.2)	(12.7)	(12.1)
Ending Fund Balance	34.8	26.9	16.2	2.5	(11.9)	(26.3)	(40.1)	(53.4)	(66.0)	(78.1)

Please note: The LRFF was developed before the approval of the FY 2017-18 budget, and as such does not equal the FY 2017-18 General Fund Approved Budget.

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City Attorney's Office

Mission

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 represent the City in litigation and administrative proceedings.

Department Description

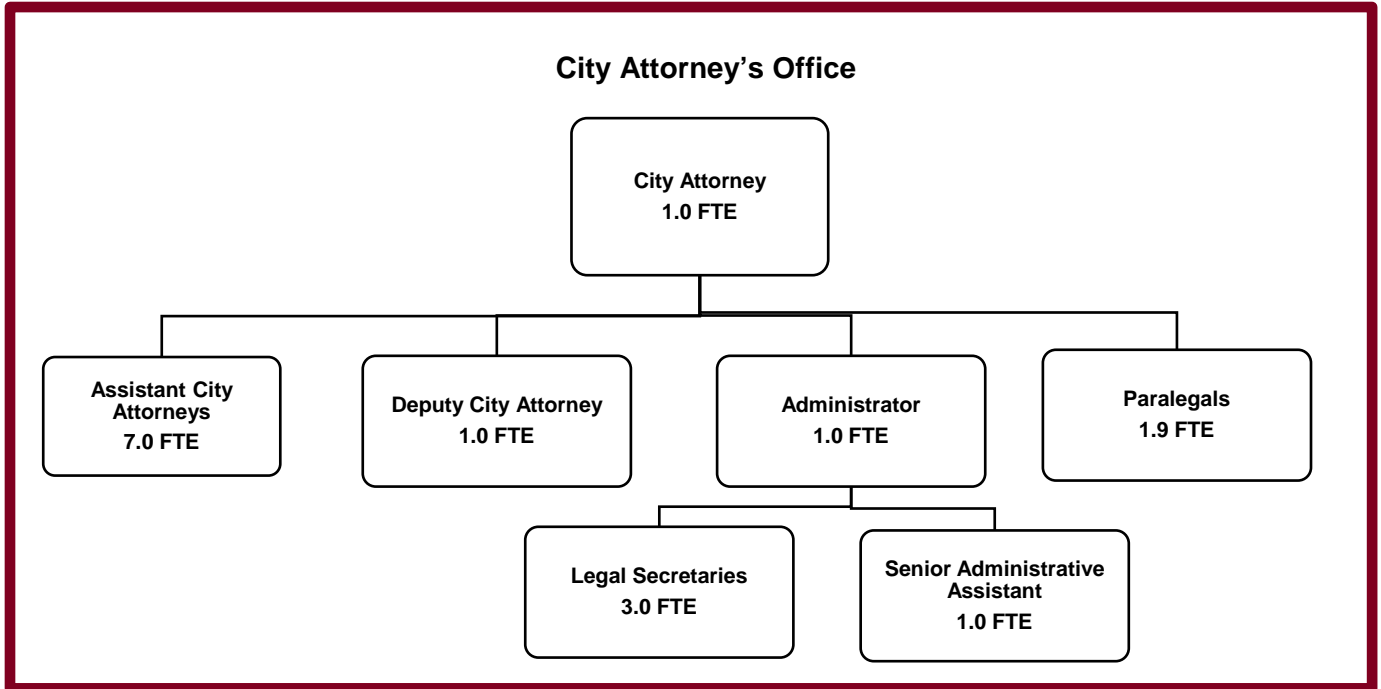
By City Charter, the City Attorney is appointed by the City Council to serve as the chief legal advisor for the City of Santa Rosa.

The City Attorney's Office (CAO) is responsible for representing the City in legal proceedings, reviewing all City Council, Planning Commission and Board of Public Utilities' agendas for legal compliance and sitting with those bodies during their public meetings, and providing legal advice to the Council, boards, commissions and City staff on a wide range of issues. These issues include land use matters, California Environmental Quality Act compliance, franchise agreements, landfill issues, water supply, water quality, other infrastructure projects, personnel matters, conflicts of interest and election issues. The City Attorney's Office reviews and revises proposed legislation and policies; reviews and approves as to form contracts and surety bonds; and prosecutes City Code violations and abates public nuisances as part of the Neighborhood Revitalization Program.

The office reviews, evaluates and recommends disposition of all claims made against the City, and represents the City in litigation from claims through appeals, including matters involving civil rights violations, personal injuries, eminent domain, environmental violations, land use matters, inverse condemnation, personnel disputes, and dangerous condition of public property claims. The CAO 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.

City Attorney's Office

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- Provide advice and legal support for implementation of all Council Goals. 2
- Continue to provide high quality and timely support to City departments in their increased need for services with reduced staff. 2
- Provide aggressive, quality and effective defense of all claims and lawsuits filed against the City of Santa Rosa, including seven court actions currently scheduled for trial. 6
- Enforce environmental and consumer protection laws and aggressively pursue violations with legal action. 6
- Enforce the City Code with a focus on neighborhood revitalization through prosecution of Code violations in target neighborhoods. 4
- Provide advice and legal support regarding land use and California Environmental Quality Act issues. 5
- Provide advice and legal support regarding Roseland Annexation and related transition. 6
- Provide advice and legal support regarding affordable housing policies and programs. 1
- Provide advice and legal support regarding homelessness policies and programs. 1
- Provide ongoing advice and legal support regarding Cannabis Business Tax if the Tax is approved by voters in June 2017, and regarding the City's development of a comprehensive zoning policy for the cannabis related industry. 1
- Provide ongoing advice and legal support regarding Rent Stabilization Ordinance implementation if the Ordinance is approved by voters in June 2017. 6
- Provide advice and legal support regarding the possible adoption and implementation of a Rental Inspection Program. 2
- Provide advice and legal support regarding improvements to internal City policies and procedures. 2
- Provide professional, timely and effective legal advice to the Council, City Manager, City Departments and City boards and commissions on other issues as needed. 2

City Attorney's Office

Major Budget Changes

The FY 2017-18 City Attorney's Office (CAO) budget is \$3.1M, up \$477K, or 18.4%, over the prior year's adopted budget. The most notable change occurred in Salaries and Benefits, up \$325K, with the addition of 1 FTE Assistant City Attorney, as well as planned merit increases, cost of living adjustments, and rising benefit costs. The new Assistant City Attorney will be on the Advisory side and will perform a wide range of professional legal services, including, but not limited to, labor, the Roseland annexation and the City's expansion, the cannabis industry, City's housing efforts, City's focus on homeless, as well as the potential workload from the June 2017 ballot measures. Total Service and Supplies grew by \$137K, or 82.2%, over the prior year. Professional Services, up \$113K, accounted for the most of the increase, to retain outside legal counsel and other legal related professionals. Other major increases are associated with the costs of computer, staff training, legal licenses and subscriptions. O&M project funding expanded by \$15K from FY 2016-17 for case management software to assist the CAO with contact and document management, forms, scheduling, and project management.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Legal Services	\$2,295,391	\$2,590,408	\$3,052,461
CIP and O&M Projects	\$0	\$0	\$15,000
Total	\$2,295,391	\$2,590,408	\$3,067,461

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$1,549,779	\$1,719,811	\$1,967,671
Benefits	\$592,923	\$704,511	\$782,154
Professional Services	\$21,240	\$21,240	\$134,300
Vehicle Expenses	\$1,200	\$400	\$400
Utilities	\$560	\$560	\$1,000
Operational Supplies	\$14,100	\$17,900	\$19,800
Information Technology	\$59,796	\$65,466	\$73,681
Other Miscellaneous	\$55,793	\$60,520	\$73,455
CIP and O&M Projects	\$0	\$0	\$15,000
Total	\$2,295,391	\$2,590,408	\$3,067,461

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$2,295,391	\$2,590,408	\$3,067,461
Total	\$2,295,391	\$2,590,408	\$3,067,461

City Attorney's Office

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	12.90	12.90	12.90	14.90	15.90

Performance Measures

INDICATORS:	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 TO DATE **	FY 2016-17 PROJECTED ****
New Lawsuits Served	17	22	13	10	13
Ongoing Litigation				25***	
Attorney-assigned Claims	45	34	37	34	45
Opinion Requests Completed*	358	375	379	195	260
Contracts Reviewed	1125	1024	1168	826	1101
Pitchess Motions Defended	16	10	5	3	4
Weapons Administrative Actions	18	15	13	25	33
	* Does not reflect continuing advice/support for projects ** Through 03/28/2017 *** Count from Litigation Report dated 3/31/2017 **** Calculated using percentage growth				

- CAO estimates at least 3 new lawsuits will be filed by end of FY 2016-17. This is in addition to the ongoing support for lawsuits filed earlier in the fiscal year and in prior fiscal years. There are 7 cases currently scheduled for trial. City Attorney's Office handles the vast majority of litigation in house to minimize outside counsel costs when possible.
- CAO handles actions alleging liability from claim filing through discovery, trial, appeals and writs.
- CAO continues to provide general legal advice and support on a wide range of municipal matters. Much of this work is not reflected in the official opinion requests tracked above, and is performed as a part of continuing services on ongoing issues. City Attorney's Office is working with the IT department to develop improved ways to track this work.
- While at least 90% of all requests for formal legal opinions receive 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.
- CAO continues to provide full in-house legal services for Housing Authority, at far lower cost than payment to outside legal counsel.
- 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.

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

LITIGATION

- Defeated plaintiff's motion for class certification reducing a potential class action exposure of \$5.2 million to \$2,500 plus attorney's fees. (Appeal Pending.)
- Successfully defended many legal actions, including excessive force cases and dangerous conditions, some claiming damages well over \$500k which were dismissed or settled with minimal or no compensation.
- Continued litigation of multiple Fourth Amendment unlawful seizure and excessive force lawsuits presently pending in United States District Court.
- Representation of the City to successful conclusion in multiple litigation actions representing potentially significant exposure to the City and/or its employees.
- Settled issues relating to Fire Station 5. 6
- Advised and represented various City departments to recover costs and/or penalties relating to discharges of unpermitted substances to City drains and sewers.
- Finalize River Watch Settlement and assist with implementation of supplemental environmental program.

CODE ENFORCEMENT & ENVIRONMENTAL

- Successfully shut down and abated drug and criminal activity at 550 Richmond Drive under the Drug Abatement Act. Owner had disrupted the neighborhood for several decades by maintaining a safe haven for drug dealers and users.
- Represented the City with respect to collection of assessments and judgement lien versus sale of property with multiple nuisance and code violations.
- Advised and represented Certified Unified Program Agency (CUPA) to recover penalties and costs re owner/operator discharge of unpermitted commercial laundry wastewater to Piner Creek (CUPA v. AlSCO, Inc.).
- Successfully completed two residential receivership projects which resulted in rehabilitation and enhancement of the neighborhoods.
- Worked with Water Department Environmental compliance staff, County representatives and other stakeholders to develop county-wide model ordinance to facilitate EPR safe medicine disposal.
- Provided continued legal support for California Environmental Quality Act defense and code enforcement efforts with respect to BoDean Asphalt Plan expansion and modifications.
- Participated in discussions regarding preparation of an Amended and Restated JPA for Sonoma County Waste Management Agency.
- Assisted with development of Groundwater Sustainability Agency per requirements of the Sustainable Groundwater Management Act; Assist in draft of JPA agreement regarding key provision of GSA governance and financing.
- Advised on Treatment Plant Disinfection project; advised on California Environmental Quality Act and AB 52 consultation issues; worked on development of RFP for selection of disinfection equipment to be incorporated into design, including BPU contract subcommittee and BPU approvals.

PROJECT-RELATED WORK & GENERAL CITY SERVICES

- Assisted with the California Environmental Quality Act review and approval of revised Courthouse Square Reunification and related funding work. 4

City Attorney's Office

- Negotiated a \$2 million payment to City in settlement of contract dispute between City and garbage collection franchisee and reviewed new garbage franchise RFP and agreement.
- Assisted with approval of a variety of development projects including DeTurk Winery Village, Stony Village North, Grove Village, Fox Hollow, Terrazo at Fountaingrove, Oak Park Village and others. 1
- Assisted with California Environmental Quality Act review and approval of Roseland Specific Plan and related documents. 1
- Assisted with funding of affordable housing and rehabilitation projects including Catalina, Crossings, Crossroads, Benton Veterans Village, and others. 1
- Provided legal support in connection with proposed Southeast Greenway project.
- Represented the City in on-going negotiations regarding the scope of form of Maintenance Agreement with SMART re improvements at grade crossings in City.
- Acted as local counsel on Bond issuance/refinance for Water bonds; advised on and assist in drafting documents for fund-to-fund loans; acted as local counsel on Lease-Lease Back financing to refinance COPs.
- Provided advice and support in negotiating Roseland Pre-Annexation Agreement and in connection with LAFCO annexation application.
- Assisted staff on Laguna Treatment Plant Microgrid project and proposed agreement.
- Advised on issues related to Oakmont Treatment Plant, use of property for pedestrian/bicycle use and designation of property as a recreation trail.

ORDINANCES & REGULATIONS

- Provided legal advice and support in connection with Measures O and N on November 2016 ballot measure. 6
- Drafted Rent Stabilization Ordinance and implementing regulations.
- Provided advice and support in connection with the referendum petition challenging the Rent Stabilization Ordinance, the related ballot measure, and investigation into referendum petition process.
- Provided advice and legal support in connection with developing comprehensive regulations governing the cannabis industry, and assisted with drafting Cannabis Industry Tax Ordinance and related ballot measure.
- Assisted with development and adoption of policies and initiatives to address homelessness.
- Assisted with development of Housing Action Plan.
- Continued to assist City Clerk and Community Engagement Director with preparation of a Sunshine Ordinance. 5
- Revised Parade Ordinance.
- Revised Public Works Ordinance and Construction Contract Specifications.
- Assisted with amendment to telecommunications Policy, including drafting a resolution to allow disparate treatment of small cells from other long term encroachments.
- Assisted staff with triennial update of City Fire Code and City Building Code Ordinances.

CITYWIDE SUPPORT AND TRAINING

- Reviewed all Council, Planning Department, Board of Public Utilities, Successor Agency and Housing Authority agenda items.
- Average June 2015 – March 2017 Contract Review Turnaround (All contracts) – 9 business days.

City Attorney's Office

- Provided responses to 574 formal Legal Opinion requests from June 2015 – March 2017 in addition to informal requests and ongoing support on a wide range of advice matters.
- Assistant City Attorney was speaker at Traffic Seminar on Work Zone Safety for Traffic Engineering (Public Works) (2nd year).
- Continues to provide legal advice regarding responses to Public Records Act Requests and conflicts questions.
- Continues to provide legal advice regarding compliance with Political Reform Act and FPPC regulations.

OUTSIDE LEGAL INVOLVEMENT

- City Attorney Staff invited to speak at the 2016 Annual State Bar Conference and was subsequently asked to write an article for the San Francisco and Los Angeles Branches of the Daily Journal Legal Newspaper, which was published in 2016.
- Panelist on Sonoma County Bar Association Civil Trial Workshop (3rd Year).
- City Attorney Staff served as Sonoma County Superior Court Discovery Facilitator.
- City Attorney Staff served as Sonoma County Superior Court Demurrer Facilitator.
- City Attorney Staff served as Sonoma County Superior Court Mandatory Settlement Conference Panelist.
- City Attorney Staff served as Board Member, Sonoma County Lawyer Referral Service.
- City Attorney Staff served as Faculty at Empire College Law.

Looking Ahead

The City Attorney's Office projects that the upcoming fiscal year, like the last fiscal year, will result in an increase in the need for services from the City Attorney's Office.

This results from a variety of factors including (1) the City's housing efforts, including the anticipated implementation of the Housing Action Plan, (2) the City's focus on homeless policy and adoption of a Housing First Model, (3) the City's efforts to regulate cannabis businesses operating in Santa Rosa in light of new state regulations such Prop 64, Adult Use of Marijuana Act, and the related permitting and code enforcement issues, (4) the upturn in the economy and increased workload Citywide, (5) the City's participation in creating the Santa Rosa Plain Groundwater Sustainability Agency and (6) Roseland Annexation and anticipated legal work associated with both the annexation process itself and the expansion of the City. It is anticipated that there will be at least a proportional increase in claims, litigation, contract review, administrative hearings, and employment related legal work once the Roseland area is annexed.

In addition, the City Council has expressed desires for enhanced code enforcement efforts which would require the assistance of the City Attorney's Office for filing of litigation, obtaining administrative warrants and/or receivership. The City Attorney's Office recently hired a Deputy City Attorney, whose primary role will be code enforcement.

Lastly, with two measures scheduled for June 2017, the Measure C - Rent Stabilization and Measure D - Cannabis Industry Tax, a yes vote to pass either or both of these measures will have an impact on workload within the City Attorney's Office. If the Rent Stabilization Ordinance is passed, the City Attorney's Office will need to support the City's development and implementation of a rent stabilization administrative program as well as any rental inspection program the Council may adopt. The new Cannabis Industry will produce work for the City Attorney's Office whether or not Measure D is passed as the City adjusts to the new legislature and works with staff to implement policies and ordinances related to the industry.

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City Council

Mission

It is the mission of the Council to provide high-quality public services and cultivate a vibrant, resilient and livable City.

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.



Chris Coursey
Mayor



Jack Tibbetts
Vice Mayor



Julie Combs
Council Member



Ernesto Olivares
Council Member



Chris Rogers
Council Member



John Sawyer
Council Member



Tom Schwedhelm
Council Member

City Council

City Council is comprised of Administration, Elections, and various Community Promotions Programs, which consist of the following recommended for FY 2017-18:

- Art is Medicine Show
- Symphony Performances at Market
- Matsuri Japanese Festival
- Red, White and BOOM
- Shakespeare in the Cannery
- West End Farmer's Market
- 6th Street Playhouse "Charlie Brown"
- Holiday Horse and Carriage Rides
- Levi's Grandfondo
- Wednesday Night Market
- Luther Burbank Rose Parade
- Sonoma County Human Race
- Winterblast

The City Council established Goals and Priorities during their visioning session in March 2017 and their goal setting session in April 2017. They are committed to supporting the programs, projects, and services required to accomplish the Strategic Goals and Priorities.

Strategic Goals and Priorities for FY 2017-18

Council's Current Goals:

- 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 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.

The City continues to operate under the framework of the established City Council Goals. The 2017 City Council Goal Setting established priorities where City staff and resources will be directed in the coming year. Tier 1 Priorities reflect the Council's highest priorities. Tier 2 Priorities will also be addressed based on resources available.

Tier 1: Council's Top Priorities which will receive primary staff attention

- 1.1 Reduce homelessness through a comprehensive strategy.
- 1.2 Develop a comprehensive housing strategy – "Housing for All," including:
 - Implement the Housing Action Plan
 - Implement rental housing inspection
 - 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.

Tier 2: Projects to receive attention as resources permit

- 2.1 Ensure long term revenue stability:
 - 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 21st 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.
- 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.

Major Budget Changes

The FY 2017-18 City Council's total budget is \$1.14M, a decrease of \$18K from prior fiscal year. Professional Services decrease by \$64K primarily due to there being no election costs during fiscal year 2017-18. The following professional service increases also offset the election cost decrease: SCTA Climate Agreement, R3 Solid Waste contract, Management Partner Goal Setting, 150th Birthday Celebration, and Polling & Education for possible ballot issues. The Other Miscellaneous expenditure category decreased due to lower print services again as a result of there being no elections during fiscal year 2017-18.

City Council

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Elections	\$130,000	\$485,500	\$125,000
Administration	\$437,709	\$532,817	\$799,485
Events	\$110,189	\$125,000	\$135,536
CIP and O&M Projects	\$14,811	\$14,811	\$80,000
Total	\$692,709	\$1,158,128	\$1,140,021

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$114,143	\$130,000	\$135,100
Benefits	\$146,554	\$185,665	\$193,462
Professional Services	\$259,650	\$616,500	\$487,603
Vehicle Expenses	\$1,000	\$1,000	\$0
Utilities	\$5,000	\$5,300	\$5,300
Operational Supplies	\$8,500	\$9,000	\$9,700
Information Technology	\$37,051	\$41,652	\$93,656
Other Miscellaneous	\$106,000	\$154,200	\$135,200
CIP and O&M Projects	\$14,811	\$14,811	\$80,000
Total	\$692,709	\$1,158,128	\$1,140,021

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$692,709	\$1,158,128	\$1,140,021
Total	\$692,709	\$1,158,128	\$1,140,021

Performance Measures

The City Council's service indicators remain relatively the same year after year. In FY 2016-17, the City Council held their annual Council Goals Session and adopted the Goals and Priorities. The City Council held 49 meetings and made 38 appointments to various Boards and Commissions. In addition, the City Council Members all serve on various Boards and Committees.

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: BPU Liaison, Downtown Subcommittee, Economic Development Subcommittee, Violence Prevention Partnership – Steering Committee, Violence Prevention Partnership Policy Committee, Long Term Financial Policy Subcommittee, and the Subcommittee on Homeless Issues. Council Ad-Hoc Committee is the Joint City/County Roseland Annexation Committee. The Council Regional Appointments include: ABAG, Art in Public Places, Health Action Council, Library Advisory Board, LOCC North Bay, Mayors’ and Councilmembers’ Association Liaison to LOCC, Russian River Watershed Association, Waterways Advisory Committee, and the Water Advisory Committee (WAC). Council Members also hold liaison positions on Sonoma Clean Power JPA, Sonoma County Transportation Authority/Regional Climate Protection Authority, and Sonoma County Waste Management Agency.

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: Art in Public Places Committee, Bicycle and Pedestrian Advisory Board, Board of Building Regulation Appeals, Board of Community Services, Board of Public Utilities, Community Advisory Board, Cultural Heritage Board, Design Review Board, Housing Authority, Measure O Oversight Committee, Mosquito Vector Control Board, Personnel Board, Planning Commission, Successor Agency Oversight Board, Santa Rosa Tourism Business Improvement Area Advisory Board, and the Waterways Advisory Council.

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

• Developed “Housing First” Strategy.	1
• Completed Roseland Annexation Agreement with the County, submitted to LAFCO.	5
• Completed reunification of Courthouse Square.	4,5
• Completed redesign of srcity.org website.	5
• New train at Howarth Park.	4,5,6
• Passed Measures O & N in November.	1
• Formally proclaimed a local homeless emergency in Santa Rosa.	6
• Adopted medical cannabis ordinance.	1
• Support ballot measure for local business tax on the cannabis industry.	1
• Support ballot measure for rent stabilization.	1
• Support SMART train connectivity.	3
• City Attorney hired.	2A

Looking Ahead

The City Council is looking to refine its goals and implement programs to make Santa Rosa a vibrant, sustainable, and livable City.

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City Manager's Office

Mission

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

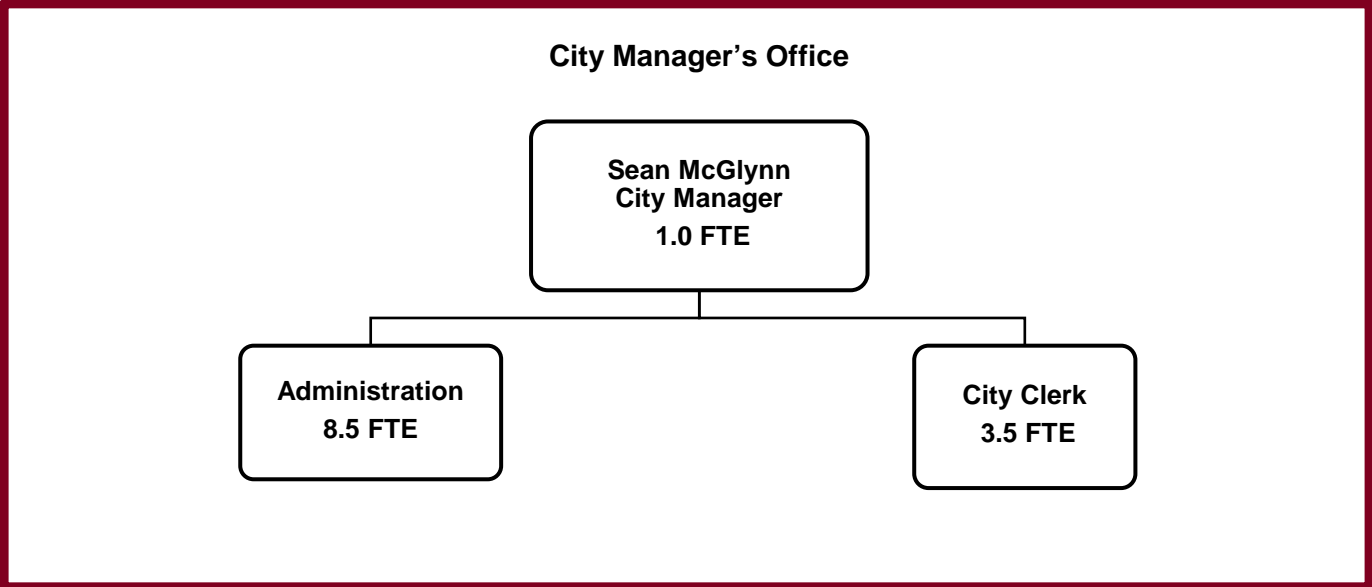
Department Description

The City Manager's Office is comprised of two Programs: Administration and the City Clerk.

Administration – 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.

City Clerk's Office – Administers the City's 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.

FTE by Program



City Manager's Office

Strategic Goals and Initiatives for FY 2017-18

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Administration

- Assist the City Council with policy development and implementation of City Council Goals and Priorities; lead Citywide strategic planning to support Goals. **All**
- Provide cost-control oversight, and closely monitor impacts of budgeting constraints; develop cost saving measures that include managing labor and pension costs. **1,2**
- Assess opportunities for sharing and regionalizing services between agencies in Sonoma County. **2,5**
- Provide analysis of federal and state legislation impacting the City of Santa Rosa and assist the Council in providing an effective program. **1, 2**
- Monitor and administer the City's franchise and other service-related agreements. **1,2**

City Clerk

- Prepare and distribute preliminary and current City Council agendas, paperless agenda packets, and minutes pursuant to the Brown Act and City policy. **All**
- Facilitate an open and transparent democratic process through public access to Council and advisory body legislative records. **All**
- Promptly receive, review, track, and coordinate responses to all Public Records Act requests. **5**
- Continue development, implementation, and coordination of a comprehensive Citywide Records Management Program. **2,4,5**
- Administer fair and impartial municipal elections; provide technical support and guidance to City Council candidates. **2,5**
- Serve as filing officer/official under the Political Reform Act for Statements of Economic Interests and Campaign Finance Disclosure Statements. **2,5**
- Effectively manage all board and commission member vacancies, recruitments, and appointments to ensure City boards, commissions, and committees represent the diversity of the community. **2,4,5,6**
- Foster public involvement and informed decision-making by providing professional customer service and accessible and accurate information about City government. **2,4,5,6**
- Assist in the implementation of the recommendations of the Open Government Task Force. **2,5,6**

Major Budget Changes

The FY 2017-18 City Manager's Office budget is \$2.5M, an increase of \$511K from last fiscal year's adopted budget. Salaries and benefits increased by \$276K due to the of addition of 2.0 new FTE's; 1.0 Communication & Intergovernmental Relations Officer and 1.0 Administration Analysts to manage contracts. There was also a \$147K increase that occurred within O&M Projects due to a Garbage Franchise Analysis project to oversee the new garbage contract which is offset by revenue generated by the new contract. There was also a minor increase in Conference and Trainings for the City Manager as well as staff.

City Manager's Office

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$2,034,348	\$1,909,511	\$2,241,727
Measure O Gang Prevention	\$1,214,529	\$0	\$0
Community Engagement	\$38,030	\$0	\$0
City Clerk	\$73,550	\$75,422	\$77,038
CIP and O&M Projects	\$216,315	\$35,000	\$212,000
Total	\$3,576,772	\$2,019,933	\$2,530,765

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$1,530,327	\$1,064,611	\$1,245,841
Benefits	\$592,861	\$438,499	\$532,994
Professional Services	\$870,780	\$237,370	\$237,370
Vehicle Expenses	\$500	\$500	\$500
Utilities	\$4,600	\$3,744	\$5,360
Operational Supplies	\$77,950	\$39,000	\$25,500
Information Technology	\$115,512	\$86,287	\$145,278
Other Miscellaneous	\$107,683	\$114,922	\$125,922
Subrecipient Funding	\$30,000	\$0	\$0
Indirect Costs	\$30,244	\$0	\$0
CIP and O&M Projects	\$216,315	\$35,000	\$212,000
Total	\$3,576,772	\$2,019,933	\$2,530,765

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$2,362,243	\$2,019,933	\$2,530,765
Measure "O" - Recreation	\$1,214,529	\$0	\$0
Total	\$3,576,772	\$2,019,933	\$2,530,765

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	13.00	15.00	17.00	11.00	13.00

City Manager's Office

Performance Measures

Administration	
•	Work with the Mayor, the City Council, and the Executive Staff to implement City Council Goals. Follow-up with staff to develop and produce desired results.
•	Provide analysis of federal and state legislation impacting the City of Santa Rosa.
•	Successful completion of the Solid Waste RFP.
•	Received approximately 9059 phone calls.
•	Provide responses to each of the approximate 1594 e-mails that come in for the City Manager and the City Council.

City Clerk	FY 2014-15	FY 2015-16	FY 2016-17
City Council Meetings: Produce, publish, and timely post preliminary and final Council agendas, agenda packets and meeting minutes	121**	120**	169*
City Council Legislation: Timely and accurately conform, publish, post, and import into Laserfiche all City Council legislation	Resolutions – 157 Ordinances - 17	*Resolutions – 166 *Ordinances – 21	Resolutions – 107 Ordinances - 20
FPPC Filings – Form 700: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	332 filings	341 filings	160 filings
FPPC Filings – Campaign Disclosure Statements: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	Filers – 28 Filings - 206	Filers – 20 Filings – 80	Filers – 19 Filings - 60
Public Records Act Requests: Receive and review written requests, coordinate production of records, prepare responses	Requests - 147	**Requests – 225	*Requests - 240
Boards and Commissions: Track and recruit applicants and administer appointments for 12 advisory bodies (86 positions)	Applications – 45 Appointments - 29	Applications – 40 Appointments -14	Applications – 81 Appointments – 38
(*) Fiscal Year-end estimates based on year-to-date actuals		(**) Updated to reflect actual numbers)	

City Manager's Office

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Administration

- Developed recommendations for annual City Budget and long-term fiscal policies; assisted the City Council with policy development and implementations of City Council Goals and Priorities. **All**
- 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. **1,2,4,5,6**
- Worked with the City Council in support of the Community Advisory Board and the Santa Rosa Violence Prevention Partnership. **4,5,6**

City Clerk

- Managed the preparation, distribution, and posting of City Council agendas, agenda packets and minutes for 49 City Council meetings. **2,5**
- Served as filing official for over 315 Statements of Economic Interests for City Council members, advisory body members, and designated staff in compliance with the Political Reform Act. **2,5**
- Responded in a timely manner to over 220 requests for public records in compliance with the Public Records Act. **2,5**
- Conducted recruitments for vacancies on 12 Boards, Commissions, and Committees; solicited and received 81 applications. **2,4,5**

Looking Ahead

The City Manager's Office is effectively managing the City including fiscal accountability and implementation of the Council goals.

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The Office of Community Engagement

Mission

The mission of the Office of Community Engagement is to foster a culture of engagement through transparency, collaboration and participation, and by establishing mutually beneficial partnerships between local government and the communities we serve.

