

# Operations and Maintenance Budget Fiscal Year 2021-22 DRAFT







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### **Mayor**

Chris Rogers

### **Vice Mayor**

Natalie Rogers

### **Council Members**

Eddie Alvarez

Victoria Fleming

John Sawyer

Tom Schwedhelm

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### **City Manager - Interim**

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### **Santa Rosa Water**

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### **Transportation & Public Works**

Renee Young



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Santa Rosa  
California**

For the Fiscal Year Beginning

**July 1, 2020**

*Christopher P. Morill*

Executive Director

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June 22, 2021

Honorable Mayor and City Council  
Santa Rosa, California

Dear Mayor and Members of the City Council:

Presented for your consideration and approval are the City of Santa Rosa's operating and capital improvement budgets which together total \$473.8M (the "Proposed Budget"). Not unexpectedly, the effort to develop a Proposed Budget in a year with tremendous social and economic impacts as a result of COVID-19 proved remarkably challenging; however, together with City Administration, our Department heads and our Budget and Finance teams collaborated to prepare a budget that strives to balance revenue resources against increasing expenditures, and deliver on the City Council's goals in support of the Santa Rosa community.

The 2021/22 budget process began in January with Council's planning sessions and staff discussions as to priorities in the coming year ahead, with a budget study session with City Council in late spring where you received a report about the state of the City's finances and major factors impacting the next year's budget. At this meeting, there were no modifications made to the Proposed Budget that would be balanced using varying sources including reserves, and expenditure reductions that would eliminate certain vacant positions.

The Proposed Budget seeks to balance the policy objectives, while positioning the City of Santa Rosa to restore services as the recovery evolves.

**Reflections: FY 2019/20 Accomplishments**

Notwithstanding the challenges faced by the City and our community during COVID-19, City staff and the City Council partnered to accomplish several goals on behalf of the community including:

- Support for businesses, including parklets, were critical to meeting the City's community needs;

City of Santa Rosa  
100 Santa Rosa Avenue Room 10  
Santa Rosa, CA 95404

- In partnership with local community benefit organizations, created pilot childcare program for assistance to families affected by COVID-19;
- Launch of COVID-19 rental assistance program for community housing support through the pandemic;
- Implementation of “Trusted System” for secure records management and the City Council districting process;
- Intensive and wide-ranging external communication strategies that kept the public informed and buoyed during an unprecedented time and launched new public web portal at srcity.org/WildfireReady;
- Implementation of a Vegetation Management Program based upon nine objectives and forty-two actionable items of the Community Wildfire Protection Plan;
- With voter support, Measure Q extended two general fund sales tax measures for an additional 10-year period;
- Completion of update to the Urban Water Management Plan and Water Shortage Contingency Plan, ensuring adequate water supply and wastewater capacity for our General Plan;
- Adoption of a four-year water and wastewater rate schedules, providing fiscal stability for the Water Department;
- Citywide outreach expansion: weekly bilingual newsletter, ongoing video PSA production for the community, and establishment of a Federal legislative program; and
- Securing one-time resources critical to the City’s and Community’s recovery efforts included funds related to Fire and Mitigation (\$110.4 million), COVID response (\$41.7 million) and PGE settlement (\$95.0 million). Of the PGE settlement dollars, the City repatriated \$40 million to restore its General Fund reserves which had been used for fire emergency related spending; \$8.0 million jumpstarts the vegetation management and resiliency program; \$10.0 million for the Roseland Library and another \$10.0 million for the Renewal Enterprise District as capital investment for affordable housing projects.

### **The Year Ahead: FY 2021/22 Goals**

In January this year, the City Council held a retreat in which several priorities were enumerated:

- Development of a new response model for mental health incidents related to community police reform and community policing;
- Delivery of Diversity in Recruitment Strategy Plan for the Fire Department, an Equitable Policing Plan, and a City-wide Equity Plan;

- Implementation of quarterly budget performance reporting and a rolling budget forecast to smooth and accelerate the annual budgeting process for improved stewardship, timely communication on financial results and greater informed decision-making;
- In response to meeting the Council's climate change goals, active response to the current drought, including exploration of opportunities to enhance water use efficiency program in response to the current drought;
- Revenue enhancement delivery strategy including Master Fee Schedule update, renewal strategy for upcoming ballot Measure O, and cannabis tax; and
- Key to expenditure cost containment is our ability to address the City's CalPERS unfunded liability. This effort requires solving a math problem of \$110 million in **avoidable costs** over the next 10 years managed with an alternate amortization (Pension Obligation Bond).

### Budget Trends and Challenges

- **Revenues.** The past few years have proved somewhat challenging for the City as expenditures outpace revenue growth, and disasters and COVID-19 had compounding effects in the near term. In addition to the reimbursements for the fire disasters, the City has also benefitted from one time monies that afford opportunities to restore some fiscal resilience, address one-time COVID-19 related needs in our community and begin a multi-year effort to address our budget deficit.

The good news is that during the pandemic, property and sales tax revenues (51% of total General Fund revenues) outperformed budget forecast; other taxes such as business license tax, real estate transfer and cannabis taxes, and franchise fees performed in line with budgetary expectations.

Understandably, the City's Recreation and Parks revenues suffered tremendously given the stay-at-home and social distancing requirements. With resumption of near-normal activities, the City should realize a sizeable uptick in these revenues.

In the upcoming year, a high priority is the upcoming Measure O extension as well as other revenue sources that are below market and may be ripe for update.

A portion of General Fund revenues is being used to address important social challenges; those transfers have grown sizably over the past year or two. While our focus remains on increasing revenues, revenue sources that fund a variety of programs (by way of transfers out will need to be carefully monitored so that we don't lose sight of uses that have ongoing impacts on the General Fund).

- **Pension and other associated employment benefit costs** pose a challenge over the next 10 years. The City's pension cost (normal costs and unfunded liability costs<sup>1</sup>) totaled \$50.7 million as of the last CalPERS evaluation in 2019. The *unfunded liability portion* will climb every year and require a total investment of \$110 million through 2031 unless we

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<sup>1</sup> Essentially a past due obligation for years prior being paid for over time.

actively take steps to pay down and/or re-amortize the unfunded liability component. This specific cost to the General Fund in the upcoming year adds an additional \$3.5 million to the FY 22 budget and will continue to escalate for the next 10 years.

- **Transfers Out to other funds.** Ongoing General Fund expenditures remained flat year-over-year, even with consideration of the sizeable unfunded liability increase. These expenditures have largely been appropriated outside of the annual budget appropriation processes and are almost dollar-for-dollar consistent with the General Fund deficit amount. Quarterly budget updates will be made to the Long-Term Financial Planning and Audit Committee, and a mid-year budget review for the full City Council will be implemented to allow appropriation requests and adjustments to be considered. This effort will be supported with analyses and their potential impact on the General Fund or Enterprise Fund in current and future years.
- **Technology** is critical to the citizen experience, risk mitigation strategies, and operational efficiencies. We learned the value of critical state-of-the-art technologies and banking services during the pandemic and we need to continue this practice of determining how best to leverage technology to modernize our business, take people-associated risks out of the business, and be strategic as to where we might possibly achieve efficiencies thereby reducing human capital costs.

While significant dollars and staff effort investments are necessary to ensure that the City capitalizes upon leading technology to provide services in the years ahead, our ability to plan for and ensure financial capacity for such developments will remain vital.

- **Collective Bargaining.** Local governments have been hit doubly hard in many respects, having to spend funds to help our communities, absorbing revenue losses and many public workers in the State of California were laid off. Santa Rosa's fact patterns were different, to the benefit of our work force: (1) the City had adopted a more robust budget only to then adopt a modified budget given the dire and prevalent economic narrative; and (2) no employees in the City lost their jobs as a result of the pandemic, both of which were foresightful and thoughtful actions in the most difficult environment.

All 11 bargaining unit contracts are expiring at the end of this month and the City is in active negotiations with our employee organizations to develop agreements that are sustainable and avoid the need for significant additional reductions to General Fund Departments.

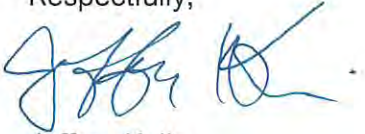
It is unclear as to what outcomes might be, and no labor costs have been factored into the already existing \$10M deficit. This will likely necessitate considerable organizational changes.

I have every confidence in our leadership team and employees to proactively address the strategic challenges ahead with the sense of urgency that is needed. Overall, more sustainable budget approaches are needed as we look to recover from the pandemic, evaluate current core services, modernize service delivery, diversify the City's revenue mix and/or increase revenues to fund services, and evaluate and act upon alternative long-term liability cost containment with a potential pension obligation or lease financing strategy.

Our thanks to the City Council for your leadership and our entire City staff for their outstanding service to the community every day. It is through the support of this team that the City overcame the challenges faced last year. These experiences and the resiliency which have developed also prepare us for the challenges ahead. Together, we must take action to address issues in the near term so that the City is well-positioned for the longer term.

To our budget team, and the many others who invested in this effort, our sincere thanks and appreciation for their dedication, support, and patience throughout this process.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jeffrey Kolin", with a stylized flourish at the end.

Jeffrey Kolin  
Interim City Manager

# 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 year, the Council meets to develop its goals for the coming 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 Strategic Goals and Initiatives and the 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.

## 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 (LRFF): 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. The 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.

## 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.
- 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 2-year's prior actual data, the prior year's adopted budget 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. 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 funds (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.

### **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 in the Appendix.

# Budget Overview

## Introduction

Santa Rosa's Fiscal Year (FY) 2021-22 Operating and Capital Budget is \$473.8 million across all funds and is comprised of \$382.5 million of operational funding and \$91.3 million of capital project funding. This represents a total increase of \$37.3 million or 8.5% over the FY 2020-21 adopted budget, Operations are increasing by \$6.9 million or 1.8% and the Capital Improvement Program (CIP) is increasing by \$30.4 million or 49.9%, as shown in the following table.

<b>FUND TYPE</b>	<b>FY 2020-21 ADOPTED BUDGET (in millions)</b>	<b>FY 2021-22 ADOPTED BUDGET (in millions)</b>	<b>\$ Dollar Increase/ (Decrease) (in millions)</b>	<b>% Percent Increase/ (Decrease)</b>
General Fund	\$178.6	\$181.4	\$2.8	1.6%
Enterprise Funds (Operating)	128.2	132.1	3.9	3.0%
Enterprise Funds (CIP)	33.2	66.3	33.1	99.7%
Other Funds (CIP)	27.7	25.0	-2.7	-9.7%
Special Revenue Funds	16.5	16.6	0.1	0.6%
Other Funds	5.2	5.3	0.1	1.9%
Housing Authority	44.1	44.1	0.0	0.0%
Successor Agency to RDA	3.0	3.0	0.0	0.0%
<b>TOTAL</b>	<b>\$436.5</b>	<b>\$473.8</b>	<b>\$37.3</b>	<b>8.5%</b>
<b>Operations (net of CIP)</b>	<b>\$375.6</b>	<b>\$382.5</b>	<b>\$6.9</b>	<b>1.8%</b>
<b>CIP only</b>	<b>\$60.9</b>	<b>\$91.3</b>	<b>\$30.4</b>	<b>49.9%</b>

## General Fund

After Council's direction in FY 2020-21 to apply \$40 million from the PG&E settlement funds to support the General fund reserves, the City's General Fund FY 2021-22 projected ending reserve balance is \$42.1 million or 23% of expenditures. These funds boosted the reserve balance to be above the Council Reserve policy target of a minimum of 15% of expenditures. The FY 2021-22 adopted budget is relying on the existing reserves to balance the projected \$9.9M budget shortfall.

The FY 2020-21 General Fund expenditure budget of \$181.4 million was held flat from the prior fiscal year. Expenditures can be broken down into three broad categories – Salaries and Benefits, Services & Supplies, and Operating Projects. The Salaries and Benefits category represents \$140.1 million or 77% of the total General Fund budget. Services and Supplies account for another \$38.7 million or 21% of the total, with the remaining \$2.6 million or 2% representing operating projects in the General Fund. Changes from the prior fiscal year's adopted budget, by category, are as follows:

**General Fund Salaries and Benefits:** Salaries decreased by \$1.1 million or -1.3% and benefits increased by \$3.1 million or 5.9% from the FY 2020-21 adopted budget. The decrease in salaries corresponds to a reduction of 16.85 General fund vacant positions. The increase in benefits is primarily related to the increase in the CalPERS annual unfunded pension liability payment which increased by 18% to \$21.9 million. After retirement costs, the next largest employee benefit cost is healthcare insurance which experienced a slight decrease of less than 1% from last fiscal year's budget.

**General Fund Services and Supplies:** Increase of \$1.8 million or 4.8% from the FY 2020-21 adopted budget. The additions in this broad category include increases in Professional Services, Information Technology costs, and Liability and Property insurance costs. Professional Services increase was mainly driven by Redistricting costs, Spanish translation for live City Council meetings and agendas, and a

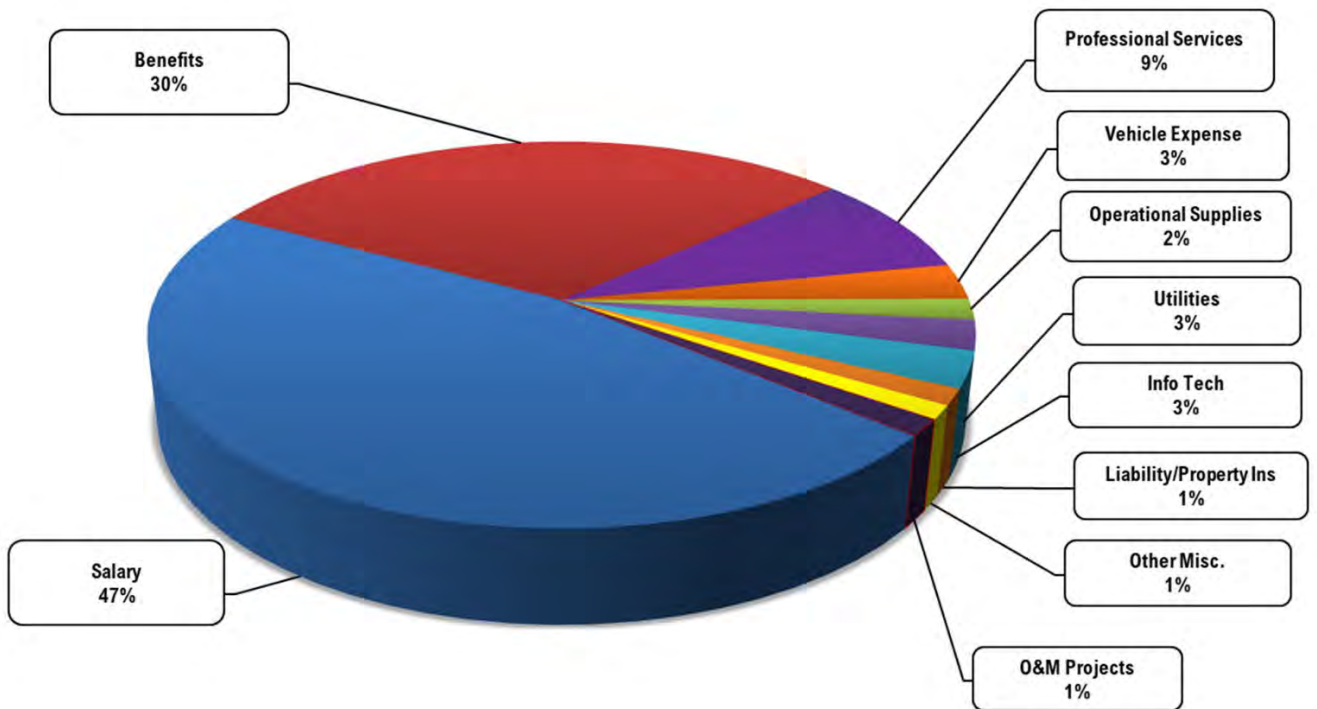
Broadband City upgrade proposal. Information Technology costs increased as the City shifted towards more employees working remotely and the cost of online permitting software.

General Fund Operating Projects: Decreased by \$1.1 million or -29.3% from the FY 2020-21 adopted budget. The operating projects vary year over year depending on the individual project timelines. In FY 2021-22, the Police re-imagining project was transferred into the service and supplies budget for the Mental Health Collaborative.

**FY 2021-22 General Fund Budgeted Expenditures**

<b>CATEGORY</b>	<b>EXPENDITURES (in millions)</b>
Salaries	\$84.9
Benefits	55.2
Professional Services	15.4
Vehicle Expense	5.4
Operational Supplies	3.2
Utilities	4.6
Information Technology	5.5
Liability/Property Insurance	2.4
Other Miscellaneous	2.2
O&M Projects	2.6
<b>TOTAL</b>	<b>\$181.4</b>

**FY 2021-22 General Fund Expenditures – % by Category**

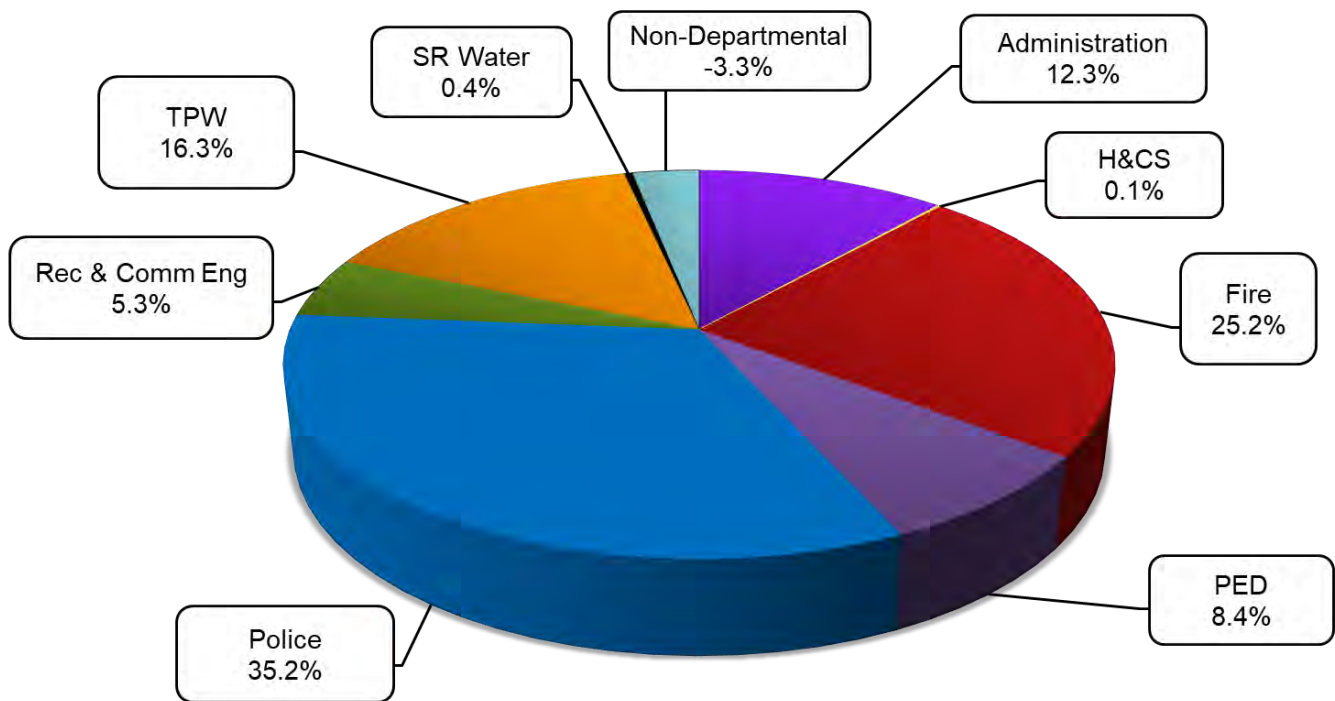


### FY 2021-22 General Fund Budgeted Expenditures

DEPARTMENT	EXPENDITURES <i>(in millions)</i>
Administration*	\$22.3
Housing & Community Services	0.2
Fire	45.8
Planning & Economic Development	15.3
Police	63.9
Recreation & Community Engagement	9.7
Transportation & Public Works	29.5
Water	0.7
Non-Departmental	-6.0
<b>TOTAL</b>	<b>\$181.4</b>

\*Administration departments include City Attorney, City Council, City Manager, Communications & Intergovernmental Relations Office, Finance and Human Resources.

### FY 2021-22 General Fund Expenditures – % by Department



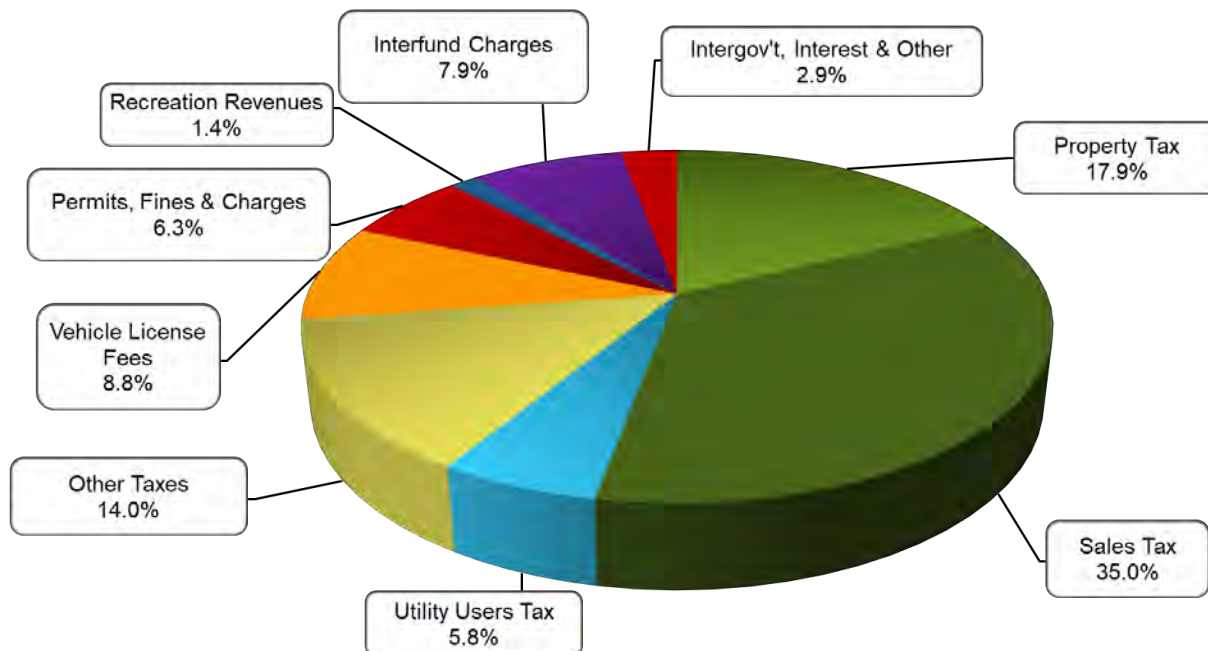
FY 2021-22 General Fund revenues are estimated at \$178.5 million, an increase of \$14.1 million or 8.6% over the FY 2020-21 adopted budget. The COVID-19 pandemic had less of an effect than predicted on the local economy and many of the City’s revenue streams as initially anticipated last year. Sales tax is projected to rebound closer to previous years actuals, for a total increase of \$8.2 million or 15% higher than the FY 2020-21 adopted budget. Sales tax is the largest revenue source for the City’s General Fund, accounting for 35% of the total General Fund revenue. Many other revenues are projected to remain steady including Real Property Transfer tax, Business tax, building and development permit, and recreation revenue. In FY 2021-22, Property tax is expected to increase by 4.1% from FY 2020-21 adopted budget.

For more information on General Fund revenues, please see the City Revenues in the Summary Financial Information section of this document.

**FY 2021-22 General Fund Budgeted Revenues**

<b>SOURCE</b>	<b>REVENUES (in millions)</b>
Property Tax	\$31.9
Sales Tax	62.5
Utility Users Tax	10.4
Other Taxes	25.0
Vehicle License Fees	15.8
Permits, Fines and Charges	11.2
Recreational Revenue	2.5
Interfund Charges	14.0
Intergovernmental, Interest & Misc.	5.2
<b>TOTAL</b>	<b>\$178.5</b>

**FY 2021-22 General Fund Revenues – % by Source**



## **General Fund Conclusion**

In FY 2020-21, the COVID-19 pandemic did not have the anticipated disastrous effect on the City's General Fund revenue which resulted in a decreased impact on the General fund reserve balance compared to projections. The FY 2021-22 General fund is budgeted at a deficit of \$9.9 million, which is a significant improvement from last year's adopted budget of an \$18.1 million deficit. The City still has considerable work to do to balance growing expenditures to on-going revenue. Currently, the City is taking immediate corrective action including the reduction of several vacant positions. The City will use reserves and the Council approved additional \$40 million from the PG&E settlement funds to balance the General fund budget and adhere to reserve policy.

## **Enterprise Funds**

As noted in the fund chart at the beginning of this overview section, the Enterprise funds budgets include both Operational and CIP elements, \$132.1M and \$66.3M respectively. The Water Enterprise Funds (Water, Local Wastewater, and Subregional Wastewater) make up the vast majority, \$174.4M of the \$198.4M total Enterprise funds budgets. The Enterprise Funds FY 2021-22 budget is comprised of the following:

- \$ 0.5 million - Golf Funds
- \$ 6.6 million - Parking Funds
- \$ 13.9 million - Transit Funds
- \$ 3.0 million - Storm Water Funds
- \$ 48.1 million - Water Funds
- \$ 25.4 million - Local Wastewater Funds
- \$ 100.9 million - Subregional Wastewater Funds

## **Special Revenue Funds**

The FY 2021-22 Special Revenue Funds budget of \$16.6 million is comprised of the following:

- \$ 10.0 million - Measure O Funds
- \$ 4.7 million - Homeless Shelter Operations & Mobile Home Rent Stabilization Funds
- \$ 0.4 million - Santa Rosa City Tourism BIA Fund
- \$ 0.3 million - Art-in Lieu Fund
- \$ 0.3 million - Administrative Hearing Fund
- \$ 0.3 million - Supplemental Law Enforcement Services Funds
- \$ 0.5 million - Federal and State Narcotics Asset Forfeiture Funds
- \$ 0.1 million – All other funds

## **Other Funds**

Total Other Funds FY 2021-22 budget of \$30.3 million includes the Capital Improvement Program Funds with a budget of \$25.0 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 \$0.14 million.

## **Housing Authority & Successor Agency to the Redevelopment Agency**

The Housing Authority's FY 2021-22 budget is \$44.1 million with the majority of the funding for the Housing Choice Voucher Program. The \$3.0 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 2021-22 budget has a total staffing count of 1,238.90 Full-Time Equivalents (FTE) across all funds. Staffing levels decreased by 15.35 FTEs or -1.2% from last fiscal year's adopted budget. For a more detailed position explanation, see the FTE Staffing Summary under the Summary of Financial Information section.

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# 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 the upcoming fiscal year, which comprises the Capital Budget for Council approval.

## Project List by Department

The table below lists the projects being funded in FY 2021-22. For more information on any of the CIP projects, please refer to the FY 2021-22 Capital Improvement Program budget document. It includes detailed information about each project and information on funding sources. Copies of the FY 2021-22 CIP document are available online at the Finance Department page on [srcity.org](http://srcity.org).

Project Number / Title	2021 - 22 Request
<b>Department: Finance</b>	
45020 - Garage 3 Repairs	\$642,300
45022 - Garage 1 Repairs	\$600,000
<b>Finance Department Total</b>	<b>\$1,242,300</b>
<b>Department: Fire Department</b>	
05054 - New Fire Station- South Santa Rosa	\$126,373
05094 - Relocation of Fire Station 8	\$126,372
05096 - Temporary Fire Station 5	\$126,372
<b>Fire Department Total</b>	<b>\$379,117</b>
<b>Department: Police Department</b>	
95931 - Public Safety Building Backup Generator	\$275,000
<b>Police Department Total</b>	<b>\$275,000</b>
<b>Department: SR Water</b>	
54004 - Storm Water Creek Restoration	\$50,000
54009 - Santa Rosa Creek Ecosystem Restoration	\$25,000
54024 - Lower Colgan Creek Restoration Phase 2	\$200,000
54030 - Colgan Creek Restore Phase 3	\$250,000
54031 - Storm Drain Master Plan	\$225,000
55371 - Water Master Plan	\$100,000
55420 - Water Supply Planning-Urban Water Management Plan	\$200,000
55511 - Pre-Design - Water	\$60,000
55574 - Water CIP Contingency	\$1,000,000
55623 - Water Main Replacement Sherwood Forest Area Phase 1	\$600,000
55628 - Water Main Replacement Albany/Milano	\$1,300,000
55681 - Water Main Replacement: East Haven & Eleanor	\$1,520,000
55717 - Water Main Replacement: Elaine to Melita Rd	\$140,000



55736 - Water Main Replacement Terra Linda Buena Vista Miraloma	\$1,400,000
55758 - Leete Well Rehabilitation	\$500,000
55764 - Seismic Water Quality Upgrades R9 AR16 R17	\$4,000,000
55772 - Water Facility Generator Replacements-HMG	\$2,970,000
70524 - Sewer Main Replacement: Sherwood Forest Neighborhood	\$640,000
70549 - Sewer Main Replacement: Mendocino Ave Easement	\$750,000
70553 - Warranty Punchlist - Sewer	\$25,000
70600 - Sewer Main Replacement: Albany Clement Malano Richmond	\$375,000
70709 - Sewer Main Replacement: East Haven and Foothill	\$1,300,000
70714 - Sewer Main Replacement: Oakmont Treatment Plant	\$200,000
70737 - Los Alamos Trunk Replacement: Streamside Dr to Elaine Dr	\$3,000,000
70738 - Los Alamos Trunk Replacement: Elaine Dr to Melita Rd at Santa Rosa Creek	\$400,000
70767 - Cleveland Avenue Sewer Main Abandonment	\$650,000
70775 - Robles Trunk Lining Phase I	\$2,510,000
70778 - Santa Rosa Creek at Fulton Lining Repair	\$1,200,000
70786 - Llano Trunk Lining at Concord	\$400,000
70790 - Robles Trunk Lining Phase2	\$600,000
70808 - Rock Creek Matanzas Sewer Replacement	\$680,000
86458 - Subregional CIP Contingency	\$1,000,000
86489 - LTP On-Call Contractor	\$300,000
86523 - Plant Paving Rehabilitation	\$500,000
86554 - Pine Flat Road Stabilization Measures	\$200,000
86571 - Subregional Mitigation Bank Development	\$400,000
86572 - LTP Electrical Infrastructure Replacement	\$500,000
86580 - Filter Valves Actuators Phase 2	\$250,000
86594 - Manhole Rehabilitation Influent Pipes	\$150,000
86595 - Emergency Generator Fuel Tank Replacement	\$1,000,000
86597 - Delta Pond Diffuser Piping Improvements	\$400,000
86610 - Geysers Pipeline Expansion Joints Evaluation Repair	\$40,000
86615 - Engine Radiator Replacement	\$500,000
86627 - Warranty Punchlist Subregional	\$10,000
86629 - Laguna Treatment Plant Cathodic Protection Improvement	\$200,000
86631 - Building Demolition Phase 2	\$50,000
86632 - Recycled Water Storage Pond Discharge Outfalls Evaluation	\$200,000
86638 - Disinfection Upgrade-1633	\$21,000,000
86639 - Laguna Treatment Plant Onsite Diversion System-1633	\$9,000,000
86640 - Aeration Basins and Header Improvements	\$450,000
86641 - Maintenance Building Roof Improvements	\$350,000
86642 - Digester 4 Repair	\$200,000
86643 - Barella Levee Pumps Repair	\$300,000
86644 - SCR Gas Conditioning Improvements	\$250,000

86645 - Bear Canyon Pump Coating	\$300,000
86646 - Filter System Improvements	\$200,000
86647 - Pond D Incline Pump Replacement	\$250,000
<b>Water Department Total</b>	<b>\$65,270,000</b>

**Department: Transportation and Public Works**

09578 - A Place to Play	\$500,000
09595 - Southeast Play Equipment Rehabilitation	\$1,339,987
09597 - Northeast Zone Play Equipment	\$157,259
09598 - Northwest Zone Play Equipment	\$554,192
09708 - ADA Settlement-Facilities Project	\$1,200,000
09744 - Southwest Zone Play Equipment	\$465,381
09747 - Luther Burbank Home and Gardens Capital Replacement	\$101,194
09748 - Park Amenities Capital Replacement	\$1,859,138
17014 - Slurry Seal Selected Streets	\$550,000
17015 - Sidewalk Program	\$260,000
17016 - Street Overlay - Various Locations	\$50,000
17017 - Traffic Signal Modification	\$25,000
17075 - Hearn Avenue at Highway 101 Interchange	\$2,000,000
17116 - Slurry Seal Preparation & Traffic Control	\$575,000
17134 - Traffic Safety Projects	\$50,000
17264 - Yolanda Ave Widening	\$200,000
17293 - Cast In-Place Storm Drain Repair Replace	\$49,096
17305 - Temporary Traffic Calming Devices	\$50,000
17308 - Bicycle Master Plan Project	\$7,000
17379 - Replace Wood Street Light Pole	\$200,000
17381 - Highway 101 Bike Pedestrian Overcrossing	\$1,000,000
17444 - Fulton-Guerneville Rd-Piner-Widening	\$6,836,801
17450 - Contract Pavement Preventive Maintenance	\$500,000
17474 - Santa Rosa Ave Corridor Plan	\$100,000
17476 - Inspection Bridge Assets	\$250,000
17477 - Pre-Design Planning CIP	\$150,000
17496 - CIP Grant & Environmental Support	\$12,000
17531 - LED Street Light Replacement Program	\$600,000
17546 - Signal Bike Vehicle Detection Various Locations	\$50,000
17561 - Citywide Green Bike Lane Enhancement	\$70,000
17573 - Roseland Pavement Maintenance	\$662,000
17579 - Survey Equipment Replacement	\$25,000
17592 - Road Rule 20A Guerneville Rd-Piner Rd	\$125,000
17610 - Sonoma Ave Reconstruction Farmers-Hahman	\$775,000
17638 - Stony Point Road Transportation Corridor	\$100,000
17647 - 3rd St-SMART Path Traffic Signal	\$125,000

17648 - Corby Ave-Baker Pedestrian Gap Closures	\$105,161
17649 - TPW CIP Contingency	\$2,105,252
17650 - PSB Boiler Line Replacement	\$250,000
54016 - Materials Lab Equip Replacement	\$10,000
54035 - Parker Hill-Paulin Creek Erosion	\$100,000
54036 - 3rd St Storm Drain Pump Coupling Replacement	\$20,000
<b>Transportation and Public Works Department Total</b>	<b>\$24,164,461</b>

**Total FY 2021-22 CAPITAL BUDGET REQUEST** **\$91,330,878**

**Conclusion**

As in recent years, the FY 2021-22 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; breathtaking open space, creeks, and greenbelts; clean air and water; 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, budgetary and service delivery concerns. To address the needs and challenges, the City Council provides policy direction based on a set of goals designed to bring out the best in Santa Rosa.

Annually and early in the calendar year, the City Council and Executive Team meet to establish the Council goals and priorities at the City Council Goal Setting Workshop. The 2021 workshop took place virtually this year February 17 - 19, 2021. The City will continue to use the 10 multi-year goals, adopted under resolution RES-2018-025, for the 2021-22 fiscal year unless revised by City Council.

Priorities
1. COVID-19 Response
2. Homelessness
3. Housing and Affordable Housing
4. Fiscal Stability, Funding and Services
5. Economic Resiliency, including Childcare
6. Climate Change
7. Public Safety Priorities and Reform
8. Organized Diversity, Equity and Inclusion
9. Government and Council Reforms

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# Measure O Overview

In November 2004, the voters in Santa Rosa passed Measure O, a quarter cent sales tax increase to fund Police, Fire, and 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 the sales tax has averaged \$7.9M annually since its inception. Revenues for FY 2021-22 are budgeted at \$10.0M.

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, financial contributions for large projects such as a new fire station and a Police communication system upgrade, and funding for youth and violence prevention and intervention programs. The 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 direct services and high-quality youth development programs in high-need areas of Santa Rosa. For more information on Measure O, please visit <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 2021-22 Measure O budget provides funding for positions consistent with the uses and purposes outlined in the Implementation Plan. All departments are subject to ongoing labor agreements that negotiate annual salary increases. City-wide benefit and retirement costs also are on the rise in FY 2021-22. Measure O authorized positions for FY 2021-22 totaled 35.0 FTE; 10.0 in the Fire department, 16.0 in the Police department and 9.0 in Violence Prevention.

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

**Fire:** In FY 2021-22, Salaries and Benefits budgeted expenditures increased by a combined \$188K, reflecting a rise in budgeted Overtime to better meet the needs and realistic operations of the department. Regular Overtime increased by \$53K, which is in line with past activity, and Contract Overtime increased by \$46K, which is reimbursed by the California Office of Emergency Services. Retirement costs also rose by \$47K, driving a large part of the year over year variance. Administrative Overhead decreased by -\$3.5K year over year, and aside from an increase of \$10K in Liability & Property Insurance, the department had no significant changes to their Services and Supplies budget.

**Police:** In FY 2021-22, the Police department eliminated 3.0 FTE Police Officers, all vacant, in an effort to keep Measure O budget in line with projected revenues. Eliminating these positions contributed to the majority of the -\$536K reduction in combined Salaries and Benefits expenditures year over year. Aside from an increase of \$14K in Liability and Property Insurance, Vehicle repair and replacement costs represent the majority of the overall \$53K rise in Services and Supplies expenditures.

**Violence Prevention:** Violence Prevention held FY 2021-22 staffing levels constant, yielding an overall increase in Salaries and Benefits of just \$12K. Services and Supplies also had no significant changes, as evidenced by the small \$3K variance. The Violence Prevention CHOICE Grants Program went down by \$65K overall. The majority of this change can be attributed to a \$50K expenditure in FY 2020-21 for a Community Safety Scorecard, services which are not necessary every year and was not repeated in FY 2021-22.

<b>FIRE - MEASURE O:</b>	<b>FY 2020-21 Adopted Budget</b>	<b>FY 2021-22 Adopted Budget</b>	<b>Change</b>
Salaries	2,078,392	2,178,669	100,277
Benefits	1,174,386	1,261,812	87,426
Services and Supplies	118,628	131,878	13,250
Administrative Overhead	116,007	112,486	(3,521)
Total Operating	3,487,413	3,684,845	197,432
Debt Service - Fountaingrove Fire Station	367,727	367,727	-
<b>TOTAL FIRE - MEASURE O</b>	<b>3,855,140</b>	<b>4,052,572</b>	<b>197,432</b>

<b>POLICE - MEASURE O:</b>	<b>FY 2020-21 Revised Budget</b>	<b>FY 2021-22 Adopted Budget</b>	<b>Change</b>
Salaries	2,482,934	2,118,169	(364,765)
Benefits	1,739,066	1,567,465	(171,601)
Services and Supplies	151,672	204,595	52,923
Administrative Overhead	116,007	112,486	(3,521)
Total Operating	4,489,679	4,002,715	(486,964)
<b>TOTAL POLICE - MEASURE O</b>	<b>4,489,679</b>	<b>4,002,715</b>	<b>(486,964)</b>

<b>VIOLENCE PREVENTION MEASURE O:</b>	<b>FY 2020-21 Adopted Budget</b>	<b>FY 2021-22 Adopted Budget</b>	<b>Change</b>
Salaries	947,204	951,290	4,086
Benefits	372,223	380,262	8,039
Services and Supplies	158,434	161,373	2,939
Grants Program	863,950	799,220	(64,730)
Administrative Overhead	58,004	56,244	(1,760)
Total Operating	2,399,815	2,348,389	(51,426)
<b>TOTAL VIOLENCE PREV - MEASURE O</b>	<b>2,399,815</b>	<b>2,348,389</b>	<b>(51,426)</b>

**TOTAL - ALL MEASURE O FUNDS**      10,744,634      10,403,676      (340,958)



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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 detailed 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 through 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 make adjustments as needed. The proposed budget requests are reviewed by the full Council during study sessions in April and 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.

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



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

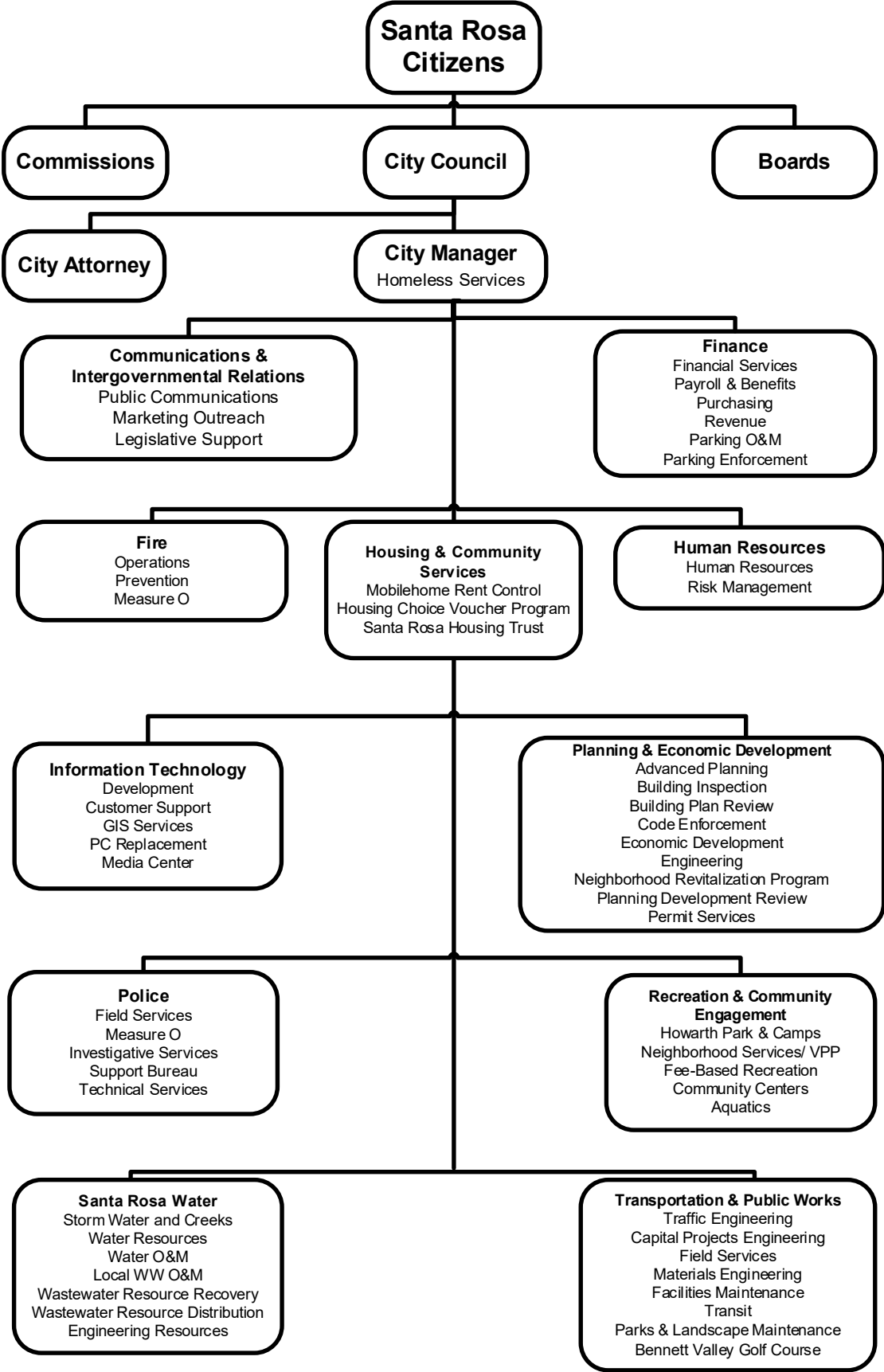
To this end we value:

- 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**

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# City of Santa Rosa Organizational Chart



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# City at a Glance

As the county seat of Sonoma County, Santa Rosa is the center of trade, government, commerce, and medical facilities for the North Bay Area. Located just 55 miles north of San Francisco and 30 miles east of the Pacific Ocean, Santa Rosa is close to 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



Photo from Charles M Schulz museum website

elements that create a unique and vibrant community.

Santa Rosa is home to the Sonoma County Museum which hosts a variety of diverse exhibits throughout the year. The Charles M. Schulz Museum and Research Center, a tribute to the life and art of one of our most famous citizens, is also located here. As the weather warms, the Wednesday Night Downtown Market can be found along 4<sup>th</sup> 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 in the past has hosted a stage, start or finish of the Amgen Tour of California for eight years. The Amgen Tour attracted large crowds and visitors to the area. The City also has hosted Levi's GranFondo, started by former professional cyclist Levi Leipheimer, which benefits local communities and charities.



Santa Rosa recently became host of Ironman Santa Rosa. Participants swim, bike and run their way through Santa Rosa and surrounding areas. The City is scheduled to host the Ironman and Ironman 70.3 events through 2021.

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 6<sup>th</sup> 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

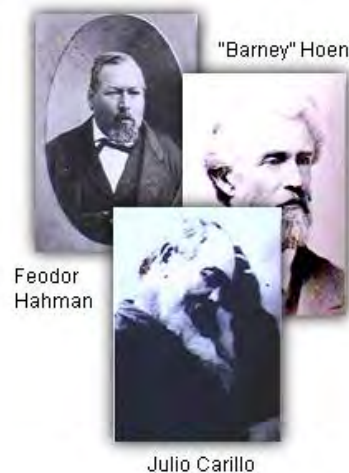


saints. Because the baptism took place on the day of the Feast of Santa Rosa de Lima, Santa Rosa was the name given to the stream (and later to the whole valley) as well as the young woman who was baptized.

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.

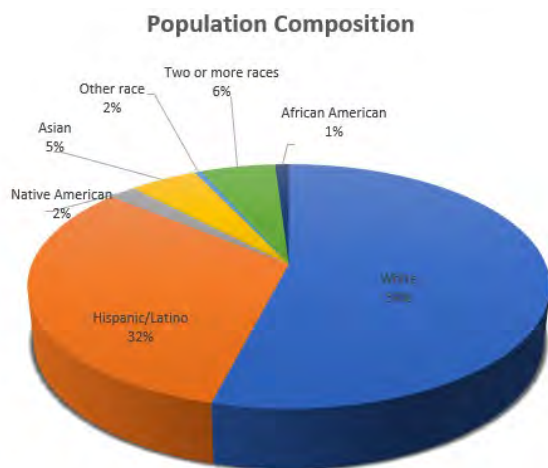
# City Profile and Demographics

## 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 26th largest city in the state.



According to the latest US Census Bureau 2015-2019, there are approximately 2.66 persons per household, the median age is 38.3 and the median household income is \$75,630. The homeownership rate was 54% with a median value of \$540,600 for owner-occupied homes. In regard to the education of Santa Rosa residents, the survey states 86.2% are high school graduates and 32.6% have a bachelor's degree or beyond. The gender distribution is 51.6% female and 48.4% male. Approximately 10.3% of the City of Santa Rosa's population lives below poverty level.

Source: US Census Bureau, 2014-2018 American Community Survey 5-Year Estimates

The US Census Bureau estimates the City of Santa Rosa population at 176,753 (2019). The unemployment rate, provided by The U.S. Bureau of Labor Statistics, was 6.5 % (December 2020).

The table to the right displays Santa Rosa's major employers.

<b>Major Employers (2019)</b>	
<b>Employer</b>	<b>Employees</b>
County of Sonoma	4,834
Santa Rosa Junior College	3,625
Kaiser Permanente	2,640
Santa Rosa School District	1,691
St. Joseph Health System	1,578
Keysight/Agilent Technologies	1,275
City of Santa Rosa	1,267
Medtronic/Arterial Vascular Eng.	1,000
Sutter Medical Center of Santa Rosa	963
Amy's Kitchen	752
<b>Total</b>	<b>18,358</b>

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.

	GENERAL FUND	ENTERPRISE FUNDS	SPECIAL REVENUE FUNDS	OTHER FUNDS	HOUSING AUTHORITY	SUCCESSOR AGENCY	TOTAL ALL FUNDS
<b>ESTIMATED RESERVES- JUNE 30, 2021</b>	<b>52,000,000</b>	<b>253,629,000</b>	<b>57,400,000</b>	<b>7,872,500</b>	<b>2,800,000</b>	<b>-</b>	<b>373,701,500</b>
<b>REVENUES:</b>							
Property Tax	31,912,000	-	-	-	-	3,026,638	34,938,638
Sales Tax	62,520,200	-	9,986,000	-	-	-	72,506,200
Utility Users Tax	10,388,000	-	-	-	-	-	10,388,000
Other Taxes	40,738,600	-	-	-	-	-	40,738,600
Licenses & Permits	1,991,000	9,272	1,200,000	-	-	-	3,200,272
Charges for Services	24,576,940	133,531,924	3,340,841	3,928,409	2,963,410	-	168,341,524
Intergovernmental Revenue	1,723,510	31,887,759	15,213,031	-	32,731,103	-	81,555,403
Fines & Forfeitures	1,776,600	-	-	-	10,000	-	1,786,600
Investment Earnings	600,000	1,572,984	59,612	291,000	479,519	-	3,003,115
Contributions from Private Parties	-	-	35,000	-	-	-	35,000
Miscellaneous	2,235,800	794,601	680,700	-	5,153,267	-	8,864,368
<b>TOTAL REVENUES</b>	<b>178,462,650</b>	<b>167,796,540</b>	<b>30,515,184</b>	<b>4,219,409</b>	<b>41,337,299</b>	<b>3,026,638</b>	<b>425,357,720</b>
<b>TRANSFERS IN</b>	<b>2,295,010</b>	<b>50,919,089</b>	<b>8,843,638</b>	<b>26,533,341</b>	<b>515,038</b>	<b>-</b>	<b>89,106,116</b>
<b>TOTAL REV &amp; TRNSFS IN</b>	<b>180,757,660</b>	<b>218,715,629</b>	<b>39,358,822</b>	<b>30,752,750</b>	<b>41,852,337</b>	<b>3,026,638</b>	<b>514,463,836</b>
<b>EXPENDITURES:</b>							
General Government	22,270,404	6,562,162	4,593,416	291,000	-	3,026,638	36,743,620 *
Housing & Community Svcs	245,057	-	146,511	-	44,117,345	-	44,508,913
Fire	45,752,767	-	3,684,845	379,117	-	-	49,816,729
Planning & Economic Dev.	15,268,549	-	930,879	-	-	-	16,199,428
Police	63,914,326	-	4,492,715	275,000	-	-	68,682,041
Recreation & Comm Engagement	9,659,329	-	2,380,593	-	-	-	12,039,922
Transportation & Public Works	29,507,446	14,989,865	139,217	24,289,644	-	-	68,926,172 **
Water	736,453	176,832,695	225,000	251,075	-	-	178,045,223 ***
Non-Departmental	(6,004,433)	-	-	4,832,811	-	-	(1,171,622)
<b>TOTAL EXPENDITURES</b>	<b>181,349,898</b>	<b>198,384,722</b>	<b>16,593,176</b>	<b>30,318,647</b>	<b>44,117,345</b>	<b>3,026,638</b>	<b>473,790,426</b>
<b>TRANSFERS OUT</b>	<b>9,270,862</b>	<b>55,319,232</b>	<b>24,468,572</b>	<b>47,450</b>	<b>-</b>	<b>-</b>	<b>89,106,116</b>
<b>TOTAL EXP &amp; TRNSFS OUT</b>	<b>190,620,760</b>	<b>253,703,954</b>	<b>41,061,748</b>	<b>30,366,097</b>	<b>44,117,345</b>	<b>3,026,638</b>	<b>562,896,542</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(9,863,100)</b>	<b>(34,988,325)</b>	<b>(1,702,926)</b>	<b>386,653</b>	<b>(2,265,008)</b>	<b>-</b>	<b>(48,432,706)</b>
<b>ESTIMATED RESERVES- JUNE 30, 2022</b>	<b>42,136,900</b>	<b>218,640,675</b>	<b>55,697,074</b>	<b>8,259,153</b>	<b>534,992</b>	<b>-</b>	<b>325,268,794</b>

General Government includes: City Attorney, City Council, City Manager, Finance, Human Resources, Communications and Intergovernmental Relations Office and Information Technology.