Department Description

The Office of Community Engagement is comprised of two Programs: Community Engagement and the Violence Prevention Partnership.

Community Engagement – Responsible for supporting, promoting, and organizing opportunities for civic engagement to residents of Santa Rosa, including connecting community members with their local government and strengthening and empowering neighborhood groups. Responsible for implementing the recommendations in the Open Government Task Force report by maximizing the City’s engagement efforts of creating an inclusive, transparent, participatory and collaborative relationship with our community. Works in partnership with the Community Advisory Board (CAB) to gather community feedback on issues of concern to City residents and on Capital Improvement Program budget priorities; to facilitate neighborhood improvements through the Community Improvement Grant program; and to strengthen the public involvement process in local government decision making. Provides technical assistance to other City departments on community engagement strategies.

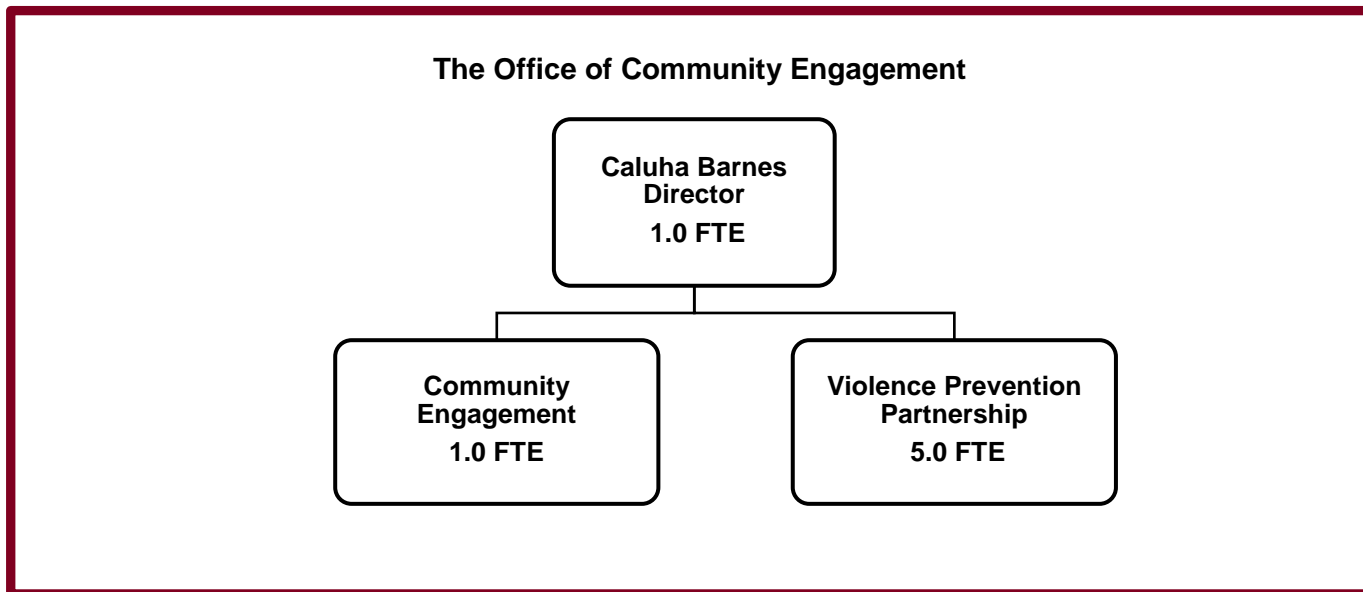


Violence Prevention Partnership – Responsible for the implementation and evaluation of the Measure O CHOICE Grant Program, the Community Safety Scorecard (Scorecard), and the Santa Rosa Violence Prevention Partnership (The Partnership) 2017-2022 Strategic Plan. The Partnership is a collaborative effort of over 50 organizations – including government, local law enforcement, business community, schools, and faith and community-based organizations – focused on reducing violence through creating safe and healthy neighborhoods through collective impact, integrated youth development programs, and community partnership efforts.



The Office of Community Engagement

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

Community Engagement

- Organize and perform a variety of outreach strategies focusing on topics important to residents, staff, and local organizations. 5
- Support initiatives that promote community involvement and neighborhood connections, and partner with and support work of the Community Advisory Board. 5
- Oversee and manage the Community Improvement Grant Program in partnership with the Community Advisory Board. 5
- Lead and coordinate the efforts of City government to involve the community in the work of the City through improved access, transparency and engagement. 5,6
- Continue to provide expert technical guidance and leadership to City management, City departments, and elected officials to develop strategies for community involvement. 5,6
- Continue to develop and implement creative new processes that give community members more opportunities to learn about, discuss and participate meaningfully in the decision-making process on key community issues facing the City. 5,6
- Continue to develop communication and outreach strategies to reach diverse population groups of our community in a culturally and linguistically competent manner. 5,6

Violence Prevention Partnership

- Incorporate the findings of the Scorecard's strategic recommendations into The Partnership's 2017-2022 strategic plan and the Cycle IX Community Helping Our Indispensable Children Excel (CHOICE) grant program Request for Qualifications. 4,5,6
- Continue to focus on strengthening partnerships and increasing collective impact with Sonoma County departments and foundations aligned with The Partnership's vision and mission. 5

The Office of Community Engagement

- Develop an enhanced evaluation system, for the CHOICE grant program and programs offered through the Santa Rosa Police Department, and Recreation & Parks Neighborhood Services. **4,5,6**
- Coordinate and host the 9th Annual Gang Prevention Awareness Week and other outreach efforts including special events, trainings, and presentations. **4,5,6**
- Support the overall mission and vision of the Office of Community Engagement.
- Design and implement an enhanced referral system for youth and families needing services or resources from The Partnership. **4,5,6**

Major Budget Changes

The FY 2017-18 Office of Community Engagement budget is \$1.9M, up slightly by \$40K, or 2.1%, over the prior year's adopted budget. Salaries and Benefits increased by \$133K, or 16.6%, to reflect the rise in interdepartmental charges, planned merit increases, cost of living adjustments, and benefit costs, while staffing levels remain the same. On the contrary, Service and Supplies decreased by \$110K, or -12.1%, over the year. Professional Services, down \$90K, accounted for most of the decline. One-time approval of \$85K in FY 2016-17 for the Partnership Strategic Plan and the Community Safety Scorecard, attributed mainly to the decrease. O&M project funding grew by \$17K, or 9.5%, largely due to the \$10K increase in the CHOICE grant.

Budget Summary

Expenditures by Program		
	2016 - 2017 Budget	2017 - 2018 Request
Community Engagement	\$383,803	\$454,663
Measure O Gang Prevention	\$1,331,868	\$1,284,159
CIP and O&M Projects	\$176,315	\$193,079
Total	\$1,891,986	\$1,931,901

Expenditures by Category		
	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$570,621	\$662,814
Benefits	\$233,021	\$273,911
Professional Services	\$719,539	\$629,596
Vehicle Expenses	\$0	\$0
Utilities	\$2,556	\$2,100
Operational Supplies	\$35,268	\$28,904
Information Technology	\$43,080	\$45,684
Other Miscellaneous	\$47,733	\$24,675
Subrecipient Funding	\$35,000	\$45,000
Indirect Costs	\$28,853	\$26,138
CIP and O&M Projects	\$176,315	\$193,079
Total	\$1,891,986	\$1,931,901

The Office of Community Engagement

Expenditures by Fund		
	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$560,118	\$647,742
Measure "O" - Recreation	\$1,331,868	\$1,284,159
Total	\$1,891,986	\$1,931,901

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2016-17	FY 2017-18
Full-Time Equivalent	7.0	7.0

Please note: The Office of Community Engagement was created in FY 2016-17.

Performance Measures

Community Engagement

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

- Seek new platforms to communicate with residents, with the goal of engaging individuals that represent the varied socioeconomic, geographic, and ethnic diversity of Santa Rosa, and evaluate the success of new outreach strategies. Where appropriate, use sign-in sheets to track number of residents reached and include a column that asks residents how they heard about meeting, initiative, etc.
- Support the Community Advisory Board (CAB) by attending meetings and working with the Chair to set the agenda for 11 meetings per year. Administer the CAB Community Improvement Grant Program, ensuring information is accurate and distributed in a timely manner and that funds are allocated and spent in accordance with the governing resolutions. (The number of grants will vary each year and will be determined by allocated funding.)
- Maintain a tracking log of all requests to Office of Community Engagement for technical assistance, resources and support from other City departments.

Violence Prevention Partnership	FY 2014-15	FY 2015-16	FY 2016-17
Concluded implementation of the Partnership's 2012-2016 Strategic Plan	Implemented 28 of 40 identified Strategic Plan Objectives	Implemented 39 of 40 identified Strategic Plan Objectives	Implemented 40 of 40 identified Strategic Plan Objectives
Create Community Safety Scorecard to be used to measure long-term impacts of the Partnership's efforts on a neighborhood level	Incorporated preliminary findings within Cycle VIII CHOICE Grant Program Request for Qualifications (RFQ).	Scorecard adopted by The Partnership's Policy Team on April 13, 2016.	Scorecard accepted by City Council on August 9, 2016. Incorporated findings within the Partnership's 2017-2022 Strategic Plan and Cycle IX CHOICE grant program RFQ.

The Office of Community Engagement

Conduct 6 Policy Team and 12 Operational Team meetings for the Partnership	Policy Team – 6 Operational Team – 11 Joint Meeting – 1	Policy Team – 5 Operational Team - 12 Joint Meeting – 1	Policy Team – 5 Operational Team - 10 Joint Meeting – 1
Implementation of annual Gang Prevention Awareness Week	5 events	6 events	7 events
Process referrals for youth and families needing services or resources	85 received	242 received	59 received (as of 3/23/17)

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Community Engagement

- Supported the City's Community Advisory Board and the development of their FY 2016-17 Work Plan, which includes six focus areas that align with several Council goals.
- CAB approved 14 Community Improvement Grants totaling \$12,852.
- Hired Community Engagement Director.
- Worked in partnership with IT and marketing staff from various departments to develop the design and layout of the new City website.
- Supported and participated in the Diversity and Inclusion Council by creating three proclamations.
- Created and rebuilt bridges with key community members and interest groups, including: Santa Rosa Together, the Open Government Taskforce, Roseland Parents Club, the Roseland Community Building Initiative Steering Committee, West End Neighborhood Association, and Homeless Action.
- Conducted eight community-wide meetings to obtain input from the community on City's Capital Improvement Program budget priorities.
- Co-led six community meetings and eight educational commercials with Planning and Economic Development to provide information about the annexation of Roseland to the residents of the areas to be annexed. Included door-to-door outreach and community group presentations prior to community meetings.

Violence Prevention Program

- Hired Program Manager, Community Outreach Specialist, and Senior Administrative Assistant.
- Concluded implementation of The Partnership's 2012-2016 Strategic Plan meeting our Strategic Goals of: Awareness, Prevention, Intervention, Enforcement, Re-Entry, Regionalization, and Measurements/Metrics.
- Created a Community Safety Scorecard to be used to measure the root causes of violence from a public health approach and long-term impacts of The Partnership's efforts on a neighborhood level.
- Continued to fund 11 programs for the second year of the Cycle VIII CHOICE grant program. One of the agencies approved for funding declined their award due to internal organizational issues; the unused funding will be returned to the Measure O fund balance for future funding cycles.

The Office of Community Engagement

- Continued implementation of an enhanced referral system for youth and families needing services or resources from The Partnership, which was made possible through a CalGRIP grant from the Board of State and Community Corrections. Enhancement during Year Two of the grant included the launch of the Apricot database system to track referrals and program enrollment.

Looking Ahead

Community Engagement – In future budgets, a restructure of staffing, including the possible addition of staff to meet the growing level of responsibilities and evolution of the Office of Community Engagement (including The Partnership), to effectively enhance community engagement efforts in the city, and to implement approved recommendations of the Open Government Task Force report, as well as community expectations.

Violence Prevention Partnership – As of December 31, 2017, funding from the Board of State and Community Corrections for the CalGRIP grant program will conclude, consequently eliminating the Wraparound Coordinator (1.0 LTE Community Outreach Specialist) position which fulfills a critical core service of administering referrals for youth and families needing services and resources from the Partnership. Future CalGRIP funding is projected to be eliminated as part of Governor Brown's budget proposal. Staff is analyzing the current staffing structure to determine how to align job duties with existing roles within The Partnership and Community Engagement while simultaneously seeking additional funding opportunities to help offset the loss of CalGRIP funding, including a proposed amendment to the Measure O Implementation Plan to extend the position through June 30, 2018. Due to insufficient long-term funding in the Measure O Implementation Plan, funding supporting for the 0.50 FTE Community Outreach Specialist in Housing and Community Services will be eliminated beginning in FY 2018-19. This elimination will enable The Partnership's staff to continue fulfilling the objectives of the 2017-2022 strategic plan and Measure O ordinance.

Finance

Mission

As the fiscal steward of the City's resources the Finance Department provides excellent customer service, as well as ethical oversight and management of public funds.

Department Description

The Finance Department is responsible for providing a variety of financial and support services to the City organization, as well as the business community and general public. The Department is divided into six programs in addition to the department's General Administration: Financial Services, Payroll and Benefits, Purchasing, Revenue, Parking Operations and Parking Enforcement.

Financial Services – Is divided into two sections that provide accounting and fiscal management to City departments, the Housing Authority and the Successor Agency to the Former Redevelopment Agency: Financial Reporting and Budget and Financial Planning. Together, both sections ensure the proper use of the City's funds. Financial Services is responsible for preparing and producing a number of mandated reports including the City's Comprehensive Annual Financial Report, the City's Operations and Maintenance Budget, and the City's Capital Improvement Program Budget.

The Financial Reporting section provides professional-level accounting, internal audit, and financial reporting services to a wide array of activities. Financial Reporting manages the annual financial audit contract, as well as the contracts for the Citywide cost allocation process. Budget and Financial Planning manages all aspects of the City's budget process, long range financial planning, and provides analytical services to those departments throughout the year. This section also includes the City's Treasury function which manages the investment of the City's cash.

Payroll and Benefits – Maintains the City's payroll and timekeeping systems and produces all payments for the various employee benefit programs. This requires producing both a bi-weekly and monthly payroll and reconciling and paying monthly benefit costs. There are several external reporting requirements of payroll-related information to federal and state agencies that occur bi-weekly, monthly, quarterly and annually. Additional tasks performed by this division are the management of the City's deferred compensation program, the administration of various uniform programs, tracking and billing for leaves of absence, performing labor costing analysis and preparation of the Citywide labor and benefits budget.

Purchasing – Includes the Central Warehouse, Accounts Payable and Contract Management Services. The division provides purchasing, procurement, surplus disposal, purchasing cards, public requests for information and warehousing support to the entire City organization in addition to processing all the accounts payable requests relating to contracts, purchase orders, field requisitions and miscellaneous payments. Contracts are monitored for adherence to insurance requirements and to ensure payments are properly documented and the requirements of the federal and state laws are satisfied.

Materials, supplies, equipment, and services are procured through a centralized purchasing system directed by the City Purchasing Agent. Major public works contracts are managed by the Transportation and Public Works, Recreation & Parks, and Santa Rosa Water Departments while minor and some major public works projects are awarded through central purchasing. Purchasing provides Professional Services procurements for the Finance department as well. Purchasing delivers education, consultation, and process awareness to assist Citywide staff and the public on the methods, procedures and requirements associated with mandatory public purchasing practices.

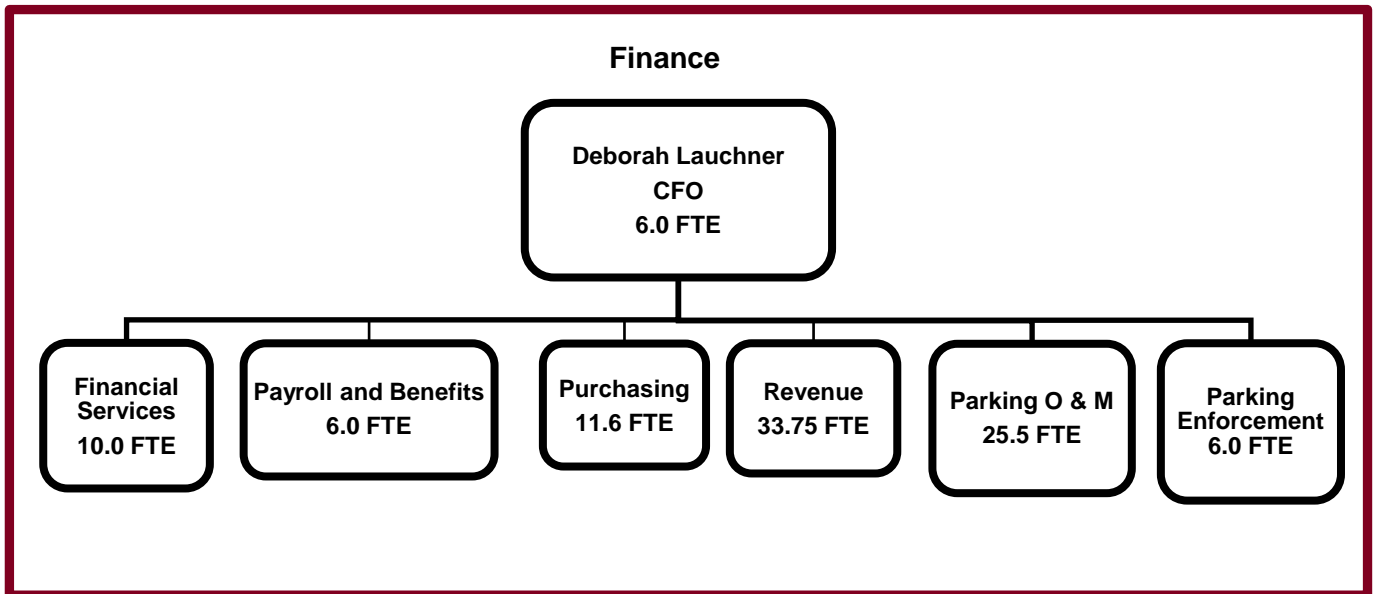
Finance

Revenue – Includes business tax management and utility fee revenues; provides billing and collection services for City water and sewer utilities, City taxes and franchise fees, business improvement assessment districts, and miscellaneous receivables. This section includes reading all the water meters in the City each month, assisting customers with billing in person or by phone/email/mail, performing a variety of customer outreach for issues such as excessive water use, preparing and reviewing outgoing bills and any communications included in the billing both paper and electronic, collecting payments through various options and maintaining the multiple payment options for the rate payers. Collection duties are also performed for delinquent accounts.

Parking Operations & Maintenance – Serves an estimated two million customers per year by managing and maintaining the City's five parking garages, ten surface lots, on-street metered parking and time-limited parking spaces for the downtown City center, Railroad Square Parking Meter Zone and six residential parking permit zones.

Parking Enforcement – Monitors and regulates parking meters, time zones, and other restricted parking areas in the Downtown Central Parking District and Railroad Square Districts, as well as six Residential Permit zones. Enforcement maximizes parking options for residents, commuters and visitors in a fair, equitable manner that promotes and encourages economic growth.

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Administration

- Continue evaluating ways to streamline processes and procedures to increase efficiencies and maintain compliance with Federal and State laws and mandates. **2**

Financial Services

- Develop and implement revisions to the City's budget and reserve policies. **1, 2B**
- Work with departments to develop new charge out procedures that utilize the new fully burdened hourly rates.

Parking Enforcement

- Continue to enforce parking codes in a fair and equitable manner that promotes and encourages economic growth. **1**

Parking Operations & Maintenance

- Implement Railroad Square Parking Management Plan and Progressive Parking Strategies. **1, 3**
- Complete asphalt repairs to five surface lots. **1**
- Replace top deck of Garage 9. **1**
- Replace 89 old coin-only on street single space meters with credit card enabled meters and 28 multi space meters in the surface lots. **1**

Payroll and Benefits

- Continue to identify, evaluate and address procedures in order to maintain compliance with CalPERS regulations. **2**
- Continue to identify, evaluate and address procedures in order to maintain compliance with Federal and State labor and income reporting regulations. **2**
- Develop procedures to receive and pay income withholding orders electronically.
- Continue to evaluate and make improvements to the payroll and timekeeping systems to increase ease of use and create efficiencies. **2**
- Continue to identify, evaluate and address labor contract language to create uniformity among the various bargaining units. **2**

Purchasing

- Attend and participate in Disaster Procurement Bay Area Group to develop and put in place procurement resources that are FEMA compliant to Title 2 of the Code of Federal Regulations, Part 200. **6**
- Evaluate and develop policies and implement procedures to renew, maximize bid visibility, increase local participation and produce quality work when preformed per City Code 3-08.060. **2B**
- Implement a continued strategy to place all City bid opportunities on the chosen internet platform (Planet Bids) to maximize visibility to the public and promote competition. **2B**
- In conjunction with the record retention project, continue to repurpose office supplies, minimize new orders and maximize the use of recycled products. **2B**

Finance

Major Budget Changes

The FY 2017-18 Finance department budget is \$19.1M, up \$2.6M or 15.4%, over the FY 2016-17 adopted budget. The majority of the Finance department's budget is in two funding sources: the General Fund and the Parking Enterprise Fund.

The General Fund budget increase by \$480K or 5.0% from last fiscal year's adopted budget. Salaries and Benefits grew by \$191K mainly with the addition of 2.0 positions, planned merit increases, cost of living adjustments, and rising benefit costs. The new positions include a 1.0 FTE Payroll Specialist and a 1.0 FTE Limited Term Customer Service Representative in Utility Billing which will be working on the Water Meter Upgrade (AMI) project and funded by the Water department. Service and Supplies also increase by \$289K in professional services; largely due to bank and credit card fee increases as the viability of electronic payment options become more accessible to City customers, as well as the rising cost of City-wide contracts.

The Parking Fund budget is \$8.7M, a \$2.0M increase from FY 2016-17 adopted budget. Position changes include the addition of 1.0 FTE Senior Administrative Assistant and elimination 1.5 FTE vacant Parking Operation Aides positions due to increased efficiencies gained through the new Parking operational model. The primary driver of the increase in budget is due to planned use of the Parking fund reserve balance to fund new O&M and CIP projects including \$2.0M of funding for garage repair and upgrades, and the replacement of coin-only meters with credit card enabled meters and \$1.1M in parking lot asphalt maintenance with reductions of \$1.7M in other completed CIP projects.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$1,361,974	\$1,474,286	\$1,682,549
Purchasing	\$997,632	\$995,212	\$1,024,637
Financial Services	\$2,347,366	\$2,457,406	\$2,534,687
Revenue	\$4,041,427	\$4,299,995	\$4,471,313
Payroll and Benefits	\$538,721	\$656,345	\$660,682
Parking Services O&M	\$0	\$3,759,555	\$4,248,799
Parking Enforcement	\$0	\$990,881	\$1,053,344
CIP and O&M Projects	\$25,000	\$1,916,086	\$3,426,250
Total	\$9,312,120	\$16,549,766	\$19,102,261

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$4,494,878	\$6,661,351	\$6,795,631
Benefits	\$2,139,447	\$3,370,812	\$3,563,623
Professional Services	\$1,419,186	\$2,184,381	\$2,436,196
Vehicle Expenses	\$89,206	\$213,939	\$214,545
Utilities	\$7,245	\$176,934	\$92,637
Operational Supplies	\$411,595	\$619,336	\$610,223
Information Technology	\$583,845	\$701,525	\$869,447
Liab/Property Insurance	\$0	\$99,211	\$94,882
Other Miscellaneous	\$141,718	\$346,125	\$350,605
Indirect Costs	\$0	\$260,066	\$625,712
Capital Outlay	\$0	\$0	\$22,500
CIP and O&M Projects	\$25,000	\$1,916,086	\$3,426,250
Total	\$9,312,120	\$16,549,766	\$19,102,251

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$9,120,120	\$9,679,244	\$10,158,868
Parking District Fund	\$0	\$6,666,522	\$8,728,393
Pooled Investment Fund	\$192,000	\$204,000	\$215,000
Total	\$9,312,120	\$16,549,766	\$19,102,261

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	62.85	62.35	64.35	97.35	98.85

Finance

Performance Measures

Revenue & Collections

INDICATORS:	MONTHLY AVERAGE	FY 2016-17
Total Amount Billed	1,924,044	23,088,530
Muniservices – Business Tax Certificates Issued	1076	12,914
Invoices Issued	264	3168
Utility Users Tax files	n/a	216
Alcohol Sales Permit Fee files	n/a	436
Transient Occupancy Tax files	n/a	168
City Tourism BIA files	n/a	168
County Tourism BIA files	n/a	21
Franchise Fees	n/a	52
Calls received	301	3,612
Electronic payments received	2	24
Mail (Phone) payments received	771	9250
Counter payments received	123	1473
Dollar amounts sent to collections	\$16,007	\$192,083

* Includes invoices, Utility User Tax accounts and refunds, Alcohol Sales permit files, Transient Occupancy Tax, Business Improvement Area for City and County, Dog Licenses, Unclaimed Property requests and Garbage payments.

Utility Billing

INDICATORS:	MONTHLY AVERAGE	FY 2016-17
Total Amount Billed	8,808,325	105,699,900
Number of Accounts	n/a	48,200
Water Services **	n/a	53,173
Sewer Services	n/a	49,490
Operations calls initiated and received	3,923	47,076
Collections calls initiated and received	1,931	23,172
Meters read by Meter Specialists	53,532	642,384
Property visits by Meter Specialists ***	2,587	31,044
Electronic payments (includes IVR & ABP) received	29,349	352,188
Mail payments received	14,104	169,248
Counter payments (includes drop box) received	3,352	40,224
Electronic users	n/a	15,999
Dollar amounts sent to collections	\$30,474	\$365,688

Water Services = Water, Irrigation, Recycled, Fireline *Property Visits = Other than normal meter reading (Delinquent turn on/off, door tags, stop/starts, billing slips, off and lock checks, leak checks, dig/trims, flow test, etc.)

Parking Operations

INDICATORS:	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 ESTIMATE
Number of monthly parking permits issued	23,507	23,348	24,100	25,045
Number of hourly parking garage patrons served	439,564	443,520	510,356	550,000
Number of metered parking transactions	1,841,458	1,922,491	1,907,972	1,915,272
Number of residential parking permits issued	1,120	1,325	1,370	1,400

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Administration

- Established Citywide Petty Cash and Change Fund Administrative Policy and Procedure.
- Began transition to offsite storage moving 597 boxes to date.
- Increased internal services survey performance results by 4%. 2A

Financial Services

- Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the FY 2016-17 Budget.
- Produced and published the FY 2015-16 Operations and Maintenance Budget Report and the Comprehensive Annual Financial Report (CAFR).
- Established an Internal Audit Group and completed three audits: Petty Cash and Change Funds; Procurement Cards; and an external performance audit of the Santa Rosa Community Media Access Center.

Parking Enforcement

- Continued to enforce parking codes in a fair and equitable manner that promotes and encourages economic growth. 1
- Continued to support residents with parking issues in residential permit zones.
- Staff completed the Sonoma County Certified Tourism Ambassador program. 1
- License Plate Recognition user rules and privacy agreement policy adopted by City Council.

Parking Operations & Maintenance

- Continued partnership with Planning & Economic Development staff to market downtown, provide education regarding parking options and promote the parking validation program.
- Completed energy efficiency lighting retrofits at parking lots 6, 10, and 11. 1, 3
- Completed ADA transition plan.
- Completed Depot Lot reconfiguration plan to accommodate vehicle access to SMART platform. 1
- Completed rollout of Passport mobile payment application to all parking meters citywide. 1
- Replaced 89 older coin only single space meters with credit card enabled meters. 1
- Installed 43 credit enabled single space parking meters at Courthouse Square. 1
- Presented Progressive Parking strategies to City Council for consideration. 1
- Drafted a hotel valet parking agreement for City Council approval. 1
- Completed parking lot asphalt condition assessment and repair plan.
- Completed Garage 1 elevator repairs.
- Awarded design/build contract to Sprig Electric for solar systems on four garages. 1,3
- Completed garage fire suppression upgrades.
- Coordinated with Chamber of Commerce on homeless donation meter program. 1

Payroll and Benefits

- Completed FLSA audit of Fire and Police Memoranda of Understanding. 2
- Identified, evaluated and addressed procedures to maintain compliance with CalPERS regulations. 2
- Identified, evaluated and addressed procedures to maintain compliance with Federal and State labor and income reporting regulations. 2

Finance

2

- Made improvements to the payroll and timekeeping systems to increase ease of use and create efficiencies.
- Produced preliminary labor and benefits budget for FY 2017-18.

Purchasing

- Procurement Working Group is completing a written process for goods bids in field, which will incorporate green and local preference policies.
- Created a program called Surplus in Place, which minimizes the staff time and costs associated with the movement and auction of surplus property.

Revenue

- Successfully created implementation planning and alpha testing as well as began beta testing for the Meter Upgrade project which will replace or retrofit all 53,000 +/- water meters in the City. Began and have almost completed the necessary software integrations required for the 3 systems associated with the project. This allows the City to use the water use data in many departments to find benefits, savings and efficiencies and allow our customers access to their detailed water use, find leaks and be educated about the importance of water.
- Successfully integrated the software for the new electronic bill presentment and payment system that will be accompanied by a new IVR system and new payment kiosks to provide better tools for our customers to make payments and retrieve account information.
- Developed the procedures for the Help to Others assistance program to help very low income residents pay a portion of their water and sewer bill.
- Participated in Community Conversations and provided data to citizens and other departments to assist the public and other departments with an easier transition of the proposed Roseland Annexation.
- Improved processes for a more efficient Business Tax Certificate renewal and collection process as well as exploring opportunities for future improvements.
- Provided input and data to assist with several new programs that may need fee collection in the City, i.e. possible new housing programs and possible collection of fees from other agencies.

Looking Ahead

The Finance Department will continue to pursue and evaluate strategies to streamline processes and procedures to increase efficiencies, maintain compliance, and stay current with Federal and State laws and mandates. The department will continue to be involved in major projects to ensure proper representation of financial impacts.

Financial Services will develop and implement revisions to the City's budget and reserve policies. We will also work with departments to develop new charge out procedures that utilize the new fully burdened hourly rates.

Purchasing will Implement a continued strategy to place all City bid opportunities on the chosen internet platform (Planet Bids) to maximize visibility to the public and promote competition. We will also continue to repurpose office supplies, minimize new orders and maximize the use of recycled products.

Payroll and Benefits will identify, evaluate and address procedures to maintain compliance with Federal and State labor and income reporting regulations and CalPERS regulations. In addition, we will continue to evaluate and make improvements to the payroll and timekeeping systems to increase ease of use and create efficiencies.

Finance

Revenue will continue to work with Santa Rosa Water on the implementation and integration of Advanced Metering Infrastructure. This is a very robust tool that will allow the City the ability to provide additional services to our customers, automatic leak notifications, access to hourly use data, customized bill notifications, etc. as well as providing analytical data used for water use efficiency, large system planning, detection and assessment of infrastructure needs and current development. We will also be involved in mobile applications, kiosks and smart city planning.

Parking will be working on numerous projects to replace garage access and revenue control equipment and parking meters that have reached the end of their useful life and to maintain parking surface lots. We will also implement the Railroad Square Parking Management Plan and Progressive Parking Strategies.

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Fire

Mission

As a professional, all-risk fire department, we protect lives, property, and the environment through emergency response, prevention, and community involvement.

Department Description

The Fire Department has four major programs: Administration, Prevention, Operations, and Measure O.

Administration – Coordinates the preparation and monitoring of the Department’s budget. Major activities include: personnel recruitment, conducting studies of departmental operations and efficiencies, formulating policies, rules and procedures, promoting life safety and environmental protection, providing administrative support to Fire Department personnel, contract negotiations and management, Citywide emergency preparedness, and representing the interests of the Department.



Fire Prevention – Prevents and limits the spread of fire and provides 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 of Santa Rosa and the Roseland Fire Protection District.

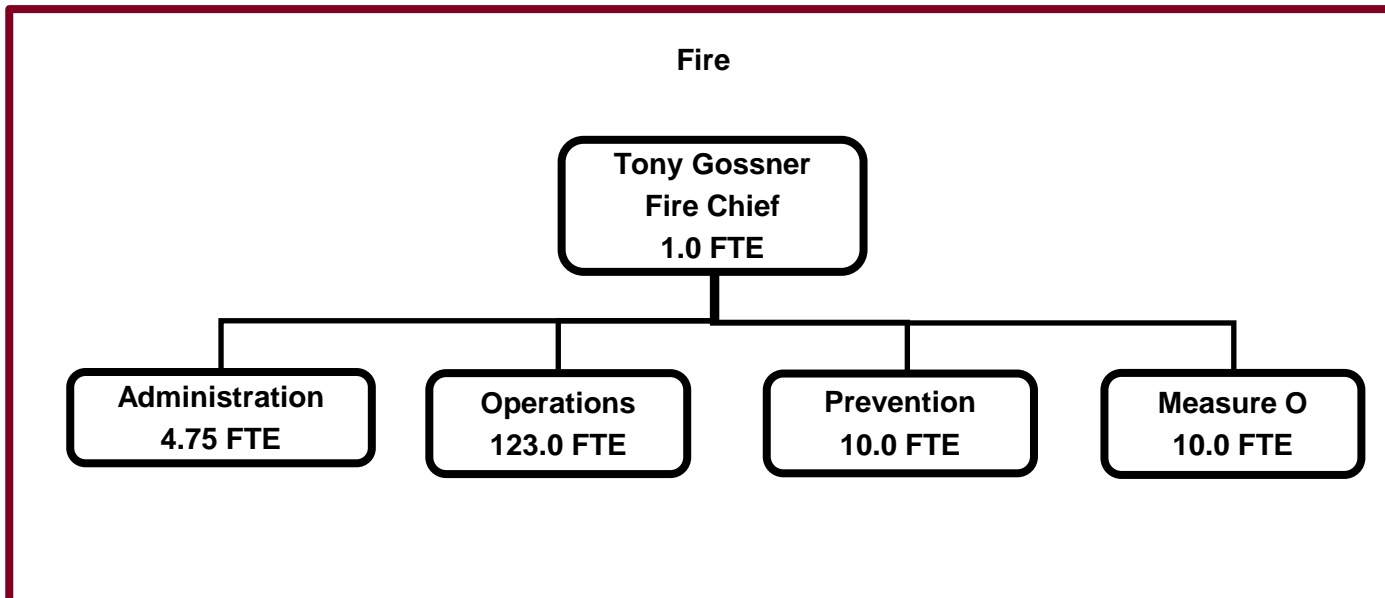
Operations – Responds to and mitigates emergency incidents within the City of Santa Rosa and Roseland Fire Protection District. Major services to the community include: paramedic and emergency medical care, extinguishment of fires, technical rescue, mitigation of the effects from natural disasters and hazardous materials containment. Training and safety programs are provided to all personnel to safely and proficiently deliver services to the citizens of Santa Rosa.

Measure O – Is an extension of Operations that funds staffing for nine paramedic fire operations staff, one Training Captain, partial funding for the EMS Battalion Chief and paramedic incentive pay for six additional fire operations staff. Measure O also funds construction of existing and future fire stations.



Fire

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- Roseland annexation and the support of services required.
- Fire Station 8 relocation and/or construction of new Fire Station 9.
- Train, develop and test all employees.
- Continue to seek grant opportunities to enhance services.
- Implementation of Strategic Plan and Standards of Coverage.
- Addition of a second battalion and a Community Outreach Specialist.
- Continue to support City-wide emergency preparedness through training and program analysis.
- Privacy project for Stations 1, 3, 4, 6 and 7.

Major Budget Changes

The Fire Department's programs consist of Measure O, which is funded by its own revenue source, and Operations, Prevention and Administration, which are funded by the General Fund. Overall, the Fire Department's budget increased by \$4.8M, or 12.7%, from the prior fiscal year adopted budget. Most of this increase is attributable to salaries and benefits, as well as the General Fund Administrative costs.

In the General Fund, Fire's FY 2017-18 Salaries and Benefits rose by \$1.6M, or 10.3% when compared to prior year's adopted budget. Over half of this variance, \$800K, can be attributed to an increase in benefit rates, particularly healthcare and retirement. There was also one addition to staffing, a 1.0 Fire Inspector for anticipation of the Roseland Annexation. For the first time in FY 2017-18, the General Fund began charging Administrative costs to the Fire department as well as other non-administrative departments for services. The Administrative cost for FY 2017-18 is \$2.1M which is a driver of the overall increase of the Fire department in the General Fund.

FY 2017-18 Measure O funds did not fluctuate greatly when compared against FY 2016-17 adopted budget. Consistent with the General Fund, Measure O benefits rose mostly due to the cost of healthcare and retirement while staffing levels remained unchanged for Measure O funded positions.

In FY 2017-18, the Capital Improvement Fund increased \$1.1M when compared against FY 2016-17 adopted budget. New for FY 2017-18, is \$1.0M funding of the relocation of Fire Station 8 project which will be used to purchase property to move the station close to Highway 101.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$1,310,484	\$1,553,453	\$3,621,275
Fire Prevention	\$1,756,148	\$1,756,213	\$1,963,354
Operations	\$28,790,027	\$30,917,610	\$32,274,427
Measure O Fire	\$2,894,576	\$2,722,192	\$2,778,390
CIP and O&M Projects	\$1,052,179	\$890,387	\$2,023,562
Total	\$35,803,414	\$37,839,855	\$42,661,008

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$19,753,774	\$20,548,932	\$21,352,765
Benefits	\$11,229,426	\$12,581,526	\$13,390,289
Professional Services	\$1,172,700	\$1,329,600	\$1,343,748
Vehicle Expenses	\$640,331	\$675,987	\$774,096
Utilities	\$47,735	\$52,735	\$35,200
Purchase Water	\$0	\$0	\$0
Operational Supplies	\$382,174	\$465,356	\$368,477
Information Technology	\$583,612	\$560,918	\$565,947
Debt Service	\$0	\$0	\$0
Liability & Property Insurance	\$11,692	\$14,769	\$15,437
Other Miscellaneous	\$548,816	\$604,235	\$552,624
Indirect Costs	\$120,975	\$115,410	\$104,550
General Fund Administrative Cost Plan	\$0	\$0	\$2,134,313
Capital Outlay	\$260,000	\$0	\$0
CIP and O&M Projects	\$1,052,179	\$890,387	\$2,023,562
Total	\$35,803,414	\$37,839,855	\$42,661,008

Fire

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$32,416,891	\$34,827,082	\$38,456,107
Measure "O" - Fire	\$2,894,576	\$2,722,192	\$2,778,390
Administrative Hearing Fund	\$10,000	\$10,000	\$25,000
Environmental Crimes Investigation	\$10,000	\$1,831	\$0
Capital Improvement Fund	\$471,947	\$278,750	\$1,401,511
Total	\$35,803,414	\$37,839,855	\$42,661,008

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	143.75	147.75	147.75	147.75	148.75

Performance Measures

Indicators	2014	2015	2016
Budgeted Sworn Personnel	139	139	139
Population	170,093	170,236	174,972
Number of Incidents	23,931	25,111	26036
Fire Loss	\$3,437,205	\$6,089,132	\$3,690,100
On Scene within 5 Min. (Council goal is 90%)	74%	72%	73.48%
Civilian Fire Fatalities	2	1	1
Full Assignment within 8 minutes	85.33%	83.91%	77%
Engine Company Annual Inspections	2,508	*2,492	2,684
Fire Prevention Annual Inspections	501	*566	527
CUPA Annual Inspections	406	539	410
Construction Inspections	*1,025	*1,045	908
CUPA Construction Inspections	108	69	59
Plan Reviews	1,275	*570	1,195
CUPA Plan Reviews	105	69	66
Limited Term Permits/Inspections	188	173	338
Fire Prevention Investigations	50	37	48

* Some changes were made to previous years to more accurately reflect amounts.

Prior FY 2016-17 Accomplishments

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- Completed 5-Year Strategic Plan and Standards of Coverage.
- Completed triennial CUPA evaluation.

- Purchased new ladder truck, two fire engines and five command vehicles.
- Hired four firefighter/paramedics and various promotions of Fire Engineers and Fire Captains.
- Completed ADA modifications at Station 5.
- Adopted 2016 California Fire Code with local amendments.
- Completed multi-day Company Officer Academy.
- Initiated Fire Training Center improvements.
- Collaborated with Police on training and shared projects at the Fire Training Center.

Looking Ahead

Addition of a second battalion and a Community Outreach Specialist:

Add a second Battalion for the City of Santa Rosa. A Battalion Chief is a mid-management position within the Fire Department that is assigned to supervise day-to-day all-risk operations throughout the City of Santa Rosa. This officer is typically assigned to work the same 48-hour shift as the fire suppression employees and would ideally supervise a maximum of five to seven Fire Captains located in several fire stations. An important duty of the Battalion Chief is responding to significant all-risk emergency incidents and assuming the on-scene incident command system (ICS) responsibilities. Currently there is one Battalion Chief on-duty per day directly supervising (12) FTE Fire Captains and indirectly supervising for (14) FTE Fire Engineers and (15) FTE Firefighters located throughout ten fire stations. The need for a second on-duty Battalion Chief was established well over a decade ago, however, it has not been addressed due to lack of funding opportunities. A deployment analysis conducted in 2002 reported that a second Battalion Chief per shift should be established to share the burden of emergency response and general supervision. Also, a 2016 Standards of Coverage confirms the need for a second on-duty Battalion Chief. Specifically, a second Battalion Chief should be activated and the City divided into two Battalions for administrative and operational purposes. As the City continues to grow, the Fire Department continues to face challenges due to limited field command officers. Best practice suggests that a single command officer should not be responsible for more than seven operating units on a day-to-day basis and not more than five operating units at the scene of an emergency. Relying upon response by on-call fire company officers can result in significant delays in implementing proper strategies. As a point of reference, call volume has increased by 65% between 2002 when the analysis was completed and 2015. The addition of a second on-duty Battalion Chief was outlined in the Fire Department's Strategic Plan in FY 2009-10, however, it wasn't accomplished due to the economic downturn. The addition of this position has remained in the Fire Department's Strategic Plan every fiscal year since FY 2009-10.

The Community Outreach Specialist (COS) is a civilian position within the Fire Department that is responsible for engaging with the public, attending public events to educate on the programs available through the Fire Department, planning and coordinating events that foster relationships between the Fire Department and the public and leading a group of volunteers (Fire Corps) who assists in educating the public on the Fire Department's function and programs. This position will also assist with the implementation of specific Fire Department elements of the Local Hazard Mitigation Plan (vegetation management and hazardous materials programs) and facilitate community meetings and engagement activities. The COS has historically been a .25 FTE position which has led to difficult recruitment and retention of employees. Upgrading this position to a 1.0 FTE will attract more qualified applicants and ensure the long-term viability of this position. Furthermore, prior COS employees have stated that there were too many tasks to complete on a part-time basis. Thus, the addition of work week hours will create a more effective and efficient working environment that will lead to greater success for this position and the community we are trying to reach.

Fire

Continue to work on cannabis tax initiative and hiring of additional inspection staff to address increased workload:

This position is being added to the additional needs for FY 2017-18 as the work load continues to increase for the medical cannabis industry, placing a strain on the current Fire Department staff within the Fire Prevention Bureau. In our effort to support the Council priority of bringing this industry out of the shadows, hiring of an additional 1.0 FTE Fire Inspector would focus on all medical cannabis related matters such as pre-application meetings, plan review, field inspections, complaint investigation, annual fire code inspections and hazardous materials inspections of these facilities. The tax measure is being proposed in June 2017 and a percentage of the generated sales tax revenue would support an additional 1.0 FTE Fire Inspector position.

Initiate privacy project for remaining fire stations' barrack-style dorms:

The Fire Department currently has ten fire stations, five of which have individual dorm rooms for firefighters that accommodate privacy for changing clothes, sleeping and studying. Stations 1, 3, 4, 6, & 7 were all built between 1967-1981 and still have the original open style barracks dorm rooms that do not accommodate privacy for our current diverse workforce. Modern fire station design standards do not include open style communal dorm rooms. As planned, the Privacy Dorm project would be completed over a five-year period, one station per year.

Continue implementation of Lexipol Fire Department policy system:

Continue implementation of Lexipol Fire Department policy system. The Lexipol policy management system is a state-specific fire policy manual based on Federal and State statutes, case law and best practices written by legal and fire professionals. The Fire Department started the process of adopting this system two years ago and continues to review, update and merge legacy Fire Department standard operating procedures with the Lexipol policy system.

Continue planning for the relocation and/or construction of new fire stations based on 2017 Standards of Coverage report:

The Standards of Coverage report closely follows the Center for Fire Public Safety Excellence (CPSE) Standards of Coverage model that develops written procedures to determine the distribution and concentration of a fire and emergency service agency's fixed and mobile resources. This plan has identified several options to ensuring safe and effective fire services coverage within the City. Identified in the report is the relocation of Fire Station 8 and the construction of new Fire Station 9.

Preparing for the pending annexation of Roseland:

In preparation of the pending annexation of the Roseland Area, the Fire Department has evaluated the needs of the department with focus on the Fire Prevention Bureau as we prepare to move forward in FY 2017-18. In summary, the following programs have been determined to create additional workloads that cannot be supported by current staffing levels, thereby requiring the need for additional staffing in the Fire Prevention Bureau. The following is a breakdown related to areas of significance:

Certified Unified Program Agency (CUPA) – Currently Sonoma County Fire Services perform the hazardous materials inspections within the Roseland Area. Once the annexation takes place the Santa Rosa Fire Department will become responsible for these inspections. Through conversations with Sonoma County Fire Services, it is estimated that there are 58 businesses that will require a hazardous material inspection. There are other businesses within the Roseland Area that the County has not brought into their system that will require additional time and education as we move these businesses into our program.

Fire Code Inspections/ Fire Hazard Complaints – The Fire Department currently performs annual Fire Code Permit inspections in the Roseland area, however, it is anticipated that there will be an additional workload currently not recognized once the area is annexed. The Fire Department works closely with other City departments to follow up citizen complaints that involve multiple enforcement disciplines and education.

Development – Within the Roseland area the construction related projects are typically handled by the County Permit Resource Management Division (PRMD) and Sonoma County Fire Services, with some local oversight on projects for Fire Department features. With the annexation, there will be an increase in plan review and field inspection time, which in turn may lead to additional annual Fire Code and hazardous materials permit inspections. Our Fire Department also acts as the lead agency for the City of Santa Rosa Pond #2 Soil Management Plan on behalf of the North Coast Regional Water Quality Control Board. With the annexation, it is expected that numerous Capital Improvement Projects (CIP) will take place to upgrade water and sewer services. Due to the subsurface contamination in and around Roseland, additional Fire Department staff time will be needed to review soil data to determine if the City's Pond #2 would be suitable to dispose of trench spoils on a case by case basis.

Neighborhood Revitalization Program (NRP) – The Fire Department currently has .5 of a full-time Fire Inspector position assigned to NRP. The NRP coordinator has indicated that the annexation of Roseland will require additional workload and focus from this program, requiring the need to backfill the .5 FTE lost in the Fire Prevention Bureau. In the late 1990's and early 2000's the NRP used to fund a full-time Fire Inspector position in the Fire Department and in the late 2000's this was reduced to .5 FTE due to budget reductions throughout the City and the departments. This workload will need to be monitored moving forward to evaluate unsupported impacts to staffing levels.

Community Outreach – The Fire Department took part in the numerous community/public meetings in and around the Roseland area to provide education about changes the residents will notice during the annexation transition. It is anticipated that there will be a need for continued community outreach and education to members of this area leading up to and after the annexation occurs. The Fire Department will work closely with Sonoma County Fire Services and Permit Resource Management Department (PRMD) in an effort to make the transition as smooth as possible and the Community Outreach Specialist position will plan a key role in this process.

Initiate planning for ambulance franchise and REDCOM RFPs:

The Fire Department will continue to proactively plan and prepare for the Ambulance Franchise Exclusive Operating Area (EOA) and REDCOM Regional Dispatch RFPs. The current contracts for both the Ambulance EOA and REDCOM Dispatch expire on June 30, 2019. The Fire Department will explore opportunities and/partnerships that will best meets the Mission of the department, is most beneficial to the community, and is the most fiscally responsible.

Recruitments of new employees and promotions of existing employees:

The Fire Department will continue to actively recruit and hire exemplary employees as needed to fill vacancies in the Operations, Prevention, and Administrative Bureaus. Specifically, a recruitment of firefighter/paramedic applicants is due to begin in the fall of 2017, in order to establish a current and certified list of candidates to select for employment as the need arises.

The Fire Department will continue to provide promotional opportunities through a fair and equitable examination process for all ranks within all Bureaus. Through succession planning and mentoring the Fire Department will maintain a proud tradition of developing employees to find success in promotional opportunities throughout their careers. Current and certified promotional lists are maintained throughout the year to provide the Department the ability to immediately promote employees as the need arises due to retirements, injuries, or as vacancies occur.

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Housing & Community Services

Mission

We build community and improve the quality of life for all Santa Rosa residents.

Department Description

The Department of Housing and Community Services is comprised of two entities, the City Entity and the Housing Authority. Information regarding the Housing Authority is located in its own section.

Under the City Entity, the Department provides neighborhood revitalization and code enforcement services, assistance for homeless residents, and mediation under the mobilehome rent control ordinance.

Neighborhood Revitalization Program (NRP) – Citywide task force, including City Attorney’s Office, Code Enforcement, and the Fire and Police Departments working together to improve living conditions in focus neighborhoods by responding with solutions and that involve all neighborhood stakeholders. The Program provides Building and Fire safety inspections, while a Community Outreach Specialist works in the neighborhoods to assist and educate residents about city resources and coordinate educational and cultural events.

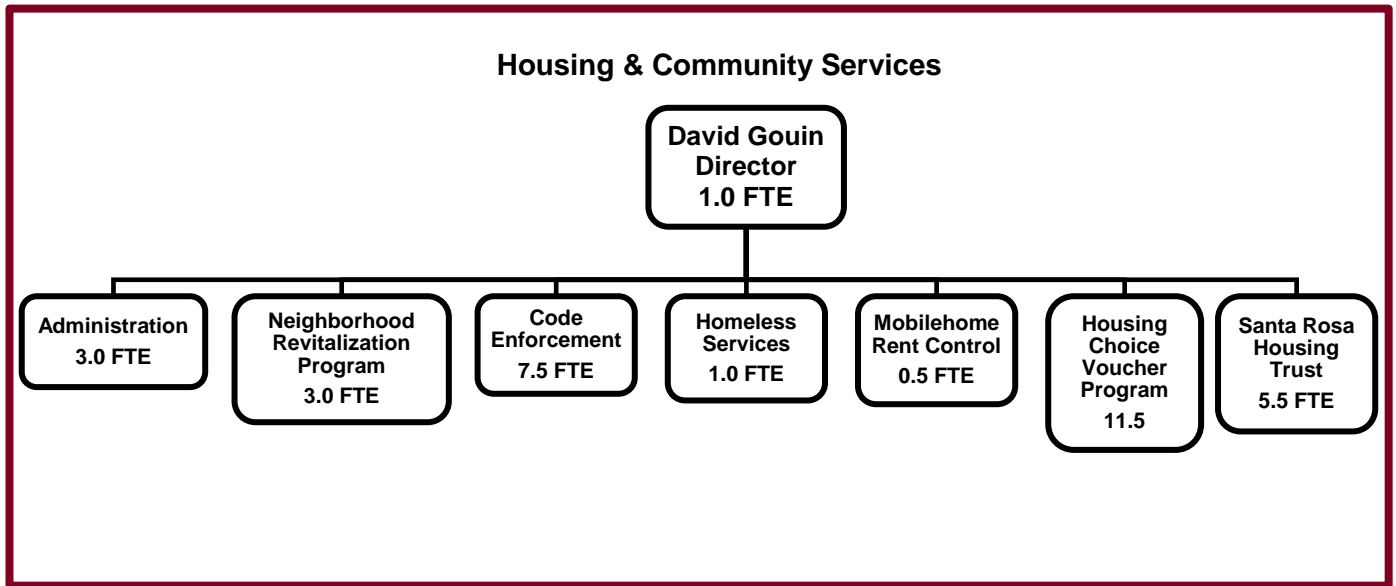
Code Enforcement – Responds to complaints and conducts inspections to ensure adopted City Zoning and Building Codes are implemented on private property to address general health, life, fire and safety issues facing residents. This currently involves responding to complaints such as (but not limited to); health and safety violations; unsafe buildings; substandard housing; unpermitted constructions; vehicle, trash and debris storage; and animal violations, among others. Code Enforcement staff also provide building inspection services for the Neighborhood Revitalization Program.

Homeless Services – Provides essential support for a variety of programs to address homelessness in our community as part of its broader goal of “Housing for All.” In 2017, the City Council adopted the Housing First strategy, an evidence-based approach to solving homelessness utilizing data from best practices that demonstrate effectiveness in moving a person into stable housing as quickly as possible and does not make housing contingent on participation in services or as a reward for changing behaviors. The City partners with other government agencies and local non-profit organizations to support the operation of the Samuel L. Jones Hall Homeless Shelter, including the expanded Winter Shelter. The City also utilizes Federal funding to support the Family Support Center (FSC), a family shelter, and the Homeless Services Center (HSC), a multi-service drop-in center. City staff participate in the Continuum of Care, a regional public-private collaboration of local government, service providers, and community activists to develop strategies for reducing homelessness; and the City participates in the federally mandated annual homeless count. The City also provides funding to the HCA Program, a private program that offers rental and security deposit assistance to prevent people from falling in to homelessness; and coordinates the Community Homeless Assistance Program (CHAP), which allows property owners to provide a variety of services, including safe parking, storage, and temporary overnight shelter. Finally, the City provides programmatic funding for initiatives such as the Homeless Outreach Services Team (HOST), a street outreach team that actively works in our downtown to engage unsheltered homeless into services and housing, and operates the Clean Start mobile bathroom/shower trailer.

Mobilehome Rent Control Ordinance – Enforces the Ordinance, enacted in 1993, which regulates mobilehome space rents in 15 mobile home parks in the City. The City assists residents and owners with mediation of mobilehome issues.

Housing & Community Services

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Neighborhood Revitalization Program (NRP)

- Continue to engage neighborhood residents by providing information and education on resources to improve the quality of life and safety in the neighborhood, including fairs, gatherings, classes, night walks, meetings, and “knock and talks.” 5
- Identify core resident leaders and cultivate and strengthen relations in the neighborhood to help organize resident groups. 5
- Increase partnership and collaboration with landlords, property managers, surrounding schools, businesses, residents, government and community-based organizations to understand the needs of the neighborhoods. 5
- Continue focused inspections in neighborhoods that are receiving the most complaints.
- Establish an educational outreach program for Code Enforcement and the new Rental Inspection Program modeled after the NRP concept. 5
- Create a plan for the NRP to engage new City residents as a result of the Roseland Annexation. 5
- Increase collaboration with different City departments to increase presence in the NRP focus neighborhoods (Apple Valley, Sunset Delport, The Woods, Olive/Corby, Heidi Place and West Ninth). 5

Code Enforcement

- Continue establishing a proactive approach to code enforcement complaint investigation and resolution. 6
- Implement process improvements identified by consultant to improve efficiency of case investigation and resolution. 6
- Improve performance metrics to effectively measure timeliness of response to customers and case resolution. 6
- Establish an outreach program to educate residents about the services provided by the Code Enforcement division. 6

Housing & Community Services

- Work with the County of Sonoma and other City departments to effectively manage the anticipated increase in complaints due to the legalization of cannabis. 6
- Prepare for the implementation of the Rental Inspection Program by focusing on resolution of existing Code Enforcement cases. 6
- Continue training new Code Enforcement Officers to investigate and resolve all categories of complaints in preparation of assigning them to specific quadrants within the City to promote relationships between neighborhoods and City staff. 1

Homeless Services

- Continue to administer homeless services contracts for the Samuel L. Jones Hall Homeless Shelter, HCA Family Fund Program, Family Support Center, Homeless Services Center, Homeless Outreach Services Team (HOST) and Community Homeless Assistance Program (CHAP). 6.1
- Update contracts' scope of services and performance metrics in partnership with the County of Sonoma and service providers to align with Federal, State, and local Housing First policy. 6.1
- Support City efforts to solve homelessness through continued coordination of services among key City departments, collaboration with the County and service providers, and participation in the Continuum of Care and other regional planning efforts. 6.1
- Develop an outreach program in collaboration with the City's Community Engagement Department to educate the community about the City's efforts related to homelessness. 6.1

Mobilehome Rent Control

- Continue to administer the self-sustaining Mobilehome Rent Control Ordinance by working with mobilehome owners/residents and mobilehome park owners/operators of the City's 15 mobilehome parks. 1,661 of the 2,198 spaces are under rent control. 6
- Continue the Mobilehome Rent Control Ordinance review process as directed by Council. 6.7

Major Budget Changes

The FY 2017-18 City's Housing and Community Services (HCS) department budget is \$3.4M, up \$149K from last year's adopted budget. Salaries and Benefits increased by \$119K and \$40K respectively due to the mid-year additions of 1.0 FTE HCS Technician, 0.25 FTE Senior Administrative Assistant and the cost of living adjustment as well as the addition of 1.0 FTE Administrative Secretary with the FY 2017-18 budget. All staff salary and benefits are included in HCS with appropriate charge outs to the Housing Authority related to the programs they support. Funding of \$466K for the HOST program was extended for another fiscal year to support Homeless Services. Maintenance costs for Samuel Jones Hall Homeless Shelter moved to the Facilities Maintenance budget in Transportation and Public Works, approximately \$33K in Service & Supplies. Sub-recipient funding decreased by \$105K as one-time funding to replace State Emergency Grant funding in FY 2016-17 was not repeated this year. Additionally, an increase of \$100K in O&M projects is for the Code Enforcement Program in the Administrative Hearing Fund, as the department is utilizing reserves to focus on completing Administrative Hearings.

Housing & Community Services

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 17 Budget	2017 - 2018 Request
Parking Services O&M	\$4,396,281	\$0	\$0
Parking Services Enforcement	\$1,046,111	\$0	\$0
Neighborhood Revitalization	\$371,128	\$383,607	\$424,717
Code Enforcement	\$0	\$1,154,628	\$1,219,371
Economic Development	\$479,102	\$0	\$0
Homeless Services	\$1,161,041	\$1,667,991	\$1,596,347
Mobile Home Rent Control Ord.	\$110,930	\$110,904	\$126,059
CIP and O&M Projects	\$2,500,698	\$0	\$100,000
Total	\$10,065,291	\$3,317,130	\$3,466,494

Expenditures by Category			
	2015 - 2016 Budget	2016 - 17 Budget	2017 - 2018 Request
Salaries	\$2,623,236	\$1,059,292	\$1,178,457
Benefits	\$1,307,032	\$554,718	\$594,751
Professional Services	\$1,013,054	\$156,486	\$155,900
Vehicle Expenses	\$127,216	\$17,000	\$17,920
Utilities	\$174,244	\$4,500	\$5,500
Operational Supplies	\$182,265	\$30,050	\$14,700
Information Technology	\$214,698	\$65,935	\$91,315
Debt Service	\$513,500	\$0	\$0
Liability/Property Insurance	\$94,505	\$0	\$0
Other Miscellaneous	\$255,005	\$32,100	\$30,336
Sub-recipient Funding	\$642,803	\$1,204,253	\$1,099,253
Indirect Costs	\$417,035	\$192,796	\$178,362
CIP and O&M Projects	\$2,500,698	\$0	\$100,000
Total	\$10,065,291	\$3,317,130	\$3,466,494

Housing & Community Services

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 17 Budget	2017 - 2018 Request
General Fund	\$0	\$1,307,767	\$1,229,857
Administrative Hearing Fund	\$0	\$230,468	\$514,231
Homeless Shelter Operations	\$1,161,041	\$1,667,991	\$1,596,347
Neighborhood Revitaliz Prog	\$371,128	\$0	\$0
Mobilehome Rent Stabilization	\$110,930	\$110,904	\$126,059
Santa Rosa Tourism BIA	\$449,250	\$0	\$0
Economic Development Fund	\$479,102	\$0	\$0
Parking District Fund	\$6,980,340	\$0	\$0
1998 Parking Refunding DS	\$513,500	\$0	\$0
Total	\$10,065,291	\$3,317,130	\$3,466,494

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	62.50	65.00	60.00	30.75	33.00

Performance Measures

Indicators	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Estimate
Neighborhood Revitalization Program				
Number of units passed (Building and Fire)	404	404	400	450
Number of total violations in NRP neighborhoods (Building and Fire)	772	772	800	800
Number of legal letters sent to landlords In NRP neighborhoods	17	17	20	25
NRP Special Events	13	13	15	20
NRP “Knock and Talks” to distribute information	562	562	600	600
Homeless Services				
Number of persons sheltered at Samuel Jones Hall 138-bed year-round shelter	619	589	581	600
Number of persons sheltered at Samuel Jones Hall 50-bed winter shelter	327	388	374	400
Number of households served under the HCA Program (established in FY 2014-15)	N/A	252	238	180

Housing & Community Services

Number of persons served under the HOST Program (established in FY 2015-16)	N/A	N/A	662	400
Number of showers provided by portable bathroom/shower trailer (established in FY 2015-16)	N/A	N/A	1,198	4,300
Number of homeless and related services contracts	6	7	7	8
Amount of funding for homeless and related services' contracts	\$736,763	\$768,016	\$1,385,233	\$1,856,373
Number of persons sheltered at Family Support Center	437	450	473	450
Number of persons served at Homeless Services Center	1,894	1,800	2,336	1,800
Number of agencies participating in Community Housing Assistance Program (CHAP) (established in FY 2015-16)	N/A	N/A	2	3
Mobilehome Rent Control				
Number of mobilehome parks under rent control	14	14	15	15
Spaces under mobilehome rent control	1,455	1,455	1,642	1,664
Code Enforcement				
Existing Code Enforcement cases	n/a	n/a	n/a	1,427
New Code Enforcement cases opened	n/a	n/a	n/a	787
Code Enforcement cases closed	n/a	n/a	n/a	836
Code Enforcement cases with Legal Action	n/a	n/a	n/a	40

Housing & Community Services

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Neighborhood Revitalization Program (NRP)

- Partnered with property owners, nonprofit organizations, schools and neighborhood leaders to provide community activities and collaborative workshops, including the “Let’s Beatify Apple Valley Project”; two computer literacy classes taught in Spanish; and three neighborhood street clean-ups. 5
- Partnered with various City Departments on projects such as graffiti abatement, including a pop-up workshop; abandoned vehicle abatement; Roseland Annexation outreach; and the NRP Holiday Food Basket donation, in which City staff donated over \$4,000 and partnered with local businesses to distribute 200 holiday meals to residents in focus neighborhoods. 5
- Completed annual Fire and Building inspections in the Aston Avenue neighborhood and began annual inspections in the Heidi Place neighborhood. 5
- Sent Vehicle Abatement informational letters to residents in the Apple Valley Neighborhood to assist with abandoned vehicle abatement. Sent surveys to both the South Park and Apple Valley neighborhoods to assess interest in workshop opportunities. Assisted in development of neighborhood resident groups by inviting residents to City events and workshops. 5

Code Enforcement

- Received 787 new complaints as of March 2017. 71 of the complaints were regarding substandard housing, and 50 have been corrected as of March 2017. 6
- Continued to identify work efficiencies based on consultant review of operations. 1
- Completed two receivership cases that improved the quality of life in these neighborhoods. 6
- Working on a self-certification policy for cases that are not immediate life and safety issues. 6
- Working with City IT Department to improve Code Enforcement case tracking software ACCELA software for efficiencies in inspections. 1

Homeless Services

- Administered contracts for the HCA Family Fund Program, Family Support Center, Homeless Services Center, and the year-round and winter shelter programs at the Samuel L. Jones Hall Homeless Shelter, providing shelter and supportive services to more than 900 persons. 6.1
- Implemented an expanded Community Homeless Assistance Program (CHAP) under Council’s action proclaiming a local homeless emergency in Santa Rosa. CHAP allows for year-round operation and expanded activities such as safe camping, and the continuation of existing programs, for example, Catholic Charities’ safe parking program and the Redwood Gospel Mission’s roving shelter program, Entertaining Angels. 6.1
- Administered the Homeless Outreach Services Team (HOST) Program for a second year, providing resources for street outreach, safe shelter, housing placement, and the operation of a mobile bathroom-shower trailer (Clean Start). This year’s contract included an amendment for additional rapid re-housing resources to place approximately 25 households into permanent housing. 6.1

Mobilehome Rent Control

- Continued to administer the Mobilehome Rent Control Ordinance, fully sustained by its own fees, working with mobilehome owners/residents and mobilehome park owners/operators of 15 mobilehome parks with 2,198 spaces, of which 1,661 spaces were under rent control. 6
- Continued the Mobilehome Rent Control Ordinance review process as directed by Council. 6.7

Housing & Community Services

Looking Ahead

The Neighborhood Revitalization Program will continue to provide support to the current neighborhoods, while looking to expand services to focus neighborhoods within the Roseland area after annexation.