\* Total General Government = \$81,208,968 (includes Insurance Internal Service Fund \$35,126,808 & Information Technology Internal Service Funds \$9,338,540).

\*\* Total Transportation & Public Works = \$81,299,805 (includes Equipment and Repair Replacement Internal Service Fund \$11,150,468 & a portion of internally allocated Administration Fund \$1,223,165).

\*\*\* Total SR Water = \$187,636,626 (includes internally allocated Utilities Administration Fund \$9,591,403).

**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, the 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.

	GOLF FUND	PARKING FUND	TRANSIT FUND	STORM WATER FUNDS	WATER FUND	LOCAL WASTEWTR FUND	SUBREG. WASTEWTR FUND	TOTAL ENTERPRISE FUNDS
<b>ESTIMATED RESERVES- JUNE 30, 2021</b>	<b>100,000</b>	<b>7,000,000</b>	<b>-</b>	<b>3,720,000</b>	<b>67,724,000</b>	<b>82,648,000</b>	<b>92,437,000</b>	<b>253,629,000</b>
<b>REVENUES:</b>								
Property Tax	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-
Licenses & Permits	-	9,272	-	-	-	-	-	9,272
Charges for Services	343,000	3,595,579	807,748	2,765,097	48,623,000	74,965,000	2,432,500	133,531,924
Intergovernmental Revenue	-	-	13,042,234	88,000	-	634,169	18,123,356	31,887,759
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	200,000	-	-	450,000	422,984	500,000	1,572,984
Contributions from Private Parties	-	-	-	-	-	-	-	-
Miscellaneous	166,000	-	10,000	-	85,000	318,601	215,000	794,601
<b>TOTAL REVENUES</b>	<b>509,000</b>	<b>3,804,851</b>	<b>13,859,982</b>	<b>2,853,097</b>	<b>49,158,000</b>	<b>76,340,754</b>	<b>21,270,856</b>	<b>167,796,540</b>
<b>TRANSFERS IN</b>	<b>-</b>	<b>1,183,368</b>	<b>30,000</b>	<b>-</b>	<b>5,730</b>	<b>-</b>	<b>49,699,991</b>	<b>50,919,089</b>
<b>TOTAL REV &amp; TRNSFS IN</b>	<b>509,000</b>	<b>4,988,219</b>	<b>13,889,982</b>	<b>2,853,097</b>	<b>49,163,730</b>	<b>76,340,754</b>	<b>70,970,847</b>	<b>218,715,629</b>
<b>EXPENDITURES:</b>								
General Government	-	6,562,162	-	-	-	-	-	6,562,162
Housing & Community Svcs	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Planning & Economic Dev.	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Recreation & Comm Engagement	-	-	-	-	-	-	-	-
Transportation & Public Works	537,010	-	13,889,982	562,873	-	-	-	14,989,865
Water	-	-	-	2,431,790	48,106,045	25,368,603	100,926,257	176,832,695
Non-Departmental	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>537,010</b>	<b>6,562,162</b>	<b>13,889,982</b>	<b>2,994,663</b>	<b>48,106,045</b>	<b>25,368,603</b>	<b>100,926,257</b>	<b>198,384,722</b>
<b>TRANSFERS OUT</b>	<b>-</b>	<b>121,290</b>	<b>-</b>	<b>430,000</b>	<b>2,820,800</b>	<b>51,947,142</b>	<b>-</b>	<b>55,319,232</b>
<b>TOTAL EXP &amp; TRNSFS OUT</b>	<b>537,010</b>	<b>6,683,452</b>	<b>13,889,982</b>	<b>3,424,663</b>	<b>50,926,845</b>	<b>77,315,745</b>	<b>100,926,257</b>	<b>253,703,954</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(28,010)</b>	<b>(1,695,233)</b>	<b>-</b>	<b>(571,566)</b>	<b>(1,763,115)</b>	<b>(974,991)</b>	<b>(29,955,410)</b>	<b>(34,988,325)</b>
<b>ESTIMATED RESERVES- JUNE 30, 2022</b>	<b>71,990</b>	<b>5,304,767</b>	<b>-</b>	<b>3,148,434</b>	<b>65,960,885</b>	<b>81,673,009</b>	<b>62,481,590</b>	<b>218,640,675</b>

# 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.



	<b>EQUIPMENT REPAIR &amp; REPLACEMENT FUND</b>	<b>INSURANCE FUND</b>	<b>INFORMATION TECHNOLOGY FUND</b>	<b>TOTAL INTERNAL SERVICE FUNDS</b>
<b>ESTIMATED RESERVES-</b>				
<b>JUNE 30, 2021</b>	<b>6,500,000</b>	<b>26,000,000</b>	<b>1,400,000</b>	<b>33,900,000</b>
<b>REVENUES:</b>				
Property Tax	-	-	-	-
Sales Tax	-	-	-	-
Utility Users Tax	-	-	-	-
Other Taxes	-	-	400,000	<b>400,000</b>
Licenses & Permits	-	-	-	-
Charges for Services	10,435,000	35,000,000	8,944,160	<b>54,379,160</b>
Intergovernmental Revenue	-	-	-	-
Fines & Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Private Parties	-	-	-	-
Miscellaneous	175,000	1,144,504	-	<b>1,319,504</b>
<b>TOTAL REVENUES</b>	<b>10,610,000</b>	<b>36,144,504</b>	<b>9,344,160</b>	<b>56,098,664</b>
<b>TRANSFERS IN</b>	-	-	-	-
<b>TOTAL REV &amp; TRNSFS IN</b>	<b>10,610,000</b>	<b>36,144,504</b>	<b>9,344,160</b>	<b>56,098,664</b>
<b>EXPENDITURES:</b>				
General Government	-	35,126,808	9,338,540	<b>44,465,348</b>
Housing & Community Srvcs	-	-	-	-
Fire	-	-	-	-
Planning & Economic Dev.	-	-	-	-
Police	-	-	-	-
Recreation & Comm Eng	-	-	-	-
Transportation & Public Works	11,150,468	-	-	<b>11,150,468</b>
Water	-	-	-	-
Non-Departmental	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>11,150,468</b>	<b>35,126,808</b>	<b>9,338,540</b>	<b>55,615,816</b>
<b>TRANSFERS OUT</b>	-	-	-	-
<b>TOTAL EXP &amp; TRNSFS OUT</b>	<b>11,150,468</b>	<b>35,126,808</b>	<b>9,338,540</b>	<b>55,615,816</b>
<b>SURPLUS (DEFICIT)</b>	<b>(540,468)</b>	<b>1,017,696</b>	<b>5,620</b>	<b>482,848</b>
<b>ESTIMATED RESERVES-</b>				
<b>JUNE 30, 2022</b>	<b>5,959,532</b>	<b>27,017,696</b>	<b>1,405,620</b>	<b>34,382,848</b>

# 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	√						
City Manager	√		√				
Communications & Intergovernmental Relations	√						
Fire	√		√				√
Finance	√	√				√	√
Housing & Community Services	√		√		√		
Human Resources	√			√			
Information Technology				√			
Planning & Economic Development	√		√				
Police	√		√				√
Recreation & Community Engagement	√		√				
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

# City Revenues

## General Fund

Description:	2020-21 Approved Budget	2020-21 Proposed Budget	Dollar Change	Percent Change
<b>Tax Revenue Detail</b>				
Property Taxes	\$ 30,646,100	\$ 31,912,000	\$ 1,265,900	4.1%
Sales Taxes	54,298,000	62,520,200	8,222,200	15.1%
Utility Use Taxes	9,857,200	10,388,000	530,800	5.4%
Motor Vehicle License Fees	15,397,000	15,770,200	373,200	2.4%
Franchise Fees	10,594,100	10,653,400	59,300	0.6%
Cannabis Industry Tax	1,800,000	1,800,000	-	0.0%
Business Licenses	3,290,000	4,515,000	1,225,000	37.2%
Real Property Transfer Tax	2,713,200	3,500,000	786,800	29.0%
Transient Occupancy Tax	3,850,000	4,500,000	650,000	16.9%
<b>Total Tax Revenues</b>	<b>\$ 132,445,600</b>	<b>\$ 145,558,800</b>	<b>\$ 13,113,200</b>	<b>9.9%</b>
<b>Other Revenue Detail</b>				
Licenses and Permits	\$ 1,680,910	\$ 1,991,000	\$ 310,090	18.4%
Charges for Services	24,916,240	24,576,940	(339,300)	-1.4%
Intergovernmental Revenue	1,870,000	1,723,510	(146,490)	-7.8%
Fines and Forfeitures	1,336,800	1,776,600	439,800	32.9%
Investment Earnings	500,000	600,000	100,000	20.0%
Miscellaneous Revenues	1,552,600	2,235,800	683,200	44.0%
<b>Total Other Revenues</b>	<b>\$ 31,856,550</b>	<b>\$ 32,903,850</b>	<b>\$ 1,047,300</b>	<b>3.3%</b>
<b>Total General Fund Revenues</b>	<b>\$ 164,302,150</b>	<b>\$ 178,462,650</b>	<b>\$ 14,160,500</b>	<b>8.6%</b>

## General Fund

The General fund revenues are much more optimistic than last year. The COVID-19 pandemic did not have as drastic effect on revenue as originally projected with the FY 2020-21 adopted budget. Most revenues were flat rather than experienced the significant decreases projected. Most of the FY 2021-22 revenue projections account for this increase as well as a conservative increase for next year. Overall, the FY 2021-22 General fund is forecasted at a total of \$178.5M, an 8.6% or \$14.1M increase from FY 2020-21.

Property tax is projected at \$31.9M for FY 2021-22, a \$1.3M or 4.1% increase from the previous fiscal year. Property values of homes were not affected by pandemic and continue to raise across the county. The projected increase is also driven by the remaining October 2017 Fire Disaster home rebuilds and new construction.

Sales tax is the largest revenue source for the City and is projected to increase this fiscal year by 15.1% or about \$8.2M, for a total of \$62.5M. Luckily, the 15% sales tax revenue reduction did not come true in FY 2020-21 but rather sales tax estimates are closer to a 2% reduction. Included in the total projected Sales tax amount is Measure Q and Proposition 172 proceeds. In November 2020, the voters approved Measure Q (the combination of Measure P/N and Measure O-Temporary Fire Relief). Measure Q is a fifty-cent sales tax measure that expires in June 2030. Prop. 172 sales tax is based on a per-capita allocation.

Utility Users Tax (UUT) is a usage tax on electricity, gas, cable and telecommunications. We expect to see a 5.4% increase of these taxes due to low estimates for FY 2020-21. Overall, the revenue forecast for UUT is an increase of \$531K, for total revenue of \$103.4M.

Motor Vehicle License Fees are projected to increase by \$373K or 2.4% in FY 2021-22. These fees usually fluctuate with the annual assessed property valuation and grow with the property tax trend.

Franchise Fees are forecasted at \$10.7M, a slight increase of \$60K from the previous fiscal year. Franchise fee revenue for garbage disposal is the largest component of this revenue source at a projected \$7M, almost 66% of the total franchise fee revenues. The other franchise fees for PG&E, cable TV and construction combine for a total of \$3.7M anticipated revenue.

Cannabis Industry Tax revenue is forecasted at \$1.8M next fiscal year, the same as the prior fiscal year. Cannabis industry tax has seen significant growth since inception two years ago, but the City assumes little to no new businesses in the next year.

Business Tax revenue is projected to increase by \$1.2M or 37.2% for FY 2021-22. Again, this is primarily due to the overestimation of the pandemic's effect on this tax last fiscal year. Business tax revenue is collected annually based on the prior year's receipts.

Real Property Transfer Tax (RPTT) is projected to grow 29% from FY 2020-21 adopted budget. This tax is collected based on the sale of homes in Santa Rosa. The pandemic has not affected home prices or home sales in Santa Rosa as expected last year. The estimated total increase is \$787K, for a total revenue of \$3.5M in FY 2021-22.

Transient Occupancy Tax (TOT) revenue is projected to increase by \$605K or 16.9% for FY 2021-22. During the shelter-in-place order in 2020, tourism was dramatically reduced in Santa Rosa. As travel orders are lifted and the vaccinate rate increases, the City anticipates that tourism will slowly rebound back to previous levels.

License and Permit Revenues are projected to increase by 18.4% or \$310K, for a total of \$2M for FY 2021-22. Building permit fees and encroachment permits are driving the increase in this revenue.

Charges for Services are forecasted at \$24.6M, a decrease \$339K or -1.4% in FY 2021-22. Included in the Charges for Services category are Planning and Economic Development fees of \$3.5M, Interfund charges (the General Fund charging other funds for services) of \$14M and Recreation fees of \$2.5M.

Intergovernmental Revenues are received from grant funds and other government entities. This revenue is expected to decrease by 7.8% from last year, totaling \$1.7M. Most of Intergovernmental Revenue is collected from the County of Sonoma for the Roseland Annexation; \$662K is dedicated for spending on road improvements in the Roseland area.

Fines and Forfeitures are expected to increase by \$440K or 32.9%. Parking Violation revenue makes up most of this category at \$1M. Investment Earnings are projected at \$600K as fund balance has grown. Miscellaneous Revenues are budgeted at \$2.2M for FY 2021-22 which is primarily the Wildfire Strike Team reimbursements of \$1.5M.

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

### **Water Fund**

Total revenues for the Water Utility are budgeted at \$49.2M, an increase of about \$4.2M from the prior year. The Water Utility's main source of revenue is rates, which make up 88.1% of the total revenue. \$2.4M of the year over year revenue increase stems from a pass-through rate increase in FY 2021-22. Additionally, water usage was projected to decrease during the COVID-19 pandemic, resulting in conservative budget numbers for the prior year. FY 2021-22 revenues are expected to recover and are budgeted accordingly. Finally, Demand fee revenue, known as connection fees charged to new users, are projected to increase in FY 2021-22 by \$1.5M as new developments and building recuperate post-pandemic.

### **Local Wastewater Fund**

Total revenues for the Local Wastewater Utility increased by 9.4% to \$76.3M in FY 2021-22, reflective of the recovering economy and uncertain conditions in the prior year. Rate revenue comprises 91.1% of the projected revenue for the upcoming year and is budgeted at \$69.6M. FY 2021-22 Commercial and Residential Demand fees are also expected to increase by \$2M, or nearly double, as the building industry recovers from a downturn as a result of the COVID-19 pandemic.

### **Regional Wastewater Fund**

The Regional Wastewater fund is estimating \$21.3M total revenue for FY 2021-22, a \$1.1M or 5.3% increase from last fiscal year. In FY 2021-22, 85.2% of Regional revenue and nearly all of the year over year increase comes from the local partners and is based on their proportionate share of the costs to run the system. Santa Rosa is the largest user of the system although our share is not included in the total revenue. Rather a transfer of funds is budgeted into the Subregional Wastewater fund. Miscellaneous revenues (such as compost sales, dumping charges, etc.) are collected by the system and are used to offset the partner contributions.

### **Golf Course Fund**

Golf Course fund revenues are projected to increase by \$45K for a total of \$509K for FY 2021-22. Golf revenues are mainly comprised of operator fees, which are expected to increase as compared to the prior year as COVID-19 related restrictions are lifted. With the closure of the restaurant, rental revenue will decrease by \$68K. However, an increase in Capital Improvement fees of \$50K will help to offset this loss.

**Parking Fund**

Parking revenues reflect an increase of 21.2% up to \$3.8M for FY 2021-22. Parking revenues were in decline in the prior year due to shorter parking hours and COVID-19 restrictions on essential business operations. With the economy recovering and restrictions being lifted, parking revenue and downtown parking usage are expected to be impacted favorably. The City operates 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.

**Transit Fund**

Transit revenues will rise by 3.0M, or 28.0%, for a total of \$13.9M in FY 2021-22. \$13.0M, or 94.1% of total Transit revenue is derived from state and federal grant revenue, which accounts for the majority of the year over year revenue increases. With sales and fuel taxes recovering from the COVID-19 economic crisis, a correlating increase is expected in grant funds available. Budgeted transit fare revenues from ridership are projected to increase modestly by just 2.6% to \$808K in the coming year.

# Multi-Year Revenue Summary – All Funds

<b>FUND</b>	<b>2017-18 Actual</b>	<b>2018-19 Actual</b>	<b>2019-20 Actual</b>	<b>2020-21 Budget</b>	<b>2021-22 Budget</b>
<b>GENERAL FUND REVENUES:</b>					
Property Taxes	27,192,090	30,199,833	30,473,327	30,646,100	31,912,000
Sales Tax	47,798,993	54,881,478	58,435,658	54,298,000	62,520,200
Utility Users Tax	10,688,677	10,257,162	10,669,391	9,857,200	10,388,000
Other Taxes	37,925,969	40,217,940	40,239,897	37,644,300	40,738,600
Licenses and Permits	3,439,182	4,775,178	3,274,334	1,680,910	1,991,000
Charges for Services	36,182,337	32,162,012	26,677,022	24,916,240	24,576,940
Intergovernmental Revenue	3,341,316	5,698,569	6,977,233	1,870,000	1,723,510
Fines and Forfeitures	1,707,565	1,843,599	1,704,248	1,336,800	1,776,600
Investment Earnings	183,386	2,167,063	2,261,005	500,000	600,000
Contributions from Private Parties	1,274,767	112,124	2,836,663	-	-
Miscellaneous	3,243,621	5,043,443	2,399,476	1,552,600	2,235,800
	<b>172,977,903</b>	<b>187,358,401</b>	<b>185,948,254</b>	<b>164,302,150</b>	<b>178,462,650</b>
<b>ENTERPRISE FUND REVENUES:</b>					
Golf Fund	604,381	475,815	496,767	464,000	509,000
Parking Fund	5,049,078	5,996,006	4,223,014	3,136,983	3,804,851
Transit Fund	10,050,993	17,938,810	13,242,911	10,827,717	13,859,982
Storm Water Funds	2,692,634	2,676,854	2,834,008	2,774,574	2,853,097
Water Fund	46,933,552	59,837,606	57,821,779	44,988,324	49,158,000
Local Wastewater Fund	70,361,007	77,938,687	74,115,277	69,785,661	76,340,754
Subregional Wastewater Fund	18,683,510	38,327,550	22,223,213	20,191,995	21,270,856
<b>TOTAL ENTERPRISE FUND REVENUES</b>	<b>154,375,155</b>	<b>203,191,328</b>	<b>174,956,969</b>	<b>152,169,254</b>	<b>167,796,540</b>
<b>SPECIAL REVENUE FUND REVENUES</b>	<b>32,925,528</b>	<b>30,106,415</b>	<b>34,688,556</b>	<b>34,243,012</b>	<b>30,515,184</b>
<b>OTHER FUNDS REVENUES</b>	<b>9,189,200</b>	<b>26,688,724</b>	<b>29,812,879</b>	<b>4,648,487</b>	<b>4,219,409</b>
<b>HOUSING AUTHORITY REVENUES</b>	<b>31,322,714</b>	<b>35,272,609</b>	<b>34,854,853</b>	<b>40,194,109</b>	<b>41,337,299</b>
<b>SUCCESSOR AGENCY TO THE REDEV. AGENCY</b>	<b>1,659,482</b>	<b>2,354,073</b>	<b>3,048,582</b>	<b>3,047,301</b>	<b>3,026,638</b>
<b>TOTAL REVENUES</b>	<b>402,449,982</b>	<b>484,971,550</b>	<b>463,310,093</b>	<b>398,604,313</b>	<b>425,357,720</b>

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

# Multi-Year Expenditure Summary – All Funds

FUND	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2021-22 Budget
<b>GENERAL FUND EXPENDITURES:</b>					
City Attorney	2,851,140	3,037,252	3,369,311	3,631,343	3,824,241
City Council	994,187	1,058,809	713,904	1,484,091	1,169,785
City Manager	3,398,192	3,925,857	2,695,894	2,230,975	2,115,190
Comms & Intergov Relations	-	-	-	1,024,546	1,378,362
Office of Community Engagement	810,420	706,205	-	-	-
Finance	9,674,688	9,700,102	11,540,386	10,981,932	11,004,374
Human Resources	2,783,259	2,395,561	2,075,111	2,741,041	2,778,452
Subtotal - General Government	20,511,886	20,823,786	20,394,606	22,093,928	22,270,404
Housing & Community Services	1,368,072	1,370,405	1,766,916	243,535	245,057
Fire	39,627,489	42,682,752	44,370,325	44,167,424	45,752,767
Planning & Economic Development	15,413,479	20,769,628	18,827,083	15,672,250	15,268,549
Police	56,022,274	55,998,584	59,972,387	61,294,866	63,914,326
Recreation & Community Engagement	14,555,123	14,492,975	9,915,371	9,984,070	9,659,329
Transportation & Public Works	20,461,384	20,144,911	24,821,368	28,500,943	29,507,446
Water	624,556	722,424	723,154	604,210	736,453
Non-Departmental	(4,763,360)	(5,505,981)	(6,791,975)	(3,933,372)	(6,004,433)
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>163,820,903</b>	<b>171,499,484</b>	<b>173,999,235</b>	<b>178,627,854</b>	<b>181,349,898</b>
<b>ENTERPRISE FUND EXPENDITURES:</b>					
Golf Fund	969,965	1,095,324	934,117	814,124	537,010
Parking Fund	7,230,285	6,153,408	5,830,860	5,758,347	6,562,162
Transit Fund	15,241,823	18,471,252	16,059,586	15,066,348	13,889,982
Storm Water Funds	1,919,690	2,044,087	1,956,502	2,650,409	2,994,663
Water Fund	53,881,516	65,991,655	49,689,036	45,617,140	48,106,045
Local Wastewater Fund	30,231,656	23,502,913	29,906,681	24,380,997	25,368,603
Subregional Wastewater Fund	72,864,245	96,682,536	83,396,788	67,094,882	100,926,257
<b>TOTAL ENTERPRISE FUND EXPENDITURES</b>	<b>182,339,180</b>	<b>213,941,175</b>	<b>187,773,570</b>	<b>161,382,247</b>	<b>198,384,722</b>
<b>SPECIAL REVENUE FUND EXPENDITURES</b>	<b>13,046,200</b>	<b>14,778,520</b>	<b>16,245,647</b>	<b>16,454,678</b>	<b>16,593,176</b>
<b>OTHER FUNDS EXPENDITURES:</b>					
Capital Improvement Program (CIP) Fund	25,280,529	16,397,077	26,538,906	27,690,725	25,043,578
Debt Service Funds	4,814,852	23,724,172	31,819,504	4,840,352	4,832,811
Special Assessment Funds	18,897	26,329	25,314	119,634	144,376
Trust Funds	264,153	363,791	253,380	249,000	297,882
<b>TOTAL OTHER FUNDS EXPENDITURES</b>	<b>30,378,431</b>	<b>40,511,369</b>	<b>58,637,104</b>	<b>32,899,711</b>	<b>30,318,647</b>
<b>HOUSING AUTHORITY EXPENDITURES</b>	<b>35,394,508</b>	<b>34,441,127</b>	<b>37,063,259</b>	<b>44,124,137</b>	<b>44,117,345</b>
<b>SUCCESSOR AGENCY TO THE REDEV. AGENCY</b>	<b>4,291,529</b>	<b>3,072,104</b>	<b>3,063,078</b>	<b>3,047,301</b>	<b>3,026,638</b>
<b>TOTAL EXPENDITURES</b>	<b>429,270,751</b>	<b>478,243,779</b>	<b>476,781,893</b>	<b>436,535,928</b>	<b>473,790,426</b>

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



# City Debt

## Computation of Legal Debt Margin as of June 30, 2020

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 \$23,530,000 of debt subject to the limit and a legal debt limit of \$981,294,674, the City is not at risk of exceeding its legal debt limit.

<b><u>Computation of Legal Debt Margin</u></b>	
Assessed Value	\$26,795,324,651
Debt Limit (3.75% of Assessed Value)	1,004,824,674
Less Net Debt Applicable to Limit	(23,530,000)
<b>Legal Debt Margin</b>	<b>\$981,294,674</b>

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.

<b>Debt Obligations Outstanding as of 6/30/2021</b>	<b><u>Principal Outstanding</u></b>
Wastewater Bonds	209,985,430
Wastewater Loans	-
Water Bonds	7,870,000
Golf Course Bonds	3,115,000
Redevelopment Bonds	30,500,000
Courthouse Square Project and Building Acquisition Certificates of Participation	10,085,000
Pension Obligation Bonds	13,445,000
Capital Leases	1,464,357
	<u>276,464,787</u>

## Annual Debt Service Requirements

		2022	2023	2024	2025	Thereafter	Total
Wastewater Bonds	Principal	17,188,897	17,027,058	13,679,313	13,868,891	148,221,271	209,985,430
	Interest	<u>9,752,583</u>	<u>9,914,495</u>	<u>13,263,492</u>	<u>13,075,797</u>	<u>131,062,824</u>	<u>177,069,191</u>
	Total Debt Service	26,941,480	26,941,553	26,942,805	26,944,688	279,284,095	387,054,621
Water Bonds	Principal	295,000	310,000	330,000	345,000	6,590,000	7,870,000
	Interest	<u>410,375</u>	<u>395,250</u>	<u>379,250</u>	<u>362,375</u>	<u>2,534,250</u>	<u>4,081,500</u>
	Total Debt Service	705,375	705,250	709,250	707,375	9,124,250	11,951,500
Golf Course Bonds	Principal	250,000	265,000	275,000	285,000	2,040,000	3,115,000
	Interest	<u>142,505</u>	<u>130,361</u>	<u>117,643</u>	<u>104,461</u>	<u>307,743</u>	<u>802,714</u>
	Total Debt Service	392,505	395,361	392,643	389,461	2,347,743	3,917,714
Redevelopment Bonds	Principal	1,845,000	1,905,000	1,975,000	2,045,000	22,730,000	30,500,000
	Interest	<u>1,178,638</u>	<u>1,115,661</u>	<u>1,044,314</u>	<u>970,453</u>	<u>4,301,875</u>	<u>8,610,942</u>
	Total Debt Service	3,023,638	3,020,661	3,019,314	3,015,453	27,031,875	39,110,942
Courthouse Square Project and Building Acquisition Certificates of Participation	Principal	365,000	375,000	385,000	400,000	8,560,000	10,085,000
	Interest	<u>367,325</u>	<u>356,225</u>	<u>342,900</u>	<u>327,200</u>	<u>2,740,550</u>	<u>4,134,200</u>
	Total Debt Service	732,325	731,225	727,900	727,200	11,300,550	14,219,200
Pension Obligation Bonds	Principal	3,110,000	3,265,000	3,440,000	3,630,000	-	13,445,000
	Interest	<u>620,008</u>	<u>468,581</u>	<u>294,090</u>	<u>99,771</u>	-	<u>1,482,450</u>
	Total Debt Service	3,730,008	3,733,581	3,734,090	3,729,771	-	14,927,450
Capital Leases	Principal	494,996	344,928	353,884	270,549	-	1,464,357
	Interest	<u>34,419</u>	<u>22,799</u>	<u>13,842</u>	<u>5,246</u>	-	<u>76,306</u>
	Total Debt Service	529,415	367,727	367,726	275,795	-	1,540,663
Citywide	Principal	23,548,893	23,491,986	20,438,197	20,844,440	188,141,271	276,464,787
	Interest	<u>12,505,854</u>	<u>12,403,373</u>	<u>15,455,531</u>	<u>14,945,303</u>	<u>140,947,242</u>	<u>196,257,302</u>
	Total Debt Service	36,054,747	35,895,359	35,893,728	35,789,743	329,088,513	472,722,089

# FTE Staffing Summary

In fiscal year (FY) 2021-22, the City's proposed authorized Full-Time Equivalent (FTE) position count is 1,238.90, a decrease of 15.35 FTEs or -1.2% from last fiscal year's budget. FTE position count by department and detailed additions/eliminations are shown below. In addition to the staffing changes, several positions have been, or are being, evaluated for classification changes. Detailed position classifications and salary ranges by department are available on the City's website at [www.srcity.org](http://www.srcity.org) under Departments/Human Resources/Salaries or through the following link: <http://srcity.org/192/Salaries>.