The Code Enforcement Division anticipates increased workload due to the legalization of cannabis cultivation, both in residential commercial areas; and the annexation of Roseland. Pending City Council direction, the Department may establish a proactive rental inspection service to ensure decent, safe, and sanitary housing for renters. If established, this program will work in conjunction with the existing Code Enforcement Program.

In 2017, the City Council adopted the Housing First strategy, an evidence-based approach to solving homelessness utilizing data from best practices that demonstrate effectiveness in moving a person into stable housing as quickly as possible and does not make housing contingent on participation in services or as a reward for changing behaviors. The Housing First strategy aligns with Federal, State and regional efforts. Homeless Services staff will work with the County of Sonoma, service providers, and other regional partners to implement programming and services to further the Housing First strategy.

Staff will continue to provide mediation services for mobilehome park residents and owners and will continue the ordinance review process as directed by the City Council.

Housing Authority

Mission

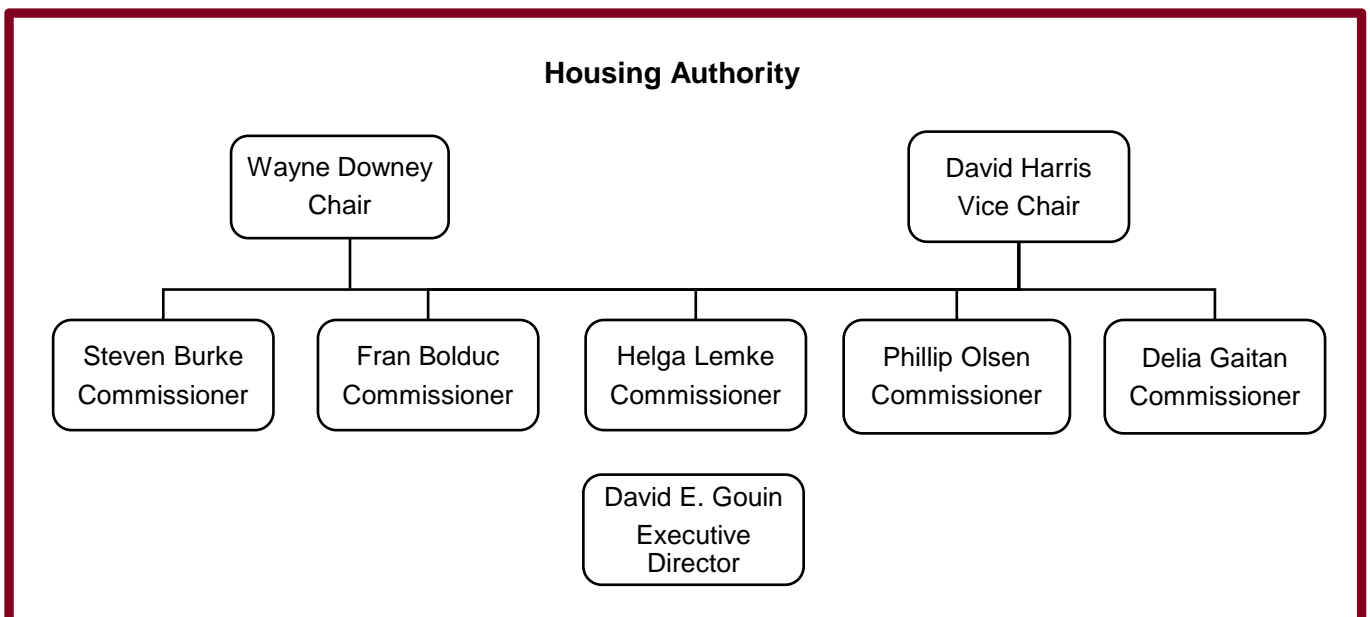
To ensure adequate, decent, safe and sanitary housing for qualified people within Santa Rosa consistent with Federal, State and local law.

Department Description

The Housing and Community Service Department supports the Housing Authority (Authority) which consists of two programs, the Santa Rosa Housing Trust and the Housing Choice Vouchers Program. All of the Authority's programs improve the quality and affordability of housing in the City. The focus population is very low and low-income households, with the different programs utilizing different income eligibility guidelines.

Santa Rosa Housing Trust (SRHT) – Manages the City's \$100 million affordable housing loan portfolio, administers Federal and State housing grants, and performs compliance monitoring for over 3,000 units Citywide. These programs maximize and leverage available Federal, State, and local funding to assist in the production of affordable housing programs; conversion, preservation and rehabilitation of affordable housing; and the acquisition, development, and rehabilitation of special needs facilities. The Trust is actively involved in furthering the City Council's goal of Housing for All.

Housing Choice Vouchers – Provides rental assistance to extremely- and very-low income individuals and families by administering the federally-funded Housing and Urban Development (HUD) Housing Choice Voucher program. This program includes the HUD-Veterans Affairs Supportive Housing program (VASH), Project-Based Vouchers the Family Self-Sufficiency program and the Moderate Rehabilitation program. To qualify for these programs, applicants must be at or below 50% of the Area Median Income (AMI).



Housing Authority

Strategic Goals and Initiatives for FY 2017-18

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Santa Rosa Housing Trust

- Manage the City's affordable housing portfolio consisting of 500 contracts with an economic value of approximately \$100 million, and continue monitoring affordability covenants for 3,000 units. 6
- Evaluate, originate, close, and manage loan disbursements for the development of new affordable housing units and the rehabilitation of existing affordable housing units. 6
- Facilitate the acquisition of existing housing units for preservation or conversion. 6
- Negotiate and administer contracts with developers participating in the Housing Allocation Plan, Density Increase, and Infill Policies. 6
- Monitor existing affordable rental units for compliance with income and rent restrictions. 6
- Continue to implement the Cal-HOME sponsored mobilehome rehabilitation loan program. 6
- Implement initiatives related to the Santa Rosa Housing Action Plan and the City's goal of "Housing for All." 6

Housing Choice Voucher Program

- Provide Housing Choice Voucher rental assistance to at least 1,768 households to achieve 95 percent utilization in Santa Rosa, which has a current rental vacancy rate of approximately 2%. 5
- Utilize the resources of the voucher program to encourage the development of new affordable housing. 6
- Continue outreach and education to attract new landlords to the program, create new partnerships with housing providers, and explore opportunities to incentivize landlords to participate. 6

Major Budget Changes

The FY 2017-18 Housing Authority's budget is \$32.3M, with minimal growth from last year's adopted budget. Salaries and Benefits increased by \$185K and \$87K respectively due to the mid-year FY 2016-17 cost of living adjustment, merit increases and the addition of salary and benefit charges from an addition 1.0 FTE Administrative Secretary in the Housing and Community Services department that will support the Housing Authority. This additional position will allow existing staff to provide additional technical and financial support to Housing programs.

Loan Activity increased by \$1.5M as more locally funded Real Property Transfer Tax and Housing Impact Fee funding are anticipated in FY 2017-18. Rental Assistance increased by \$644K in anticipation of higher per unit costs in FY 2017-18. Finally, projects were reduced by \$3M to reflect an additional need approved in FY 2016-17 for Housing Incentives as part of the Housing Action Plan Initiative which were not repeated in the current fiscal year.

Housing Authority

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Admin Housing & Comm Services	\$1,013,604	\$981,820	\$1,308,170
Housing Choice Vouchers	\$21,834,283	\$23,917,695	\$24,872,603
SRHT Portfolio Svcs & Grant	\$404,359	\$860,093	\$779,418
SRHT Afford Housing Prog & Fin	\$4,130,503	\$3,429,428	\$5,120,758
CIP and O&M Projects	\$198,980	\$3,198,980	\$198,980
Total	\$27,581,729	\$32,388,016	\$32,279,929

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$1,461,761	\$1,539,055	\$1,724,850
Benefits	\$700,027	\$710,071	\$797,876
Professional Services	\$85,500	\$166,565	\$137,500
Vehicle Expenses	\$31,720	\$32,039	\$32,801
Utilities	\$7,403	\$7,403	\$8,250
Operational Supplies	\$95,735	\$101,500	\$129,300
Information Technology	\$211,690	\$177,947	\$209,667
Liab/Property Insurance	\$14,237	\$18,163	\$24,631
Other Miscellaneous	\$309,468	\$134,927	\$160,596
Subrecipient Funding	\$36,000	\$420,925	\$419,150
Insurance Prem/Claim	\$0	\$70,000	\$70,000
Loan Activity	\$3,129,388	\$2,541,615	\$4,064,216
Rental Assistance	\$19,715,700	\$21,795,999	\$22,440,000
Indirect Costs	\$1,584,120	\$1,472,827	\$1,862,112
CIP and O&M Projects	\$198,980	\$3,198,980	\$198,980
Total	\$27,581,729	\$32,388,016	\$32,279,929

Housing Authority

Expenditures by Fund			
Funding Source	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Housing Operations Fund	\$1,013,604	\$981,820	\$1,308,170
Operating Reserve Fund	\$136,574	\$3,036,000	\$78,000
Housing Choice Voucher Prog	\$21,703,572	\$23,762,716	\$24,726,836
1980 Moderate Rehabilitation A	\$130,711	\$154,979	\$145,767
Brookwood Property	\$8,663	\$10,278	\$15,499
Community Dvlp Block Grant	\$1,348,536	\$1,696,768	\$1,363,888
Housing Grant Fund	\$48,602	\$396,830	\$424,000
Real Property Transfer Tax Fun	\$419,074	\$266,436	\$1,427,665
Southwest Low/Mod Housing Fund	\$851,734	\$154,415	\$160,932
Low and Moderate Income Housing	\$478,475	\$164,369	\$127,999
HOME Fund	\$518,862	\$919,043	\$589,308
Housing Compliance Fund	\$120,495	\$181,362	\$272,786
Housing Impact Fee Fund	\$802,827	\$663,000	\$1,639,079
Total	\$27,581,729	\$32,388,016	\$32,279,929

Housing Authority

Performance Measures

Indicators	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 ESTIMATE
Santa Rosa Housing Trust				
Number of new affordable housing rental and ownership units completed	66	47	23	60
Very Low Income units	8	11	4	0
Low Income units	47	34	19	60
Moderate Income units	11	2	0	0
Number of new affordable rental housing units preserved	399	0	0	0
Number of new affordable rental housing units preserved- Special Needs	0	0	0	0
Number of new affordable rental and ownership housing units in the pipeline	407	444	421	342
Very Low Income units	204	200	196	139
Low Income units	203	244	225	203
Number of affordable ownership units transferred title	5	8	5	1
Number of owner-occupied affordable housing units rehabilitated or financed	0	0	0	8
Number of investor/developer affordable rental housing units rehabilitated	0	153	96	48
Number of units receiving housing accessibility modifications	1	1	1	1
Number of affordable housing rental units monitored	2,714	2,690	2,841	2,841
Number of owner-occupied housing units monitored	308	302	278	275
Consolidated Plan for CDBG and HOME funds (2009-2014 and 2014-2019)	✓	✓	✓	✓
Action Plan for CDBG and HOME funds	✓	✓	✓	✓
Consolidated Annual Performance Report (CAPER) for CDBG and HOME funds	✓	✓	✓	✓
Housing Choice Voucher Program				
Number of Housing Choice Voucher Rentals (Vouchers and Port-Ins) (Approximate)	1,950	1,950	2,000	2,000
Number of Housing Choice Vouchers-Santa Rosa clients	1,705	1,838	1,838	1,862
Number of HUD-VASH Vouchers	235	296	364	389
Number of landlords participating in program (all figures approximate)	750	650	715	695
Number of Port-In clients (varies monthly, all figures approximate)	280	250	200	200

Housing Authority

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

Santa Rosa Housing Trust

- Revised the criteria for Housing Authority project selection for clarity and transparency. 6
- Participated in initiatives related to the Santa Rosa Housing Series culminating in the adoption by the Council of the Housing Action Plan to achieve a goal of Housing for All. 1
- As part of the Housing Action Plan, issued a Notice of Funding for \$3 million allocated by the City Council to incentivize affordable housing production in the shortest timeframe. 1
- Completed Rehabilitation of 12 four-unit complexes at Paulin Creek Apartments by Burbank Housing in the Apple Valley Neighborhood Revitalization Program (NRP) area. 6
- Awarded \$1,295,646 of Community Development Block Grant funds for rehabilitation of 12 four-unit complexes at Papago Court Apartments by Burbank Housing in the Apple Valley NRP area. 6
- 60 low-income, first-time homeowners received the keys to their new homes at Catalina Townhomes, a sweat equity development by Burbank Housing with financial assistance provided by the Housing Authority. 6
- 79 affordable apartments are under construction in a collaborative City-County development called Crossroads by Burbank Housing. 1
- Facilitated drainage improvements to Housing Authority property leased to the Brookwood Health Center. 6
- Provided eight Cal-HOME funded mobilehome repair loans totaling \$218,000 to low-income residents of mobilehome parks. 6
- Provided \$833,641 in federal HOME Investment Partnerships Program to Benton Veterans House, with construction scheduled for Spring 2017. 6
- Collaborated with the Planning division to improve the process and procedure for Density Increase Program development applicants. 1

Housing Choice Voucher Program

- Provided ongoing rental assistance for approximately 2,000 low income families residing in the City of Santa Rosa. 5
- Achieved High-Performing Public Housing Agency status for the 11th consecutive year. 6
- Obtained an additional 24 HUD-VASH vouchers for homeless veterans, bringing the total program size to 389 VASH vouchers. 6
- Selected as a federal demonstration agency for the Uniform Physical Code Standards-Voucher (UPCS-V) protocol, a new inspection method protocol for units occupied by program participants. 6

Looking Ahead

The SRHT will focus on implementing initiatives related to the Santa Rosa Housing Action Plan and the City's goal of "Housing for All."

The Housing Choice Voucher program will continue to focus on landlord outreach and incentives to help clients find housing in a challenging rental environment and will work on transitioning to the UPCS-V inspection model.

Human Resources

Mission

The mission of Human Resources is to deliver innovative and timely Human Resource services and leadership enabling the City of Santa Rosa to provide world-class services to our diverse community. We accomplish our mission by attracting and hiring talent; creating and enhancing opportunities for career growth; providing an inclusive workplace environment; and offering competitive salaries and benefits.

Department Description

Human Resources – Plans and conducts the recruitment, hiring, and internal movement of qualified staff, striving to reflect the diversity in our community throughout these processes. The department's primary motivation is to provide a healthy environment that fosters the development and retention of highly motivated staff through a generous benefit plans, a wide range of employee training and development programs, and excellent employee relations resources, which include coaching, facilitation, and mediation services. This division manages the complex personnel transitions occurring due to departmental succession planning and the ongoing retirement of valuable, long-term employees. It also monitors and advises departmental managers and supervisors on the full array of human resources issues including department reorganizations, performance management, conflict resolution, contract and policy interpretation, classification and compensation, grievances, and harassment and discrimination complaints.

In addition, the Human Resources division negotiates comprehensive labor contracts with the City's 16 bargaining units; administers current labor contracts; participates in on-going labor/management problem-solving committees addressing grievances and other significant issues raised during and after negotiations; conducts thorough, responsive investigations into claims of discrimination, harassment or bullying; supports departments in conflict analysis and resolution, restructuring, customer service, and team development; encourages constructive communication; and supports change management and other organizational development efforts, to create and foster an inclusive and engaged work environment.

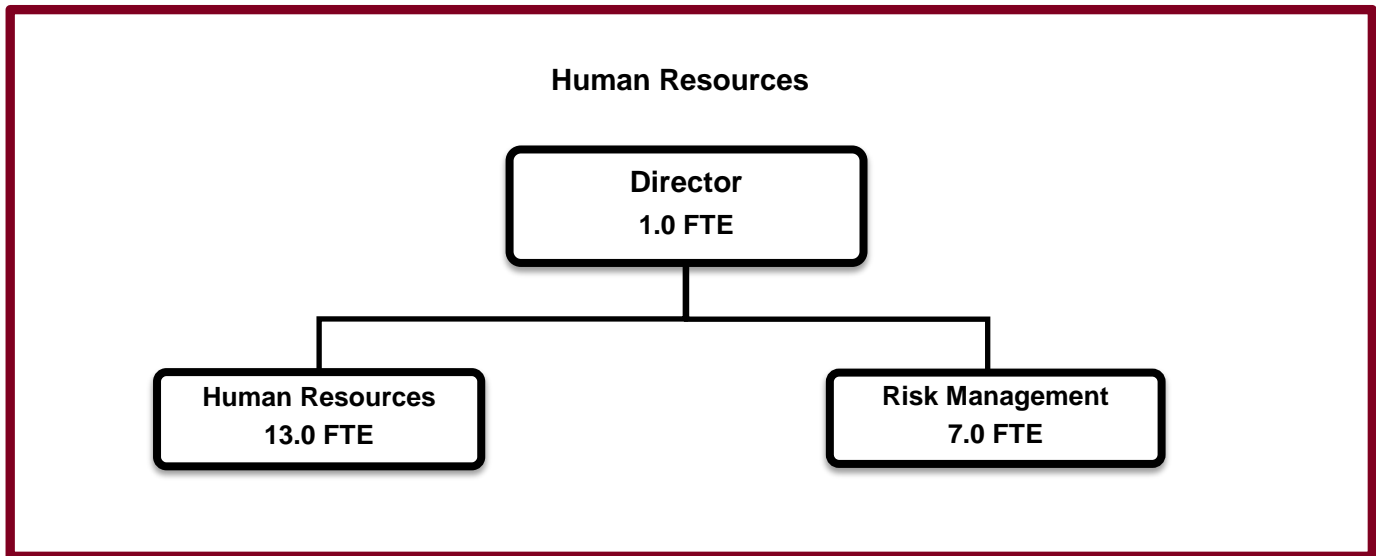
Risk Management – Provides a multitude of Risk Management services to the City of Santa Rosa and provides guidance for the City Council, City Management, and City staff. Risk Management is a Division of the Human Resources Department.

Risk Management's primary objective is risk avoidance and implementation of various risk transfer programs and activities that minimize the City's exposure to litigation. Risk Management strives to manage, control, minimize or eliminate risk, to the extent that citizens and personnel may be reasonably protected from hazards, while insuring that the financial solvency of the City will not be jeopardized and that appropriate City resources may be conserved for other uses. This function also assumes the primary responsibility for the administration and processing of all property and casualty claims and for risk identification, risk transfer, risk analysis, Citywide benefits, Worker's Compensation, safety, and insurance coverage procurement.

The Risk Management program is oriented toward comprehensive, proactive, global minimization or elimination of risk, to the greatest extent practical; retention of the remaining risk, when feasible; and protection against unpredictable loss by reasonable use of available insurance and/or alternate funding.

Human Resources

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at right show relation to City Council Goals; see Council Goals Section)

- Implement a Citywide centralized safety program to reduce Worker's Compensation costs and enhance compliance and workplace safety.
- Analyze, review, and implement innovative technologies to enhance workflow and service delivery a Citywide web-based Performance Appraisal Solution and an enhanced Exit Interview Process.
- Contract with a Third-Party Administrator for the City's Worker's Compensation Program to bring greater efficiencies, cost savings and service delivery for this crucial Citywide program.
- Continue the implementation of innovative and streamlined HR and Risk Programs to educate and inform staff of available services and programs designed to bring value.
- Utilize analytics to increase efficiency and effectiveness, in addition to providing visibility and transparency through the public-facing website, as well as through internal communication methods.
- Administer a Citywide Safety program to include training, refined policies and procedures and a revised and current Injury and Illness Prevention Program (IIPP).
- The Risk Management Division plans to update and roll out the critically important ADA Transition Plan.

Major Budget Changes

The Human Resources Department is comprised of two programs: Human Resources, funded by the General Fund, and Risk Management, an internal service fund. Overall, the department as a whole, increased by 3.2%, or \$1M when compared against FY 2016-17 adopted budget.

In the General Fund, Human Resources decreased by 7.3%, or \$177K when compared against the FY 2016-17 adopted budget. This decrease was primarily driven by the transfer of \$300K of Professional Services to City Attorney's Office budget. There were minor increases to offset this decrease including increases in Salary and Benefits of \$86K and IT costs of \$29K.

Human Resources

In FY 2017-18, the Risk Management internal service fund increased by 4.0%, or \$1.2M when compared against the FY 2016-17 adopted budget. The majority of this increase occurred due to changes in insurance premiums and benefit rates for FY 2017-18. Namely, Citywide Health Insurance rose \$888K, which was primarily due to healthcare rate increases in the latter half of 2017 and an estimated increase of 9% in the first half of 2018. Liability Insurance also increased by \$180K, or 9.7% due to increased premium estimates. In addition, there was a \$200K increase in Other Outside Services added to the budget for miscellaneous legal fees.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$2,073,549	\$2,428,669	\$2,251,309
Risk Management	\$29,528,010	\$30,431,758	\$31,652,459
Total	\$31,601,559	\$32,860,427	\$33,903,768

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$1,691,802	\$1,845,023	\$1,883,687
Benefits	\$703,804	\$801,429	\$843,092
Professional Services	\$619,596	\$811,496	\$780,488
Vehicle Expenses	\$770	\$0	\$0
Utilities	\$1,450	\$1,450	\$1,700
Operational Supplies	\$23,905	\$26,000	\$27,500
Information Technology	\$146,210	\$160,437	\$199,808
Liability/Property Insurance	\$4,720	\$4,756	\$0
Other Miscellaneous	\$75,535	\$90,690	\$92,340
Insurance Premium/Claim	\$28,088,757	\$28,842,144	\$29,858,008
Indirect Costs	\$245,010	\$277,002	\$217,145
Total	\$31,601,559	\$32,860,427	\$33,903,768

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$2,073,549	\$2,428,669	\$2,251,309
Risk Management Fund	\$29,528,010	\$30,431,758	\$31,652,459
Total	\$31,601,559	\$32,860,427	\$33,903,768

Human Resources

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	18.00	19.00	20.00	21.00	21.00

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

- Designed and implemented a comprehensive new employee on-boarding program to orient new employees to both their department and the organization as a whole; this program also satisfies all compliance and training modules required by newly hired staff.
- Planned, strategized, and implemented data-driven contract negotiations with all City bargaining units.
- The City entered into its third year of the Wellness Program for miscellaneous employees as a complement to the established Wellness Program for safety employees.
- Successfully negotiated lower costs for several critical insurance programs to include property and earthquake.
- The Risk Management Division actively and successfully reorganized its Worker's Compensation Program to establish a customer-services based approach, a full-scale options review process and a strategic method towards Citywide education and engagement.
- Revised key policies to include Anti-Harassment and Discrimination, Anti-Bullying, and Reasonable Accommodation.
- Implemented an online eLearning program, Knowledge City, with modules in Business and Computers, which is accessible to all employees.

Performance Measure

INDICATORS	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17*
Number of Positions	1205	1220	1,171	1170	1202
Applications Received	3,500	5,803	6,213	5504	3602
Recruitments Conducted	52	91	111	114	96
New Hires	87	85	149	119	123
Separations	94	89	103	115	84
Turnover Rate	7.13%	7.40%	12.72%	10.16%	10.23%
Training Sessions Held	52	45	47	67	77
Job/Class Studies	19	29	20	19	20

*Estimated

Looking Ahead

The Human Resources department will seek to work proactively within each of its divisions to provide stellar and innovative service to City staff and the community. We intend to continue the evaluation of current recruiting practices and explore innovations and technologies in the pursuit of expanded diversity, reflective of the community. We will engage in community outreach efforts to highlight the breadth and depth of potential career paths and opportunities and we will continue our relationship and partnership with the Santa Rosa Junior College for training, education, and certification opportunities for City staff. We also will continue to participate in career fairs and expos to broaden our reach into the community for recruitment opportunities.

Human Resources

The Risk Management Division has implemented a number of initiatives and trainings to deliver a Citywide Safety Program; reduce the rate of work-related injuries; ensure ADA-Compliance; and seek stability in the Experience Modification Rating to control premium costs for Worker's Compensation.

The Employee/Labor Relations Division plans to conduct post-contract negotiations training of MOU changes, in addition to developing and implementing ongoing supervisor and manager training on labor relations. We will conduct strategic planning for future negotiations, to include partnering with departments for early and ongoing issue identification; grievance tracking; and training needs.

Human Resources will continue to refine its processes and programs as we seek to deliver service that is highly responsive, innovative, and customized and we will continue to seek input on a regular basis. We will seek additional methods for feedback to complement existing methods, such as post-training surveys; onboarding participant surveys; annual Citywide internal services survey; Recruitment Process Check-in Program feedback; and the exit interview process. We will continue to oversee the Onboarding Program for all newly hired staff and modify, as necessary, to meet the needs of the participants. The Organization Development and Training Division will continue to identify best practices for methods of delivery to meet the increasing demand for education, training, succession planning and mentoring.

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Information Technology

Mission

The Mission of the Information Technology Department is to develop, leverage and implement technology to make Government more efficient, transparent and responsive to Citizens. This also includes driving business efficiency and digital government through deployment of solutions at the mobile, desktop and core systems level.

Department Description

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 five divisions in the IT Department:

Administration – 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.

Development – Provides strategy, leadership, analysis, and hands-on services for building new software systems and implementing large-scale City-wide software migration programs, while providing software application development, project management, and application support services. The division supports, enhances, and maintains over 70 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 Development 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.

Operations – Provides the strategy and operations management of the core City data, storage, and telecommunication systems. The division also provides "Help Desk" support for all City employees (currently over 1,800 desktop units). The Help Desk is available to employees Monday through Friday, and responds to over 5,000 support requests each year. 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 300 printers, over 1,200 PCs, roughly 190 servers, a City-wide computer network with 2,900 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 and roughly 500 mobile devices through a managed Mobile Device Management (MDM) solution.

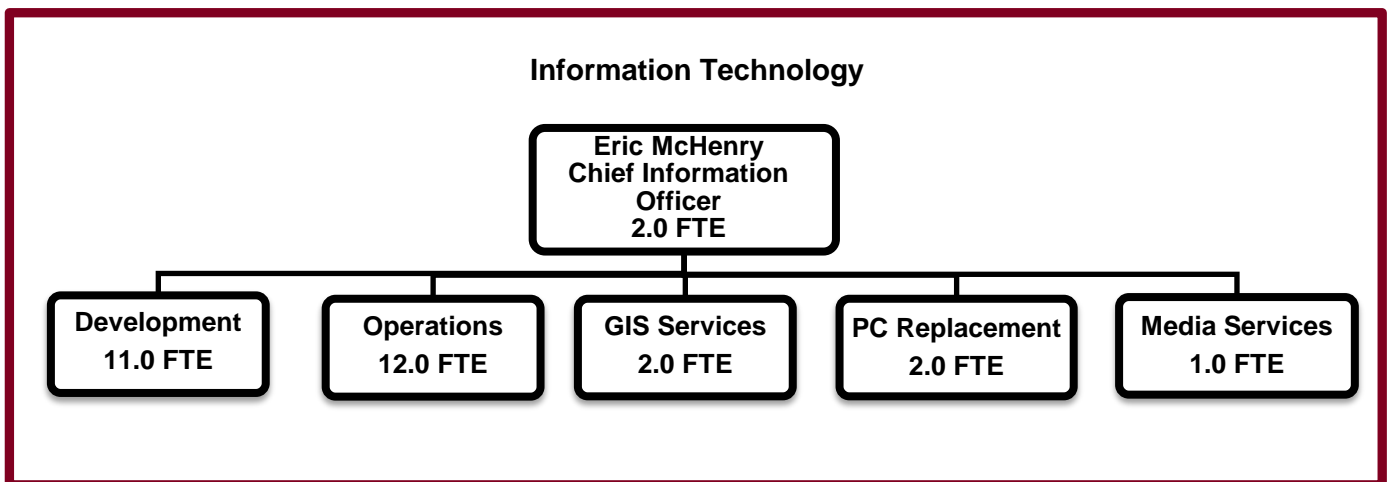
GIS Services – The Geographical Information System (GIS) Services division provides coordination, support, and maintenance of the City's GIS system and GIS services for all departments. The City GIS group also works closely with Sonoma County GIS to support County-wide 911 dispatch. The GIS system is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

Information Technology

PC Replacement – In 2013, the Information Technology Department implemented a City-wide PC replacement program, aimed at consistent procurement and replacement of the 1000+ City PC inventory. Prior to 2013, PCs were maintained by the IT Department, but budgeted, purchased and replaced on a department-by-department basis. The centralized PC Replacement program now uses uniform and efficient processes developed specifically to rapidly procure, configure, deploy and recycle PCs. Currently over 1000 PCs and laptops are actively managed within the PC Replacement Program that replaces roughly 250 PCs per year.

Media Services – The Media Services section manages the City’s Public, Educational & Governmental (PEG) public access television, broadcasts all City Council and Planning Commission meetings, and provides professional television studio and recording opportunities to Santa Rosa non-profits and residents. Media Services works with departments city-wide to expand public information dissemination and education through PEG-supported programs and resources.

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- Lead platform development and launch of city wide Performance Measures Initiative.
- Lead and launch updated srcity.org website.
- Successfully restructure PEG services and relaunch under City ‘Media Services’.
- Launch free public WiFi (Courthouse and Railroad Square areas).
- Continue communication and implementation of IT Strategic Plan.
- Finalize development and begin implementation of Digital Government Strategic Plan, covering performance measures and metrics.
- Work with new City Clerk to finalize a Trusted System service for records management, allowing destruction of official records in conjunction with California law.
- Expand beyond microform records to assist with digitization of paper records.
- Complete Implementation of Accela-based public-facing permit visualization solution.
- Continue Network and Data security work.
- Implement enhanced malware solution capable of improved protection of zero-day attacks.
- Continue working with Departments to develop and deploy field asset management and work order tools.
- Continue progress on MySantaRosa, Open Data and Open Budget systems.

Information Technology

Major Budget Changes

The FY 2017-18 Information Technology budget increased by \$838K, or 11.5%, over the prior year's adopted budget, up to \$8.1M. Salaries & Benefits rose by \$362K, or 9.7%, due to the addition of 1.0 FTE Senior Information Technican for the Media Services center, planned merit increases, cost of living adjustments, and rising benefit costs. Service and Supplies rose comparatively increasing \$332K, or 14.3%, over the year. The majority of the change occurred in professional services (up \$297K) as Enterprise software, licenses, subscriptions and product support rose. Ongoing additional needs for Socrata licensing and GIS expansion were approved to assist the City with measuring performance and outcomes. Meanwhile, O&M projects grew by \$144K, or 11.5%, primarily due to one-time additional needs of \$75K for the Emergency Operations Center (EOC) software and \$20K for the GIS Core upgrade, as well as \$49K for PC purchases for the PC replacement program.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
I.T. Administration	\$392,813	\$435,380	\$458,801
I.T. Development	\$2,394,220	\$2,555,846	\$2,967,366
I.T. Customer Support	\$2,429,990	\$2,548,560	\$2,670,483
I.T. GIS Services	\$309,650	\$319,443	\$327,522
I.T. Media Services	\$0	\$0	\$170,132
I.T. PC Replacement Program	\$175,316	\$203,150	\$161,996
CIP and O&M Projects	\$1,043,882	\$1,249,425	\$1,393,567
Total	\$6,745,871	\$7,311,804	\$8,149,867

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$2,456,832	\$2,574,647	\$2,824,679
Benefits	\$1,071,576	\$1,164,967	\$1,277,004
Professional Services	\$1,280,211	\$1,507,372	\$1,804,709
Vehicle Expenses	\$13,850	\$16,050	\$14,850
Utilities	\$391,280	\$288,420	\$308,515
Operational Supplies	\$50,400	\$57,200	\$74,700
Information Technology	\$21,853	\$22,279	\$27,589
Liab/Property Insurance	\$21,188	\$25,716	\$28,021
Other Miscellaneous	\$41,609	\$44,709	\$63,644
Indirect Costs	\$353,190	\$361,019	\$332,589
CIP and O&M Projects	\$1,043,882	\$1,249,425	\$1,393,567
Total	\$6,745,871	\$7,311,804	\$8,149,867

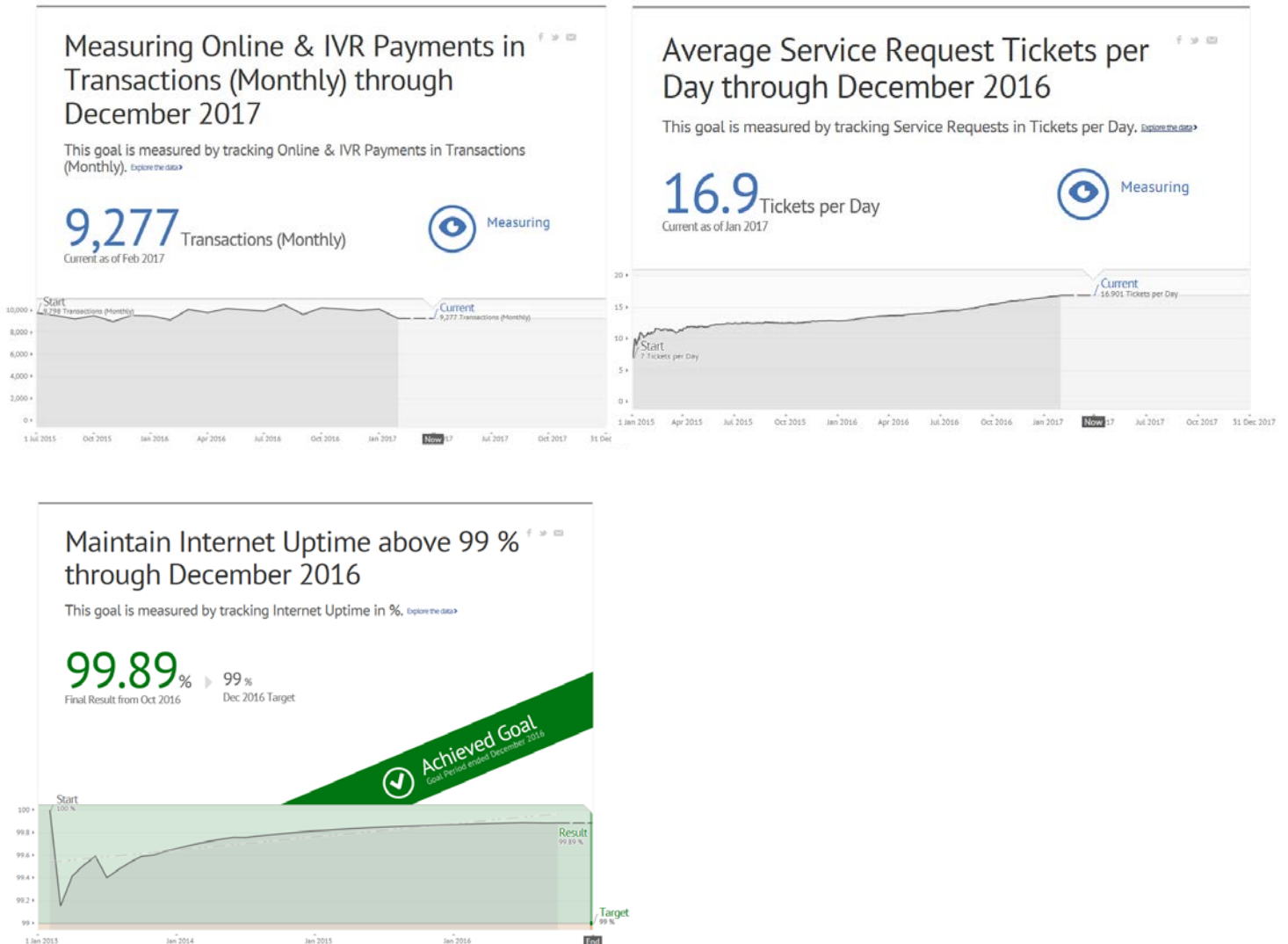
Information Technology

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Information Technology	\$6,239,673	\$6,772,229	\$7,602,304
Technology Replacement	\$506,198	\$539,575	\$547,563
Total	\$6,745,871	\$7,311,804	\$8,149,867

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	27.00	25.00	26.00	28.00	29.00

Performance Measures



Information Technology

Prior FY 2016-17 Accomplishments

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- Implemented the Socrata Open Data Portal
- Assumed operation of the Community Media Center
- Updated the GIS platform to next generation software
- Redesigned and launched “srcity.org” website
- Implemented Accela permit solution
- Implemented Lifesize Video conferencing in Council Chambers & other city departments
- Implemented Public Wifi in Courthouse Square

Looking Ahead

Investigation and initial launch of several “Smart City” pilot programs, associated with public data connectivity and smart surveillance. Develop SmartCity roadmap, extending into transportation, economic development, additional city digital services, etc.

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Non-Departmental

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

Department Description

Animal Shelter – This program includes amounts paid to Sonoma County for animal care and control services.

County Administration Fee – This program includes the Sonoma County Administration Fee associated with the collection and allocation of property taxes on behalf of the City.

Citywide General Fund Insurance – Costs charged from the Insurance Fund to the General Fund for the General Fund's portion of the City liability, fire, and earthquake insurance.

Sonoma County Transportation Authority – This program includes costs for Santa Rosa's local contribution to Sonoma County Transportation Authority (SCTA) which is invoiced in October based on a population/road mile formula.

Non-Program – The Non-Program includes the following types of costs:

- 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, \$53K.
- Costs related to retirements and voluntary terminations for all General Fund operating departments have been centrally budgeted. These amounts are transferred to the appropriate General Fund department to cover the expenses related to retirements and voluntary terminations as they occur, \$1.55M. Also includes \$10K for CalPERS cost of retired employees who are over the IRS payout limit.
- Unspent Appropriations (turnback) are budgeted as a credit here as a holding place to reflect unspent budget amounts that occur each year. Actual turnback will be recognized in department budgets rather than in the Non-departmental budget, (\$1.3M).

Debt Service - The Debt Service Program includes all general debt service expenditures, including debt service for pension obligation bonds, fire station capital lease payments and the new Courthouse Square Capital Lease. This does not include debt service associated with the enterprise funds or other funds, such as debt service for the Water, Local Wastewater and Subregional Wastewater Funds, the Parking Fund, the Golf Course Fund, and the Successor Agency to the Redevelopment Agency. Such expenses are reflected in the appropriate fund.

Non-Departmental

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Animal Shelter	\$1,950,000	\$1,744,784	\$1,712,409
Media Access Center	\$281,366	\$204,800	\$0
County Admin Fee	\$322,106	\$302,573	\$294,608
Citywide GF Insurance	\$1,193,901	\$1,353,515	\$1,480,114
Sonoma Co Transportation Authority	\$99,200	\$100,314	\$103,572
General Fund Admin Cost Plan	\$0	\$0	-\$9,017,456
Non-Program	\$460,000	\$610,000	\$313,000
Debt Service	\$5,033,920	\$4,752,795	\$4,830,714
CIP and O&M Projects	\$117,000	\$287,494	\$142,600
Total	\$9,457,493	\$9,356,275	-\$140,439

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$1,400,000	\$1,550,000	\$1,550,000
Benefits	\$10,000	\$10,000	\$10,000
Professional Services	\$3,007,852	\$2,707,651	\$2,167,099
Debt Service	\$5,028,740	\$4,747,615	\$4,827,204
Liability/Property Insurance	\$1,193,901	\$1,353,515	\$1,480,114
Other Miscellaneous	-\$1,300,000	-\$1,300,000	-\$1,300,000
General Fund Administration	\$0	\$0	-\$9,017,456
CIP and O&M Projects	\$117,000	\$287,494	\$142,600
Total	\$9,457,493	\$9,356,275	-\$140,439

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$4,423,573	\$4,603,480	-\$4,971,153
2013 Pension Obligation (Refund)	\$3,732,484	\$3,737,095	\$3,734,837
2007 COPs Building Acquisition	\$653,195	\$647,973	\$0
ARP Capital Lease Debt Service	\$280,514	\$0	\$0
Fire Station Capital Lease	\$367,727	\$367,727	\$367,727
Courthouse Square Capital Lease	\$0	\$0	\$728,150
Total	\$9,457,493	\$9,356,275	-\$140,439

Major Budget Changes

The Non-Departmental budget includes a General Fund component, as well as non-enterprise debt service funds for Pension Obligation Bonds, a capital lease (for the Fire Station), and a new capital lease (for Courthouse Square).

The FY 2017-18 budget decreased by \$9.5M when compared to FY 2016-17. The largest component of the reduction relates to a new item, General Fund Administration which is the overhead distribution of administrative costs within the General Fund to the non-administrative departments: PED, Fire, Police, Public Works and Recreation & Parks and represents a \$9M credit in Non-Departmental. Other major variances include a reduction in Professional Services due to a \$297K reduction in the City Manager Contingency to fund the new Community & Intergovernmental Relations Manager, to fund a Regional Transit analysis and to cover the cost of the EOC software; the Media Access Center funding of \$205K annually transferred to the Information Technology department; and a \$32K reduction in the Animal Shelter budget.

It should be noted that the Professional Services expense category is made up of several unrelated expenditures including the following; Animal Shelter, County Administration Fees, Sonoma County Transportation Authority, and the City Manager's contingency.

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Planning & Economic Development

Mission

The Planning & Economic Development Department strives to make the City of Santa Rosa safe and habitable for people to live, work and play. Our mission is to be thoughtful stewards of the built and natural environment; achieve quality and safety in development; compliment and strengthen neighborhoods; facilitate positive business climates and encourage industry clusters.

Department Description

The functions of the Planning and Economic Development Department (PED) are distributed among seven programs designed to achieve the department's mission:

Administration – Oversees and supports all functions of the department, providing technical and clerical support and department wide management.

Advance Planning – Provides strategic thinking and analysis of physical, social and economic conditions, and trends to a wide variety of land use issues; initiates and conducts planning efforts which establish land use and policy direction for the community.

Building Inspection – Conducts building inspections to verify compliance with building codes and regulations.

Building Plan Review – Reviews building permit applications for compliance with building codes and related regulations, approves the permits for issuance, and provides support from the Chief Building Official and administrative building staff.

Economic Development – Supports the Santa Rosa Tourism Business Improvement Area (SRTBIA) with services focused 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.

Engineering – Engineering and inspection services for private development and subdivision plan check and inspection, encroachment permit issuance and inspection, and requested engineering services to other City departments.

Permit Services – Assists with and processes all applications for planning and building permits while coordinating with all reviewing agencies on projects, provides information and clarification to the public regarding zoning and building codes, as well as City processes.

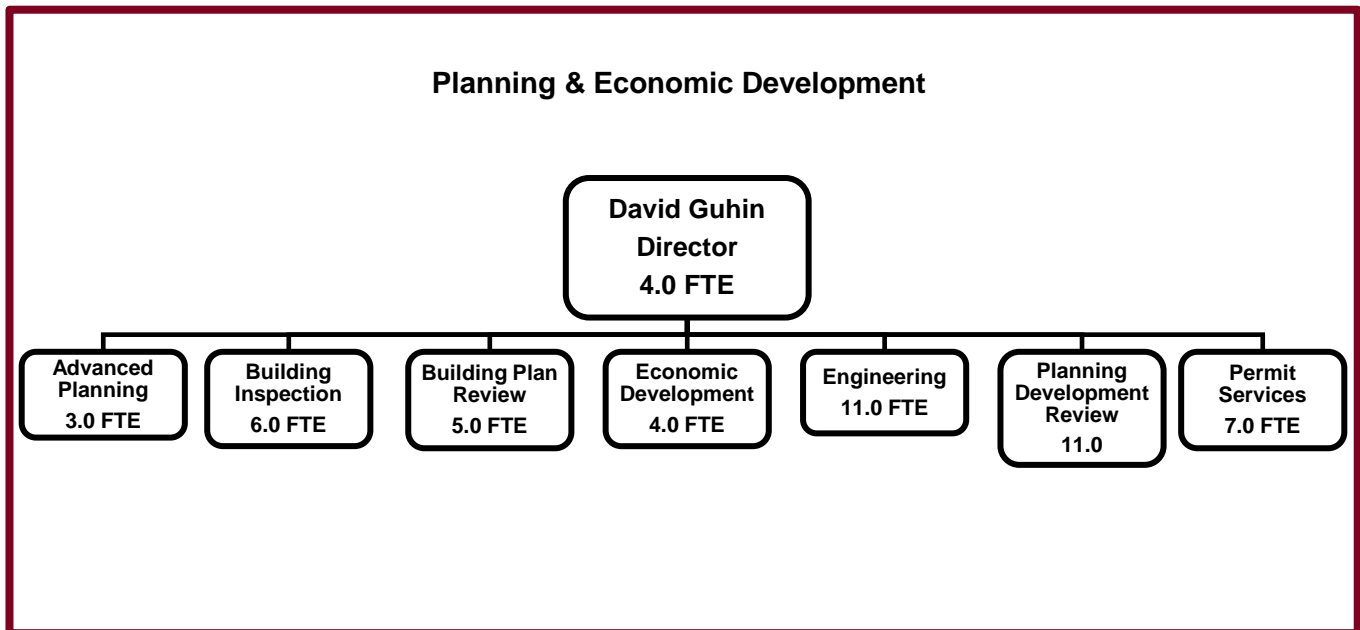
Planning Development Review – Accepts and processes new entitlement applications; provides staff support to the Planning Commission, Design Review Board and Cultural Heritage Board, as well as provides information to the public regarding land use and zoning, and conducts environmental review as necessary.

**PLAN FOR
SUCCESS**
FROM LEARN TO LAUNCH



Planning & Economic Development

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- Complete the annexation process for Roseland and associated southwest county islands.
- Develop Economic Development service offerings customized to Roseland annexation process.
- Draft a comprehensive General Plan update.
- Work with the Council Cannabis Subcommittee to complete and process a comprehensive medical cannabis policy framework in response to the State's Medical Cannabis Regulation and Safety Act.
- Continue to implement the Process Improvement Action Plan and Housing Action Plan through the completion of housing policy initiatives, improving the customer experience, and utilizing technology.
- Establish one point of entry for all permit intake and issuance.
- Implement an online fee calculator for customers to estimate fees ahead of time.
- Develop annual Encroachment Permit process for all dry utility applications.
- Increase the number of over the counter Encroachment Permit reviews.
- Upgrade to Accela version 9.
- Implement Electronic Plan Review for all divisions, reducing environmental waste and promoting efficiency and automation in processes.
- Pursue new partnerships for development opportunity sites in downtown Santa Rosa.
- Address development readiness opportunities for greater density and land potency in the downtown core.

Planning & Economic Development

Major Budget Changes

The Planning and Economic Development (PED) department's FY 2017-18 budget is \$10.9M, up \$1.6M, or 17.5%, over the prior year's adopted budget. Salaries and Benefits grew by \$354K, or 5.4%, with the addition of 1.0 FTE Program Specialist in the Economic Development division, as well as merit increase, the mid-year 2016-17 cost of living adjustment and increased benefit costs. Service and Supplies expanded by \$1.8M, or 121.5%, over the year. For the first time in FY 2017-18, the General Fund began charging Administrative costs to the PED department as well as other non-administrative departments for services. The Administrative cost for FY 2017-18 is \$1.1M which is a driver of the overall increase of the PED department in the General Fund.

Other notable increases occurred within Professional Services (up \$642K), and Information Technology (up \$123K). One-time additional needs of \$825K in Professional Services were approved for consultant services to meet the volume of plan and inspection reviews during the peak construction season. One-time funding in FY 2016-17 of \$185K for the Chamber of Commerce pilot program and an Outreach consultant offset the increase in Professional Services. A rise in Information Technology costs, generated through a cost allocation plan, transpired City-wide. O&M Projects fell by \$547K, or -45.6%, over the year, specifically within Economic Development (ED). A major decline was in ED Special Projects (down \$525K) with the elimination of the Amgen Tour of California Race. Meanwhile, the SR Tourism Business Improvement Area project added \$24K as hoteliers anticipate a 5% increase in occupancy during FY 2017-18.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$880,311	\$1,213,437	\$2,466,722
Permit Services	\$669,963	\$683,254	\$810,687
Building Plan Review	\$835,599	\$1,000,148	\$1,320,800
Code Enforcement	\$715,988	\$0	\$0
Building Inspection	\$661,841	\$819,883	\$810,849
Planning Development Review	\$1,328,357	\$1,568,046	\$1,731,248
Advance Planning	\$354,917	\$483,345	\$491,714
Engineering	\$0	\$1,704,692	\$2,230,321
Economic Development	\$0	\$607,741	\$387,785
CIP and O&M Projects	\$267,662	\$1,201,500	\$653,564
Total	\$5,714,638	\$9,282,046	\$10,903,690

Planning & Economic Development

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$3,050,609	\$4,525,915	\$4,747,969
Benefits	\$1,312,608	\$2,060,302	\$2,192,851
Professional Services	\$304,600	\$432,450	\$1,074,450
Vehicle Expenses	\$39,095	\$43,865	\$61,450
Utilities	\$15,950	\$30,024	\$28,052
Operational Supplies	\$93,020	\$116,502	\$120,122
Information Technology	\$428,146	\$556,488	\$680,122
Other Miscellaneous	\$175,948	\$241,749	\$246,359
Indirect Costs	\$0	\$19,251	\$1,098,751
Capital Outlay	\$27,000	\$54,000	\$0
CIP and O&M Projects	\$267,662	\$1,201,500	\$653,564
Total	\$5,714,638	\$9,282,046	\$10,903,690

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$5,314,005	\$8,276,546	\$10,399,190
Administrative Hearing Fund	\$400,633	\$0	\$0
Santa Rosa Tourism BIA	\$0	\$480,500	\$504,500
Economic Development Fund	\$0	\$525,000	\$0
Total	\$5,714,638	\$9,282,046	\$10,903,690

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	28.8	34.5	37.75	50.0	51.0

Performance Measures

- Pre-application meetings held within 14 days of request of service.
- Development review applications receive a determination of completeness within 30 days of submittal and once complete, a decision is rendered within 60 days for planning projects deemed categorically exempt of requiring a Negative Declaration from the California Environmental Quality Act (CEQA).
- Deliver state of the art Advance Planning processes and documents within expected timeframes and budget.
- Utilized modern and effective community engagement techniques to foster meaningful communication, participation and engagement with residents for planning initiatives.
- 80% of Building Plan Checks completed within 5 weeks of submission on the first check and 2 weeks for subsequent checks.

Planning & Economic Development

- 90% of Encroachment Permits processed within 3 weeks of submission of first check.
- 85% of Engineering Plan Checks completed within 6 weeks of submission of first check and 3 weeks for subsequent checks, meeting published timelines.
- New commercial square footage.
- Business Tax Certificates issued.
- Sales and Transient Occupancy Tax performance.
- Santa Rosa Tourism Business Improvement Area assessment performance.
- Performance analytics of business website and on-line tools.

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

- Drafted a Cannabis Business Tax Ordinance in the wake of state-wide legalization to address City resources needed for regulation while balancing stakeholder and industry concerns.
- Developed consultant plan check and inspection review process.
- Engineering permitted and active projects: 28 subdivisions, totaling 662 housing units.
- Engineering projects under review: 24 subdivisions, totaling 1431 housing units.
- Reviewed and created database for all building files, including rolled plans, and shipped files to offsite storage.
- Successfully implemented third party plan review of inspection on two high profile projects: Kaiser MOB 6 and Hyatt Vineyard Creek expansion.
- Conducted the annual review of the General Plan and submittal of reports to the CA Department of Housing and Community Development and the CA Department of Finance.
- Completed the City's Housing Action Plan in collaboration with the Housing and Community Services Department.
- Completed the Roseland Area Specific Plan and certified the Environmental Impact Report.
- Continued the development of the Southeast Greenway project, including partnerships with several organizations.
- Processed a record number of planning entitlements and instituted a weekly prioritization across divisions for entitlements involving affordable housing components.
- Secured 5-year contract with IRONMAN.
- Implemented a new Business website on srcity.org.
- Re-negotiated Sonoma County TBIA contract.
- Produced OutThereSR SRTBIA tourism campaign.
- Added new, seasonal, custom Shop Local banner.

Looking Ahead

The Planning & Economic Development Department is still adjusting to the rebounding economy and Citywide Reorganization which created the department from the former Community Development. While permit activity and development are at record highs, the department still operates at pre-recession staffing levels. In the coming years, PED hopes to acquire the staff and resources to meet the numerous and wide-ranging demands of this dynamic and burgeoning city, and help the City Council achieve their goals for Santa Rosa.

Planning & Economic Development

PED is a key player in many of the Council's priorities. Housing will be a continued focus as the department prioritizes housing permits and land use and attracts developers. With the recent state-wide legalization of cannabis, the department will soon implement their ground-up policy work, including a business tax, zoning and permitting specific to the unique industry. 2018 also marks a year when the Advance Planning group will execute a General Plan Update. Internally, PED will take steps towards a paperless operation, including digitizing records, reviewing plans electronically, and supplying Boards and Commissions with iPads for electronic meeting materials and voting.

The Planning & Economic Development Department looks forward to soon reaping the rewards of hard work. Santa Rosa will presently see new hotels, apartment buildings and subdivisions, a twice-yearly Ironman event downtown, and a prolific new business industry emerge into a legal climate. Such tangible successes are easy encouragement for PED staff to forage through the expansive scope of work this department takes on with passion and energy.

Police

Mission

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

Department Description

The Police Department is responsible for the safeguard of lives and property, the preservation of constitutional rights, and the maintenance of quality of life in order to promote safe and secure neighborhoods for the citizens of Santa Rosa. The department responds to a wide range of calls for service and provides numerous community support and outreach programs to promote police/community partnerships. The six program areas that carry out these core functions are General Administration, Field Services, Investigative Services, Technical Services, Support Bureau, and Measure O.

General Administration – The administration of the department includes the Chief of Police and the administrative services functions responsible for the budget, contracts, department supplies, and facilities.



Field Services – The most visible component of the department is comprised of 8 teams that perform patrol 365 days a year, 24 hours a day. Field Services also includes the Traffic Bureau comprised of Motorcycle Officers and Accident Investigators, the Community Policing Team, School Resource Officers, Field and Evidence Technicians, Community Service Officers, SWAT team, Hostage Negotiation Team, Mobile Field Force, Canine Team, and the Downtown Enforcement Team.

Investigative Services – Detective units of the department include: Domestic Violence and Sexual Assault, Narcotics, Property Crimes including Graffiti Abatement, Violent Crimes, and Gangs. The Investigative Services Bureau is supported by the Forensic Team that is responsible for higher level processing and analysis of evidence related to investigations.

Technical Services – Provides the following services to the department: Communications, Records, Property and Evidence Technicians, Crime Analysis, and Information Technology.

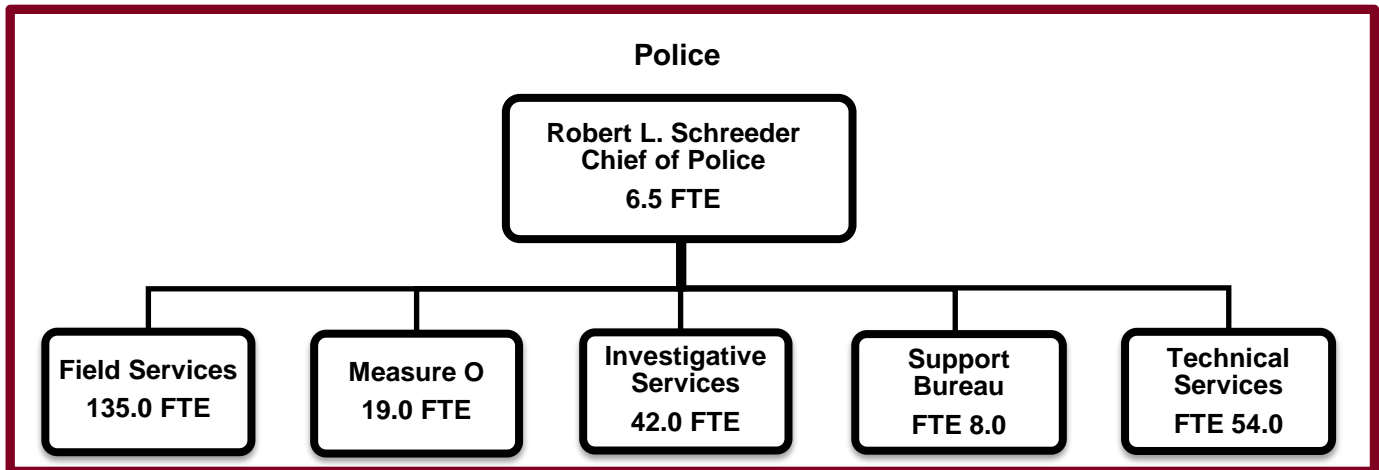
Support Bureau – Recruitment, Testing and Employment; Training and Wellness; and the Volunteers in Police Services (VIPS) program. The Police Department has personnel needs and recruitments that necessitate dedicated staff. Because of this need, the bureau is dedicated to the recruiting and testing of new employees; conducting mandated background investigations; providing and tracking mandated training for all sworn staff; and administering the VIPS program that provides approximately 5,000 hours of service per year, freeing up time for staff to address other public safety issues and clerical needs.



Measure O – Funding and staff for a total of 19 positions: 17 Field Services positions that consist of 1 Lieutenant, 1 Sergeant, 12 Officers, 2 Field and Evidence Technicians and 1 Community Service Officer; and 2 Technical Services Division positions that consist of 1 Communications Supervisor and 1 Police Technician.

Police

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- Continue to enhance Community Policing efforts and strategies, including working with the City's Homeless Outreach Services Team and Community Based Organizations. 6
- Actively recruit a diverse group of staff to fill vacancies at all levels of the organization. 2
- Continue to work with all City departments to plan for the annexation of Roseland and address the impact it will have on the delivery of services to the community. 5
- Continue to review and develop department trainings to provide the highest level of service possible. 6
- Work with other City departments regarding issues with the legalization of marijuana. 6
- Work with the City Manager's Office and the Independent Police Auditor to evaluate and identify areas of potential improvement to the department's accountability processes. 5

Major Budget Changes

The FY 2017-18 budget increased by \$6.4M when compared to FY 2016-17 adopted budget. Salaries and Benefits increased by \$1.6M and \$1.1M respectively. The increases are due to adding 8.0 FTE's for the anticipation of the Roseland Annexation along with normal step increases in salary and Citywide benefit increases. The staffing increase includes 5.0 Police Officers, 1.0 Police Sergeant and 2.0 Communications Dispatchers. Professional Services are going up \$174K primarily due to reallocation of funds from temporary employees to outside background investigators. Various FY 2017-18 O&M Projects are expected to increase by \$142K including Crime Mitigation Funding and Police Contract Services for overtime at special events. For the first time in FY 2017-18, the General Fund began charging Administrative costs to the Police department as well as other non-administrative departments for services. The Administrative cost for FY 2017-18 is \$3.0M which is a main driver of the overall increase of the Police department in the General Fund.

FY 2017-18 Measure O funds did not fluctuate greatly when compared against FY 2016-17 adopted budget. Staffing levels remained unchanged for Measure O funded positions at 19.0 FTE's in the Police department.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$3,535,493	\$4,267,725	\$7,642,498
Field Services	\$25,634,408	\$25,649,100	\$27,400,825
Investigative Services	\$8,375,866	\$8,773,249	\$9,161,451
Technical Services	\$6,834,059	\$7,159,865	\$7,702,434
Support Bureau	\$1,711,783	\$1,907,078	\$2,042,862
Measure O Police	\$3,464,989	\$3,709,771	\$3,756,096
CIP and O&M Projects	\$852,338	\$642,138	\$784,438
Total	\$50,408,936	\$52,108,926	\$58,490,604

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$28,859,777	\$29,052,581	\$30,688,710
Benefits	\$15,800,952	\$16,796,738	\$17,884,433
Professional Services	\$1,366,398	\$1,673,038	\$1,847,031
Vehicle Expenses	\$1,746,318	\$1,731,822	\$1,852,116
Utilities	\$87,697	\$90,097	\$99,784
Operational Supplies	\$515,855	\$829,435	\$1,051,288
Information Technology	\$644,561	\$683,677	\$725,417
Liability/Property Insurance	\$16,290	\$19,665	\$22,430
Other Miscellaneous	\$389,619	\$466,169	\$477,814
Indirect Costs	\$120,975	\$115,410	\$104,550
GF Admin Cost Plan	\$0	\$0	\$2,952,593
Capital Outlay	\$8,156	\$8,156	\$0
CIP and O&M Projects	\$852,338	\$642,138	\$784,438
Total	\$50,408,936	\$52,108,926	\$58,490,604

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$46,906,247	\$47,784,655	\$53,934,508
Measure "O" - Police	\$3,488,189	\$3,709,771	\$3,756,096
Federal Narcotics Asset Forfeiture	\$0	\$150,000	\$150,000
State Grants Fund	\$14,500	\$14,500	\$0
Supplemental Law Enforcement	\$0	\$300,000	\$500,000
State Narcotics Asset Forfeiture	\$0	\$150,000	\$150,000
Total	\$50,408,936	\$52,108,926	\$58,490,604

Police

Authorized Full-Time Equivalent (FTE) Positions – All Funds

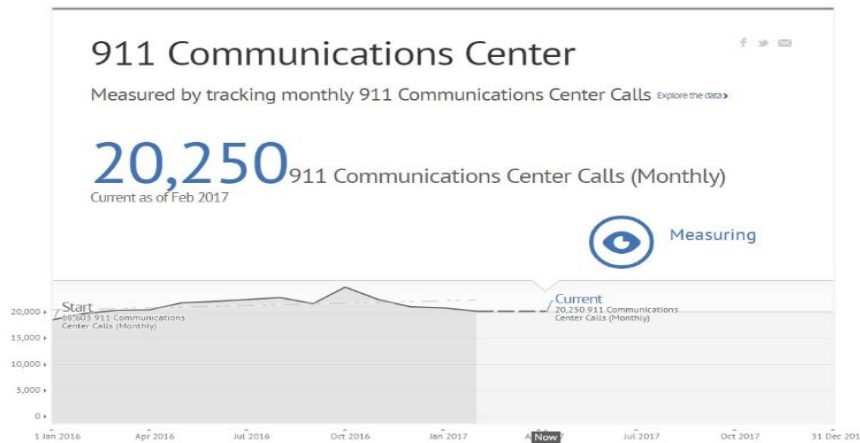
Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	253.25	258.75	256.75	256.50	264.50

Performance Measures

Santa Rosa Police Department (SRPD) has developed the following performance measures as a way for the city and its residents to monitor our progress toward City Council and Department goals. Furthermore, SRPD developed the following measurables and datasets to improve department reporting and community access to our operational information.