## Authorized Full-Time Equivalent Position Count

DEPARTMENT	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	change	FY 2021-22
City Attorney	15.90	16.90	15.90	15.90	-	15.90
City Manager	13.00	14.00	10.00	8.00	1.00	9.00
Communications & Intergovernmental Relations *	-	-	-	7.00	-	7.00
Community Engagement	7.00	7.00	-	-	-	-
Finance	98.85	102.35	95.85	92.85	(3.25)	89.60
Fire	148.75	149.75	151.00	151.00	(3.00)	148.00
Housing & Community Services	33.00	35.50	34.00	24.00	-	24.00
Human Resources	21.00	21.00	20.00	21.00	-	21.00
Information Technology Planning &	29.00	30.00	29.00	29.00	1.00	30.00
Economic Development	51.00	63.00	61.00	69.00	(1.00)	68.00
Police	264.50	266.50	260.50	260.00	(9.00)	251.00
Recreation & Community Engagement	74.00	74.00	44.00	42.00	(1.10)	40.90
Transportation & Public Works	274.50	274.00	290.00	287.00	(1.00)	286.00
Water	253.50	252.50	247.50	247.50	1.00	248.50
<b>Total FTE Positions</b>	<b>1,284.00</b>	<b>1,306.50</b>	<b>1,258.75</b>	<b>1,254.25</b>	<b>(15.35)</b>	<b>1,238.90</b>

### Detail Full-Time Equivalent Position Change

Dept.	Position Title	FTE
CMO	Limited Term Administrative Assistant	1.00
<b>City Manager's Office Total</b>		<b>1.00</b>
Finance	Limited Term Meter Technician	-1.00
Finance	Field Collection Representative	-1.00
Finance	Senior Customer Service Representative	0.25
Finance	Accountant	-1.00
Finance	Financial Analyst	1.00
Finance	Senior Administrative Assistant	-1.00
Finance	Parking Operations Coordinator	-0.50
<b>Finance Total</b>		<b>-3.25</b>
Fire	Department Application Specialist	-1.00
Fire	Firefighter	-5.00
Fire	Limited Term Building Plans Checker	1.00
Fire	Limited Term Fire Inspector	2.00
<b>Fire Department Total</b>		<b>-3.00</b>
IT	Technology Application Specialist	1.00
<b>Information Technology Total</b>		<b>1.00</b>
PED	Administrative Technician	-1.00
<b>Planning &amp; Economic Development Total</b>		<b>-1.00</b>
Police	Police Officer	-7.00
Police	Police IT Supervisor	-1.00
Police	Communications Dispatcher	-1.00
Police	Senior Administrative Assistant	-1.00
Police	Administrative Technician	1.00
<b>Police Department Total</b>		<b>-9.00</b>
R&CE	Senior Administrative Assistant	-1.00
R&CE	Recreation Specialist	-0.10
<b>Recreation &amp; Community Engagement Total</b>		<b>-1.10</b>
TPW	Administrative Support Supervisor	-1.00
TPW	Senior Administrative Assistant	1.00
TPW	Safety & Training Coordinator	1.00
TPW	Associate Civil Engineer	4.00
TPW	Parks Planner	1.00
TPW	Skilled Maintenance Worker	-4.00
TPW	Electrician	-1.00
TPW	Groundskeeper	-2.00
<b>Transportation &amp; Public Works Total</b>		<b>-1.00</b>
Water	Associate Right of Way Agent	1.00
<b>Santa Rosa Water Total</b>		<b>1.00</b>

# 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 forecasting model for the General Fund only. The LRFF provides the past historically actuals, the upcoming budget and 10 future years of projected budget. The LRFF shows total revenues, total expenditures and the fund reserves balance. Please note at the time the forecast was developed the FY 21-22 budget had not been approved, and the forecast projections are based on the City’s April 2021 revenue estimates.

The key to a forecast is its assumptions, and as new data becomes available and assumptions change, the result will be a different forecast. A prime example of this was the revenue forecast in April 2020 during the early days of the pandemic. With 25% unemployment, businesses shut down, no vaccines, and a rapidly spreading disease, the projection was that the City would lose \$74 million in revenue over six years, compared to a “pre-recession” revenue forecast. With a major increase in online spending, sales tax losses were lower, the CARES Act offset some losses, and vaccines ultimately have made it possible to safely re-open the economy, The estimated net revenue loss is now “only” \$27 million: still large, but a sizeable improvement. The LRFF will allow the City to adapt as economic circumstances and local factors warrant and provide the City Council and management with valuable direction.

## Revenue Growth Assumptions

Revenues are improving compared to the previous forecast, and two of the three local 0.25% sales tax rates were renewed for 10 years under Measure Q. This summary chart below summarizes the major General Fund revenue assumptions:

Revenues	Forecast Assumptions
Property Tax	Strong property value growth: Prop 13 inflator is 1.036% in FY 21-22 (2% thereafter); fire rebuilds completed by FY 23-24; new construction ramps up to 500/year
Sales Tax	Significantly improved from initial pandemic forecast; based on Avenu Insights’ 3Q20 forecast; assumes Measure O expires in 2025 (requires voter approval to renew)
Transient Occupancy Tax	Hard hit by pandemic, slower recovery
Economic cycles	Assumes moderate recessions starting in 2027 & 2034
FEMA Reimbursements	Excluded from the baseline forecast, but staff estimates \$40.7M total reimbursements for the General Fund (and another \$16.3M for the Water Fund); an alternate forecast is shown below which assumes \$18.1M to the General Fund in FY 21-22, with the rest split between FY 22-23 & FY 23-24

PG&E Settlement	\$95M settlement is excluded from the baseline forecast, but in the April study session, Council reviewed alternate scenarios that included using up to \$40M to support General Fund operations and maintain reserves
American Rescue Plan Act	Forecast excludes ARPA, which would only improve the fund balance forecast to the extent that funds go to General Fund under “revenue use” eligible use, with no offsetting increases in expense

### Expenditure Growth Assumptions

This summary chart below shows the General Fund expenditures percentage growth assumptions, rolled up by major category. The following assumptions apply to the expenditure line items:

Expenditures	Forecast Assumptions
Salary COLAs	2% ongoing
Staffing Growth	2 FTE added per year
Frozen Positions & Vacancy Rate	Positions frozen in FY21 remain frozen through FY 24-25 due to uncertainty over the public safety sales tax measure and the need to conserve fund balance to better position itself for potential loss of these funds (equivalent to 4.5% vacancy rate); 1.5% vacancy rate starting FY26
O&M/Inflation	Assumes FY 21-22 costs held to lesser of FY 19-20 actual or 2% growth on projected FY 20-21 budget, to hold down O&M costs: 2% growth thereafter
Pension Costs	CalPERS 2019 valuation rates, with 6.2% average investment returns and discount rate declining from 7% to 6% over 20 years
Health	3% ongoing
Overtime	\$10.5M in FY 20-21 with 2% growth
Project Budgets	\$2M in FY 21-22 with 2% growth
Capital Project Transfers	\$4M in FY 21-22 with 2% growth

**Summary of Findings**

In April 2020 the City Council held a study session on the long-range forecast. The baseline forecast in Figure 1 reflects improved revenues under the Covid-19 pandemic, resulting stable unassigned balance of around 13% through FY 24-25, compared to the City’s 17% reserve goal. (The fund balance projection excludes assigned reserves such as carryover appropriations.) This forecast excluded FEMA reimbursements, since timing of receipt of these funds is still uncertain, and excluded ARPA funds, as the City had not yet budgeted the use of these funds. However, if Measure O’s 0.25% Public Safety sales tax expires in 2025, and the next recession starts in 2027, fund balance would fall abruptly and a deficit would exist starting in FY 26-27, in the absence of corrective budget actions (lower expenditures and/or higher revenues).

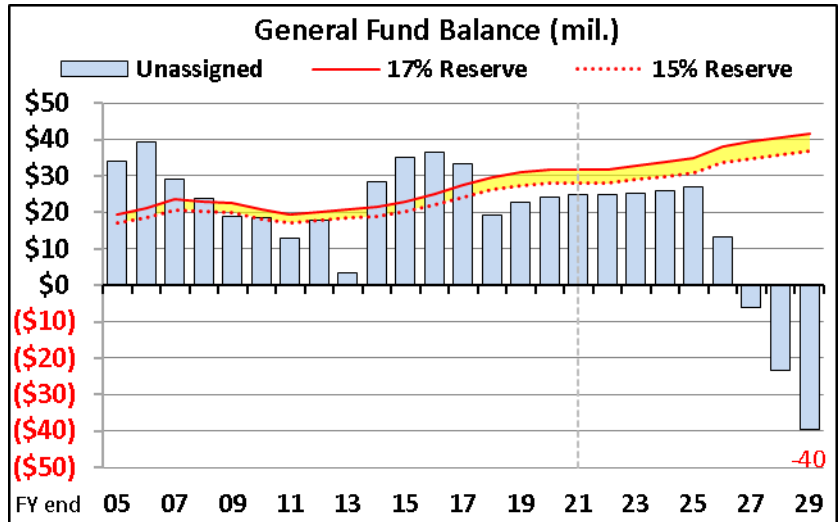


Figure 1

Figure 2 shows the impact of an estimated \$40.7 million in FEMA reimbursements to the General Fund over the next three years. This improves the near-term outlook significantly, although the next recession and loss of Measure O will still cause a steady reduction in fund balance after FY 24-25, but fund balance, while low, remains positive in FY 28-29.

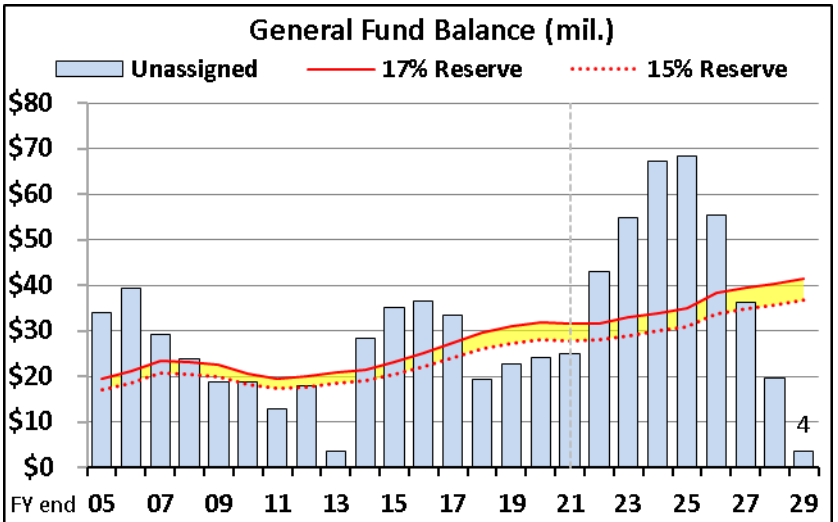


Figure 2

For FY 21-22, the City will use unassigned reserves to balance the budget but cannot continue this practice in future years. The City Manager and City staff are strategically working on how to remedy the structural deficit it faces. The future year deficits may be addressed through either cost reductions or through the re-approval of existing sales tax measures.

The April 2021 Management Partners’ presentation included seven alternative scenarios, which incorporated different combinations of the following budget actions:

- Using up to \$40 million of PG&E settlement funds to support operations
- Continuing FTE freeze for either 5 years or 10 years
- Assuming either 2.0 annual FTE growth, or no FTE growth
- Lowering O&M expenditure growth in FY22, or continuing past trends
- Renewing Measure O public safety 0.25% sales tax (expires in 2025 without voter approval)
- Renewing Measure Q general 0.5% sales tax (expires in 2031 without voter approval)
- Enacting future expenditure reductions (or other revenue increases)

All seven of the alternative scenarios resulted in balanced budgets. To the extent that PG&E settlement funds are used to support operations, the sales taxes are renewed, and O&M costs are reduced or FTE growth avoided, then the budget can be balanced without further revenue increases or expenditure reductions. To the extent that PG&E settlement funds are not used, or FTE growth is higher, or one or both of the sales tax measures are not renewed, then compensating expenditure reductions (or other revenue increases) would be required to maintain reserves at the City’s 17%

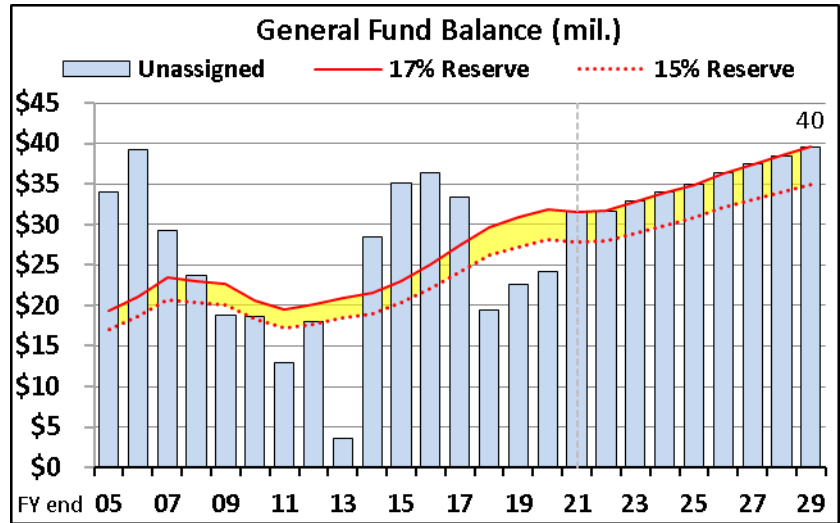


Figure 3

goal. Figure 3 shows the scenario with \$40 million in PG&E funds, renewal of both local sales taxes, continuing the FY21 position freeze for five years, and lower O&M spending growth in FY 21-22; the forecast is balanced and no further expenditure reductions would be required.

Other than the voter-approved taxes, the actions discussed in the study session are budget decisions over which the City Council has considerable discretion. The state of the economy and pension costs are two areas beyond the City’s control, but by assuming future recessions and lower CalPERS returns and discount rate, the forecast incorporates a hedge against those uncertainties.



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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, as well as representing the City efficiently and effectively in litigation and administrative proceedings.

## Department Description

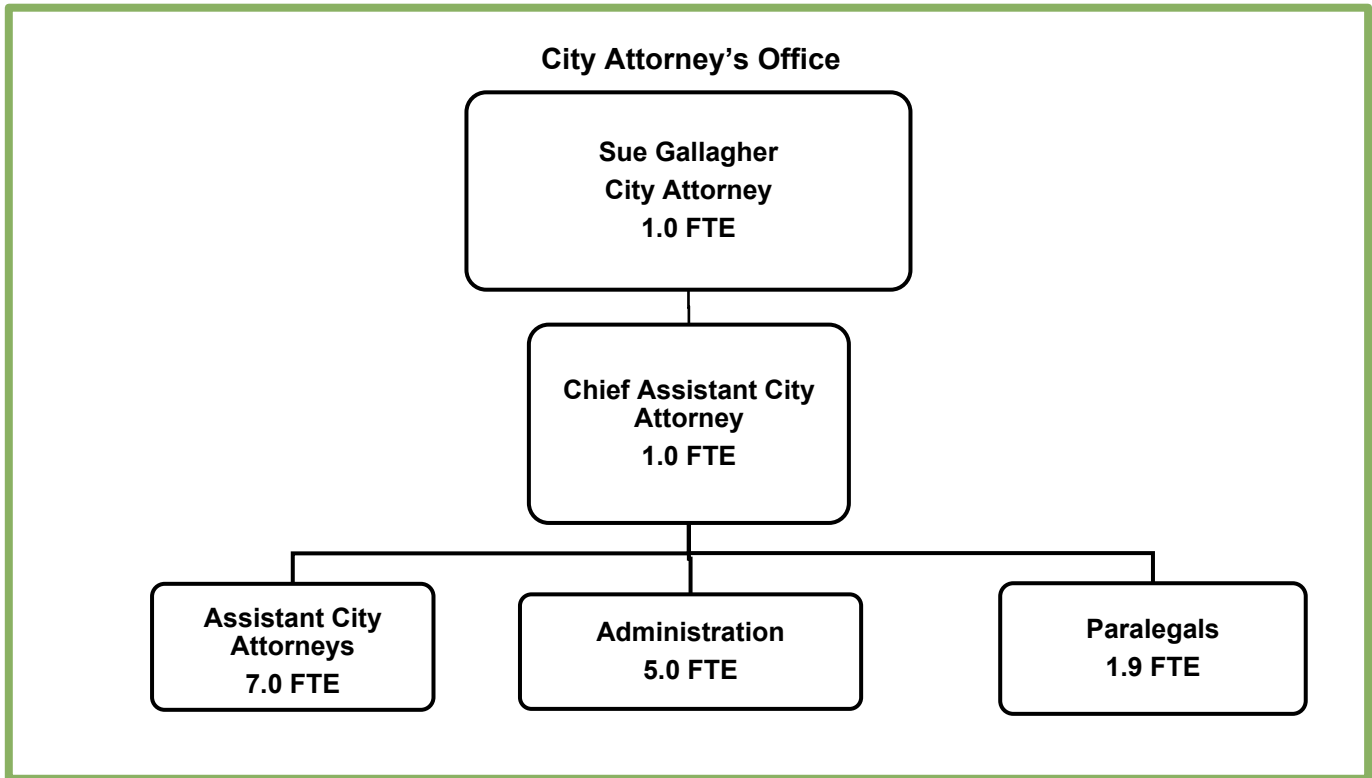
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By City Charter, the City Attorney is appointed by the City Council to serve as the chief legal advisor for the City of Santa Rosa.

The City Attorney's Office (CAO) represents the City in legal proceedings and provides comprehensive legal support to the Council, boards, commissions, and City staff on a wide range of municipal matters. The CAO advises on municipal procedures, including the Brown Act, Public Records Act, Political Reform Act, elections, and public finance. The CAO reviews all City Council, Planning Commission, Housing Authority and Board of Public Utilities' agenda items for legal compliance and sits with those bodies during their public meetings. The CAO works closely with the Council, the City Manager, and the City's departments to provide legal support on key issues facing the City, including housing, homelessness, economic development, environmental protection, municipal infrastructure (including roads, parks and civic facilities), public safety (including Police and Fire), emergency services, water supply, water quality, franchise agreements, and labor and employment. The City Attorney's Office reviews and revises proposed legislation and policies, reviews, and approves contracts and surety bonds, prosecutes City Code violations, and abates public nuisances.

The office reviews, evaluates, and recommends disposition of all claims made against the City, and represents the City in litigation, providing full service from initial claim through to final appeal. That representation includes both prosecution of claims on behalf of the City and defense against claims brought by others. The litigation practice includes matters involving civil rights, personal injuries, eminent domain, inverse condemnation, environmental violations, land use matters, personnel disputes, and allegations of dangerous condition of public property. 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.

## FTE by Program



### Strategic Goals and Initiatives for FY 2021-22

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

#### Emerging Issues:

- Provide legal guidance as the City emerges from the coronavirus pandemic. 1
- Provide legal guidance as Police undertake significant reforms. 7
- Work closely with Human Resources and Seed Collaborative to further diversity, equity and inclusion. 8
- Work closely with the City Clerk to guide redistricting following the 2020 Federal Census. 8
- Provide legal guidance should Council determine to initiate Charter review. 9

#### Ongoing Council Priorities:

- Provide advice and legal support as the City continues in its recovery and rebuilding from the impacts of the 2017, 2019 and 2020 wildfires. 4
- Provide advice and legal support as the City strengthens its own resiliency and the resiliency of the region. 5
- Provide advice and legal support for the City's transition to financial sustainability. 4
- Provide advice and legal support regarding comprehensive housing policies and programs, including downtown development. 3
- Provide advice and legal support regarding enhanced policies and programs to reduce homelessness, with an ultimate goal of functional zero. 2
- Provide advice and legal support regarding policies and programs to address climate change. 6
- Enhance collaboration with our public entity partners in regional efforts to address housing, homelessness, emergency response, and other areas of regional concern. ALL

**Foundational responsibilities:**

- Provide skilled and effective defense of all claims and lawsuits filed against the City of Santa Rosa.
- Enforce environmental and consumer protection laws and aggressively pursue violations.
- Enforce the City Code with a focus on highest health and safety risks.
- Provide advice and legal support in state and federal legislative and regulatory initiatives.
- Continue to provide professional, timely and effective legal advice to the Council, City Manager, City Departments and City boards and commissions throughout our work.

**Major Budget Changes**

The FY 2021-22 City Attorney’s Office (CAO) budget is \$3.8M, an increase of \$193K, or 5.3%, over the prior year’s adopted budget. Salaries & Benefits increased by a net \$142K, or 4.4%, primarily due to increases in retirement costs and merit-based salary changes in CAO personnel. There was an increase of \$66K, or 16.5%, in Services and Supplies mostly due to outside council needed for real estate and CEQA (California Environmental Quality Act) litigation that may arise in FY 2021-22. The Operations & Maintenance project budget decreased by \$15K due to the Case Management Software project not receiving additional budget in FY 2021-22.

**Budget Summary**

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Legal Services	\$3,037,252	\$3,369,311	\$3,616,343	\$3,824,241
CIP and O&M Projects	\$0	\$0	\$15,000	\$0
<b>Total</b>	<b>\$3,037,252</b>	<b>\$3,369,311</b>	<b>\$3,631,343</b>	<b>\$3,824,241</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$1,880,092	\$2,033,407	\$2,149,384	\$2,200,828
Benefits	\$861,116	\$990,000	\$1,066,828	\$1,157,185
Professional Services	\$104,201	\$185,550	\$208,575	\$277,300
Vehicle Expenses	\$17	\$410	\$400	\$400
Utilities	\$1,307	\$2,005	\$1,400	\$900
Operational Supplies	\$32,643	\$14,884	\$21,475	\$15,000
Information Technology	\$87,706	\$82,459	\$82,201	\$94,928
Other Miscellaneous	\$70,170	\$60,596	\$86,080	\$77,700
CIP and O&M Projects	\$0	\$0	\$15,000	\$0
<b>Total</b>	<b>\$3,037,252</b>	<b>\$3,369,311</b>	<b>\$3,631,343</b>	<b>\$3,824,241</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$3,037,252	\$3,369,311	\$3,631,343	\$3,824,241
<b>Total</b>	<b>\$3,037,252</b>	<b>\$3,369,311</b>	<b>\$3,631,343</b>	<b>\$3,824,241</b>

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

<b>Fiscal Year</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Full-Time Equivalent</b>	15.90	16.90	15.90	15.90	15.90

### **Performance Measures**

**Litigation:** As of April 14, 2021, CAO had thirty-one matters in active litigation and twenty additional claims under review. The Office estimates that it is likely to receive three new lawsuits and five new claims by the end of the fiscal year. The existing lawsuits include civil rights claims, personal injury, contract claims, construction disputes, regulatory matters, claims under CEQA, receiverships and others. Several cases are matters filed by the City itself to recover damages or moneys owed. Six existing cases are currently scheduled for trial in the coming months, and we anticipate additional cases may be scheduled before the end of the FY 2021-22. City Attorney’s Office handles the vast majority of this litigation in-house to minimize outside counsel costs when possible. CAO’s engagement begins with the claim filing and continues strongly through discovery, trial, appeals and writs. In addition to lawsuits and claims, the litigation team will, by the end of FY 20-21, have defended 38 Pitchess Motions, 34 weapons administrative actions and 16 animal complaints.

**Departmental Support:** CAO continues to provide general legal advice and support on a wide range of municipal matters. The Office has responded to approximately 322 formal legal opinion requests, and many more informal inquiries. On a day-to-day basis, the CAO’s transactional team works closely with staff of all Departments to provide on-going legal guidance and proactive support on a vast array of City projects and initiatives. Much of this work is not reflected in the official opinion requests tracked above and is performed as a part of continuing services to the Council, the City Manager and the Departments. City Attorney’s Office continues to explore improved ways to track this work.

Turnaround time for formal legal opinions dipped slightly as the Office adjusted to remote work under COVID-19 and, for six months, operated with reduced in-house staff. While at least 79% of all requests for formal legal opinions continued to receive a full response within 30 days, the Office seeks to improve those numbers as we move forward.

**Contracts:** By the end of FY 20-21, CAO will have reviewed and approved 1213 contracts. Average turnaround for standard contracts was approximately 5.7 business days and for nonstandard contracts approximately 14 business days. Electronic signature procedures for eligible contracts was fully implemented.

## **Prior FY 2020-21 Accomplishments**

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

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### **Litigation**

- Final PG&E Settlement (2017 Fires) – \$95 Million received 4
- Successful defense of All-Electric Reach Ordinance
- Defense of multiple complex lawsuits arising out of last year’s protests
- Continued defense and negotiations for resolution of homeless encampment litigation
- Prosecution and on-going negotiations for settlement of PG&E Kincade Fire litigation
- Continued legal support in connection with Cal-OSHA investigations
- Successful defense of civil lawsuits, including personal injury, civil rights and regulatory claims with full dismissals
- Successful Code Enforcement, including receiverships protecting neighborhoods

### **Project-related Work & General City Services**

- Lead role in preparation and presentation of Open Government Ordinance 9
- Legal guidelines for 2020 election, including Council member elections and successful tax measure
- Key support in development and approval of Downtown Specific Plan and EIR
- Key support in development and approval of Code amendments to facilitate housing development
- Key support for COVID-19 response, including HR, wellness, and economic development
- In close partnership with Human Resources, successfully negotiated MOU extensions with bargaining groups
- Conversion of paper contract review system to electronic routing and signature
- CAO continues to provide full in-house legal services for Housing Authority, at far lower cost than payment to outside legal counsel.

### **Looking Ahead**

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The City Attorney’s Office will continue to provide essential legal support to the City Council, City Manager and all City Departments in pursuit of the Council’s top priorities. Our efforts are wide-ranging and will include working closely with staff to address the on-going impacts of COVID-19 as we emerge from the pandemic, working closely with staff to ensure the strengthening of the City’s recovery and resiliency to wildfires, drought and other emergencies, and working with Finance and other staff in the strategies to stabilize City finances. CAO will continue to work with the Council’s Public Safety Subcommittee and the Police Department as the Department undertakes critical reforms, and we will work in close collaboration with the Council, the City Manager, the Departments and Seed Collaborative in moving forward to address systemic racism and evolve to an organization and community that celebrates diversity and embraces equity and inclusion.

CAO anticipates continued partnership with all Departments in significant new and on-going initiatives, including innovative Water programs and policies, the General Plan Update, climate change policies, new proposed housing ordinances, new City and regional homeless initiatives, new efforts to support local businesses, and innovative real estate transactions to facilitate downtown development.

In the coming fiscal year, CAO also anticipates significant time and resources will be directed to guiding the City's redistricting process. The redistricting process, mandated by state law, will have a short timeline and will require substantial coordination. In addition, the Council has indicated a potential interest in initiating a Charter review this fiscal year. Should the Council decide to move forward with that review, CAO will be integrally involved and must allocate appropriate resources.

Litigation will continue to absorb much of our time. In particular, CAO is currently engaged in significant construction, contracting and civil rights lawsuits, all of which are moving forward quickly. We also anticipate that litigation will continue to surround our efforts to address homelessness and that we will continue to be significantly engaged in CPUC proceedings for enhanced wildfire safety.

As always, the CAO's day-to-day work will continue. Claims are defended. The City Code is enforced. Agenda items are reviewed. Ordinances, resolutions, and policies are drafted or revised. Contracts are reviewed. Advice is provided to staff on a myriad of issues, large and small. Labor and employment issues are resolved. Broad on-going support is provided to the Council and each of its Boards and Commissions.

# 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 Rogers  
Mayor  
District 5



Natalie Rogers  
Vice Mayor  
District 7



Eddie Alvarez  
Council Member  
District 1



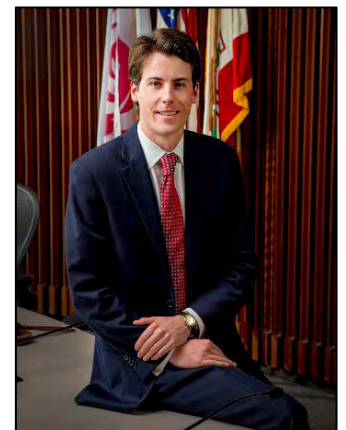
Victoria Fleming  
Council Member  
District 4



John Sawyer  
Council Member  
District 2



Tom Schwedhelm  
Council Member  
District 6



Jack Tibbetts  
Council Member  
District 3



Annually and early in the calendar year, the City Council and Executive Team meet to establish Council goals and priorities at the City Council Goal Setting Workshops. In 2021, the City Council Goal Setting Workshops did occur, in a virtual meeting environment, as the City continued to respond to the novel coronavirus (COVID-19) pandemic. For the 2021-22 budget year, the City Council identified nine priorities from which goals would be identified and prioritized. The nine priorities, in order, are:

Priorities
<b>1. COVID-19 Response</b>
<b>2. Homelessness</b>
<b>3. Housing and Affordable Housing</b>
<b>4. Fiscal Stability, Funding and Services</b>
<b>5. Economic Resiliency, including Childcare</b>
<b>6. Climate Change</b>
<b>7. Public Safety Priorities and Reform</b>
<b>8. Organized Diversity, Equity and Inclusion</b>
<b>9. Government and Council Reforms</b>

Additionally, the City Council Community Promotions Committee did not meet as a result of COVID-19. A \$105,000 Community Promotions placeholder was added to City Council's fiscal year (FY) 2021-22 budget. Funding recipients may later be determined at the discretion of the City Council.

## Major Budget Change

The City Council's FY 2021-22 budget is \$1.2M, a decrease of \$314K, or 21.2%, over the prior year's adopted budget. Salaries & Benefits fell by \$27K, or -11.1%, mainly from the decline in health benefits. Services & Supplies decreased by \$288K, mainly within professional services and other miscellaneous. The FY 2021-22 budget does not include an election as in the prior year, therefore decreasing professional services \$560K. Included in the FY2021-22 budget are Spanish translation and closed captioning services increase of \$164K.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 22 Budget</b>
Elections	\$252,890	\$0	\$560,000	\$0
Administration	\$753,852	\$697,197	\$799,091	\$1,064,785
Events	\$52,067	\$16,707	\$125,000	\$105,000
<b>Total</b>	<b>\$1,058,809</b>	<b>\$713,904</b>	<b>\$1,484,091</b>	<b>\$1,169,785</b>

<b>Expenditures by Category</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$79,420	\$76,548	\$112,000	\$112,000
Benefits	\$116,465	\$104,882	\$127,957	\$101,236
Professional Services	\$568,984	\$240,719	\$842,000	\$661,649
Utilities	\$3,519	\$5,189	\$5,300	\$1,589
Operational Supplies	\$12,676	\$11,728	\$9,700	\$11,728
Information Technology	\$98,755	\$146,135	\$164,134	\$152,880
Other Miscellaneous	\$178,990	\$128,703	\$223,000	\$128,703
<b>Total</b>	<b>\$1,058,809</b>	<b>\$713,904</b>	<b>\$1,484,091</b>	<b>\$1,169,785</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$1,058,809	\$713,904	\$1,484,091	\$1,169,785
<b>Total</b>	<b>\$1,058,809</b>	<b>\$713,904</b>	<b>\$1,484,091</b>	<b>\$1,169,785</b>

## Performance Measures

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The City Council's service indicators remain relatively the same year after year. In FY 2019-20, the City Council held their annual Council Goals Session and adopted the updated priorities. The FY 2019-20 Council Goals Session had to be postponed and rescheduled for August 2020 due to the COVID-19 pandemic. The City Council held 39 meetings and made 16 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](http://www.srcity.org).

**Various Committees:** The City Council Members work with City staff on various committees and provide leadership and guidance on a variety of issues. Council standing committees include: Board of Public Utilities (BPU) Liaison, Climate Action Subcommittee, Downtown Subcommittee, Economic Development Subcommittee, Violence Prevention Partnership – Steering Committee, Open Government Task Force Subcommittee, Violence Prevention Partnership Policy Committee, Long Term Financial Policy and Audit Subcommittee, Subcommittee on Homeless Issues, and the Santa Rosa Build/Rebuild Ad Hoc Committee, Cannabis Policy Subcommittee. The Council Regional Appointments include: Association of Bay Area Governments (ABAG), Health Action Council, Library Advisory Board, League of California Cities (LOCC) North Bay, Home Sonoma County Leadership Council, Ground Water Sustainability Agency, 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 Joint Powers Agreement (JPA), Sonoma County Transportation Authority/Regional Climate Protection Authority, Zero Waste Sonoma (formerly known as Sonoma County Waste Management Agency, Zero Waste Sonoma) and Renewal Enterprise District (RED).

**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 Citizen 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 Committee.

## **Prior FY 2020-21 Accomplishments**

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- External communications were strong, despite COVID
- Support for businesses (e.g. parklets) and community needs
- Paid sick leave support
- Established Minimum Wage Ordinance
- Homeless efforts and services
- Climate change efforts (e.g. all electric permitting)
- Open Government Task Force proposals adopted
- CDBG disaster funding obtained
- Sales tax extension approved

## **Looking Ahead**

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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

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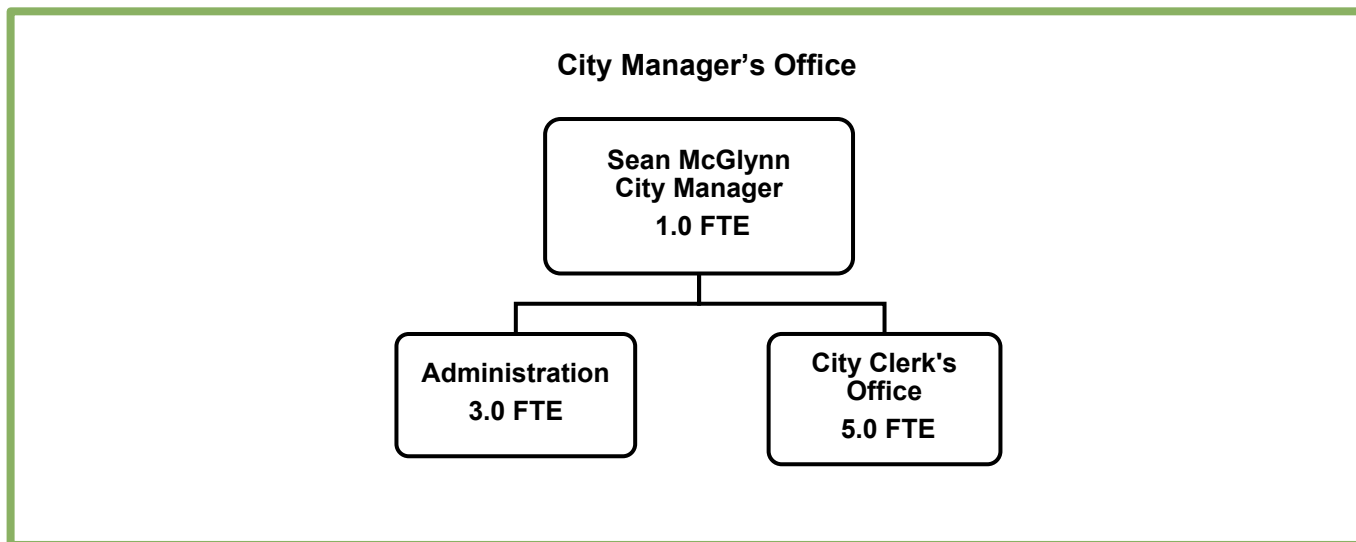
The City Manager's Office is comprised of three programs: Administration, the City Clerk's Office and Homeless Services.

**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.

**Homeless Services** - Provides essential support to address homelessness in our community as part of the City's Housing First Strategy and broader goal of "Housing for All." Funding is provided in five key initiative areas – day services, street outreach and encampment resolution, housing-focused emergency shelter, housing support, and community-based solutions – through the following programs: Homeless Services Center, Living Room, Samuel L. Jones Hall Homeless Shelter, Family Support Center, YWCA, Homeless Outreach Services Team (HOST), HCA Family Fund Program, Community Homeless Assistance Program (CHAP) and the Homeless Encampment Assistance Program (HEAP). HEAP is a multidisciplinary team focused on a compassionate approach to address the health, safety and shelter needs of persons living in encampments and ease the impacts to the surrounding communities. These initiatives are coordinated in collaboration with key City departments, service providers, and community partners and participation in regional planning efforts through the Continuum of Care, Home Sonoma County.

## FTE by Program



### Strategic Goals and Initiatives for FY 2021-22

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

#### Administration

- Prepare office for public opening 1
- Prepare Council Chamber for public opening 1,9
- Continue to address the homeless issues in the community 2
- Assist the City Council with policy development and implementation of City Council Goals and Priorities; lead Citywide strategic planning to support Goals. 5
- Review revenue options and budget process 4
- Support effective strategies that house homeless individuals 2,3
- Continue in the recovery and rebuilding of Santa Rosa. 1-9

#### 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. 6, 9
- Continue development, implementation, and coordination of a comprehensive Citywide Records Management Program. 6, 9
- Continued implementation of the Open Government Ordinance. All
- Effectively manage all board and commission member vacancies, recruitments, and appointments to ensure City boards, commissions, and committees represent the diversity of the community. 1, 2, 6, 7, 8, 9, 10
- Serve as filing officer/official under the Political Reform Act for Statements of Economic Interests and Campaign Finance Disclosure Statements. All
- Facilitate the Council redistricting process with the City Attorney 1, 6, 7, 9
- Support the Charter Review process. 1, 6, 7, 9, 10

**Homeless Services**

- Administer homeless service contracts for the housing-focused Samuel L. Jones Hall Homeless Shelter, Family Support Center, YWCA, Homeless Services Center, Living Room, Homeless Outreach Services Team (HOST), and HCA Family Fund Program; continue support to the Community Homeless Assistance Program (CHAP). 4
- Support City efforts to solve homelessness through continued coordination of services among key City departments, including the Homeless Encampment Assistance Program (HEAP) and Homeless Action Team (HAT), collaboration with the County and service providers, and participation in regional planning efforts through the Continuum of Care (Home Sonoma County). 4

**Major Budget Changes**

The City Manager Office budget is comprised of two funding sources, the General Fund and Homeless Shelter Operations Fund. The total FY 2021-22 budget is \$6.7M, up \$4.5M or 200.7% over the prior year’s adopted budget.

As a part of the FY 2021-22 budget, the City Manager Office acquired Homeless Services through a reorganization within the Housing and Community Services department. Homeless Services added \$4.3M to the overall budget including \$734K in Salary and Benefits, \$3.5M in Services and Supplies, \$50K in indirect costs and \$315K in CIP and O&M Projects for a Safe Parking Pilot Program. Homeless Services now comprises 68.5% of the overall budget in the City Manager Office.

The General Fund is 31.5% of the overall budget, which in FY 2021-22 totals \$2.1M, a \$116K or 5.2% decrease from the prior year. A \$194K increase occurred in Salary and Benefits, including the addition of 1.0 FTE Limited Term Administrative Assistant and a \$60K increase in PERS retirement benefits. Services and Supplies and decreased by \$310K or 31.2% mostly due to a \$234K reduction in professional services for outside contracts and a \$59K reduction in trainings and conferences.

**Budget Summary**

<b>Expenditures by Program</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 22 Budget</b>
General Administration	\$3,789,307	\$2,422,775	\$2,140,462	\$2,033,870
Communications	\$11,673	\$37,535	\$0	\$0
City Clerk	\$49,343	\$81,320	\$90,513	\$81,320
Homeless Services	\$0	\$0	\$0	\$4,278,416
CIP and O&M Projects	\$75,534	\$154,264	\$0	\$315,000
<b>Total</b>	<b>\$3,925,857</b>	<b>\$2,695,894</b>	<b>\$2,230,975</b>	<b>\$6,393,606</b>



<b>Expenditures by Category</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$1,283,065	\$1,271,405	\$803,554	\$1,367,887
Benefits	\$569,099	\$551,172	\$435,985	\$799,433
Professional Services	\$1,715,589	\$487,639	\$692,500	\$576,192
Vehicle Expenses	\$192	\$0	\$0	\$0
Utilities	\$3,051	\$2,845	\$5,360	\$5,265
Operational Supplies	\$13,165	\$31,239	\$25,500	\$35,254
Information Technology	\$150,214	\$121,800	\$126,179	\$147,072
Subrecipient Funding	\$0	\$0	\$0	\$3,318,192
Indirect Costs	\$0	\$0	\$0	\$49,653
Other Miscellaneous	\$115,948	\$75,530	\$141,897	\$94,658
CIP and O&M Projects	\$75,534	\$154,264	\$0	\$315,000
<b>Total</b>	<b>\$3,925,857</b>	<b>\$2,695,894</b>	<b>\$2,230,975</b>	<b>\$6,708,606</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$3,925,857	\$2,695,894	\$2,230,975	\$2,115,190
Homeless Shelter Operations	\$0	\$0	\$0	\$4,593,416
<b>Total</b>	<b>\$3,925,857</b>	<b>\$2,695,894</b>	<b>\$2,230,975</b>	<b>\$6,708,606</b>

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

<b>Fiscal Year</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Full-Time Equivalent</b>	13.00	14.00	10.00	8.00	9.00

## 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 responses to each of the approximate 3000 emails that come into the City Manager and City Council.

### City Clerk

	FY 2018 - 19	FY 2019 - 20	FY 2020 - 21
City Council Meetings: Produce, publish, and timely post preliminary and final Council agendas, agenda packets and meeting minutes	168	152*	144 est.
City Council Legislation: Timely and accurately conform, publish, post, and import into Laserfiche all City Council legislation	Resolutions –202  Ordinances –13	Resolutions – 149*  Ordinances – 22*	176 (through 4/6)  Ordinances - 19
California Fair Political Practices Commission (FPPC) Filings – Form 700: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	398 filings	467 filings	370 filings
FPPC Filings – Campaign Disclosure Statements: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	Filers – 31  Filings – 80	Filers – 25  Filings – 62	Filers – 29  Filings - 73
Public Records Act Requests: Receive and review written requests, coordinate production of records, prepare responses	Requests–400 est.  378 Actual	Requests – 378*  Requests - 970**	Requests - 959***  Requests – 869****
Boards and Commissions: Track and recruit applicants and administer appointments for 12 advisory bodies (86 positions)	Applications – 89  Appointments–47	Applications–31***  Appointments–22***	Applications–86***  Appointments–55***
(*) 1/1-12/31/2018 (**) 1/1-12/31/2019 (***)1/1-12/31/2020 (****)7/1/2020-3/23/2021 (****) Fiscal Year-end estimates based on year-to-date actuals			

## **Homeless Services**

<b>Indicators</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20 and FY 2021- 22 est.</b>
Number of persons sheltered at the Samuel Jones Hall Homeless Shelter	878	642	849	764
Number of persons exited to housing from Samuel Jones Hall	64	65	54	75
Number of persons sheltered at Family Support Center	492	429	351	322
Number of persons exited to housing from Family Support Center	119	72	113	201
Number of persons served at Homeless Services Center	2,098	1,090	1,712	1,747

## **Prior FY 2020-21 Accomplishments**

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

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### **Administration**

- Successfully navigated through current COVID-19 shutdown. **1-9**
- Successfully coordinated new Public Safety Subcommittee meetings
- Hired CFO **4**

### **City Clerk**

- Successfully coordinated virtual City Council meetings in 2020.

**Homeless Services**

- Administered contracts for the Homeless Services Center (HSC), Living Room, Samuel L. Jones Hall Homeless Shelter (SJH), Family Support Center (FSC), YWCA, Homeless Outreach Services Team (HOST), and HCA Family Fund Program; continued support to the Community Homeless Assistance Program (CHAP). HSC, HOST, FSC, and SJH continued to receive additional funding for enhanced programming in alignment with the City’s Housing First Strategy, including a Housing First Fund to provide landlord incentives, risk mitigation, and rental assistance. **4**
  
- Implemented new programs in response to the COVID-19 pandemic, including the provision of sanitary facilities (in coordination with the County of Sonoma), Non-Congregate Shelter at the Sandman Hotel for at-risk sheltered and unsheltered individuals (91 rooms), Safe Social Distancing Program at the Finley Community Center (68 tents), and restoration of shelter capacity (60 beds) to pre-COVID levels at SJH via the construction of new facility (SJH Annex). **4**  
  
Continued coordination of the Homeless Encampment Assistance Program (HEAP), a multi-disciplinary team comprised of representatives from City departments and Catholic Charities’ Homeless Outreach Services Team (HOST). HEAP’s efforts included the resolution of encampments in the downtown area and City parks as well as RV and vehicle encampments in residential and commercial districts.
  
- Continued participation in regional planning efforts through the homeless system of care, Home Sonoma County. **4**
  
- Managed the preparation, distribution, and posting of City Council agendas, agenda packets and minutes for 43 City Council meetings **All**
  
- Served as filing official for Statements of Economic Interests for City Council members, advisory body members, and designated staff in compliance with the Political Reform Act. **All**
  
- Responded in a timely manner to over requests for public records in compliance with the Public Records Act.
  
- Conducted recruitments for vacancies on 12 Boards, Commissions, and Committee. **All**
  
- Managing the codification of resolutions and ordinances, promptly making them available online. **All**

## **Looking Ahead**

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

City Clerk's Office will continue with Council meetings in a hybrid format with in-person and virtual participation with the public; facilitate the City Council redistricting process and the Charter Review with the City Attorney's Office.

The City will continue to address homelessness through its work in the Home Sonoma County/ Continuum of Care regional task force and through non-profit partnerships. The Spring 2020 COVID-19 crisis highlighted the importance of regional collaboration on this important issue.

# Communications & Intergovernmental Relations

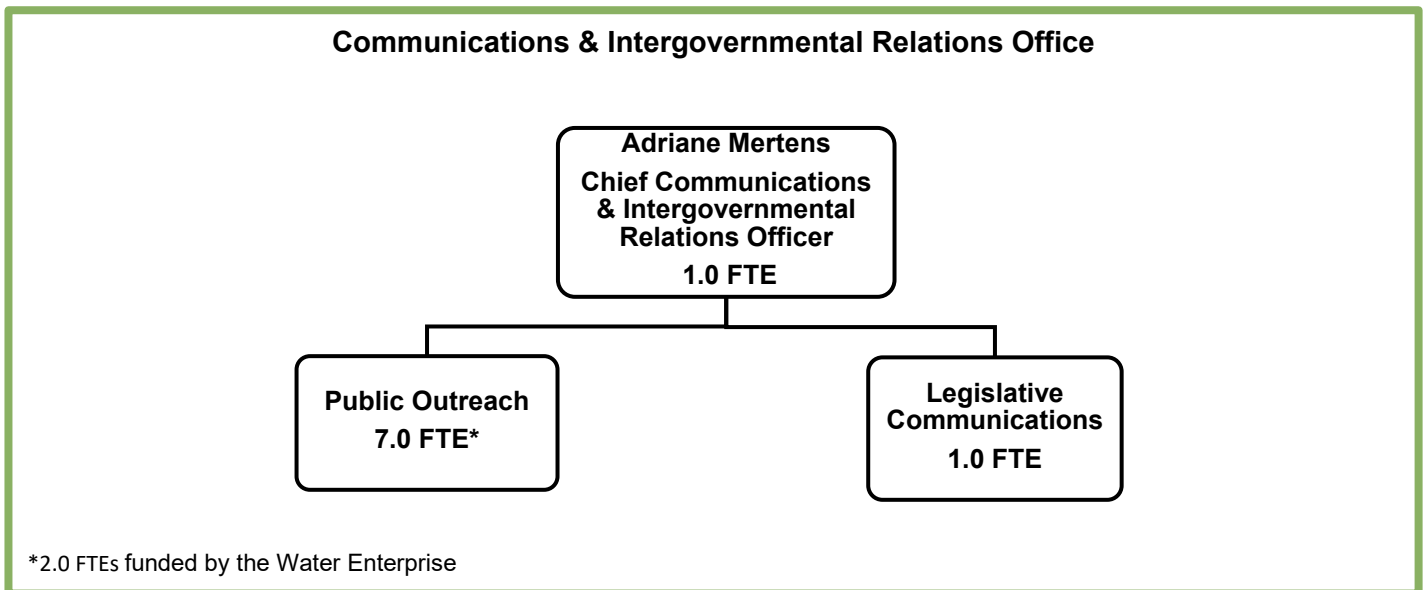
## Mission

To streamline and centralize the dissemination of accurate, timely and pertinent information to the public, media and other governmental agencies.

## Department Description

The Communications & Intergovernmental Relations Office (CIRO) is the centralized point for public communications, supporting the public information and outreach needs of departments across the City, as well as coordination of the City's interests in key state and federal governmental activities. The CIRO manages the City's external messaging, branding, digital/print communication vehicles, and correspondence with the media, as well as coordination of the City's legislative advocacy efforts. This team works closely with the City Manager's Office and all Departments to ensure accuracy, accessibility, and transparency is at the core of all content that is distributed. As a forward-facing department, CIRO is also responsible for matters that directly affect the public and maintains an open government approach to information, especially in times of emergency.

## FTE by Program



## Strategic Goals and Initiatives for FY 2021-22

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

- Support public information needs through duration of the pandemic, fire season, and other unanticipated emergencies 1, 7
- Develop and implement outreach/communication plans for critical issues/ projects/ initiatives including:
  - Redistricting process 9
  - Charter review 9
  - 2022 Elections 9

- Citizen Engagement Activities identified in the Open Government Ordinance 8, 9
  - Wildfire season community/emergency preparedness 7
  - Local drought response measures/Water conservation campaign 6
  - Homeless services initiatives 2
  - SRPD Community Relations – continuing to build on “Change for the Better” 8, 9
  - Regional Organics Processing Facility 9
  - General Plan Update 3, 5, 8
  - Relaunch of recreation programs 1, 5
  - Zero Waste – Food ware/litter reduction ordinance 6
- Support enhancement of the City’s Open Data portal as identified in the Open Government Task Force. 9
  - Continue to enhance the City’s website including redesign of the Fire Department, Human Resources, and Homelessness Services webpages. 3, 7, 8
  - Update the citywide social media policy. 9
  - Develop State legislative platform; update federal legislative platform/priorities All
  - Continue to work with the City’s legislative partners to allow for state and federal financial relief to support City services and projects caused by emergency events. 1, 4, 5, 7

## **Major Budget Changes**

The Communications and Intergovernmental Relations Office’s (CIRO) FY 2021-22 budget is \$1.4M, an increase of \$354K over the prior year’s adopted budget. FY 2021-22 will be the second year of existence for this General Fund supported department. Over the prior year, the roles and responsibilities of the CIRO have been adjusted and clarified which have resulted in an increase in the budget. Salaries and Benefits increased by \$307K due to the increased need for communications regarding the pandemic, fire season, the City’s policing, homelessness, and other General fund supported projects. The CIRO has decreased budgeted staff time spend on non-General fund related task which resulted in the increase in Salaries and Benefits. Service and Supplies slightly increased by \$46K to a total budget of \$262K. The vast majority of this increase is due to Information Technology cost that were not allocated to the CIRO last fiscal year.