1. 911 Communications
2. Call Response Times
3. Violent Crimes (Part I)
4. Property Crimes (Part I)
5. Arrests
6. Citations
7. DUI Arrests
8. Traffic Collisions
9. Training
10. Body Worn Camera Usage
11. Community Engagement

911 Communications



The 911 Communications Center measurable is important for the Police Department because the 911 Communications Center is the central hub for Police Department activities. Highly trained police dispatchers relay critical information from callers to police officers ensuring they respond as quickly and safely as possible. The 911 Communications Center serves both emergency 911 and non-emergency calls.

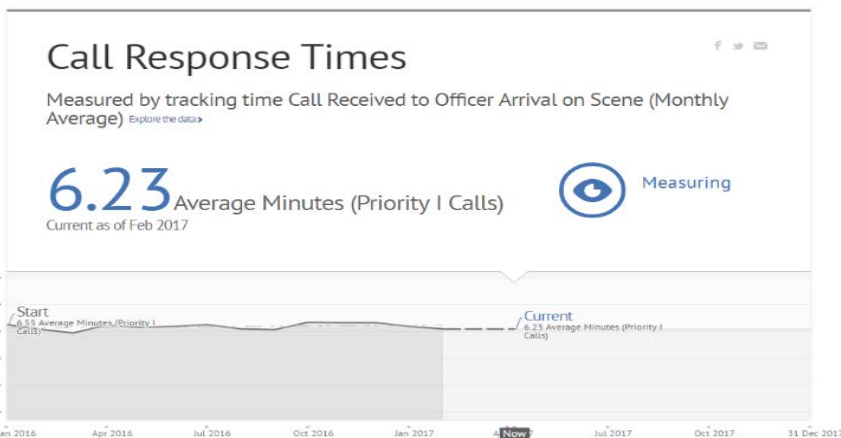
Furthermore, monitoring the number of calls received by our 911 Communications Center is especially important for the Police Department as these figures assist in guiding our operational staffing plan. The number of calls received directly correlates to the number of officers we need on patrol at any given time. The 911 Communications Center measurable is a major indicator of the Police Department’s workload and staffing requirements.

Additional sub-measures for the 911 Communications Center:

- 911 Calls
- Other Incoming Calls
- Outbound Calls
- Priority I Calls
- Priority II Calls
- Priority III Calls

Call Response Times

Call Response Times is an important measurable for the Police Department because a timely law enforcement response is critical to maintaining public safety and it is one of several factors that citizens consider an important performance measure from their law enforcement agency. Additionally, law enforcement response time is critical in life threatening situations or in those where the chances of preventing a crime and/or catching a criminal are good if they arrive on scene quickly.



Furthermore, insight into Call Response Times provides valuable feedback and information to our Command Staff regarding department staffing and coverage. If Call Response Times are noticed to be significantly increasing over time, this could potentially mean that our staffing coverage is being stretched too thin, resulting in the potential need to adjust our staffing guide to better align with the safety necessities of our community.

Call responses are prioritized according to importance (Priority I, II, III). Calls are evaluated on an ongoing and fluctuating basis by prioritizing the most urgent calls and assessing the resources available to get officers on scene as efficiently and expeditiously as possible.

Additional sub-measures for Call Response Times:

- Priority I
- Priority II
- Priority III

Violent Crimes



Violent Crimes are an important measurement for the Police Department in part because both the Santa Rosa community and our staff can observe local trends resulting from crimes of this terrible nature. Violent Crime figures provide information about the level of and risk for crime within our community. Evidence-based crime data will better inform us of any trends or changes in the crime rate over time.

Furthermore, the Police Department believes it is important to measure and gather crime statistics for the following reasons: 1) To know when crime is increasing/decreasing; 2) To know what types of crimes are becoming problems in specific areas/regions; and 3) To better understand those who are prone to be victims/perpetrators of violent crimes. Having sound verified data related to violent crimes ultimately assists our law enforcement team in improving our crime prevention, crime reduction and apprehension of suspects' efforts.

Additional sub-measures for Violent Crimes:

- Criminal Homicide
- Robbery
- Forcible Rape
- Aggravated Assault

Property Crimes

Property Crimes are an important measurement for the Police Department in part because both the Santa Rosa community and our staff can observe local trends resulting from crimes of this nature. Property Crime figures provide information about the level of and risk for crime within our community. Evidence-based crime data will better inform us of any trends or changes in the crime rate over time.

Furthermore, the Police Department believes it is important to measure and gather crime statistics for the following reasons: 1) To know when crime is increasing/decreasing; 2) To know what types of crimes are becoming problems in specific areas/regions; and 3) To better understand those who are prone to be victims/perpetrators of property crimes. Having sound verified data related to property crimes ultimately assists our law enforcement team in improving our crime prevention, crime reduction and apprehension of suspects' efforts.

Additional sub-measures for Property Crimes:

- Burglary
- Larceny Theft
- Motor Vehicle Theft
- Arson

Arrests



Additional sub-measures for Arrests:

- Adult
- Juvenile
- Felony
- Male
- Female
- Misdemeanor
- Infraction



Measuring Arrests is an important indicator for the Santa Rosa Police Department because these figures reflect the general level of crime and misconduct within the Santa Rosa community. In addition, these figures/statistics are often used for strategic decision-making and operational or tactical purposes. The ultimate goal is to use this data to provide information that allows for better decision-making about tactical strategies for addressing crime.

Citations

Citations are an important measurement for the Police Department in part because both the Santa Rosa community and our staff can observe local trends resulting from various violations of the law. Additionally, as county jail and prison populations have increased over recent years, a movement toward pretrial criminal justice reform has taken root.



With community-oriented policing relations in the spotlight and key policy groups (i.e. The President’s Task Force on 21st Century Policing) recommending the increased use of citations (in lieu of full custodial arrest in appropriate situations), now is an important moment to study the use and impact of the citation policy, to measure its effectiveness in maximizing public safety and minimizing recidivism and to weigh the costs and benefits of citation usage against those of custodial arrest.

Additional sub-measures for Citations:

- Fix-It
- Moving
- Parking
- Registration
- Municipal Code
- Warning
- License
- Non-Moving
- Criminal

DUI Arrests



DUI Arrests are an important measurement for the Police Department in part because both the Santa Rosa community and our staff can observe local trends resulting from violations of this traffic safety law. Efforts to reduce DUI figures are extremely critical to the public safety of our community. Approximately one-third of all traffic crash fatalities in the U.S. involve drunk drivers (www.ots.ca.gov).

The Santa Rosa Police Department wants everyone to drive safely and responsibly. This is why the Santa Rosa Police Department partners with the State of California Office of Traffic Safety (OTS) to layout community specific guidelines as to how many extra DUI patrols we must perform, how many DUI checkpoints we must complete, and best practices in planning and organizing community education and awareness events aimed at reducing drunk driving (i.e. Every 15 Minutes) within our Santa Rosa community.

Police

Traffic Collisions



Traffic Collisions are an important measurement for the Police Department because traffic accidents often lead to damaged property and the potential for loss of life. The City of Santa Rosa has a responsibility of providing safe traffic options and routes to drivers within our community. While SRPD cannot be expected to reduce traffic accidents alone, we do maintain the responsibility of accurate traffic collision investigations in order to identify the cause and design of potential educational and preventative measures to limit the occurrence of traffic accidents.

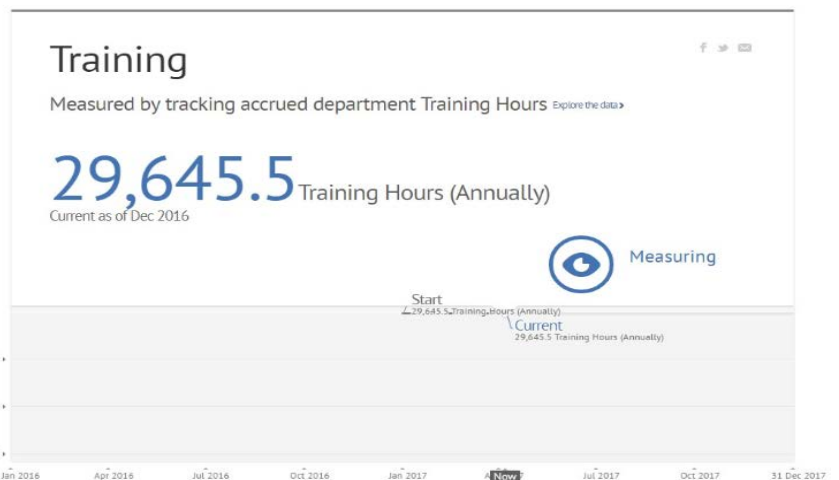
In analyzing traffic collision data (trends in time/date, potential problem areas, etc.) we are able to study the cause of the accidents and potentially suggest corrective measures at particular locations. Finding and identifying potential solutions in preventing traffic collisions is at the core of the Police Department's mission of providing a safe environment for Santa Rosa residents to live, work and play.

Sub-measures for Traffic Collisions:

- Involving Injuries
- Involving Fatal Injuries
- Involving Hit and Run
- Involving DUI/Alcohol
- Involving DUI/Drugs (Combo)
- Involving Property Damage

Training

The Santa Rosa Police Department has an interest in, and responsibility for, the continual growth and development of its personnel. Through a combined effort in the areas of Professional Training and Personal Education, we believe an employee can achieve both professional and personal excellence. To make professional and personal goals possible to the employee, the department has placed an emphasis on training. Training is provided to SRPD employees in three ways: 1) POST and non-POST courses offered outside the department; 2) POST certified in-house training courses; and 3) In-house training.



The Santa Rosa Police Department's Mission Statement states: *We are committed to making Santa Rosa a safe place to live, work and play.* Furthermore, our department Vision is based in a shared belief that *The Santa Rosa Police Department will be recognized as the standard of excellence in policing.* To this end, we understand that the status quo is not an option; we must constantly be looking at ways to improve. Providing a safe environment within our community is of the highest importance.

This shared belief and dedication to be recognized as the standard of excellence in policing is why SRPD goes above and beyond to ensure that our staff has access to in-house training that surpasses State mandates. Balancing traditional training components with a broad focus on working with the community as partners to achieve safety is essential. In addition to training that focuses on technical and tactical aspects of policing, SRPD also values additional education in community policing. Training that addresses culture, diversity, bias and racism, mental illness and mediation improves how police relate to the community and can help minimize potentially violent or challenging situations.

Sub-measures for Training:

- Training Classes

Body Worn Camera Usage



The use of Body-Worn Cameras (BWCs) is intended to enhance the mission of the department by recording contacts between members of the public and sworn employees of the department who are acting in their official capacity.

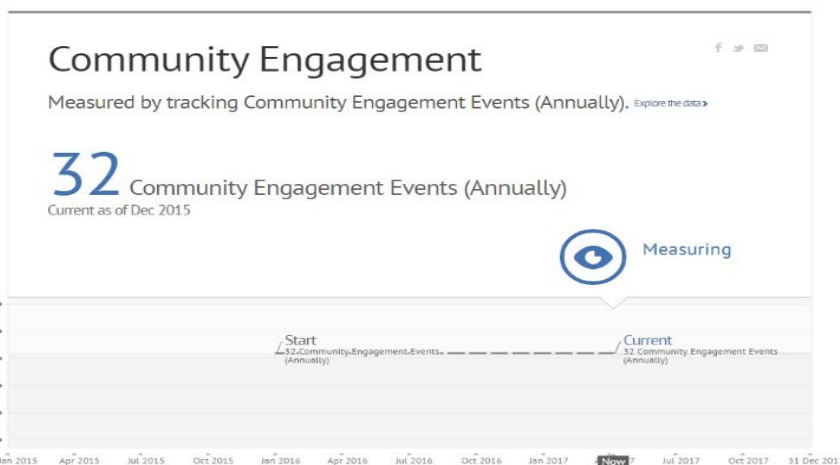
The use of BWC's by law enforcement personnel serves a number of purposes, including but not limited to: assisting law enforcement personnel in the performance of their duties by obtaining documentary evidence for criminal investigations; providing enhanced

accountability for employees and protecting employees from unjustified or frivolous complaints of misconduct. BWC recordings may prove valuable in related civil litigation, citizen complaints and administrative matters arising from police activity.

Community Engagement

Community Engagement within the Santa Rosa Police Department is an important measure because the way in which our officers and law enforcement staff behave when engaging with the public by encouraging respect for the law and fostering social responsibility, in turn, is more likely to make people trust and help the police and help reduce crime.

Community Engagement for the Santa Rosa Police Department is defined as department staff collaborating with the public in non-enforcement community activities, events and outreach.



Police

Associated 2016 Police Department Metrics

- In 2016, Dispatch had a total of 397,250 calls (9-1-1, non-emergency, outbound, patrol, and officer initiated); compared to 356,597 in 2015, an 11% increase.
- Decreased the overall department vacancy rate to 2.5% as of March 2017; compared to a 3.4% vacancy rate in April 2016.
- In 2016, the department had 157 Use of Force incidents out of approximately 138,410 citizen contacts and 8,522 arrests, 0.11% of all contacts and 1.84% of all arrests; compared to 2015 which had 128 Use of Force incidents in 127,000 citizen contacts and 8,105 arrests, 0.1% of all contacts and 1.5% of all arrests. Received, reviewed, and responded to 78 complaints regarding department staff, a 5% increase from 2015 when 74 complaints were received.
- Increased Community Engagement by:
 - Partnering with Elsie Allen High School public safety course and tours;
 - Conducting two (2) Citizen Police Academies;
 - Conducting two (2) Youth Citizen Police Academies;
 - Held four (4) Coffee with a Cop events;
 - Participated in Roseland Annexation community meetings; and
 - Expanding the number of officers that are trained to teach G.R.E.A.T. (Gang Resistance Education and Training).

Prior FY 2016-17 Accomplishments

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

-
- Maintained full staffing in the majority of positions throughout the department. **2**
 - Continued to work with Homeless Outreach Services Team and other community resources to address homelessness; furthered the efforts by expanding the number of officers assigned to the Downtown Enforcement Team. **6**
 - Responded to approximately 18,000 calls for service per month, an 11% overall increase from 2016. **6**
 - Increased department reporting and transparency to provide easily accessible information on Use of Force, Critical Incidents, complaints, and personnel investigations through measurables and White House Data Initiative. **5**
 - Integrated the Independent Police Auditor into the organization.
 - Hired a Marketing and Outreach Coordinator to expand Community Engagement.
 - Completed the Force Option Simulator.
 - Completed trainings identified in the Strategic Plan: Advanced First Aid and Active Shooter.

Looking Ahead

In FY 2017-18, the Police Department will continue to actively recruit new staff members to address Roseland Annexation to go along with the 8 FTE's included in this budget, as well as prepare for the staffing impacts associated with upcoming retirements. The department will be reviewing and presenting an improved Body Worn Camera system that integrates with current technology and has improved recall and storage capabilities. As the department continues to look at its needs and infrastructure, it will be implementing improvements to the aging radio equipment in order to improve communication reliability and reduce maintenance costs and issues. The Police Department is also working in conjunction with other City departments, County, and State entities to identify and address the impacts of the legalization of marijuana. Finally, the initiation of rail service by SMART will result in additional traffic and pedestrian safety education and enforcement efforts.

Recreation & Parks

Mission

The Recreation & Parks Department creates community through people, parks and programs.

Department Description

General Administration – The Administration service unit provides central management, administration, and executive oversight for the Department, and includes marketing and outreach functions. The Public Art Program and City special event permits are also administered in this unit.

Aquatics – The Aquatics service unit includes the operation and specialized maintenance of the Ridgway Swim Center and the Finley Aquatic Center. Programs at the two outdoor, year-round facilities include swim lessons, water aerobics, lifeguard training, water polo, and diving, in addition to public and lap swimming sessions and facility rentals.

Regional Parks – The Regional Parks service unit includes operation of the City's largest park, Howarth, with seasonal amusements (train, carousel, jump house, petting barn, pony rides), food and beverage concessions, trails, picnic areas, Lake Ralphine and marina, lighted tennis courts, softball field, and the Land of Imagination playground. Park permits are administered in this unit, and staff match interested volunteers with park programs and projects.



Fee-Based Recreation – The Fee-Based Recreation service unit delivers athletics, camps, and off-site leisure instruction. Wa-Tam, Yu-Chi and Doyle Adventure camps are featured in the summer, as are a myriad of other youth programs. Softball leagues for adults, T-ball, soccer, and basketball activities for youth, and tennis lessons are available. Sport field and court permits are administered through this unit.

Bennett Valley Golf Course – Bennett Valley Golf Course is a premier 18-hole, par 72 / 6,500-yard course located on 156 acres. The course, driving range, pro shop, and clubhouse/restaurant (serving breakfast, lunch and dinner seven days a week), are operated and maintained under third-party contracts. The City is responsible for certain direct/indirect expenses, capital improvements, and debt obligations.

Neighborhood Services / Violence Prevention & Intervention – The Neighborhood Services service unit provides youth development and recreational programming for at-risk, low-income, and homeless youth and families. Using the General Fund and augmented by a share of the proceeds from a Transaction and Use Tax, staff provide beneficial programs, services, and sites where young people can enjoy recreational and social activities without fear of gangs, drugs, and other negative influences. Programs include after school, summer camps, family events, and a variety of sports at schools and other locations.

Recreation & Parks

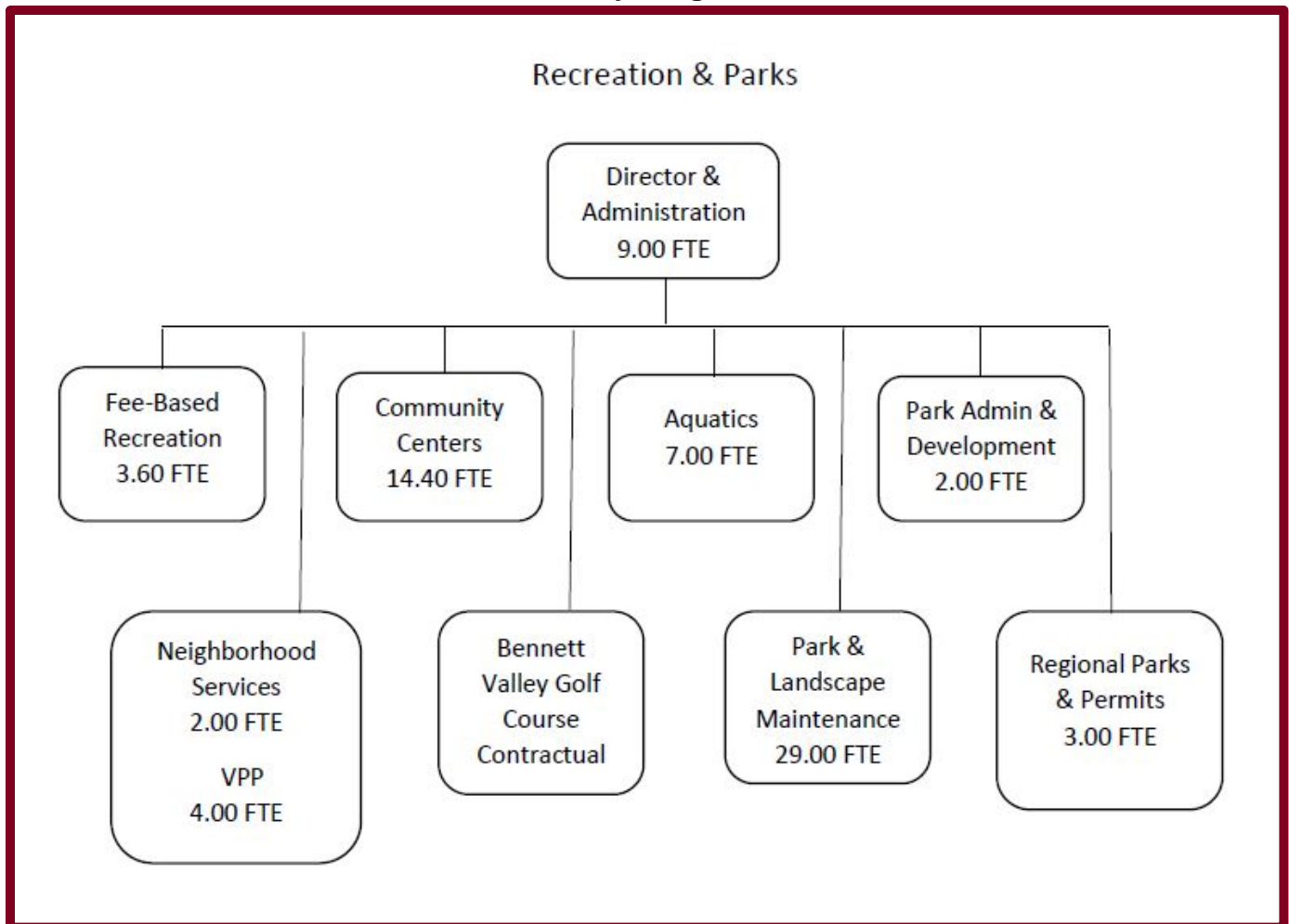


Community Centers – The Community Centers service unit operates, prepares, and rents the City’s community centers (Finley and Steele Lane), senior centers (Person Senior Wing and Bennett Valley), historic buildings (Church of One Tree and De Turk Round Barn), clubhouses (Franklin and Doyle) and four commercial kitchens. Leisure instruction classes at the centers, park picnic area reservations, and rental of Rosie the Trolley are also administered through this unit.

Park & Landscape Maintenance – The Park & Grounds Maintenance service unit maintains 740 acres of park land and park amenities in neighborhood, community and regional parks, and maintains 15 acres of specialized parks, at Luther Burbank Home & Gardens and Santa Rosa Rural Cemetery. Staff provides land stewardship for 195 acres of open space, landscaped roadway medians and frontages, ten special landscaping districts, and landscapes around a variety of City buildings.

Parks Administration – The Parks Administration service unit oversees park, recreation and historic facility planning, acquisition, design and development, initiates park enhancements and projects, and oversees the preparation and administration of project-related grants.

FTE by Program



Recreation & Parks

Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

-
- Implement PerfectMind recreation management software. 4
 - Implement revised fees (pending Council approval). 4
 - Provide additional neighborhood services youth programs: Olive Grove, Roseland, South Park. 4
 - Install automated irrigation controllers at six parks. 4
 - Oversee park master plan preparation for Roseland Creek and Kawana Springs parks; present to Council for approval. 4
 - Continue to install updated park rules signs. 4
 - Rehabilitate the Juilliard Park ponds. 4
 - Negotiate acquisition of remaining parcel for Roseland Creek Community Park. 4

Major Budget Changes

The FY 2017-18 Recreation & Parks budget is \$17.9M, a \$2.2M or 14% increase from last fiscal year's adopted budget. The General Fund portion of the budget accounted for the vast majority of the increase as it increased by \$2.2M. For the first time in FY 2017-18, the General Fund began charging Administrative costs to Recreations & Parks as well as other non-administrative departments for services. The Administrative cost for FY 2017-18 is \$1.4M which is the primary driver of the overall increase of the Recreation & Parks department in the General Fund. The remaining significant changes within the General Fund were Salaries increased by \$213K due to merit increases, the cost of living adjustment in FY 2016-17 and the statewide increase in minimum wage for seasonal employees. Healthcare benefits increased by \$163K due to increased health insurance premiums. There was also an increase in vehicles of \$92K, in order to purchase two new pick-up trucks for the Parks & Maintenance crew.

In FY 2017-18, the Measure O Fund budget increased \$56K when compared against FY 2016-17 adopted budget. Similar to General Fund salaries, the increase was primarily driven by increased salaries due to merit increases, the cost of living adjustment in FY 2016-17 and the statewide increase in minimum wage for seasonal employees.

The Golf Course Fund budget is \$519K, a decrease of \$37K when compared to the FY 2016-17 adopted budget. This decrease was primarily due to decreased Debt Service interest payments made on lower principal balances. As an Enterprise fund, the Golf Course fund generates revenue to cover all the expenditures and does not receive any General Fund support.

Recreation & Parks

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$1,430,229	\$1,666,307	\$3,005,043
Bennett Valley Golf Course	\$497,988	\$505,553	\$488,998
Neighborhood Services	\$1,123,088	\$1,169,626	\$1,251,218
Fee Based Recreation	\$0	\$0	\$417,184
Parks & Landscape Maintenance	\$5,177,926	\$5,014,762	\$6,132,207
Parks & Facility Planning/Development	\$763,407	\$354,261	\$0
Community Centers	\$2,416,370	\$2,442,518	\$2,499,487
Facilities Maintenance	\$3,078,013	\$0	\$0
Aquatics	\$1,591,498	\$1,481,730	\$1,606,513
Park Admin & Development	\$482,993	\$333,944	\$203,260
Regional Parks & Permits	\$1,195,057	\$1,436,171	\$1,078,117
CIP and O&M Projects	\$2,745,153	\$1,338,505	\$1,239,783
Total	\$20,501,722	\$15,743,377	\$17,921,810

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Request	2017 - 2018 Request
Salaries	\$7,124,912	\$6,625,093	\$6,910,211
Benefits	\$2,734,320	\$2,462,237	\$2,722,981
Professional Services	\$2,176,575	\$1,837,650	\$1,771,543
Vehicle Expenses	\$492,218	\$336,829	\$462,412
Utilities	\$2,685,285	\$1,150,641	\$1,155,295
Operational Supplies	\$912,955	\$705,780	\$767,081
Information Technology	\$518,810	\$491,162	\$597,681
Debt Service	\$456,091	\$457,986	\$455,254
Liability & Property Insurance	\$6,924	\$9,281	\$8,564
Other Miscellaneous	\$486,004	\$261,827	\$263,675
Indirect Costs	\$62,475	\$53,386	\$35,665
General Fund Administrative Cost	\$0	\$0	\$1,426,665
Capital Outlay	\$100,000	\$13,000	\$105,000
CIP and O&M Projects	\$2,745,153	\$1,338,505	\$1,239,783
Total	\$20,501,722	\$15,743,377	\$17,921,810

Recreation & Parks

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Request	2017 - 2018 Request
General Fund	\$16,774,730	\$13,180,511	\$15,377,188
Art In-lieu Fee	\$91,009	\$36,282	\$28,567
Measure "O" - Recreation	\$653,845	\$684,759	\$738,734
Change For Kids Fund	\$24,405	\$19,795	\$21,805
Capital Improvement Fund	\$2,317,544	\$1,146,955	\$1,074,005
St. Francis Knolls	\$1,605	\$4,963	\$4,792
Stony Ranch	\$4,123	\$9,778	\$11,325
The Orchard at Oakmont	\$41,510	\$27,775	\$30,261
Woodbridge Tax District	\$9,826	\$8,468	\$8,797
North Village I Special Tax District	\$8,286	\$6,968	\$6,797
Kawana Springs 6 Special Tax District	\$5,576	\$6,607	\$5,984
Bennett Valley Golf Course Operations	\$170,143	\$160,811	\$126,989
Taxable Golf Bond Debt Service	\$128,939	\$130,992	\$129,056
Tax-exempt Golf Bond Debt Service	\$263,906	\$263,750	\$262,953
Railroad Square Maintenance Fund	\$6,275	\$0	\$44,626
Expendable Fund-Interest Allocation	\$0	\$11,345	\$12,054
Expendable Fund-No Interest Allocation	\$0	\$43,618	\$37,877
Total	\$20,501,722	\$15,743,377	\$17,921,810

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	83.15	85.15	93.15	74.00	74.00

Performance Measures

Indicators	FY 2014-15	FY 2015-16	FY 2016-17
Percentage of cost recovery through usage fees during fiscal year.	NA	NA	23%
Number of people attending permitted park events (facility bookings) annually.	NA	NA	408,169
Number of people awarded scholarships annually.	NA	NA	76
Number of volunteers annually.	NA	NA	771
Dollar amount of park and ground maintenance expense per capita.	NA	NA	\$ 29.20

Recreation & Parks

Number of activity registrations.	NA	NA	54,130
Percentage of people who rate programs at signature facilities (FCC, SLCC, BVSC, PSW, Aquatic Centers) as good or excellent.	95%	96%	95%
Change in the number of people participating in programs and activities.	-10%	-11%	2%
Number of people receiving information from Department public information efforts (includes email and Facebook).	56,841	68,888	70,000
Percentage of planned programs, classes and activities held due to achieving registration targets.	86%	88%	87%
Percentage of direct program costs offset by fees.	73%	62%	63%
Percentage of Community parks and facilities rated in good or excellent condition based on surveys of park patrons.	72%	83%	83%
City's share of park acreage provided (minimum 3.5 developed acres per 1,000 residents).	3.84	3.87	3.84

Prior FY 2016-17 Accomplishments

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

-
- Replaced Howarth Park train locomotive and refurbished the passenger coaches. 4
 - Completed Prince Gateway spray ground and opened new restroom/spray jets. 4
 - Completed construction of Bayer Neighborhood Park & Gardens and opened new park. 4
 - Installed four pickleball courts at Howarth Park by repurposing one tennis court. 4
 - Resurfaced five tennis courts at Howarth Park and six tennis courts at Galvin Park. 4
 - Installed a bicycle pump track at Northwest Park. 4
 - Opened a new Neighborhood Services after-school site at Amorosa Village Apartments. 4
 - Reduced fuel load at Howarth Park along Sullivan Ridge. 4
 - Installed 8 automated irrigation controllers and improved efficient use of water. 4
 - Redesigned the Recreation & Parks Department webpages. 4
 - Installed new electrical system for Galvin Park tennis court lights. 4
 - Prepared code amendment to Chapter 11.40 (use of streets for special events) for Council approval. 4
 - Replaced ADA lift at Finley Aquatics Center and installed ADA lift at Steele Lane Community Center stage. 4

Looking Ahead

Implementation of state law to increase minimum wage to \$15 per hour by 2022 will increase the Department's seasonal temporary budgets. As new parks are improved and accepted from developers, park maintenance budgets will need to increase to maintain additional inventory. Capital improvements needed at the Bennett Valley Golf Course do not have sufficient funding within the Golf Enterprise Fund.