## **Budget Summary**

<b>Expenditures by Program</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
Comms & Intergov Relations	\$0	\$0	\$1,024,546	\$1,378,362
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,024,546</b>	<b>\$1,378,362</b>

<b>Expenditures by Category</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
Salaries	\$0	\$0	\$543,007	\$723,409
Benefits	\$0	\$0	\$265,464	\$392,384
Professional Services	\$0	\$0	\$64,650	\$64,650
Vehicle Expenses	\$0	\$0	\$300	\$0
Utilities	\$0	\$0	\$900	\$2,500
Operational Supplies	\$0	\$0	\$14,380	\$14,380
Information Technology	\$0	\$0	\$0	\$56,874
Other Miscellaneous	\$0	\$0	\$135,845	\$124,165
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,024,546</b>	<b>\$1,378,362</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
<b>Funding Source</b>				
General Fund	\$0	\$0	\$1,024,546	\$1,378,362
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,024,546</b>	<b>\$1,378,362</b>

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

<b>Fiscal Year</b>	<b>FY 2017 - 18</b>	<b>FY 2018 - 19</b>	<b>FY 2019 - 20</b>	<b>FY 2020 - 21</b>	<b>FY 2021 - 22</b>
<b>Full-Time Equivalent</b>	0.00	0.00	0.00	7.00	7.00



## **Prior FY 2020-21 Accomplishments**

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

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- Managed the City's public information outreach during critical emergencies including the ongoing COVID-19 Pandemic, 2020 Glass Fire, May/June 2020 Civil Unrest, and 2020 PSPS emergencies.
- Expanded production and readership of the citywide newsletter, "City Connections".
  - Transitioned from a monthly to a weekly citywide newsletter.
  - Converted to a 100% bilingual publication.
  - Averaged an open rate of 32% (approx. 24K readers) per issue for the year.
  - From March 2020 to March 2021, grew subscriber list by 24K (now at 94K+).
- Integrated video PSA production into citywide outreach strategies
  - From March 2020 to March 2021, produced 84 remote PSAs covering pandemic-related topics, emergency preparedness, participation in public meetings, city projects, critical issues, and more.
  - Developed remote video production system to continue production of bilingual PSAs during SIP.
- Developed Virtual Community Toolkit and Standards to aid staff in the transition from in-person run neighborhood/community input meetings to Zoom-based meetings. While developed initially for the pandemic, this system will have long-lasting benefits for in improving ease of citizen participation beyond the pandemic.
- Worked across departments and with the City's legislative partners to help allow for state and federal financial relief and grants opportunities to be made available to support City services and projects caused by emergency events, including successful allocation of CDBG-DR and CDBG-MIT funds for 2017 fire recovery needs.
- Worked cross-departmentally to develop City's Federal Legislative Platform adopted by Council Feb 2, 2021.

## **Looking Ahead**

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FY 2021-22 will continue to be a building year for the Communications & Intergovernmental Relations Office (CIRO). In early 2021, after just one month of officially transitioning staff to create the centralized CIRO, the coronavirus emerged in Sonoma County becoming the critical and primary focus of the Department for many months. The pandemic, coupled with several EOC activations in response to civil unrest, PSPS events, the LNU Lightning Complex and the Glass Fire, meant the team spent much of the year supporting public information for these various emergency responses.

As CIRO looks forward, the priority will still be on supporting the many elements of COVID-19 recovery with strong communication to the community. This includes significant outreaching about the continued safe reopening of the economy, vaccinations, and opportunities for businesses who were hardest hit by the associated impacts of the pandemic. Further wildfires, PSPS events, and a widely anticipated drought are also anticipated to place additional demands on the department, and staff will be challenged to communicate vital information with resources stretched thin.

However, as possible outside of emergency and recovery responses, the team looks forward to further building out support of outreach needs across all Departments in routine day-to-day operations. While the work of CIRO is largely determined by the work of all other departments, CIRO will be focused on ensuring that, City-wide, the organization utilizes best practices in ensuring equitable access and cost-effective delivery of public information for Santa Rosa's diverse community through a range of potential strategies – digital, print, video, radio, paid advertising, community meetings, media relations and others.

# 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

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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 the public. The Department is divided into six programs in addition to the department's Administrative section: Financial Services, Payroll & Benefits, Parking Operations, Parking Enforcement, Purchasing, and Revenue.

**Financial Services** is divided into three sections that provide accounting and fiscal management to City departments, the Housing Authority, and the Successor Agency to the Former Redevelopment Agency: **Financial Reporting**, **Accounts Payable**, and **Budget and Financial Planning**. Together, the Financial Services sections ensure the proper use of the City's funds. Financial Services is responsible for preparing and producing several mandated reports including the City's Operations and Maintenance (O&M) Budget, and the City's Capital Improvement Program (CIP) Budget.

The Financial Reporting section provides professional-level accounting and financial reporting services for a wide array of activities. Financial Reporting manages the annual financial audit contract, as well as the contracts for the Citywide cost allocation process. Accounts Payable processes all accounts payable requests relating to contracts, purchase orders, field requisitions, and miscellaneous payments. The division also ensures payments are properly documented and the requirements of City policies and procedures, as well as federal and state laws are satisfied. Budget and Financial Planning manages all aspects of the City's budget process, long range financial planning, and provides analytical services to 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 various employee benefit programs. This requires producing both 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 program 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 preparing the Citywide labor and benefits budget.

**Purchasing** - The Purchasing section includes the Central Warehouse, and contract management services for Citywide agreements and purchase orders. The program provides centralized procurement for all goods and general services, surplus disposal, purchasing card administration, procurement training, public requests for information, warehousing of requested inventory, and support to the entire City organization. Centralized contracts are also monitored for adherence to City insurance requirements. Purchasing staff oversees contract performance management and facilitates remedy when issues occur.

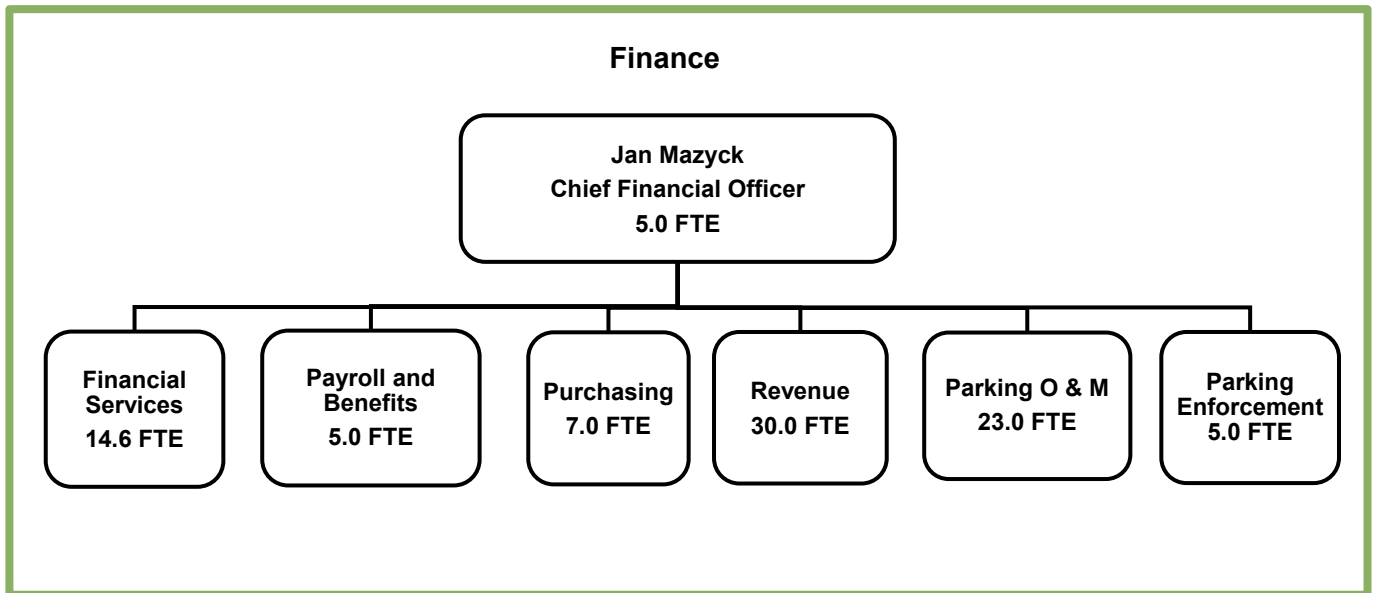
**Revenue** - The Revenue section is made up of two principle operations: Water Billing and Revenue and Collections. Services provided by Water Billing operations include troubleshooting AMI meters; maintaining the overall system health of the AMI (Advanced Metering Infrastructure) system; billing and collection of water and sewer charges; assisting customers with excessive water use; processing water payments from various payment options; and assisting customers on the phone or by email with bill and payment

questions. The Revenue and Collections operation is responsible for the collection of various City taxes (Cannabis, Utility Users, Transient Occupancy, Real Property Transfer, Property, Sales and Use) and Business Tax Administration. It provides billing and collection of miscellaneous receivables, two business improvement assessment districts, alcohol sales permit fees and franchise fees (gas, electric, cable, solid waste disposal, C&D debris box, towing, taxicab), receipting payments for all taxes and money received, provide collection duties for delinquent accounts, and enforcement work on unregistered entities.

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

**Parking Enforcement** - Parking Enforcement monitors and regulates parking meters, time zones, and other restricted parking areas in the Downtown Central Parking District and Railroad Square Parking Meter Zone, as well as, eight 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 2021-22**

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

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### **Administration**

- Transform while transacting by reducing the number of steps required in processes and strengthening practices and processes in real-time across the City. **9**
  
- Restore reserves with PGE settlement and craft best-use strategies for remaining PGE monies, using established criteria and quantitative analyses: **4**
  - reasonably probable
  - physically probable
  - financially feasible
  - quantifiable, highest value delivery
  
- Initiate corrective measure(s) to reduce current operating cost structure including: **9**
  - re-establishing budget baseline and quantifying run-rate
  - create ongoing Revenue stress-testing
  
- Balance recurring expenditures from recurring revenue sources. **4**
  
- Actively increase strategic environmental scanning to anticipate funding barriers. **4**
  
- Require periodic financial assessment that is aligned with the economic health and needs of the City. **9**

### **Financial Services**

- Prepare an annual budget and long-range financial forecast that will maximize City resources and lay a foundation for a successful financial future. **4**

### **Payroll and Benefits**

- Expand employee self-service options regarding payroll deductions and deferred compensation transactions. **4**
  
- Identify, evaluate and address procedures to maintain compliance with California Public Employees' Retirement System (CalPERS) reporting regulations.
- Continue to work with IT on upgrades to One Solution.
  
- Implement electronic W-2 reporting.

### **Purchasing**

- Continue to assess and finalize implementation of an updated Purchasing Policy in partnership with the City Attorney. **8**
  
- Implement contract management system to increase efficacies in contracting city-wide in coordination with the City Attorney's Office **8**

### **Revenue**

- Revenue will be following legislation regarding the 'Statewide Low-Income Water Rate Assistance Program' and work on the implementation of the state program in the water billing software.
  
- Revenue will be testing and implementing a new software that will be available for customers to monitor their water usage, provide leak notifications, and give the City an additional tool for large system planning. Its planned release is 2021.

- Revenue will be working on an audit program for Cannabis Tax and to enhance Transient Occupancy Tax compliance on short term rentals.

**Parking Enforcement**

- Continue to enforce parking codes in a fair and equitable manner that promotes and encourages economic growth **4**

**Parking Operations & Maintenance**

- Complete installation of new parking access and revenue control system in five garages
- Complete repairs to 5<sup>th</sup> Street and 7<sup>th</sup> Street garages and 1st Street garage elevator modernization
- Coordinate with Planning & Economic Development Department on potential redevelopment of parking assets **5**
- Continue collaboration with downtown merchants to support economic recovery from COVID-19 **5**

**Major Budget Changes**

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The FY 2021-22 Finance Department budget is about \$17.9M, a slight increase of \$872K, or 5.1% from the prior year. The Finance Department has two primary funding sources: The General Fund and the Parking District Fund.

The General Fund Finance operations are comparable to the prior year and budgeted at \$11M, an increase of just \$22K or 0.2%. Staffing changes include the elimination of 1.0 Limited Term Meter Technician in the Utility Billing division, a position that was vacant and funded by the Water department. The removal of this position had no net effect on the General Fund. In the Revenue division, a vacant 1.0 FTE Field Collection Representative was eliminated, and 0.75 FTE Senior Customer Service Representative was increased to 1.0 FTE. Together, these changes reduced the Finance department’s budget but approximately -\$96K. Other merit increases and rising benefits costs offset this savings, and the General Fund Salaries & Benefits declined overall by a modest \$26K. In FY 2021-22 Finance is budgeting \$50K to work with Information Technology to write improved financial reports and \$100K for additional Banking services. Aside from these new services, General Fund Services & Supplies had no other significant changes.

The Parking District Fund budget is \$6.6M in FY 2021-22, an increase of \$803K, or 14.0% over the prior year’s budget. The majority of this increase can be attributed to \$1.2M going towards necessary capital project funding for garage repairs, an increase of \$1M over the prior year. Overall, Parking’s operational budget reflects conservative budgeting to maintain services despite the revenue loss suffered from COVID pandemic. Salaries and Benefits decreased by a combined \$214K mostly due to the elimination of 1.0 FTE Parking Operations Coordinator and 0.5 FTE Senior Administrative Assistant, both vacant. Parking’s Services & Supplies were held flat, budgeting a fluctuation of just -\$1K as compared to FY 2020-21.

Finally, the Pooled Investment Fund budgeted a \$40K increase in Professional Services. The City has been incurring higher investment fees as a result of investing the substantial proceeds from both bonds and the PG&E wildfire lawsuit settlement.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Administration	\$1,710,188	\$1,784,994	\$1,789,309	\$1,793,626
Purchasing	\$984,015	\$1,055,987	\$1,152,255	\$1,187,189
Financial Services	\$2,481,775	\$2,603,846	\$2,773,794	\$2,922,925
Revenue	\$4,263,708	\$4,084,568	\$4,891,305	\$4,755,149
Payroll and Benefits	\$545,756	\$565,303	\$620,269	\$636,485
Parking Services O&M	\$3,702,802	\$3,548,516	\$4,292,151	\$4,149,370
Parking Enforcement	\$998,747	\$1,020,999	\$1,224,066	\$1,170,492
CIP and O&M Projects	\$444,626	\$2,001,445	\$242,130	\$1,242,300
<b>Total</b>	<b>\$15,131,617</b>	<b>\$16,665,658</b>	<b>\$16,985,279</b>	<b>\$17,857,536</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$6,412,890	\$6,452,783	\$7,057,145	\$6,721,848
Benefits	\$3,597,868	\$3,832,972	\$4,229,154	\$4,324,589
Professional Services	\$2,273,181	\$2,055,972	\$2,782,120	\$2,930,739
Vehicle Expenses	\$176,820	\$144,458	\$201,338	\$189,217
Utilities	\$60,410	\$51,148	\$94,590	\$93,779
Operational Supplies	\$532,707	\$566,409	\$648,692	\$650,346
Information Technology	\$967,554	\$893,720	\$961,239	\$970,611
Liability/Property Insurance	\$82,577	\$74,202	\$101,925	\$124,567
Other Miscellaneous	\$223,418	\$209,327	\$350,674	\$274,823
Indirect Costs	\$322,527	\$335,401	\$316,272	\$334,717
Capital Outlay	\$37,039	\$47,821	\$0	\$0
CIP and O&M Projects	\$444,626	\$2,001,445	\$242,130	\$1,242,300
<b>Total</b>	<b>\$15,131,617</b>	<b>\$16,665,658</b>	<b>\$16,985,279</b>	<b>\$17,857,536</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$9,700,102	\$11,540,386	\$10,981,932	\$11,004,374
Capital Improvement Fund	\$57,838	\$18,137	\$0	\$0
Parking District Fund	\$5,103,345	\$4,861,980	\$5,758,347	\$6,562,162
Pooled Investment Fund	\$270,332	\$245,155	\$245,000	\$291,000
<b>Total</b>	<b>\$15,131,617</b>	<b>\$16,665,658</b>	<b>\$16,985,279</b>	<b>\$17,857,536</b>

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

Fiscal Year	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Full-Time Equivalent	98.85	102.35	95.85	92.85	89.60

## Performance Measures

### Revenue & Collections

INDICATORS:	FY 2019-20	FY20-21 Est.
Total Amount Billed	\$29,720,208	\$30,000,000
MuniServices – Business Tax Certificates Issued	8,106	12,000
Invoices Issued	2,453	2,806
Utility Users Tax files	222	239
Alcohol Sales Permit Fee files	445	416
Transient Occupancy Tax files	240	226
City Tourism BIA files	240	226
County Tourism Business Improvement Area (BIA) files	19	21
Franchise Fees	34	33
Calls received	1,648	1,500
Electronic payments received	13	17
Mail (Phone) payments received	8,587	7,703
Counter payments received *	1,610	25
Dollar amounts sent to collections	\$340,682	\$300,000

\* 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:	FY 2019-20	FY20-21 Est.
Total Amount Billed	\$112,333,353	\$115,757,671
Number of Accounts	52,712	53,069
Water Services **	52,675	53,339
Sewer Services	48,588	49,290
Operations calls initiated and received	55,008	39,228
Collections calls initiated and received	31,152	12,072
Meters read by Meter Specialists	639,108	645,108
Property visits by Meter Specialists ***	28,572	26,652
Electronic payments (includes Integrated Voice Response (IVR) & Automatic Bill Payment (ABP)) received	378,528	395,772
Mail payments received	146,520	139,632
Counter payments (includes drop box) received	40,128	17,040
Electronic users	16,432	18,523
Dollar amounts sent to collections	\$201,570	\$255,922

\*\*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

<b>INDICATORS:</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 20-21 Estimate</b>
Number of monthly parking permits issued	24,399	23,919	18,141	16,962
Number of hourly parking garage patrons served	523,202	553,376	396,361	184,847
Number of metered parking transactions	1,985,689	2,036,851	1,318,590	916,577
Number of residential parking permits issued	1,468	1,463	1,417	1,450

**Prior FY 2020-21 Accomplishments**

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

**Administration**

- In partnership with department leadership, reviewed staff streamlining including business process reviews.
- Deputy Director successfully led efforts to replenish the City’s reserves through disaster reimbursement efforts in partnership with Federal, State and County government entities. **1**

**Financial Services**

- Developed annual budget and long-range financial forecast for sustainability in this time of uncertainty. **1**

**Parking Enforcement**

- Continued to enforce parking codes in a fair and equitable manner that promoted, supported and encouraged economic growth. **1**
- Implemented pay by plate parking meter enforcement using license plate recognition equipment. **5**

**Parking Operations & Maintenance**

- Replaced pay and display multi-space parking meters at end of useful life with new pay by license plate multi-space meters **5**
- Completed repairs at the 1<sup>st</sup> Street, 5<sup>th</sup> Street, 7<sup>th</sup> Street and D Street garages **10**
- Implemented an online parking permit account management system utilizing virtual digital permits using license plate numbers as the permit credential
- Implemented parking fee reductions and waivers in response to COVID-19 impacts
- Successfully implemented remote payment options and COVID-19 protocol to continue parking operations safely **1**

**Payroll and Benefits**

- Successfully implemented three new COVID-related new leave paid leave programs in partnership with Human Resources
- Identified, evaluated and addressed procedures to maintain compliance with California Public Employees’ Retirement System (CalPERS) reporting regulations.



- Increased improvements to the payroll and timekeeping systems to expand ease of use and to create efficiencies.
- Updated and evaluated labor contract language for clarity and uniformity among the various bargaining units.

### **Purchasing**

- Develop and execute a training platform for communicating updated procurement processes citywide, offering a written delegation of procurement authority. Became a part of the new hire orientation program.
- Assisted IT in a successful transition to updated Enterprise Resource Planning System and development of training tools for future staff.
- Implemented electronic signature model per City Council.

### **Revenue**

- Successfully installed all water meters to AMI. AMI identifies continuous water usage on 1 properties that showed no visual leaks and staff could identify and resolve issues quicker than previously when water meters were only read once per month.
- Worked with PED to develop a process of Cannabis violation.
- Maintained current services during pandemic. Continued to process payments, send bills and 1 invoices, operational phones Monday through Friday.

### **Looking Ahead**

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The Finance Department will pursue multi-year initiatives to address ongoing challenges and evaluate strategies for setting clear criteria and quantitative analyses across the City, while maintaining compliance with State and Federal laws and mandates.

Finance will continue to be closely involved with major City projects to ensure proper presentation of fiscal impacts. Payroll will continue to modernize and expand employee self-service options including streamlining standard processes. Purchasing will be rolling out its updated Manual and associated City-wide templates in partnership with the City Attorney.

Parking will continue with Capital Improvement Program projects aimed at modernizing and further developing systems and technology to benefit the community.

# 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.

**General 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.



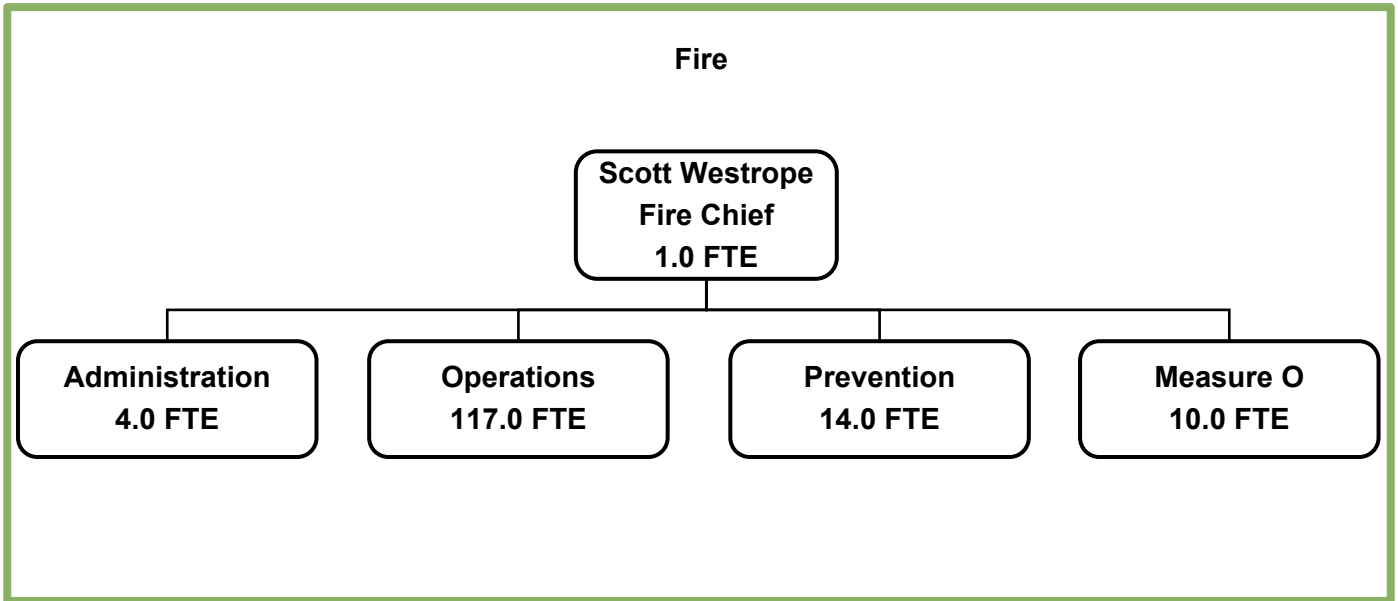
**Fire Prevention** - Prevents and limits the spread of fire and provides life safety through community safety education and the application and enforcement of regulations, codes, and ordinances. The Division administers several programs such as plan review, inspections, fire investigations, Certified Unified Program Agency (CUPA), hazardous materials, weed abatement and Community Outreach within the City of Santa Rosa.



**Fire Operations** - Responds to and mitigates emergency incidents within the City of Santa Rosa. 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 deliver services safely and proficiently to the citizens of Santa Rosa.

**Measure O - Fire** - Is an extension of Operations that funds staffing for nine paramedic fire operations staff, one Training Captain, partial funding (25%) for the Emergency Medical Services Battalion Chief and paramedic incentive pay for six additional fire operations staff. Measure O also funds construction of existing and future fire stations and helps purchase necessary fire apparatus.

## FTE by Program



### Strategic Goals and Initiatives for FY 2021-22

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

- 
- Relocate Fire Stations within the City to improve coverage and rebuild Fire Station 5. 4,7
  - Implement the Strategic Plan and Standards of Coverage. 7
  - Incorporate findings of outside Staffing Study within our department. 4,7,8
  - Add a second battalion to the Department. 7
  - Continue work on coordinating Warning and Notification plans with City public safety Agencies and Sonoma County. 7
  - Continue work on the Recovery Plan, Volunteer and Donations Plans. 4, 5,7
  - Support City-wide emergency preparedness through training and program analysis. 7
  - Develop better staffing model and training for City's staff capability to operate emergency shelters. 4,7
  - Expand the EOC to better position the City to handle future emergencies with adequate staffing and equipment. 4,7
  - Develop and implement a vegetation management education and inspection Program for the Wildland-Urban Interface Fire Areas (WUI). 4,7
  - Continue to research ways to establish an Apparatus Replacement Fund. 4,7
  - Seek grant opportunities to enhance services and provide necessary equipment. 4,7

## Major Budget Changes

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The Fire Department's programs consist of Administration, Prevention, Operations and Measure O (which is funded by its own revenue source). Overall, Fire's FY 2021-22 budget increased by \$1.6M, or 3.3% when compared with the FY 2020-21 adopted budget.