Santa Rosa Water

Mission

Protecting public health by sustaining water resources, infrastructure and the environment:
Our future in every drop!

Department Description

Santa Rosa Water (SRW) protects public health by sustaining water 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.

The City of Santa Rosa delivers 6 billion gallons of potable water to nearly 53,000 customer accounts, operates a recycled water system for agricultural and urban irrigation and commercial processes, collects wastewater from over 49,000 customer accounts, and operates the Subregional Water Reuse System which beneficially reuses over 6 billion gallons of tertiary treated wastewater and 26 thousand tons of biosolids annually. SRW also manages the Storm Water and Creeks section which works closely with other sections in the department to safeguard water sources and protect the urban watershed with over 100 miles of creeks.

There are separate enterprise funds that finance each of these operations, divided into 9 Programs.

Administration – Supports the whole department by providing leadership, finance, human resources, safety and training, asset management, technology, energy management, water engineering services, and administrative support across all programs.

Purchase of Water – Tracks the funds allocated to purchase water from the Sonoma County Water Agency.

Storm Water and Creeks – Makes Santa Rosa a better place by enhancing creek health through restoration and community involvement, providing biological and engineering services, and managing storm water runoff to preserve and restore water quality and minimize flooding.

Water Resources – Develops and implements cost-effective water use efficiency programs for Santa Rosa Water’s customers and plans for long-term water supply and wastewater capacity to meet the needs of the City’s currently adopted General Plan.

Water O&M and Local Wastewater O&M – Operates and maintains safe, economical, and dependable water distribution, wastewater collection and urban reuse systems in an ethical and informative way for the customers of the City of Santa Rosa.

Wastewater Resource Recovery and Wastewater Resource Distribution – Provides treatment and beneficial reuse of recycled water and biosolids in a reliable, practical manner that provides the best use of our resources and minimizes waste disposal, while protecting public health and the environment.

Debt Service – Pays down financing for large, long-lasting debt financed projects.

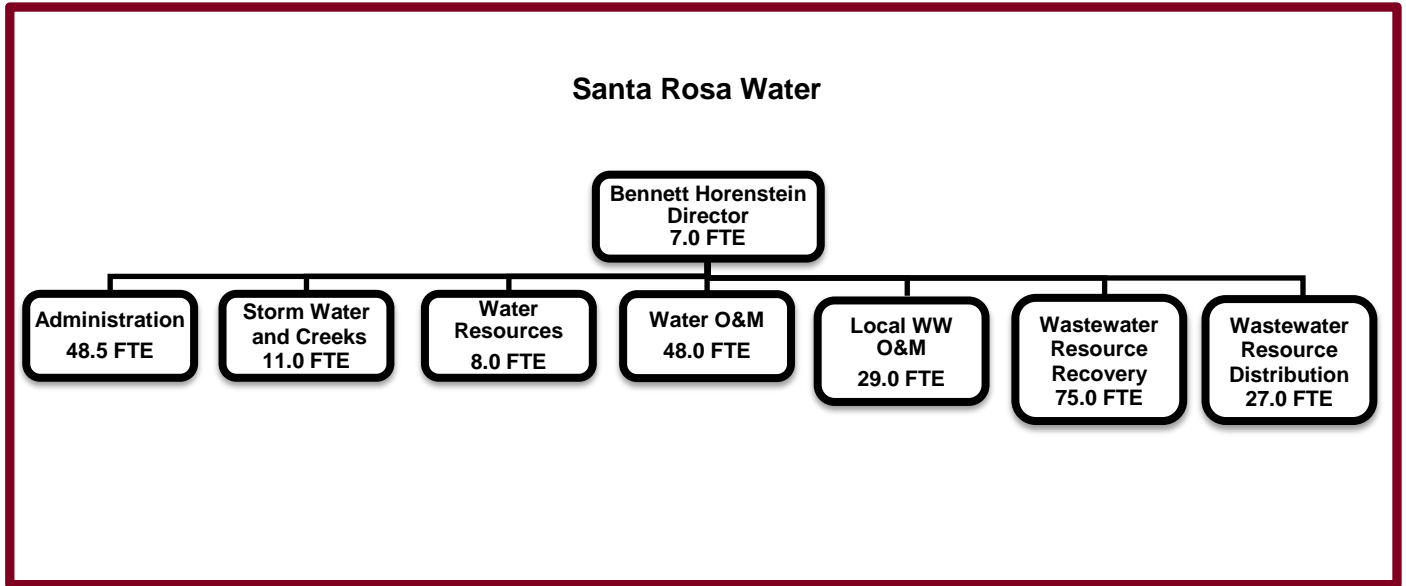
O&M Projects – Supports the various programs within Santa Rosa Water by providing either one-time funding for specific projects or ongoing funding for continuing projects that span multiple years.



Santa Rosa Water

Capital Improvement Projects – Installs one-time or ongoing large projects for new capital improvements, or replaces aging infrastructure in the various sections of Santa Rosa Water.

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- | | |
|---|---|
| • Customer service | 1 |
| • Meet and exceed present and future regulations | 3 |
| • Communication, outreach and education (internal and external) | |
| • Public and environmental health | 3 |
| • Fiscal responsibility and cost effectiveness | 1 |
| • Planning for the future – workplace and infrastructure | 3 |
| • Collaboration | 5 |

Major Budget Changes

Revenues: The water and wastewater funds are primarily financed by Santa Rosa ratepayer user fees and charges. Water rates approved by the Santa Rosa City Council, including a fixed charge increase of 5% and a wholesale water rate pass-through increase of approximately 2.2% (for a combined water rate increase of approximately 2.7% for most customers), combined with the use of current fund balances are considered sufficient to fund the prudent operation of the water system in 2017-18. The authorized 3% wastewater rate increase combined with the use of current fund balances are considered sufficient to fund the prudent operation of the wastewater system and Santa Rosa's share of the Subregional system and maintain appropriate debt service ratios through 2017-18.

Expenditures: Major departmental changes include four new positions requests: three Administrative positions, Associate Right-of-Way Agent, Community Outreach Specialist and a Senior Administrative Assistant and one Electrical Technician at the Regional Water Reuse Plant. The net fiscal impact of these positions is a net increase of \$254K in Salaries and a \$121K increase in Benefits. In 2017 a major classification and compensation study was performed which, depending on implementation, could result in a significant increase in salary and benefit expenditures for field staff. One additional Limited Term Customer Service Representative is proposed for Utility Billing (to be housed in Finance) funded by Water and charged to the Meter Upgrade Project (AMI).

SR Water is comprised of four major components: Water, Local Wastewater, Subregional Wastewater and Storm Water. Major variances by component are as follows:

The Water Funds show a year over year increase of \$810K or 1.74%. Roughly one third of this increase is related to multiple increases in Salaries & Benefits being charged to Water from other areas for \$265K. Another \$103K came from anticipated increased costs of landscape services due to the new restrictions on the use of Roundup. Purchase of water from SCWA increased by \$773K but was partially mitigated by a \$662K reduction in the Water Stabilization Contingency based on lower purchases over the past twelve months. Finally, electricity costs are expected to rise by 20% for an increase of \$160K.

The Local Wastewater Funds show a year over year increase of \$642K or 2.80%. Much of the increase is related to the various indirect costs including Utility Billing Services, IT Rates and Overhead charges for a total increase of \$223K. Another \$206K is attributable to additional CIP projects.

The Subregional Wastewater Funds show a year over year increase of \$1.46M or 2.32%. Salary and Benefits are anticipated to grow by \$900K due to the cost of living adjustment mid-year 2016-17, merit increases and City-wide benefit increases in healthcare and retirement benefits. Professional Services are budgeted to increase by \$225K related to cleaning discharge duckbills, adding security fencing at storage facilities, biosolid hauling and increases in the landscaping services related to the restrictions on use of Roundup. Electricity costs are expected to climb 20% for an additional \$756K, Debt Service payments are scheduled to decrease by \$2.5M, increase in Subregional's share of admin charges will grow by \$443K and a \$1.3M increase in multiple CIP projects.

The Storm Water Funds show a year over year increase of \$121K or 4.38%. Salaries and Benefits increased \$142K due to the cost of living adjustment mid-year 2016-17, merit increases and City-wide increases in healthcare and retirement benefits. Several other increases in multiple categories including \$36K in Interdepartmental Charges and \$24K in Agency Fees related to requirements for the National Pollutant Discharge permit. Allocated Costs increased by \$39K for overhead and Storm Water's share of water's overall administrative costs. Finally, funding decreased for multiple existing projects in the amount of \$175K for this budget cycle.

Santa Rosa Water

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Administration	\$5,009,598	\$5,627,537	\$6,365,545
Purchase of Water	\$15,857,960	\$16,160,300	\$16,271,850
Storm Water and Creeks	\$1,963,963	\$1,907,950	\$2,206,078
Water Resources	\$1,134,957	\$1,129,562	\$1,237,773
Water O&M	\$15,056,166	\$15,389,636	\$16,560,478
Local Wastewater O&M	\$10,533,657	\$10,724,280	\$11,160,005
Wastewater Resource Recovery	\$21,035,840	\$21,340,722	\$23,418,412
Wastewater Resource Distribution	\$6,867,792	\$7,257,732	\$8,260,652
Debt Service	\$29,231,404	\$29,231,457	\$26,299,446
CIP and O&M Projects	\$36,005,734	\$33,464,287	\$34,311,525
Total	\$142,697,071	\$142,233,463	\$146,091,764

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$18,942,950	\$19,137,442	\$20,446,096
Benefits	\$9,325,241	\$9,891,487	\$10,762,070
Professional Services	\$3,249,148	\$3,193,096	\$3,629,577
Utility Billing Services	\$3,850,417	\$4,019,827	\$4,191,731
Vehicle Expenses	\$2,985,756	\$3,082,951	\$3,280,978
Utilities	\$5,322,562	\$4,438,881	\$5,368,598
Purchase Water	\$15,857,960	\$16,160,300	\$16,271,850
Operational Supplies	\$4,397,257	\$5,299,191	\$5,519,351
Information Technology	\$1,911,084	\$1,812,359	\$2,075,870
Debt Service	\$29,231,404	\$29,231,457	\$26,717,124
Liability/Property Insurance	\$728,683	\$754,440	\$776,798
Other Miscellaneous	\$1,718,116	\$2,041,899	\$2,143,937
Indirect Costs	\$9,058,759	\$9,509,846	\$10,262,259
Capital Outlay	\$112,000	\$196,000	\$334,000
CIP and O&M Projects	\$36,005,734	\$33,464,287	\$34,311,525
Total	\$142,697,071	\$142,233,463	\$146,091,764

Santa Rosa Water

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$323,947	\$303,667	\$329,069
Capital Facilities Fee Fund	\$0	\$20,000	\$0
Capital Improvement Fund	\$284,601	\$689,908	\$625,226
Stony Ranch	\$2,000	\$2,000	\$2,000
Woodbridge Tax District	\$2,000	\$2,000	\$2,000
Kawana Springs 6 Special Tax D	\$2,000	\$2,000	\$4,000
Kawana Town Center Special Tax	\$600	\$600	\$600
Utilities Administration Fund	\$6,478,055	\$7,047,269	\$7,869,070
Water Utility Operations	\$31,577,083	\$32,144,353	\$33,171,638
Water Capital Fund	\$17,182,233	\$13,525,000	\$13,320,000
2001 WW Bonds - Water Portion	\$1,227	\$0	\$0
2008A Water Bond Debt Service	\$872,703	\$876,506	\$874,494
2008A Water Construction	\$0	\$10,515	\$0
Local Wastewater Utility Fund	\$11,362,576	\$11,428,600	\$11,866,300
Local Wastewater Capital Fund	\$12,000,000	\$11,500,000	\$11,715,000
2008A Local Wastewater Construction	\$0	\$10,651	\$0
Subregional Waste Operations	\$30,151,755	\$31,343,088	\$34,768,175
CEC Loan Debt Service Fund	\$103,127	\$103,127	\$103,127
Subregional Waste Capital	\$2,024,174	\$3,214,671	\$4,080,000
2016 WW Refunding Debt Service	\$0	\$0	\$10,342,775
2014 Wastewater Debt Service	\$972,500	\$2,700,400	\$1,025,300
2012 WW Refunding Debt Service	\$2,569,900	\$4,916,200	\$2,522,500
2014 Wastewater Construction	\$100,000	\$0	\$100,831
2008A Wastewater Debt Service	\$2,770,553	\$2,784,953	\$0
2007A Wastewater Bond Debt Svc	\$7,624,088	\$7,811,213	\$6,646,250
Storm Water Enterprise Fund	\$1,089,163	\$1,003,919	\$1,196,506
Storm Water -Creek Restoration	\$884,253	\$753,765	\$741,903
2002B Subregional WW Debt Svc	\$0	\$0	\$4,785,000
1993 WW Refunding Debt Svc	\$1,400,656	\$1,400,831	\$0
1992 Wastewater Refunding DS	\$1,781,900	\$0	\$0
1992B Wastewater Debt Service	\$2,497,750	\$0	\$0
2000Geysers State Loan Debt	\$8,638,227	\$8,638,227	\$0
Total	\$142,697,071	\$142,233,463	\$146,091,764

Santa Rosa Water

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	248.00	239.50	243.50	249.50	253.50

Performance Measures

Regional Water Reuse*	2014	2015	2016
Billion gallons wastewater treated	6.4	5.7	6.6
Treated wastewater recycled	100%	100%	100%
Biosolids reused	94%	100%	100%
Environmental compliance inspections - grease related food industries	357	601	521
Number of people attending Treatment Plant educational tours	3,400	2,526	2,435
Laguna Lab annual proficiency acceptance rating	99.6%	100%	98.8%
Water Supply, Distribution and Quality*			
Miles of water main in system	619	619	619
Million gallons of water purchased	5,510	4,999	5,119
Million gallons metered water delivered	5,473	5,015	5,128
Million gallons water produced from well	370	390	400
Unaccounted for water	6.46%	6.05%	6.92%
Water Main repairs	20	20	17
Drinking Water Compliance Rate (AWWA benchmark)	100%	100%	100%
Local Wastewater Collection*			
Miles of sewer main in system	589.1	590.0	589.7
Miles of sewer lines flushed	298.7	199.8	201.5
Miles of sewer lines rodded	7.05	8.2	6.8
CCTV inspection of sewer main miles	116.5	84.5	74.0
Sewer Main repairs	86	42	78
Sewer laterals repair/replace	30	56	55
Engineering**			
Number of water and/or sewer connection permits issued	309	371	45
Miles of water line replaced	2.19	1.14	6.2
System replaced	0.35%	0.18%	1.1%
Miles of sewer main replaced	2.92	0.86	6.47
System replaced	0.49%	0.15%	1.1%
Water CIP projects completed	15	10	16
Wastewater CIP projects completed	10	13	16
Laguna Treatment Plant CIP projects completed	5	3	2

Santa Rosa Water

Storm Water and Creeks Section **			
Educational creek related activities with youth	182	199	184
Volunteer creek cleanups	78	82	57
Cubic yards of debris removed from creeks	923	840	1,258
Illicit spill discharges responded to by SW Team	77	104	81
*Calendar Year figures			
**Fiscal Year figures			

Prior FY 2016-17 Accomplishments

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- The Laguna Environmental Laboratory (LEL), an ELAP-certified laboratory (Environmental Laboratory Accreditation Program), demonstrated its proficiency by passing with a 98.8% score on 495 analytes. This is an annual requirement and tests involved water quality, wastewater, soils and hazardous waste sampling. 3
- The High Strength Waste Receiving Facility was commissioned at the Regional Water Reuse Plant, increasing electrical generation output by 45% in the last three months of 2016 and reducing hauling distances of more than 670 truck trips. 2
3
- City Hall Sustainable Education Garden plans and specifications were completed and approved and the Santa Rosa City Council unanimously approved to award a construction contract for \$1,315,876 to Siri Grading and Paving. Project construction commenced in August 2016 and is now nearly complete. 3
4
- Water Engineering Services staff reviewed numerous building permits for Water-related comments and, from these reviews, 431 Water Permits were initiated (a 308% increase over 2015). Many of these permits were for housing starts. 1
- Well production at the Farmers Lane Well Treatment Plant was 399.804 million gallons (MG), representing nearly 8.0% of the total water delivered. The facility operated for 200 days with a daily average production of 2.0 million gallons per day (MGD).
- Water Quality staff successfully completed the triennial Lead and Copper Rule compliance monitoring with no exceedance of Action Level for either constituent. Staff coordinated 50 water samples from customers to comply with the rule. 3
- Staff worked with stakeholders and policymakers from nine different agencies in the Santa Rosa Plain to continue development of the Groundwater Sustainability Agency to comply with the 2014 Sustainable Groundwater Management Act. The process included multiple meetings, community outreach and updates to the Board of Public Utilities and the City Council. 3
- In June 2016, after three years of unprecedented drought conditions and statewide emergency regulations, Santa Rosa Water was able to self-certify that, assuming continued extreme drought conditions for the next three years, water supply availability would meet projected demands. Based on this analysis, the City was no longer required to achieve a mandatory reduction target and was able to rescind the mandatory drought restrictions. 3
- The Regional Water Reuse Plant treated 6.6 billion gallons of wastewater – up 15% from 2015.
- The Take it From the Tap! program reached nearly 3,000 students in over 20 schools in Santa Rosa and each student received a reusable water bottle. Additionally, the Tap! Hydration Station’s presence at many local events provided community members with more than 4,000 bottles. 3

Santa Rosa Water

- Asset Management staff led the establishment of a Citywide capital asset management committee to enable a coordinated asset management approach. The initial objective is the replacement of the legacy Infor Hansen 7 computerized maintenance management system with a modern enterprise asset management system (EAMS) to inventory, track and maintain Citywide assets in a cost-effective manner during their lifecycle and plan improvements to sustain public infrastructure for the future.
- Fifty safety training classes were provided to staff, including ergonomic assessment, Confined Space Entry, Forklift Operator and Emergency Response. **2 6**
- The Sanitary Sewer Master Plan (SSMP) was updated and no City sanitary sewer overflows (SSO's) were recorded for a 15-month period which covered portions of 2015 and 2016.
- Environmental Services staff worked with the Laguna Foundation and volunteers to complete the Brown Farm Riparian Project that revegetated a 200-foot wide creek corridor of 2,643 linear feet (total area of 9.11 acres), including installation of 3,802 native plants. This supports the City Farms Ranch Plan goal for 100-foot setbacks from creek banks and revegetation of corridors with appropriate plant species. The project was funded by mitigation money from the County of Sonoma. **3**
- Successfully renewed the City's Municipal Separate Storm Sewer National Pollutant Discharge Elimination System Storm Water Permit with the North Coast Regional Water Quality Control Board through a collaborative process. **3**
- Managed a very high volume of human resources workload including 29 recruitments, 34 new hires, a department classification and compensation study of 89 incumbents and numerous interim acting and out-of-class assignments.
- Completed the Roseland Area/Sebastopol Road Specific Plan and Annexation Infrastructure Report for needed replacement of sewer and water pipes.
- Began implementation of a \$2.5 million grant from the State Department of Water Resources (Cap and Trade Funding) to install 5,500 ultra-high efficiency toilets, aerators and showerheads in single-family and multi-family sites and 250 pre-rinse spray valves in commercial food handling sites at no cost to customers. **3 4**

Looking Ahead

Making Conservation a California Way of Life – In May 2016, the Governor issued Executive Order B-37-16 related to water use efficiency. The Executive Order also provided direction related to long term water use efficiency, focusing on developing new long term water use efficiency targets, making permanent state-wide prohibitions on water waste, and requiring updated requirements related to drought planning. Working with a stakeholder group, five State Agencies developed and released in November 2016 the framework entitled "Making Water Conservation a California Way of Life." Santa Rosa submitted a comment letter on the framework and was a signatory to the Sonoma Marin Saving Water Partnership letter and the Association of California Water Agencies (ACWA) letter. It is anticipated that the final version of the framework will be released in February/March 2017 and legislation will be crafted to implement the recommendations in the report.

Groundwater Sustainability Agency – The Sustainable Groundwater Management Act of 2014 (SGMA) provides a framework for sustainable management of groundwater supplies by local authorities and requires that high and medium priority groundwater basins throughout California form Groundwater Sustainability Agencies (GSAs) by June 30, 2017, and develop Groundwater Sustainability Plans (GSPs) by January 2022. The majority of the City of Santa Rosa overlies the Santa Rosa Plain groundwater basin, which has been designated as a medium priority basin and must comply with SGMA. In the Santa Rosa Plain, the current agencies that are eligible to form a GSA are the cities of Santa Rosa, Rohnert Park, Cotati, Sebastopol,

Santa Rosa Water

Town of Windsor, Sonoma County the Sonoma County Water Agency (SCWA), Sonoma Resource Conservation District and Goldridge Resource Conservation District. Staff of the various GSA eligible entities have been working together to draft a JPA to form a GSA to govern the groundwater basin. Participation and funding of the GSA and development of the GSP will need to occur to comply with SGMA.

Emergency Groundwater Program – In September 2013, the Board of Public Utilities (BPU) adopted the City's Groundwater Master Plan (GWMP). The GWMP provides a strategic road map for the Water Department staff, BPU and City Council regarding how available groundwater resources could be most effectively used in a sustainable manner to meet the needs of the City's current and future customers. The GWMP identified the need to develop a reliable emergency water supply in the event of an interruption to or disconnection from the Sonoma County Water Agency.

Santa Rosa Water is working with a consultant to implement the Emergency Groundwater Project and is currently working on converting test borings to emergency groundwater wells at a City park and a school. In addition, test borings are being planned at the City's former Oakmont Treatment Plant facility and at another northeast City location.

Russian River Pathogen Indicator Bacteria TMDL – The Russian River watershed is impaired for sediment, temperature and pathogen indicator bacteria. Water quality monitoring from the Russian River and its tributary creeks reflect widespread contamination with bacteria and other indicators of human waste. The Pathogen TMDL is expected to establish target conditions for E. coli bacteria and Bacteroides bacteria or other indicators of human contamination. The TMDL Action Plan will be specific to each source category, and require each responsible party to develop a bacteria load reduction plan that describes how bacteria loads will be reduced to meet E. coli and Bacteroides bacteria concentration targets.

Although the watershed's leading source of pathogens is believed to be on-site waste treatment (septic) systems adjoining the Russian River, all potential sources of pathogens/indicator bacteria will be investigated. The Pathogen TMDL has potential ramifications on both the City Storm Water NPDES Permit and the Laguna Treatment Plant NPDES discharge permit. Based on the draft TMDL issued in Fall 2015, Santa Rosa Water's concerns include the Storm Water Runoff, Homeless and Farmworker Encampment and Illegal Camping (Homeless), and Wastewater Holding Pond Discharges to Surface Waters elements. The City Storm Water Permit currently requires development of a *Pathogens in Storm Water Runoff* workplan to inventory, monitor, investigate and, ultimately, reduce pathogens in storm water runoff.

Laguna de Santa Rosa TMDL – The Laguna de Santa Rosa watershed is impaired for nitrogen, phosphorus, dissolved oxygen, temperature, mercury, and sediment. Regional Water Board staff have been studying impaired water quality conditions in the Laguna and working on the development of a Laguna TMDL for quite some time. Santa Rosa Water continue to offer its support to the Regional Water Board to develop the TMDL to support scientific rigor and justify long term ratepayer expenditures. Until the TMDL is completed, the Laguna Treatment Plant NPDES discharge Permit prohibits any addition of phosphorus to the Laguna. Since 2006, the permit has contained a "zero" or "no net" loading of phosphorus permit limitation. (The initial compliance timeline was extended from 2012 to 2017.) This limitation is perhaps the most restrictive and difficult to achieve phosphorous limit in California and ranks as one of the most stringent in the nation. (It should be noted that a petition to the State Water Board regarding this and other provisions was filed shortly after permit adoption and that petition has been placed in abeyance. Also, the City's contribution to the total phosphorus load to the watershed is less than 3% of the median annual load.)

Current Transition of the Nutrient Offset Program into a Water Quality Trading Program – Santa Rosa Water developed and now implements a three-tiered approach to comply with its NPDES discharge Permit's zero or no net loading phosphorus requirement:

- first, reusing as much recycled water from the treatment plant as possible to eliminate discharges (98% of all recycled water produced by the plant is reused).

Santa Rosa Water

- second, reducing the amount of phosphorus in Santa Rosa's recycled water – Santa Rosa is currently evaluating enhanced chemical treatment to reduce levels of phosphorus and nitrogen, and
- third, implementing the Nutrient Offset Program, developed in collaboration with the Regional Water Board.

To enhance consistency, provide clarity, standardize program requirements, and expand its availability to other permittees, i.e., the Town of Windsor, the existing Nutrient Offset Program is currently being transitioned into a Water Quality Trading (WQT) Program. WQT is a promising tool being supported and developed by the US EPA and the Regional Board. Like the Nutrient Offset Program, it will help to reduce water pollution and improve ecological conditions in the Laguna de Santa Rosa watershed while supporting Santa Rosa's efforts to comply with its no net loading of phosphorus requirement.

Storm Water NPDES Permit – On October 8, 2015, the North Coast Regional Water Quality Control Board adopted regional Order R1-2015-0030 which sets forth requirements for Storm Water and Non-Storm Water Discharges from Municipal Separate Storm Sewer Systems in the City of Santa Rosa, the County of Sonoma, the Sonoma County Water Agency, the City of Cotati, the City of Cloverdale, the City of Rohnert Park, the City of Sebastopol, the City of Ukiah, the Town of Windsor, and the City of Healdsburg. Regional storm water compliance efforts will focus on addressing pollutants of concern including trash and litter, bacteria, nutrients, inorganic metals (copper, lead and zinc), pesticides and petroleum hydrocarbons.

Laguna Treatment Plant NPDES Permit Renewal – The Laguna Treatment Plant (LTP) NPDES Permit renewal process will begin in FY 2017-18 with development of a Report of Waste Discharge. Permit renewal application will include updating description of Subregional facilities and operations, updating the Discharge Operations Plan, conducting a Reasonable Potential Analysis by reviewing LTP's water quality data to determine if any permit limits should be added or removed, evaluating the City's long term compliance strategy for phosphorus and other issues that need to be addressed.

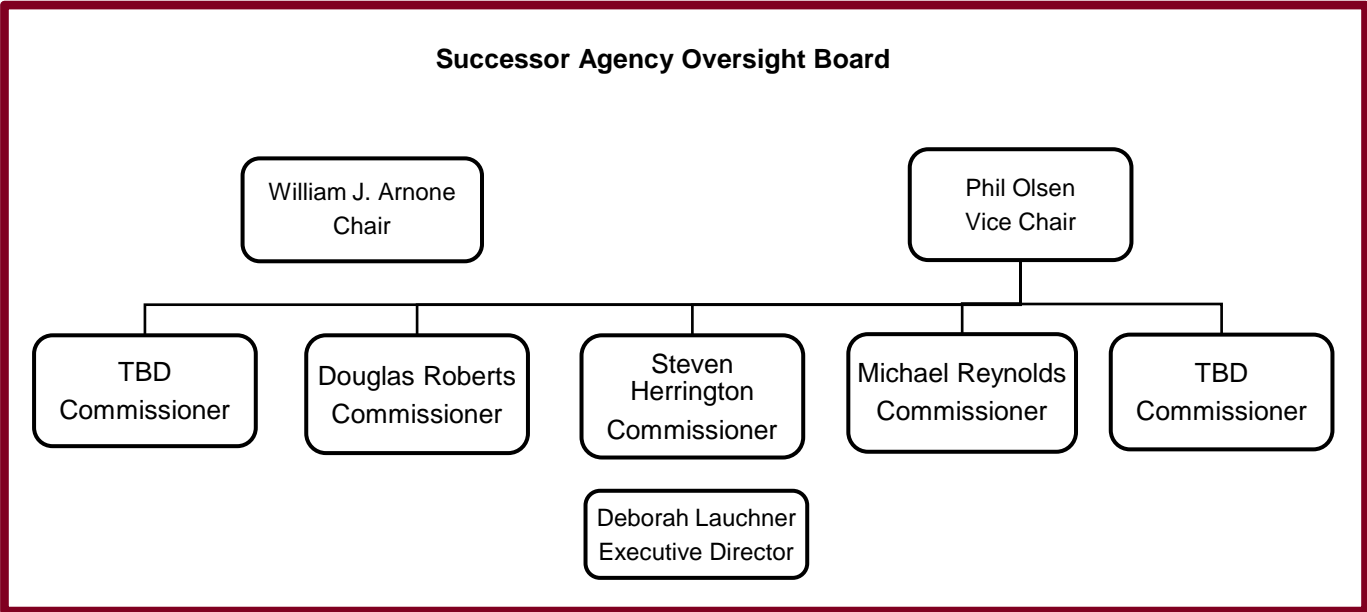
2017 Regional Water Reuse Bond Sale – Santa Rosa Water is evaluating issuing revenue bonds in 2017 to fund necessary infrastructure projects. Such projects may include: replacement of the aging ultra-violet light disinfection system, construction of a permanent flood protection barrier around the treatment plant, replacement of the primary influent pump drive and treatment plant improvements facilitating the treatment of storm water. These projects will help ensure continued compliance with environmental regulations, increased system resilience against significant weather events and the continued delivery of dependable service to both Santa Rosa ratepayers and those of our regional partner agencies.

Planning for the Future – Workforce and Infrastructure – The department's workforce has a key role in our success and involves having employees in place with the right skills at the right time. We have a skilled and dedicated workforce, but we have been impacted by years of increased retirements and the risks associated with these remain high. We are continually working to achieve optimal strategic staffing and increased succession planning with programs such as the City's Career Development and Enrichment Program, professional development opportunities and our management team working towards developing staff. Our business is continually evolving in an increased regulatory environment which impacts staffing requirements and classification changes. In addition to our personnel, we must also plan for the future of our infrastructure. It is critical to ensure that all water and wastewater infrastructure continues to provide an acceptable level of service delivering reliable and high quality water and wastewater service to our valued customers.

Successor Agency to the Former Redevelopment Agency

Description

On February 1, 2012, the Redevelopment Agency of the City of Santa Rosa was dissolved in compliance with California State ABx1 26. The City Council elected to assume the role of Successor Agency to the Former Redevelopment Agency. An Oversight Board, as specified by ABx1 26, was appointed to oversee the dissolution of the former Redevelopment Agency assets over the life of existing valid funding agreements, contracts, and projects. The Oversight Board members are noted below.



Strategic Goals and Initiatives for FY 2017-18

(Numbers at right show relation to City Council Goals; see Council Goals Section)

- Maintain existing valid funding agreements and projects as presented on the Recognized Obligation Payment Schedule (ROPS), which is prepared once annually, and must be approved by the Successor Agency and Oversight Board before being submitted to the State Department of Finance for approval no later than February 1st of each year.

Major Budget Changes

The FY 2017-18 Successor Agency budget is \$4.1M, up \$257K, or 6.7%, over the prior year's adopted budget. The change was limited to Services and Supplies, primarily in Debt Service for the Brownsfield Loan (ROPS).