Within the General Fund, total Salaries and Benefits combined increased by \$1.2M, or 2.9%. Although cost of staffing increased, headcount decreased by a net 3.0 Full Time Equivalent (FTE) employees. In FY 2021-22 the Fire department eliminated 5.0 FTE Firefighters, all vacant, as part of a city-wide effort to reduce the growing burden on the General Fund. This budgetary savings of approximately \$945K was offset by other increasing salary and benefit costs, including the addition of 1.0 FTE Fire Inspector, at a cost of \$206K, was added mid-year FY 2020-21. Additionally, 1.0 FTE Department Application Specialist that previously resided in the Fire Department was moved to the Information Technology Department. Overall this move did not affect the Fire Department's budget, however \$153K was removed from the Salary and Benefits budget category and added to the Information Technology budget category instead. The final staffing changes in FY 2021-22 were the additions of 1.0 FTE Limited Term Fire Inspector and 1.0 FTE Limited Term Building Plans Checker to help support the Vegetation Management Program. These positions are funded by project funds that were appropriated mid-year and do not affect the Fire Department's FY 2021-22 budget.

A significant contributor to Fire's rising salary costs is a \$603K increase in Contract Overtime, or Strike Team activity, which is offset by revenue reimbursements from the State's Office of Emergency Services. Despite the staffing changes, General Fund Benefits are expected to increase by \$771K related to increases in Worker's Compensation, Health Insurance and CalPERS increases including unfunded pension liability costs.

Aside from the increase in Information Technology costs mentioned above, General Fund Services and Supplies had no significant changes.

FY 2021-22 Measure O expenditures increased by \$197K, or 5.7%. The majority of this increase can be attributed to Salaries and Benefits, principally driven by increases in Overtime (\$53K) to match historical actuals and Contract Overtime (\$46K) to reflect anticipated increases in revenue-offset Strike Team activity for the coming year. Benefits are expected to increase by \$87K, or 7.4% made up of increases in Worker's Compensation, Health Insurance and Unfunded Pension Liability charges. Measure O services and supplies had no significant changes.

Finally, O&M and CIP project expenditures show a reduction of -\$204K, or 18.6% due to grant funded projects in the FY 2020-21 budget which did not get additional funding in FY 2021-22. Capital projects for FY 2021-22 include \$510K in ongoing operational projects funded by the General Fund and \$379K in funding from Capital Facilities Fees collected for fire station projects.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Administration	\$4,167,259	\$4,417,163	\$4,953,561	\$5,517,195
Fire Prevention	\$2,389,254	\$2,771,339	\$2,627,608	\$3,207,363
Fire Operations	\$35,363,845	\$36,455,804	\$36,044,954	\$36,518,212
Measure O Fire	\$3,333,860	\$3,528,381	\$3,487,413	\$3,684,845
CIP and O&M Projects	\$2,976,765	\$1,801,351	\$1,092,849	\$889,114
<b>Total</b>	<b>\$48,230,983</b>	<b>\$48,974,038</b>	<b>\$48,206,385</b>	<b>\$49,816,729</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$24,312,884	\$24,742,440	\$24,088,808	\$24,389,731
Benefits	\$14,045,170	\$15,570,273	\$15,833,226	\$16,691,321
Professional Services	\$1,587,937	\$1,598,333	\$1,586,103	\$1,618,963
Vehicle Expenses	\$1,052,331	\$1,106,068	\$1,366,790	\$1,350,469
Utilities	\$36,645	\$37,614	\$37,760	\$39,945
Operational Supplies	\$407,781	\$320,752	\$244,718	\$260,692
Information Technology	\$629,199	\$632,943	\$693,148	\$888,641
Liab/Property Insurance	\$17,942	\$20,111	\$20,697	\$31,094
Other Miscellaneous	\$560,215	\$527,099	\$211,730	\$228,530
Indirect Costs	\$120,014	\$112,474	\$116,007	\$112,486
General Fund Administration	\$2,447,151	\$2,474,048	\$2,914,549	\$3,315,743
Capital Outlay	\$36,949	\$30,532	\$0	\$0
CIP and O&M Projects	\$2,976,765	\$1,801,351	\$1,092,849	\$889,114
<b>Total</b>	<b>\$48,230,983</b>	<b>\$48,974,038</b>	<b>\$48,206,385</b>	<b>\$49,816,729</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$42,682,752	\$44,370,325	\$44,167,424	\$45,752,767
Measure "O" - Fire	\$3,333,860	\$3,528,381	\$3,487,413	\$3,684,845
Federal Grants	\$80,547	\$562,592	\$0	\$0
Capital Improvement Fund	\$2,133,824	\$512,740	\$551,548	\$379,117
<b>Total</b>	<b>\$48,230,983</b>	<b>\$48,974,038</b>	<b>\$48,206,385</b>	<b>\$49,816,729</b>

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

Fiscal Year	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21
Full-Time Equivalent	148.75	149.75	151.00	151.00	148.00

### Performance Measures

Indicators	2018	2019	2020
Budgeted Sworn Personnel	139	139	139
Population	178,488	175,183	173,628
Number of Incidents	27,897	28,667	26,409
Number of EMS/Rescue Incidents	18,143	18,091	16,138
Percentage of EMS/Rescue Calls	65.04%	63.11%	61.11%
Fire Loss	\$6,199,807	\$4,639,406	\$6,478,656
Number of Fires with Loss	179	164	192
On Scene within 5 Min. (Council goal 90%)	72.68%	70.11%	65.18%
Weed Abatement Inspections	1,055	16,756	13,618
Engine Company Annual Inspections	3,037	2,700	2,674
Fire Prevention Annual Inspections	705	579	564
CUPA Annual Inspections	484	405	302
Plan Reviews	2,422	3,038	2,224
Plan Review Inspections	2,088	3,279	3,221
* Some changes were made to previous years to reflect amounts more accurately			

## Prior FY 2020-21 Accomplishments

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

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- Selected the new Fire Chief from within the ranks to protect the City and direct the department as we face multiple ongoing challenges. 7
- Hired one additional Fire Inspector to assist with the increased workload in Prevention and hired thirteen new firefighters to fill some of our unfilled positions in Operations. 4, 7
- Continued to look at best locations for new/existing fire stations within the City 4, 7
- Remained fully staffed in office for both Prevention and Administration units during the pandemic shutdown of most City offices . As an essential services department, we felt it was important to be prepared and available to the public. 4
- Secured \$5.25M in funding from the PG&E Settlement for implementation of a Comprehensive Vegetation Management Program. 4,7
- Secured \$2.75M in funding from the PG&E Settlement for implementation of a Wildland Resiliency and Response Strategic Plan. 4,7
- Prepared for delivery of a new Type I Aerial in June 2020. 7
- Received a FEMA grant of \$318k to distribute 12,000 NOAA Weather Radios to assist Santa Rosa residents who are most vulnerable living within wildland urban interface areas. Radios are designed to operate during power outages and cell tower failures to provide an additional layer of protection and early warning. 4, 5, 7,8

## Looking Ahead

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### Personnel Needs:

#### **Addition of a second battalion:**

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 FY2009/10, 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 FY2009/10. The need for a second battalion was also noted in a 2004 Grand Jury report.

**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 whenever the COVID-19 crisis is over to establish a current and certified list of candidates to select for employment as the need arises. This will develop into an urgent need during the next year as multiple retirements within the ranks are expected.

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.

**Project Activity:**

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

The Fire Department currently has nine 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 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 period of years, working to complete at least one station per year. Station 1 PSB building has the greatest need due to the number of firefighters on duty at the station.

**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 to plan 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.

**Actively plan for EMS Ordinance, Ambulance Franchise and REDCOM RFP's:**

The Fire Department will continue to be a proactive stakeholder in developing a new EMS ordinance, the Ambulance Franchise Exclusive Operating Area (EOA) RFP and the REDCOM Regional Dispatch RFP. The EMS ordinance has not been revised since 1991. The current contracts for both the Ambulance EOA and REDCOM Dispatch are set to expire soon. The EMS Ordinance was signed by the Count Board of Supervisors on 11/5/2019. The Department staff has been involved in over 60 meetings with the Local EMS Agency since November 2016 to develop the ordinance. The Fire Department collaborated with other public partners and Cal Chiefs to delay the RFP process for the ambulance exclusive operating area for three years. The contract between the local ambulance provider and the County is set to expire in July



2022. The Fire Department will explore opportunities and partnerships that will best meet the Mission of the department, is most beneficial to the community, and is the most fiscally responsible.

### *Evaluation and Response*

The SRFD will continue to build upon its high-quality advanced life support medical response and care provided to the community. Future emergency medical services will be measured against industry best practices and outcome data. Staff will work with healthcare partners to improve utilization of the emergency and non-emergency systems. The Department will continue to identify and prepare for future threats to the community including active shooter events by utilizing opportunities in training and collaboration with other first responders.

To improve collaboration and safety for Santa Rosa Police Officers and the public, the SRFD and SRPD have established a SWAT Medic Program. The program has three Santa Rosa firefighter/paramedics attend SWAT training and assist with call outs to provide advanced medical care during hazardous SWAT incidents. The firefighters continue to work their normal shifts on fire engines and are available to the SWAT team when needed.

### **Equipment Needs:**

#### **Apparatus Maintenance and Replacement:**

With the recent addition of two new engines the Fire Department has sixteen (16) Type I Engines, ten (10) that are frontline and staffed daily and four (4) that are kept in a reserve status for use when the frontline equipment is taken out of service for routine maintenance or repairs. Remaining two high top engines will go to surplus sales. We are scheduled to replace (2) Type One Engines in FY 21/22 at a cost of \$1.3M. The Department currently has three (3) Type I Ladder Trucks, (2) two that are frontline and staffed daily and one (1) that is kept in a reserve status for use when the frontline equipment is taken out of service for routine maintenance or repairs. We replaced a Type 1 aerial in FY2019/20 for \$1.4M.

We have one (1) Type III Engine and one (1) Type VI Engine that is cross staffed and upstaffed for primarily Wildland Firefighting Operations.

We also have specialty response equipment that includes (1) one Type 2 Water tender, (1) one Heavy Rescue and (1) one Hazardous Material response vehicle.

None of the apparatus listed above is included in a capital replacement program. With the aging fleet and high cost of maintaining older equipment, it is important to establish a capital replacement fund, so we can put funds aside monthly to enable the department to replace expensive apparatus as needed. We are currently using a 12-year replacement for type 1 engines and a 15-year replacement for type 1 ladder trucks. We have started to establish a replacement fund in the following ways:

- 1) We had a capital lease end in FY 2019/20 so instead of making a payment to the bank, we budgeted the lease payment amount to the City Replacement Fund to start building up this fund. We plan to do the same with the second active capital lease when it ends.
- 2) We have started the process of contributing to the replacement fund each month with the new aerial we purchased in FY 2019/20. This will build up funds for the future replacement going forward.

## **Ongoing Other Major Equipment Replacements:**

**Radio Equipment:** We currently need to replace and upgrade our Fire Radio Equipment. These costs include (50) Tri-Band Mobile Radios \$410K, Bendix King Radios \$146K and a radio system upgrade of \$70K.

**EMS Equipment:** The Fire Department needs to start replacing various emergency equipment to ensure everything is up-to-date and within constantly changing safety standards. Although we received a FEMA grant in FY 2019/20 to replace all EMS monitors (Defibrillators) in the amount of \$502K, we have an immediate need to replace our Lucas Devices (Chest Compression System) with Batteries and Warranties this year at a cost of \$230K. Due to changes in State requirements, all uniformed personnel must have the ability to treat patients with Narcan, epi-pens, aspirin, glucometers, and CPAP devices. These items were purchased in 2018, however the medications will need to be replaced due to expiration dates.

## **Other Needs:**

### **Emergency Preparedness (EOC):**

The Emergency Preparedness unit is in the process of moving its entire Operation to the Transit offices. The complete move and transition is expected to cost roughly \$600K and when complete will give the City a warm EOC which can be upgraded to a full EOC as needed without interrupting other City operations at the UFO.

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# Housing & Community Services

## Mission

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

## Department Description

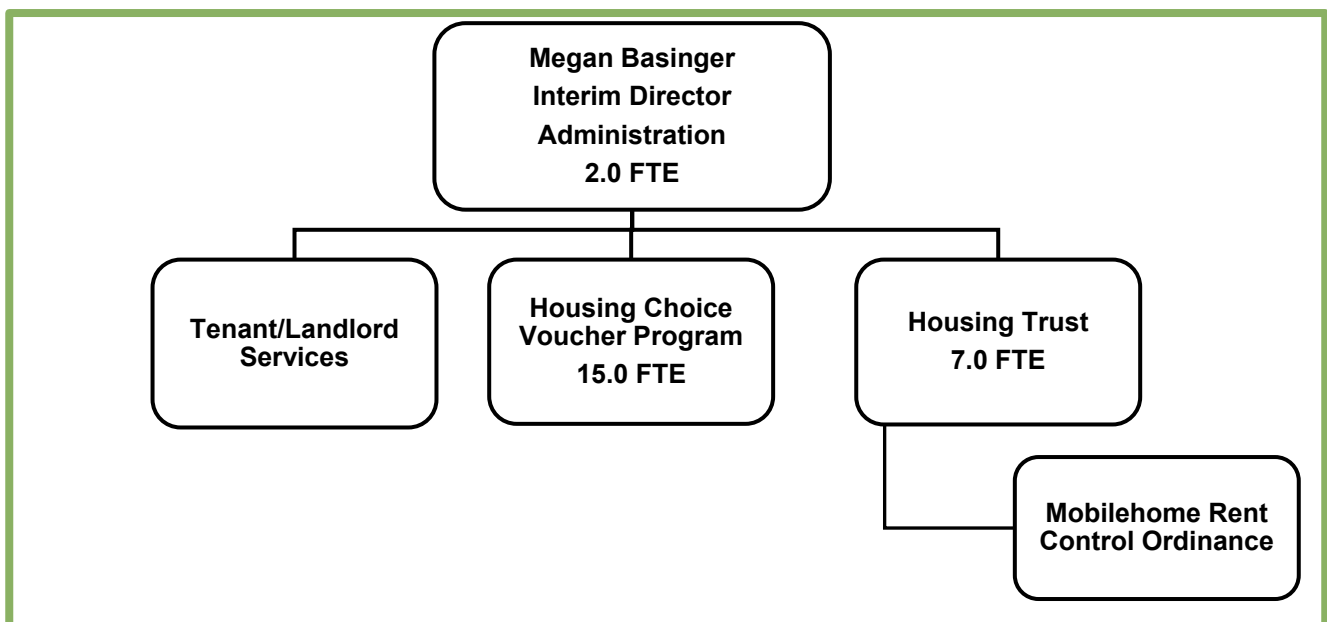
The Department of Housing and Community Services (HCS) is comprised of two entities, the City Entity, and the Housing Authority. HCS staff support the Housing Authority Programs noted on the Organization chart below. Information regarding the Housing Authority is in its own section. HCS is part of the Community Development & Engagement Portfolio, along with Planning & Economic Development, Community Engagement, and Recreation.

Under the City Entity, the Department manages two programs:

**Mobile home Rent Control Ordinance** - Enforces the Ordinance, enacted in 1993, which regulates mobile home space rents in 17 mobile home parks in the City. The City assists residents and owners with mediation.

**Tenant/Landlord Services** - Oversees contract for non-profit organization to provide services for income-qualifying tenants and landlords.

FTE by Program  
Housing & Community Services



## Strategic Goals and Initiatives for FY 2021-22

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

- Continue to oversee contracts for services supporting income-qualifying tenants and landlords within Santa Rosa 3
- Continue to administer the self-sustaining Mobilehome Rent Control Ordinance by working with the City's mobilehome owners/residents and mobilehome park owners/operators. 3

## Major Budget Changes

The Housing and Community Services (HCS) department underwent a reorganization in FY 2021-22 which involved moving the Homeless Services fund to the City Manager's Office. As a result, the approximate \$3.7M budgeted in the previous fiscal year throughout various budget categories was not budgeted again in FY 2021-22. Please refer to the City Manager's Office section of this budget book for further information on Homeless Services.

The remaining operations of HCS had no significant budgetary changes compared to the prior year. The majority of HCS staff are funded by the Housing Authority, so Salary and Benefits combined decreased by a mere -\$3K, or 2.3%. A \$5K increase in Subrecipient Funding will allow a contract with Legal Aid to pay a market rate for Tennant/ Landlord Services. This \$5K increase will be funded by Federal CARES Act Community Development Block Grant funds.

Overall, the department's budget increased by just \$1K, or 0.3% as compared to FY 2020-21.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Neighborhood Revitalization	\$281,172	\$299,243	\$0	\$0
Code Enforcement	\$1,237,242	\$1,171,762	\$193,535	\$195,057
Homeless Services	\$3,065,832	\$3,219,586	\$3,675,631	\$0
Mobile Home Rent Control Ord.	\$29,335	\$29,351	\$146,916	\$146,511
CIP and O&M Projects	\$38,191	\$306,498	\$50,000	\$50,000
<b>Total</b>	<b>\$4,651,772</b>	<b>\$5,026,440</b>	<b>\$4,066,082</b>	<b>\$391,568</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$669,885	\$788,135	\$95,564	\$85,984
Benefits	\$371,066	\$456,111	\$41,051	\$47,511
Professional Services	\$119,947	\$21,241	\$100,000	\$100,000
Vehicle Expenses	\$25,581	\$28,024	\$0	\$0
Utilities	\$5,284	\$5,725	\$0	\$0
Operational Supplies	\$8,106	\$6,306	\$0	\$0
Information Technology	\$88,480	\$84,714	\$0	\$0
Other Miscellaneous	\$26,520	\$9,571	\$0	\$0
Subrecipient Funding	\$0	\$56,749	\$87,000	\$92,000
Indirect Costs	\$25,691	\$43,780	\$16,836	\$16,073
Capital Outlay	\$24,180	\$0	\$0	\$0
CIP and O&M Projects	\$35,000	\$295,911	\$50,000	\$50,000
<b>Total</b>	<b>\$1,399,740</b>	<b>\$1,796,267</b>	<b>\$390,451</b>	<b>\$391,568</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$1,370,405	\$1,766,916	\$243,535	\$245,057
Administrative Hearing Fund	\$183,051	\$0	\$0	\$0
Homeless Shelter Operations	\$3,068,981	\$3,230,173	\$3,675,631	\$0
Mobile home Rent Stabilization	\$29,335	\$29,351	\$146,916	\$146,511
<b>Total</b>	<b>\$4,651,772</b>	<b>\$5,026,440</b>	<b>\$4,066,082</b>	<b>\$391,568</b>

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

<b>Fiscal Year</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Full-Time Equivalent</b>	33.00	35.50	34.00	24.00	24.00

### Performance Measures

<b>Indicators</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019/20</b>	<b>FY 2020-21 Estimates</b>
Number of mobilehome parks under rent control	15	17	17	17
Number of mobilehome spaces under rent control	1,582	1,573	1,615	1,636
Number of low-income tenants received legal educations about their rights	562	499	403	400

**Prior FY 2020-21 Accomplishments**

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

- Through non-profit service provider Legal Aid of Sonoma County, provided funding to assist over 250 tenants and 20 landlords with eviction assistance and habitability issues. 3
- Continued to administer the self-sustaining Mobilehome Rent Control Ordinance by working with the City’s mobilehome owners/residents and mobilehome park owners/operators. 3

Number of low-income tenants received legal advocacy related to an eviction	199	204	267	250
Number of tenants remaining in current housing as result of Legal Aid intervention	65	61	66	50
Number of low-income tenants received assistance with habitability issues related to condition of housing	23	25	27	35
Number of low-income landlords received counsel and assistance with pleadings	28	14	34	30

**Looking Ahead**

Staff will continue to provide mediation services for mobilehome park residents and owners when requested. The Department will continue to monitor the income-qualifying tenant and landlord program contract with the non-profit provider.

# Housing Authority

## Mission

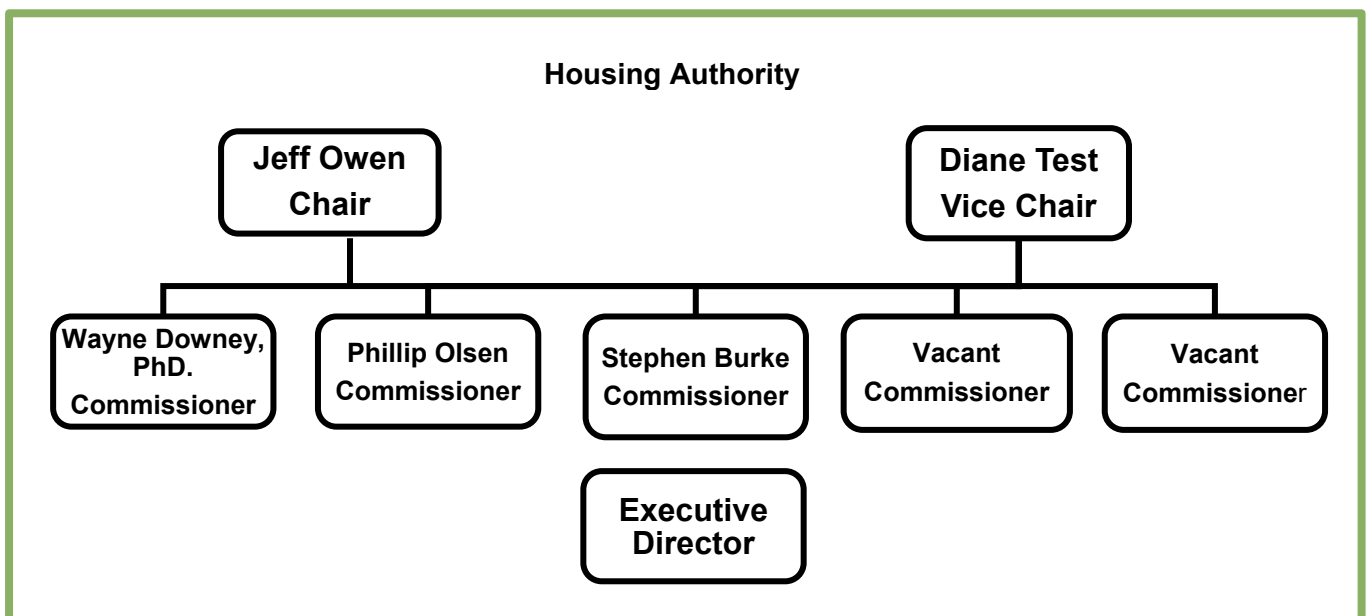
To ensure adequate, decent, safe, and sanitary housing for qualified people within Santa Rosa consistent with Federal, State, and local law.

## Department Description

The Housing and Community Services Department supports the Housing Authority (Authority) which consists of two programs: the Santa Rosa Housing Trust and the Housing Choice Vouchers Program. The Authority's programs improve the quality and affordability of housing in the City. The focus population is very low- and low-income households.

**Santa Rosa Housing Trust (SRHT)** - Manages the City's \$122 million affordable housing loan portfolio, administers Federal and State housing grants, and performs compliance monitoring for over 4,000 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.

**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).





## Strategic Goals and Initiatives for FY 2021-22

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

- 
- Manage the Housing Authority's affordable housing loan portfolio with an approximate value of \$122 million and perform compliance monitoring on over 4,000 housing units. 3
  - Solicit, evaluate, originate, and close loans for new affordable housing units, rehabilitation of existing units, or conversion of market rate to affordable housing units. 3
  - Pursue additional funding opportunities to further the creation and preservation of affordable housing units in Santa Rosa. 3
  - Utilize CARES act resources and initiatives to respond to the ongoing COVID-19 crisis; continue to provide essential services that protect participating families' health. 3
  - Pursue additional Housing Choice Voucher funding as it is made available under federal legislation, including special voucher funding and disaster-related funding. 3
  - Utilize the resources of the Housing Choice Voucher program to support the preservation and development of affordable housing. 3

## Major Budget Changes

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Overall, the Housing Authority budget decreased by just -\$7K, or 0.02% when compared to the prior year. Various programs and funds had increases and decreases, as discussed below, that together resulted in very little net change.

Most notably, the Santa Rosa Housing Trust Affordable Housing Program and Portfolio decreased by a combined total of -\$1.2M, or 14.3% due to a reduction in funds available for loans. Loan funds are available through Federal grants, impact fees and loan repayments. Unspent funds from previous years can cause an increase in budgeted expenditures in the next year, so year over year variances are expected. Additionally, Tenant Based Rental Assistance, which was initiated in FY 2020-21 using Federal HOME funds increased by \$709K, resulting in less funding available for loan product.

Offsetting this decrease is an increase in the Housing Choice Vouchers Program of \$426K, also as a result of additional expenses for port-in client rental assistance.

Overall, the Housing Authority's services, and supplies budget was adjusted based on available funding to meet the needs of the department. Salaries and Benefits decreased by a combined -\$78K, or just 2.7% due to small shifts in the distribution of staff time between Homeless Services and Housing.

At the fund level, the Mortgage Revenue Bond fund realized a substantial increase of \$332K as a result of a one-time bond payment. This funding contributed to offsetting the variance in loan activity for the Housing Trust, discussed above.

The Real Property Transfer Tax (RPTT) fund expenditures will increase by \$282K, or 88.6%. City Council policy allocates a portion of General Fund RPTT to homeless services and affordable housing; more of this resource was used for affordable housing in FY 2021-22.