Successor Agency to the Former Redevelopment Agency

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$5,741,501	\$3,831,930	\$4,088,901
Total	\$5,741,501	\$3,831,930	\$4,088,901

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$50,440	\$0	\$0
Benefits	\$24,046	\$0	\$0
Professional Services	\$112,070	\$246,604	\$254,600
Information Technology	\$14,057	\$0	\$0
Debt Service	\$5,405,265	\$3,577,330	\$3,834,301
Liability/Property Insurance	\$6,181	\$7,996	\$0
Other Miscellaneous	\$126,238	\$0	\$0
Indirect Costs	\$3,204	\$0	\$0
Total	\$5,741,501	\$3,831,930	\$4,088,901

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
SA RDA Oblig Retirement Fund	\$5,741,501	\$3,831,930	\$4,088,901
Total	\$5,741,501	\$3,831,930	\$4,088,901

Prior FY 2016-17 Accomplishments

(Numbers at right show relation to City Council Goals; see Council Goals Section)

- Complied with the requirements of ABx1 26, AB1484 and SB 107 to dissolve the Santa Rosa Redevelopment Agency as of February 1, 2012. Prepared all required Recognized Obligation Payment Schedules (ROPS).
- Obtained Oversight Board approval that the Brownfields loans from the City were made for legitimate redevelopment purposes which along with the Finding of Completion allows for repayment. Successfully reversed the DOF denial of this determination.

Transportation & Public Works

Mission

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

Department Description

The Transportation & Public Works Department is divided into six programs, in addition to the department's General Administration:

Traffic Engineering – Responsible for planning street signs, striping, and signal timing throughout the City's 540 miles of streets. Its goal is to provide an effective and efficient facility for transportation, regardless of the mode: pedestrian, bicycle, or vehicle.

Capital Projects Engineering – Responsible for design and construction of projects to rehabilitate, upgrade and expand the City's infrastructure. Engineering and technical staff in this division are committed to enhancing water, sewer and drainage systems, transportation networks, parks and other City facilities to protect public health and safety, and the environment.

Field Services – Comprised of three sections: Fleet Services maintains and replaces the City's fleet vehicles and equipment; Street Maintenance maintains most street assets including pavement, sidewalk, curb and gutter, storm drain system, creeks, ditches, pedestrian ramps, signs, and markings; and Electrical Maintenance maintains traffic signals, street lights, and electrical systems in City-owned facilities.

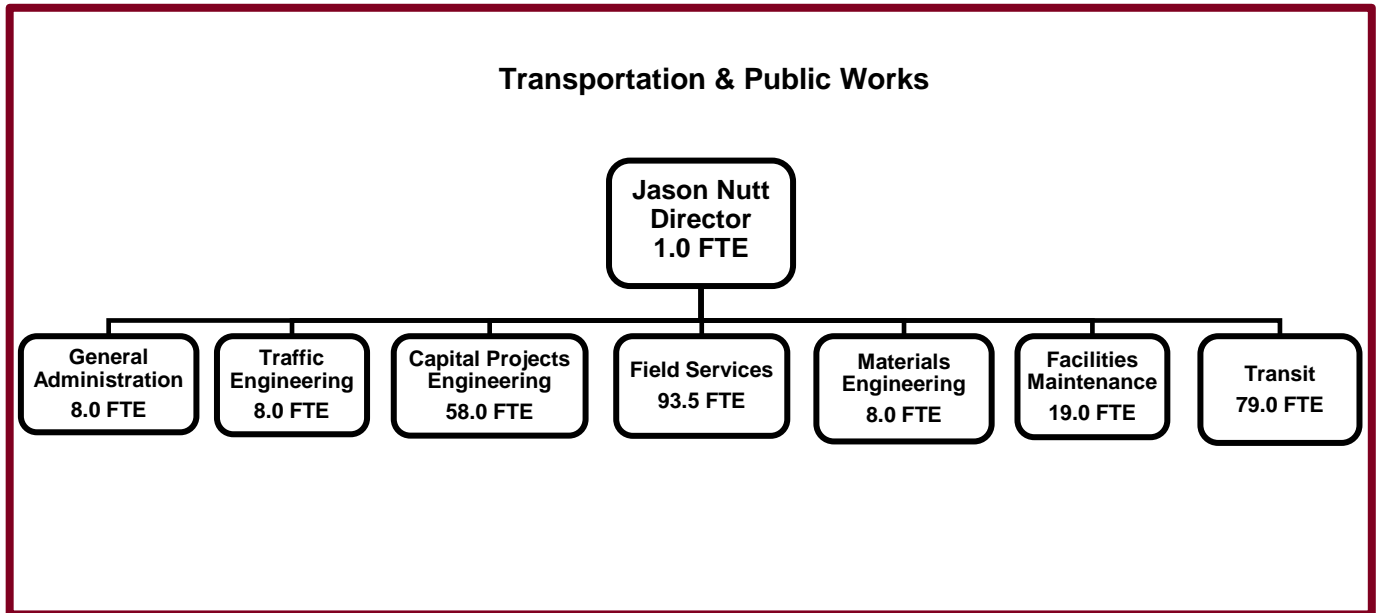
Materials Engineering – Responsible for quality assurance of materials used to construct City roadway projects. Some of the services the group provides include asphalt plant inspection and sampling, laboratory and field testing, and pavement engineering. The team is also responsible for maintaining the citywide Pavement Management Program as required by the Metropolitan Transportation Commission (MTC).

Facilities Maintenance – Facilities Maintenance is responsible for maintaining 115 City buildings and structures, not just those within the Transportation & Public Works Department. Services performed include building inspections, regular preventative maintenance, contract administration, minor construction, and work order responses/repairs. Facilities Maintenance is also responsible for all building costs such as janitorial services, utilities (gas, electricity, and water/sewer), elevator and HVAC repairs, fire alarm systems, permits, underground tank monitoring, and emergency generators. We anticipate incorporating Facilities Maintenance into Field Services in the future.

Transit – Manages and operates Santa Rosa CityBus, providing fixed-routes service throughout Santa Rosa and the unincorporated areas of Roseland, with 17 fixed-routes and one deviated fixed-route which serves the Oakmont community. The Transit Division also manages Santa Rosa Paratransit, the City's ADA complementary curb-to-curb Paratransit service, manages the Santa Rosa Free Ride Trip Reduction Incentive Program and the Learn to Ride Santa Rosa CityBus Travel Training Program. The Transit Division provides the staff support for the Bicycle and Pedestrian Advisory Board.

Transportation & Public Works

FTE by Program



Strategic Goals and Initiatives for FY 2017-18

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

Pavement Preservation

- The replacement value of the city's pavement is about \$1 billion. To keep that asset in good repair, we should be spending about \$17 million dollars annually. Instead the City typically spends about \$4.5 million annually. We are falling behind \$12.5 million per year. **2B.1**
- Support the development of a comprehensive reauthorization plan for the Measure M sales tax. **2B.1**

Field Services

- Develop and implement a comprehensive plan associated with the Roseland annexation. **5.4**
- Continuing to reinstall all knocked-down streetlights and upgrade all high-pressure sodium fixtures to LED. **6.3**
- Work with SRW Asset Management to implement new Computer Maintenance Management Software. **2B.1**
- Continue to further define and develop benchmark metrics for all TPW core services and restructure service delivery models accordingly. **2B.1**
- Develop both a comprehensive capital maintenance and routine building maintenance programs for all City owned structures. **2B.1**

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 24% of the budgeted Public Works Department CIP. **2B.1**

Total Public Works CIP		Grant %
FY 2016-17	\$13,592,932	24%
FY 2015-16	\$6,962,075	48%
FY 2014-15	\$11,490,306	21%

Transportation & Public Works

Transit

- Continually monitor, analyze, and make changes as needed to the newly implemented fixed-route system. 3.1
- Explore and coordinate intermodal connections and enhancing interregional trips for increased access to SMART in preparation for SMART's debut. 3.1
- Implement connectivity with Greyhound as the interregional carrier in the Transit Mall and expand to other regional carriers such as Amtrak. 3.1
- Research alternatives to fixed-route service such as: demand response, deviated fixed route, taxi vouchers, rider-sharing services, etc. 3.1
- Combining Operations and Administrative staff at the Transit Operations Building. 3.1
- Adding customer service counter to the Transit Mall. 3.1

Major Budget Changes

The Transportation & Public Works Department (TPW) has four primary funding sources: the General Fund, the Transit Enterprise Funds, the Capital Improvement Fund and the Equipment Repair and Replacement Internal Service Funds. In total, TPW's budget increased \$5.1M, or 9.2%, over the prior year's adopted budget, to \$59.9M in FY 2017-18.

Specifically, the General Fund increased \$3.2M, or 19.2% over last fiscal year's adopted budget. Salaries and Benefits increased \$485K, or 4.7%, as a result of a mid-year 2016-17 cost of living adjustment, planned merit and benefit increases. Services and Supplies increased \$2.3M, or 40.7%, with the majority of the changes occurring within General Fund Administration, Utilities, and Professional Services. For the first time in FY 2017-18, the General Fund began charging Administrative costs to the TPW department as well as other non-administrative departments for services. The Administrative cost for FY 2017-18 is \$1.4M. An anticipated 20% increase in electricity contributed largely to the \$514K rise in Utility costs. Professional Services costs expanded by \$333K; mainly in the Facilities division due to service contract renewals at a higher cost than prior years including contracts for janitorial and HVAC services. O&M projects rose by \$345K, or 85.9%, over the prior year's adopted budget. Primarily due to Facilities Improvements of \$240K (budget in Recreation and Parks in prior years) as well as increases to the Traffic Signal and Street Lighting project.

The Transit Enterprise Funds FY 2017-18 budget is \$14.2M, an increase of \$1.1M, or 8.1%. Salaries and Benefits remained relatively flat from last year's adopted budget. While Salaries and Benefits across the City experienced increases due to the mid-year 2016-17 cost living adjustment, merit increases, and rising healthcare and retirements rate; the Transit division eliminated 3.0 vacant FTE positions which offset these increases. The eliminated vacant positions are 1.0 FTE Administrative Service Officer, 1.0 FTE Customer Service Representative, and 1.0 FTE Skilled Maintenance Worker. Services and Supplies grew by a net \$606K, or 11.7%, with the main variances occurring in Vehicle Expenses (up \$435K), Indirect Costs (up \$88K), and Transportation Purchase (up \$65K). The rise in Vehicle Expenses resulted from a 9% increase in garage rates City-wide, as well as projected fuel increases. Paratransit contract services added to the growth in Transportation Purchases.

The Equipment Repair and Replacement Funds edged upwards by \$2.0M, or 19.6%, over FY 2016-17's adopted budget. Salaries and Benefits rose by \$196K, or 5.9%, due to a mid-year 2016-17 cost of living adjustment as well as planned merit and benefit increases. The notable increase of \$2.0M in Services and Supplies was in Capital Outlay (up \$1.5M) to fund the replacement of vehicles for the City's operation. All vehicles up for replacement have sufficient funding in the Equipment Replacement Fund reserve balance to cover purchase costs. In addition, Operational Supplies rose by \$485K due to the increased costs for parts, tires, and supplies to maintain the City's fleet and equipment.

Transportation & Public Works

The Capital Improvement Fund decreased by \$1.3M, or -9.5%, from last fiscal year's adopted budget. Some contributors to the decline are projects which received one-time funding or were completed in FY 2016-17 which did not receive budget in FY 2017-18. These budget reductions include one-time funding of \$3M for the Neighborhood Streets Initiative, \$965K for the completed Courthouse Square Reunification project and \$500K for the Highway 101 Bike and Pedestrian Overpass. CIP projects that partially offset this reduction include the additional funding of \$1.7M for the Hearn Avenue at Highway 101 Interchange, new funding of \$1.0M Flashing Yellow Arrow Retrofit and \$707K for the Pacific Avenue Reconstruction project.

Budget Summary

Expenditures by Program			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Administration	\$1,064,157	\$1,132,273	\$1,197,283
Traffic	\$1,153,198	\$1,214,639	\$1,407,688
Engineering Development Services	\$1,835,281	\$0	\$0
Capital Projects Engineering	\$2,371,149	\$2,527,768	\$2,799,487
Facilities	\$0	\$3,453,477	\$22,393,106
Field Services	\$15,454,723	\$18,370,402	\$563,798
Materials Engineering	\$504,036	\$530,816	\$13,764,890
Transit	\$12,497,839	\$13,133,156	\$3,992,231
CIP and O&M Projects	\$11,413,619	\$14,484,401	\$13,790,589
Total	\$46,294,002	\$54,846,932	\$59,909,072

Expenditures by Category			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
Salaries	\$14,537,168	\$14,570,402	\$14,866,063
Benefits	\$7,549,277	\$7,930,831	\$8,410,466
Professional Services	\$365,828	\$880,450	\$1,240,078
Vehicle Expenses	\$3,066,782	\$4,080,111	\$4,652,945
Utilities	\$914,184	\$2,157,521	\$2,672,647
Operational Supplies	\$2,258,878	\$2,578,941	\$3,168,644
Information Technology	\$969,571	\$987,653	\$1,040,304
Liability/Property Insurance	\$277,494	\$341,802	\$370,192
Other Miscellaneous	\$1,080,113	\$677,850	\$544,740
Transportation Purchase	\$1,408,422	\$1,337,204	\$1,402,374
Indirect Costs	\$1,790,482	\$1,724,824	\$1,770,496
General Fund Administration	\$0	\$0	\$1,405,134
Capital Outlay	\$662,184	\$3,094,942	\$4,574,400
CIP and O&M Projects	\$11,413,619	\$14,484,401	\$13,790,589
Total	\$46,294,002	\$54,846,932	\$59,909,072

Transportation & Public Works

Expenditures by Fund			
	2015 - 2016 Budget	2016 - 2017 Budget	2017 - 2018 Request
General Fund	\$13,992,853	\$16,542,380	\$19,715,881
Transit - Special Revenue Funds	\$231,452	\$234,670	\$248,109
Capital Improvement Fund	\$7,026,914	\$13,542,931	\$12,255,330
Utilities Administration Fund	\$1,303,537	\$829,666	\$908,902
Municipal Transit Fund	\$11,086,223	\$11,683,581	\$12,199,666
Transit Capital Fund	\$3,050,662	\$0	\$438,090
Paratransit Operations	\$1,411,616	\$1,449,575	\$1,565,224
Storm Water Enterprise Fund	\$463,954	\$475,758	\$507,148
Equipment Repair	\$5,331,182	\$5,475,782	\$6,205,903
Equipment Replacement Fund	\$2,395,609	\$4,612,589	\$5,864,819
Total	\$46,294,002	\$54,846,932	\$59,909,072

Authorized Full-Time Equivalent (FTE) Positions – All Funds

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Full-Time Equivalent	264.00	275.50	270.50	277.50	274.50

Performance Measures

Core service analyses were completed for the Electrical, Streets, and Fleet Maintenance sections of the Field Services Division in FY 2016-17. In addition, numerous benchmark metrics were identified for the Department, some of which have been incorporated into the Socrata dashboard program currently being readied by the Information Technology Department for public display.

As mentioned above, a major department initiative for 2017-18 will be to further identify and evaluate remaining department core services, formalize benchmarks, and integrate them into the City's computer maintenance management and dashboard software programs to measure effectiveness and productivity, and to supplement informed decision-making by City leaders.

INDICATORS:	FY 2014-15	FY 2015-16	FY 2016-17
Grant Revenues Secured	\$2.8M	\$3.3M	\$3.2M
Travel Time Along 5 Major Arterial Streets (PM Peak)			
College/West College Ave Cleveland Avenue to 4 th Street	3:13	3:22	3:18
Guerneville Road/Steele Lane Range Avenue to Illinois Street/County Center Drive	2:26	2:17	2:01
Mendocino Ave College Ave to Steele Lane	3:21	3:40	3:55
Santa Rosa Avenue Baker Overcrossing to Yolanda Ave	2:00	2:21	2:31
Stony Point Road West College Avenue to Hearn Avenue	6:34	6:38	6:18

Transportation & Public Works

Capital Projects Engineering	2014	2015	2016
Total Construction Project Expenditures	\$22.3	\$19.4M	\$25.0M
% CIP Projects completed within 5% of baseline budget	53	35	69%
% of construction contingency expended on CIP projects	13.2%	7.9%	2.5%
CIP Projects completed within 2 mo. of baseline schedule	100	100	88%
Overall satisfaction with construction projects (new)	N/A	N/A	88%

Prior FY 2016-17 Accomplishments

(Numbers at the right show relation to City Council Goals; see Council Goals Section)

- 2,600 street lights turned on and/or retrofitted. **6.3**
- Completed core service analyses for Electrical, Streets, and Fleet Maintenance Sections and established benchmark metrics for each. **2B.1**
- Fully integrated Facilities Maintenance into the department which included new work order/recordkeeping systems, reorganizing staff, developing new budget centers and tracking, increased customer outreach, and creating a sustainable work plan of in-house minor construction projects to support and fund the construction crews. **2B.1**
- Completed construction of Prince Gateway Park Spray Ground. **4**
- Completed construction of Courthouse Square Reunification project. **1, 4**
- Completed Project Initiation Document through Caltrans for the Highway 101 Bicycle and Pedestrian Overcrossing near SRJC. **3, 6**
- Completed environmental review for Hearn Ave Interchange at Highway 101. **1, 3**
- Obtained CPUC approval to construct an at-grade crossing at Jennings Avenue and the SMART rail corridor, for bicyclists and pedestrians. **3, 6**
- Managed construction of the Stony Point Road Widening and Reconstruction Phase 2 project between Sebastopol Rd and Hearn Ave with a goal of completion by the end of 2017. **1**
- Significant street and paving projects completed in FY 2016-17 include: **1**
 - Contract and City Pavement Preventative Maintenance.
 - Annual Slurry Seal 2016.
 - Neighborhoods Streets Initiative Slurry Seal 2016.
- Public health and safety is protected through upgrades to local sewer and water systems for fire protection, reliable drinking water and well-functioning sewer lines. Neighborhood and business area infrastructure upgrades (sewer, water, paving and some drainage and pedestrian improvements) completed in FY 2016-17 include: **1**
 - Alderbrook Dr, Rosedale Ave, Macklyn Ave and Talbot Ave Sewer and Water Improvement
 - Cleveland Ave Water and Sewer Main Improvements.
 - Coffey Lane Siphon Bypass.
 - Connect Four Private Water Systems to City Water.
 - Foley Ave Sewer Improvements.
 - Fountaingrove Parkway Water Main Upsize for High Fire Severity Zone.
 - Foxwood Pl, Post Ct and Elizabeth Way Sewer Replacements, Doctors Park Dr and Gray Ct Water Replacements, and Stony Point Rd Hydrant Relocation.
 - Jennings Ave Sewer and Water Improvements – Herbert St to Cleveland Ave.
 - Illinois Ave and Sucher Ln Sewer and Water Replacements.
 - Mohawk Street Lift Station and Force Main Realignment – Phase 1.
 - Oakmont Dr Water Replacement.

Transportation & Public Works

- Remove Services from S1 Feed Fountaingrove Pkwy, Mendocino Ave to Round Barn Blvd.
- Summerfield Rd and Sonoma Ave Zone 6 and 9 Water Pumper Connections.
- The Water Reuse System recycles wastewater from homes and businesses for beneficial reuse. Water Reuse System upgrades completed in FY 2016-17 include: 3
 - Brown Farm Drain to Llano Trunk Sewer.
 - High Strength Waste Receiving Facility.
 - Laguna Treatment Plant Filter Valve Actuators and Valve Refurbishment.
 - Laguna Treatment Plant Primary Treatment Structure Upgrade – Phase 1.
 - Laguna Treatment Plant Paving Rehabilitation.
- Capital Projects for Bicyclists and Pedestrians completed in FY 2016-17 3.1
 - SMART Multi-Use Path between 3rd and 4th Streets.
 - SMART Bus Turnout – Guerneville Rd.
 - Accessibility Alterations at Skyhawk Park.
- Completed the “Reimagining CityBus” planning phase with City Council adoption of the plan in August 2016. 3.1
- The “Reimagining CityBus” system, which completely redesigned the entire fixed-route system, will be implemented by the end of FY 2016-17. 3.1
- Installed new and upgraded numerous bus stops to meet ADA requirements 3.1
- Conducted analysis of entire Transit division expenses resulting in substantial savings by reducing contracting work, eliminating three operations vehicles and placing two fixed-route buses out of service. 2B.1

Looking Ahead

The Electrical Section of the Field Services Division will continue to focus on replacing all high-pressure sodium street lights with energy-saving LED technology. The Streets Section will balance their efforts between the required Measure M Maintenance of Effort (MOE), reimbursement projects such as trench patching and pedestrian ramps that are cost-effective for the City, and their regular maintenance duties. Both sections will be affected by additional work load with the annexation of Roseland, should that occur.

Two of the Garage’s in-ground vehicle lifts are scheduled for replacement using funds from a Transit grant. The Facilities Maintenance team is now fully-staffed, work plans have been established, and the most urgent budget needs have been identified and addressed. A citywide facilities life-cycle assessment has been awarded. Once completed, the study will provide a road map for the future of this work section.

Traffic Engineering is moving forward in testing fiber communication installations in Santa Rosa. Traffic is also testing several new 2070 traffic signal controllers and software to migrate our 1970 vintage controllers to controllers with more flexibility and capability. Traffic is currently testing and monitoring a new adaptive system on Santa Rosa Avenue and will evaluate its performance over the next several months.

Materials Engineering is continually looking for more cost effective ways to stretch limited paving dollars, such as the use of Fiber Reinforce Asphalt Concrete or FRAC. Unfortunately, the FRAC results were not as promising as hoped. They are furthering their review of roller compacted concrete, as well as other emerging pavement technologies, and their potential applications within the City.

Capital Projects Engineering is implementing recommendations from the Management Study of the Capital Project Development and Delivery Process by the Matrix Consulting Group in five areas: management, Project Initiation Plan revisions, gate meetings, project status reports, and minor contracts. The goal of the

Transportation & Public Works

management study and implementation of its recommendations is to maintain the highest level of project development and production.

Transit is facing challenges with a continuing decline in grant funding from federal and state sources, causing much uncertainty for the coming year. There has also been a steady decline in ridership in the last several years, which affects the revenue as well. Keeping this in mind, Transit is making an important change to the entire fixed-route system by the end of the FY 2016-17 which will provide a much higher level of service that is more frequent and direct in the highest ridership areas. This is anticipated to increase the ridership, therefore increasing overall revenue for Transit. Transit will closely monitor the system performance and make changes as needed to continue to maximize the use of resources in the most responsible way possible.

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 CAFR.

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 Internal Service 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

Policies

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 run out 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.

Parking Reserve Fund

The Parking Fund is a propriety fund used to account for all revenues and expenditures of the City's parking enterprise. The operations, maintenance, and capital improvements of the City's parking facilities (including five public parking garages and ten surface parking lots) are financed through user fees collected from parking meters, sale of parking permits, and garage hourly rates. In addition to covering operating expenses, user fees are set at a level to provide repayment of debt service and to accumulate funds for capital repair and replacement projects.

A reserve for contingencies and revenue fluctuations shall be maintained at a level of between 15-17% of annual budgeted operation and maintenance expenses. Reserves for debt services shall be maintained as required by bond covenants. On an annual basis, revenue shall be set aside to fund depreciation for capital improvements based on an asset management depreciation plan. Accumulated funds shall be used to finance capital repair and replacement projects.

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).

SR Water Department and Santa Rosa Subregional Water Reuse System Reserve Policy

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.

Policies

Affordable Housing Policy

The City Council has made a determination to annually designate a calculated amount from the General Fund to the Housing and Community Services (H&CS) Department to be used for homeless and affordable housing programs.

Prior to the preparation of the Housing and Community Services Department's proposed budget for each upcoming fiscal year, the City's Finance Department shall provide the H&CS 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 25% 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 Finance Department shall confirm the total amount of RPTT actually received by the City during the prior fiscal year. The Finance Department will then reconcile the amount received with the amount previously designated and notify the Director of Housing and Community Services 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 promotions is \$125,000, an amount which can be changed by action of the City Council.

All requests for support or continued support from the Community Promotions 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 Promotions 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 and Disclosure 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 favorite 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.

Policies

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.

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

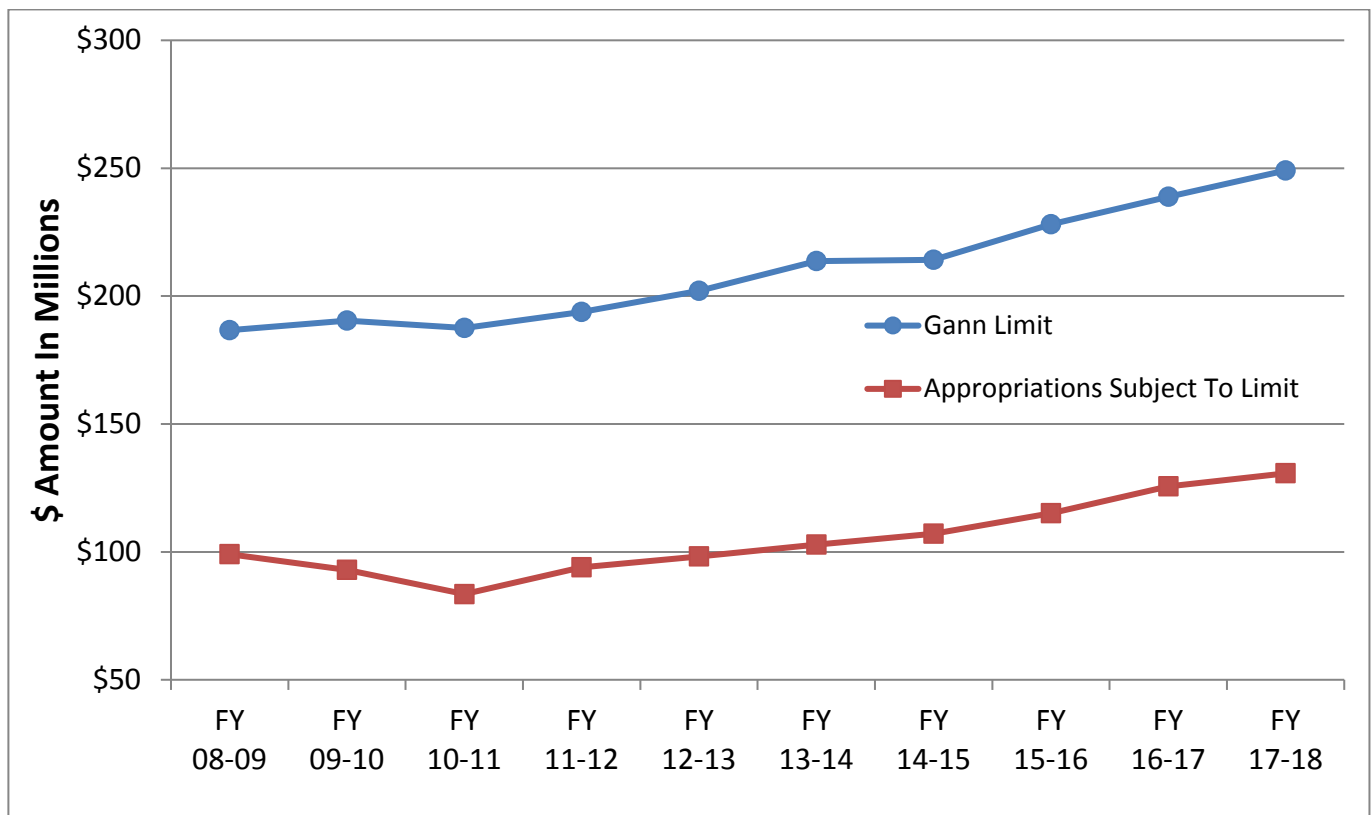
Gann (Appropriations) Limit

In May 2017, the California State Department of Finance notified cities of the population change and the per capita personal income factor to 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 2017-18 is:

- The change in the California per Capita Income for FY 2017-18 is 3.69%.
- The percent population increase of the City of Santa Rosa from Jan. 1, 2016 to Jan. 1, 2017 is 0.60%.

$$\frac{3.69 + 100.00}{100.00} \times \frac{0.60 + 100.00}{100.00} = 1.0431$$

Applying the year's factor of 1.0431 to last year's limit of \$238,817,000, the Gann limit for FY 2017-18 is \$249,110,000. With appropriations subject to the limitation totaling approximately \$130,694,000, the City of Santa Rosa is not at risk of exceeding the Gann limit.



Glossary

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.

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

American Recovery & Reinvestment Act (ARRA): 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.

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

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

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.

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.

Automatic Vehicle Locator (AVL): 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.

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.

Basic Life Support (BLS): 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.

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

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.

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.

Budgetary Basis: This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms; Generally Accepted Accounting Principles (GAAP), cash, or modified accrual.

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

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

Glossary

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.

Capital Improvement Program (CIP): 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.

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

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

Citizens Organized to Prepare for Emergencies (COPE): 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.

Community Advisory Board (CAB): 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.

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

Consumer Price Index (CPI): 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).

Customer Information System (CIS): 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.

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

Debt Service Fund: A fund established to finance and account for the payment of interest and principal on all general obligation debt, other than that payable exclusively from special assessments and revenue debt issued for and serviced by a governmental enterprise.

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.

Emergency Medical Service (EMS): 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 through user charges. The City has a number of enterprises such as the Utilities and Transportation and Public Works departments. May also be referred to as Proprietary Funds.

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

Expenditure: The actual spending of governmental funds.

Fair Political Practices Commission (FPPC): A bi-partisan independent commission whose mission is to promote the integrity of representative state and local government in California through fair, impartial interpretation

Glossary

and enforcement of political campaign, lobbying, and conflict of interest laws.

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

Full Time Equivalent (FTE): 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.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

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

Global Positioning System (GPS): 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.

Governmental Accounting Standards Board (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

Government Finance Officers Association (GFOA): 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.

Governmental Fund Types: Funds used to account for acquisitions and other uses of balances of expendable financial resources and related current liabilities, except for transactions and accounted for in proprietary and fiduciary funds. Under current GAAP, there are four governmental types: general, special revenue, debt service, and capital projects.

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.

Infrastructure: The physical assets of the City (e.g., street, water, sewer, public buildings and parks).

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.

Intergovernmental Revenue: Funds received from federal, state and other local government sources in the form of grants, shared revenues and payments in lieu of taxes.

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department to another department of a government.

Internal Transfers/Reimbursements: Appropriations and revenues necessary to move from one budget unit to another (within a department) to properly account for revenues and expenditures. Similar to operating transfers within a department.

Glossary

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

Laguna Treatment Plant (LTP): 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.

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

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

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

Mandated Programs: Mandated programs are those programs and services that the City required to provide by specific state and/or federal law.

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.

Measure “P”: A quarter cent sales tax measure passed by Santa Rosa voters in 2010 which expires in March 2019.

Memoranda of Understanding (MOU): 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.

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

Modified Accrual Basis: The accrual basis of accounting adapted to the government fund-type measurement focus. Under it, revenues and other financial resource increments (e/g., bond proceeds) are recognized when they become susceptible to accrual, which is when they become both “measurable” and “available” to finance expenditures of the current period. All governmental funds, expendable trust funds and agency funds, are accounted for using the modified accrual basis of accounting.

National Incident Management System (NIMS): 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.

National Pollutant Discharge Elimination System (NPDES): 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.

Neighborhood Revitalization Program (NRP): 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.

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.

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

Other Financing Sources: Long-term debt proceeds, proceeds from the sale of general fixed assets, and incoming operating transfers from another governmental fund.

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

Glossary

Pavement Condition Index (PCI): 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.

Real Property Transfer Tax (RPTT): 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.

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

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

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

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

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

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

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.

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

Sonoma County Energy Independence Program (SCEIP): A program that provides low

interest loans to citizens and businesses wishing to make energy improvements to homes or properties.

Sonoma County Transportation Authority (SCTA): 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.

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

Sonoma Marin Area Rail Transit Project (SMART): 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 revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, or for major capital projects) that are legally restricted to expenditures for specified purposes.

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

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.

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

Utility Users Tax (UUT): A 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.

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