Other funds not mentioned above had minor increases or decreases, depending on the Federal entitlement (Community Development Block Grant, HOME Fund, and Housing Grant Fund [HOPWA]); or the amount of loan repayments available to re-loan (Operating Reserve Fund, Rental Rehabilitation Fund, Housing Grant Fund [non-HOPWA], Southwest Low/Mod Housing Fund, Low and Moderate Income Housing Fund, Mortgage Revenue Bond Fund, and CalHOME Grant MH Loan Program); or fees collected (Brookwood Property, Housing Compliance Fund, and Housing Impact Fee Fund). Other funds had no significant changes.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Admin Housing & Community Services	\$1,386,186	\$1,352,736	\$1,397,323	\$2,144,561
Housing Choice Vouchers	\$26,211,470	\$28,257,137	\$34,240,207	\$34,666,183
SRHT Portfolio Services & Grant	\$704,254	\$737,217	\$803,706	\$855,321
SRHT Afford Housing Program & Fin	\$5,308,851	\$6,485,260	\$7,454,713	\$6,220,731
CIP and O&M Projects	\$800,051	\$200,095	\$228,188	\$230,549
<b>Total</b>	<b>\$34,410,812</b>	<b>\$37,032,445</b>	<b>\$44,124,137</b>	<b>\$44,117,345</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$1,583,403	\$1,492,393	\$1,816,496	\$1,766,100
Benefits	\$853,898	\$849,262	\$1,040,676	\$1,013,198
Professional Services	\$165,478	\$118,117	\$165,000	\$220,000
Vehicle Expenses	\$13,010	\$8,360	\$27,140	\$24,700
Utilities	\$3,075	\$2,900	\$7,000	\$14,318
Operational Supplies	\$26,216	\$20,497	\$149,094	\$136,056
Information Technology	\$227,252	\$242,022	\$243,721	\$246,666
Liability & Property Insurance	\$28,505	\$29,792	\$32,938	\$48,825
Other Miscellaneous	\$60,471	\$52,162	\$140,647	\$122,282
Subrecipient Funding	\$464,331	\$527,558	\$470,445	\$517,857
Loan Activity	\$4,190,750	\$5,265,721	\$5,977,585	\$4,688,105
Rental Assistance	\$23,956,247	\$26,081,796	\$31,564,800	\$32,732,460
Indirect Costs	\$2,038,125	\$2,141,770	\$2,260,407	\$2,356,229
CIP and O&M Projects	\$800,051	\$200,095	\$228,188	\$230,549
<b>Total</b>	<b>\$34,410,812</b>	<b>\$37,032,445</b>	<b>\$44,124,137</b>	<b>\$44,117,345</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Housing Operations Fund	\$1,386,186	\$1,351,271	\$1,397,323	\$1,435,301
Operating Reserve Fund	\$467,890	\$223,914	\$61,796	\$88,695
Housing Choice Voucher Program	\$26,208,704	\$28,257,137	\$34,240,207	\$34,666,183
1980 Moderate Rehabilitation A	\$9,878	\$0	\$0	\$0
Brookwood Property	\$2,864	\$2,466	\$23,967	\$19,680
Community Development Block Gvrnt	\$2,597,839	\$436,246	\$1,800,314	\$2,257,758
Rental Rehabilitation Fund	\$0	\$0	\$0	\$8,614
Housing Grant Fund	\$435,666	\$543,465	\$563,531	\$640,118
Real Property Transfer Tax Fund	\$388,570	\$921,283	\$317,979	\$599,787
Southwest Low/Mod Housing Fund	\$146,835	\$66,374	\$138,022	\$80,623
Low- and Moderate-Income Housing	\$153,422	\$331,630	\$157,127	\$131,172
HOME Fund	\$1,220,463	\$68,712	\$1,842,669	\$974,852
Mortgage Revenue Bond Fund	\$0	\$0	\$6,010	\$338,021
Housing Compliance Fund	\$223,414	\$235,230	\$331,858	\$380,907
Housing Impact Fee Fund	\$886,667	\$4,593,602	\$3,236,930	\$2,423,819
CalHome Grant MH Loan Program	\$282,414	\$1,115	\$6,404	\$71,815
<b>Total</b>	<b>\$34,410,812</b>	<b>\$37,032,445</b>	<b>\$44,124,137</b>	<b>\$44,117,345</b>

## **Performance Measures**

<b>Service Indicators</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
Number of new affordable housing rental and ownership units completed	78	34	3	18
Very Low-Income units	56	27	0	6
Low-Income units	22	7	3	12
Moderate-Income units	0	0	0	0
Number of new affordable rental housing units preserved	0	0	0	8
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	196	119	555	544
Very Low-Income Units	34	68	314	338
Low-Income Units	108	28	218	197
Moderate-Income Units	28	23	23	31
Above Moderate-Income Units	26	0	0	0
Number of affordable ownership units transferred title	5	2	0	7
Number of owner-occupied affordable housing units rehabilitated or financed	9	13	1	0

Number of investor/developer affordable rental housing units rehabilitated	118	0	0	34
Number of units receiving housing accessibility modifications	2	0	3	2
Number of affordable housing rental units monitored	2,919	3,076	3,076	3,094
Number of owner-occupied housing units monitored	262	340	343	343
Consolidated Plan for CDBG, HOME and HOPWA Funds (2014 -2019 and 2020 -2024)	✓	✓	✓	✓
Action Plan for CDBG, HOME and HOPWA Funds	✓	✓	✓	✓
Consolidated Annual Performance Report (CAPER) for CDBG, HOME and HOPWA Funds	✓	✓	✓	✓
Number of Housing Choice Voucher Rentals (Vouchers and Port-Ins) (Approximate)	2,000	2,000	2,000	2,000
Total Number of Housing Choice Vouchers- Santa Rosa clients	1,862	1,877	1,897	1,903
Number of HUD-VASH Vouchers	389	404	414	414
Number of landlords participating in program (all figures approximate)	695	700	700	700
Number of Port-In clients (varies monthly, all figures approximate)	200	195	220	220

### **Prior FY 2020-21 Accomplishments**

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

- Facilitated two funding cycles that awarded over \$42.2 million in funding to affordable housing projects. 3
- Performed compliance monitoring on over 4,000 units 3
- Administered additional federal funding from the U.S. Department of Housing and Urban Development to address the impacts of COVID-19. 3
- Continued rental assistance to over 2,000 households during the COVID-19 pandemic, including processing over 700 change of income forms for clients whose income was affected by COVID-19. 3
- Immediately increased the amount of assistance provided to families who lost income during the pandemic and continued program operations in a way that ensured safety of participants. 3
- Solicited proposals for Project-Based Vouchers to complement the infusion of CDBG-DR funds for new affordable housing units. 3
- Initiate a HOME-funded Tenant Based Rental Assistance Program, assisting Santa Rosa residents impacted by COVID-19 with emergency rental assistance. 3

### **Looking Ahead**

The Authority will continue to assist Housing Choice Voucher clients and income-qualifying residents through affordable housing initiatives. Additionally, staff will continue working with the California Department of Housing and Community Development to implement the Community Development Block Grant- Disaster Recovery, in response to the 2017 Tubbs/Nuns wildfires funding for five affordable housing developments in Santa Rosa.

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# Human Resources

## Mission

The mission of Human Resources is to deliver innovative and timely Human Resources 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 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 department 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.

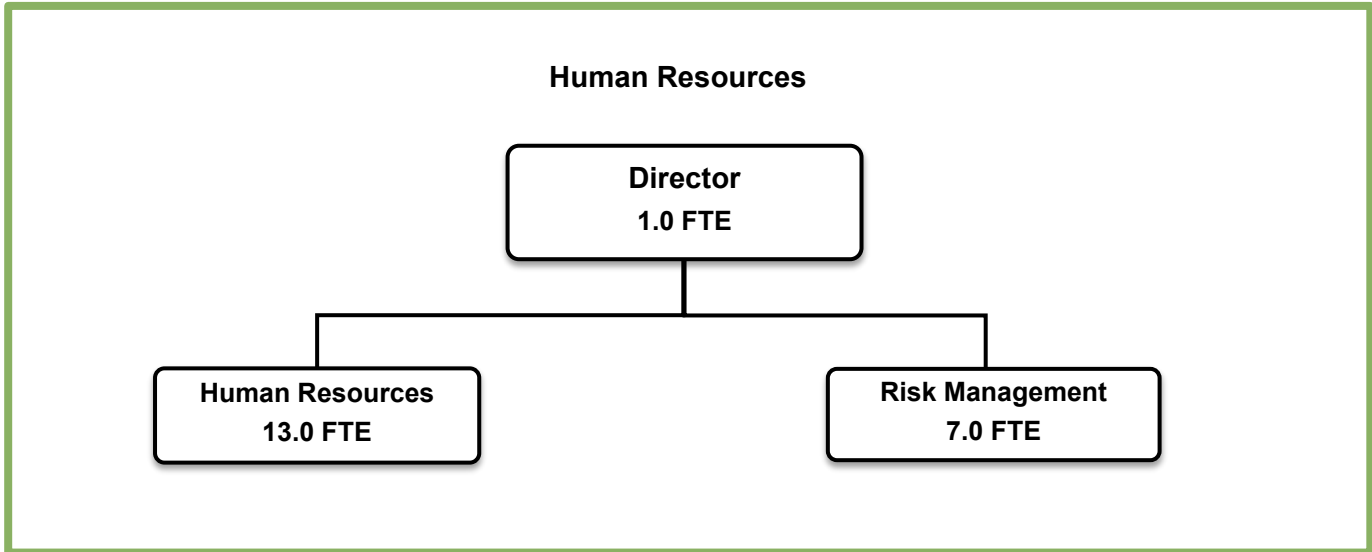
In addition, the Human Resources (HR) Department negotiates comprehensive labor contracts with the City's 17 bargaining units; administers current labor contracts; participates in on-going labor/management problem-solving committees addressing grievances and other significant issues raised during and 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 workforce.

**Risk Management** - Risk Management's primary objective is to limit risk and implement 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, Workers' 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 designs, delivers and administers Citywide benefits, aimed at supporting the long-term health and general welfare of City employees and retirees. Benefits offered include a comprehensive benefits package at very competitive rates. Benefits include low-cost health, life, dental and vision benefits; short-term and long-term disability leaves programs for income protection and employee assistance program for free confidential behavioral health services among other services.

## FTE by Program



### Strategic Goals and Initiatives for FY 2021-22

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

- Implement the NEOGOV performance management system, improving the ability to both recognize performance, as well as guide improvement and growth of staff to provide services and advance DEI initiatives. 4, 8
- Continue to incorporate principles, concepts and resources from the new Employee Assistance Program (Concern) and roll-out Cordico to enhance wellness throughout the City, with a focus on the care of our Safety personnel in Police and Fire. 4, 7
- Continue the implementation of innovative and streamlined HR and Risk Programs to educate and inform staff of available services, benefits, and programs designed to bring value. 4
- Develop a robust strategy for attracting and hiring from a diverse, well qualified candidate pool and ensure hiring practices are appropriate and inclusive. 4, 8
- Implement a new, online benefits administration system, which allows for employee self-service. 4
- Administer a Citywide Safety program to include training, refined policies and procedures. 4
- Update and implement the ADA Transition Plan 4
- Continue labor negotiations with all bargaining units and attempt to ratify multi-year contracts with all bargaining units. 4
- Implement the NEOGOV LEARN product to replace the current OneSolution PD module to improve the participation and management of training that includes virtual delivery. 4
- Implement the NEOGOV ONBOARDING product to provide a more efficient, streamlined new employee orientation process. 4
- Implement the NEOGOV PERFORM product to replace the current performance review and workforce development process. 4

- Continue to develop policies, procedures and communications to the organization around the COVID pandemic. 1
- Work with Seed Collaborative on Diversity, Equity and Inclusion initiatives and create a City-wide Equity program, Diversity in Recruitment Plan for Fire and Equitable Policing Program in addition to a variety of other programs and plans geared towards an increase in diversity and inclusion throughout the City. 7,8

## **Major Budget Changes**

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The Human Resources Department is comprised of two funds: Human Resources (funded by the General Fund) and Risk Management (an internal service fund). As an internal service fund, the Risk Management fund is charged out to all other City departments through benefit costs. Overall, the department increased by \$2.4M, or 6.7%, when compared against the FY 2020-21 adopted budget.

In FY 2021-22, the General Fund increased by \$37K or 1.4% from last fiscal year's adopted budget. The majority of this growth is in Benefit costs due to escalations in retirement costs. All other expenditure categories have insignificant changes year-over-year.

The Risk Management fund increased by \$2.3M, or 7.1%, over prior fiscal year. One of the main increases in the Risk Management fund was due to a \$1M increase in CalPERS (California Public Employees' Retirement System) health coverage. CalPERS Health coverage increased mostly due to CalPERS approving rate hikes for its cheapest health insurance plans, in an effort to aid some of the more expensive plans' net position.

Another reason for the Risk Management fund increase is due to Liability Insurance increasing by \$995K. The City uses CJPRMA (California Joint Powers Risk Management Association) for the City's excess liability insurance. The CJPRMA has experienced an increase in overall losses, which has resulted in the pool needing to charge its members higher premiums. Lastly, the Risk Management fund had an increase of \$106K due to Property & Fire Insurance. The U.S. property insurance market has had another difficult year with huge losses due to wildfires, hurricanes, and COVID-19. These catastrophes and the pandemic have resulted in higher Property Insurance premiums for the City.



## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
General Administration	\$2,395,561	\$2,075,111	\$2,741,041	\$2,778,452
Risk Management	\$30,105,513	\$33,066,089	\$32,796,674	\$35,126,808
<b>Total</b>	<b>\$32,501,074</b>	<b>\$35,141,200</b>	<b>\$35,537,715</b>	<b>\$37,905,260</b>

<b>Expenditures by Category</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
Salaries	\$1,635,255	\$1,700,440	\$2,052,599	\$2,121,766
Benefits	\$750,898	\$843,403	\$1,040,568	\$1,072,180
Professional Services	\$1,029,856	\$541,271	\$825,063	\$872,771
Vehicle Expenses	\$77	\$135	\$0	\$0
Utilities	\$2,700	\$3,236	\$1,900	\$3,230
Operational Supplies	\$21,782	\$15,391	\$27,000	\$15,108
Information Technology	\$210,988	\$164,131	\$174,837	\$183,115
Other Miscellaneous	\$92,209	\$81,352	\$120,374	\$91,726
Insurance Prem/Claim	\$28,445,372	\$31,507,119	\$30,975,888	\$33,245,401
Indirect Costs	\$311,937	\$284,722	\$319,486	\$299,963
<b>Total</b>	<b>\$32,501,074</b>	<b>\$35,141,200</b>	<b>\$35,537,715</b>	<b>\$37,905,260</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
General Fund	\$2,395,561	\$2,075,111	\$2,741,041	\$2,778,452
Risk Management Fund	\$30,105,513	\$33,066,089	\$32,796,674	\$35,126,808
<b>Total</b>	<b>\$32,501,074</b>	<b>\$35,141,200</b>	<b>\$35,537,715</b>	<b>\$37,905,260</b>

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

<b>Fiscal Year</b>	<b>FY 2017 - 18</b>	<b>FY 2018 - 19</b>	<b>FY 2019 - 20</b>	<b>FY 2020 - 21</b>	<b>FY 2021 - 22</b>
<b>Full-Time Equivalent</b>	21.00	21.00	20.00	21.00	21.00

## Prior FY 2020-21 Accomplishments

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

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- Developed, designed, implemented, and administrated three new COVID-19 related paid leave programs and various employee communications throughout the pandemic. 1
- Implemented Concern EAP with specialized City of Santa Rosa provider network, with robust first responder resources. 4
- Implemented new policies for Life, Disability and Voluntary Life, with greater Guaranteed Issue amount and an annual savings to the City. 4
- Transitioned to virtual, instructor-led training for professional development to maintain a well-trained, safe workforce through the pandemic. 1
- Implemented the NEOGOV learning management system, providing for a wider range of professional development resources online and virtually. 1
- Updated Diversity, Equity and Inclusion training(s) to remain current with changing legal requirements and incorporated best practices into professional development programs. 8
- Assisted at the City Emergency Operations Center (EOC) in response to local disasters. 4
- Implemented an online, web-based, one-stop shop for all benefits related materials (Flimp site). 4
- Successfully conducted an online/virtual open enrollment, due to COVID-19 restrictions. 1
- Provided consultation for space planning/configuration for COVID physical distancing requirements and COVID related policies. 1
- Managed labor negotiations sessions with all bargaining groups. 1

## Looking Ahead

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The Human Resources Department has continued to focus on the Council's Goals related to policy development, planning and response to the COVID-19 pandemic and Diversity, Equity and Inclusion plans. The HR Department has hired its first Diversity, Inclusion and Equal Employment Opportunity Officer and has contracted with Seed Collaborative, a consultant who uses group facilitation as a vehicle to inform equity plans and diversity initiatives for the City through the lens of "targeted universalism". Three deliverables will be provided to the City at the end of the 18-month workplan, including: a Diversity in Recruitment Strategy Plan for the Fire Department, an Equitable Policing Plan and a City-wide Equity Plan.

As the environment of the workplace continues to evolve in response to the pandemic, it will be essential to remain nimble in the new virtual environment and provide training opportunities which are flexible and responsive. Supporting staff with the tools to be cohesive, inclusive, and resilient as working conditions continue to change, is vital to organizational success.

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 within local government. We will continue to participate in career fairs and expos (virtually or in person) to broaden our reach into the community for recruitment opportunities.

HR looks forward to an upcoming Open Enrollment period that will afford employees the opportunity to select from a broad range of high-quality benefit options. This year, we also look forward to implementing a new benefits administration system, which will enable employees to have the convenience of self-service and automation, and will allow for an efficient, timely infrastructure for HR to administer benefits related data.

Human Resources is focused on the goal of recruiting and retaining a highly qualified, diverse workforce. To that end, we are in the process of developing outreach and campaign strategies to reach a wider pool of potential candidates. We are also looking to readily available technology, to analyze and quantify our efforts so that our strategies are informed and represent the best industry practices.

We will also be successfully integrating three HR based modules in NeoGov (an HR tracking system), to streamline operations and create efficiencies in the areas of onboarding, training, and performance review.

The Risk Management Division has implemented several initiatives and proactive approaches to reduce workers' compensation claims and return employees to work. Risk will continue to administer and process all property and casualty claims and provide oversight on risk identification, risk transfer, risk analysis, workers' compensation, safety, insurance coverage procurement and insurance recovery.

Additionally, Risk has been tasked with implementing a City-Wide Safety Program and compliance model and will be hiring a Management Analyst/Safety Officer to support updated OSHA compliant training programs throughout the City.

# 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 the public. This also includes driving business efficiency and digital government through deployment of solutions at the mobile, desktop and core systems level.

## Department Description

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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 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 in addition to Administration:

**Administration** - Provides the overall strategy and administration for the Department, including network and data security, Smart City initiatives, performance measures, and oversight of the City's website: [srcity.org](http://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 software application support services. The division supports, enhances, and maintains over 75 in-house developed systems used by departments throughout the City; and also provides support for over 25 third party enterprise applications, including the core Finance/Human Resources/Payroll system, the central Permitting and Inspections system, and the Water Billing/Customer Information System. The Development division also 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.

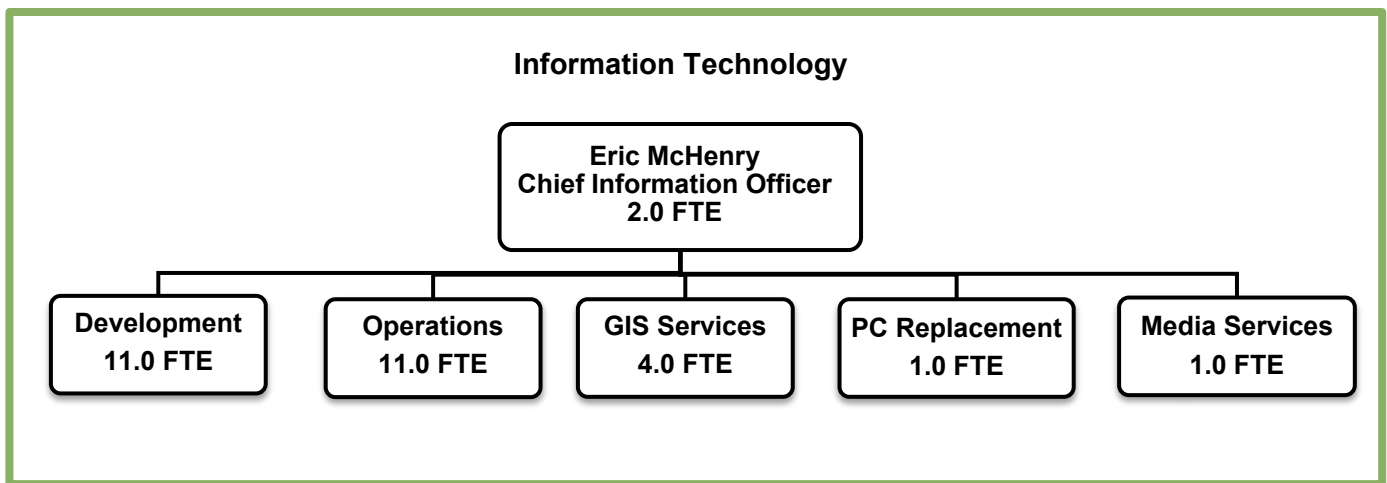
**Operations** - Provides the strategy and operations management of the core City data, storage, and telecommunication systems. The division also provides "Help Desk" support for all City employees. The Help Desk is available to employees Monday through Friday, and responds to over 5,000 support requests 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, laptops & tablets). 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, for and a phone system and over 1,500 phone units and roughly 900 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.

**PC Replacement** - In 2013, the Information Technology Department implemented a City-wide PC replacement program, aimed at consistent procurement and replacement of the 1200+ 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 1200 PCs and laptops are actively managed within the PC Replacement Program that replaces roughly 300 PCs per year.

**Media Services** - The Media Services section manages the City’s Public, Educational & Government (PEG) public access television, and broadcasts all City Council and other public meetings. Media Services works with departments Citywide to expand public information dissemination and education through PEG supported programs and resources.

**FTE by Program**



**Strategic Goals and Initiatives for FY 2021-22**

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

**Three-Year Goals:**

- Deliver easy-to-use, fast, dependable, and secure public services.
- Ensure public services are equitable and inclusive.
- Make common technology easy to access, use, and reuse across government.
- Build digital government more quickly and more effectively.
- Continue to provide technology and solution consultation to City departments.

**Three-Year Opportunities:**

- Hybrid meeting technology to improve public meetings and internal collaboration.
- Partnerships and technology to expand broadband access to underserved areas.
- Technology solutions supporting key community initiatives (homeless, housing, etc).
- Solutions that support data-centric decision making.

**Key Department and Project Priorities (2021 through 2022):**

- Support Cityworks and go-live and rollout
- MySantaRosa migration to Accela CRM
- Telework Strategy and Policies supporting post-COVID work environment
- Refine Helpdesk and Application support for remote City workers
- Implement Trusted Systems/Record Management/eDiscovery
- Ongoing EOC technology and infrastructure upgrades and hardening
- OneSolution upgrade to version 20
- GIS solutions for Homelessness

- Ongoing Cybersecurity Training
- Deploy conference room technology to support Hybrid meetings
- Implement Electronic Plan Review (integrated w/Accela)
- Support Telematics solution implementation
- CIS / Infinity upgrade to version 60
- Finalize Replacement of all Silverlight / Lightswitch applications
- Upgrade phone technology from on-premise to cloud
- Migrate SharePoint (INET and storage) to cloud

## Major Budget Changes

The Information Technology's (IT) FY 2021-22 budget is \$9.3M, an increase of \$448K, or 5.0%, over the prior year's adopted budget.

Salaries & Benefits increased by \$270K, or 5.5%. Besides merit increases, the most significant change was a transfer of 1.0 FTE Technology Application Specialist to IT. This position was reclassified from a Department Application Specialist in the Fire Department and is 100% paid for by the Fire department through the IT cost allocation.

Services & Supplies grew by \$134K, or 5.2%, mainly a result of the growth in professional services for enterprise application software. \$52K of software increases is due to a new software related to virtual permit approval to be utilized by the Fire and Planning and Economic Development departments. This new software, along with standard increases to software contracts already in place such as Microsoft Office, made up the majority of the enterprise software increase. The PC and laptop replacement project increased by \$47K due to the City transferring to more of a remote working environment.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
I.T. Administration	\$500,467	\$848,866	\$855,425	\$885,427
I.T. Development	\$3,072,656	\$3,067,617	\$3,496,452	\$3,608,905
I.T. Customer Support	\$2,594,733	\$2,510,896	\$2,576,922	\$2,632,632
I.T. GIS Services	\$464,538	\$520,369	\$517,175	\$713,257
I.T. Media Services	\$200,155	\$230,373	\$228,142	\$232,486
I.T. PC Replacement Program	\$147,037	\$152,724	\$154,738	\$157,949
CIP and O&M Projects	\$1,283,965	\$1,549,177	\$1,061,289	\$1,107,884
<b>Total</b>	<b>\$8,263,551</b>	<b>\$8,880,022</b>	<b>\$8,890,143</b>	<b>\$9,338,540</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$2,970,260	\$3,071,856	\$3,162,161	\$3,271,795
Benefits	\$1,446,108	\$1,653,882	\$1,711,032	\$1,871,598
Professional Services	\$1,775,702	\$1,767,297	\$2,098,025	\$2,214,004
Vehicle Expenses	\$14,392	\$7,735	\$19,050	\$19,050
Utilities	\$237,107	\$248,107	\$264,733	\$264,433
Operational Supplies	\$61,262	\$73,110	\$72,260	\$71,200
Information Technology	\$32,792	\$36,822	\$31,648	\$32,589
Liability/Property Insurance	\$35,949	\$41,840	\$44,911	\$64,632
Other Miscellaneous	\$68,100	\$38,467	\$63,484	\$62,584
Indirect Costs	\$337,914	\$353,843	\$361,550	\$358,771
Capital Outlay	\$0	\$37,886	\$0	\$0
CIP and O&M Projects	\$1,283,965	\$1,549,177	\$1,061,289	\$1,107,884
<b>Total</b>	<b>\$8,263,551</b>	<b>\$8,880,022</b>	<b>\$8,890,143</b>	<b>\$9,338,540</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Information Technology	\$7,699,541	\$8,291,932	\$8,289,116	\$8,687,707
Technology Replacement	\$564,010	\$588,090	\$601,027	\$650,833
<b>Total</b>	<b>\$8,263,551</b>	<b>\$8,880,022</b>	<b>\$8,890,143</b>	<b>\$9,338,540</b>

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

<b>Fiscal Year</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Full-Time Equivalent</b>	29.00	30.00	29.00	29.00	30.00

## **Prior FY 2020-21 Accomplishments**

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

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- Developed systems to significantly expand remote-work capabilities, and support employee work environments while working from home.
- Implemented City-wide cybersecurity training and tracking.
- Working with Cityworks Asset Management team, developed GIS layers and data structures.
- Developed system for logging and tracking Emergency Operations Center activities.
- Implemented Families First Coronavirus Response Act tracking and reporting.
- Developed Glass Fire recovery tracking and reporting.
- Developed new IT asset replacement tracking system to replace expiring technologies.
- Migrated soon-to-be non-supported Silverlight applications to current technologies and platforms.
- GIS - Joined the ESRI Community Maps program.
- GIS - Developed new homeless camp field data collection app for the HAT and HEAP teams.
- GIS support for the Glass Fire.

## **Looking Ahead**

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The last year of COVID-19 has dramatically changed how the public interacts with the City, and how our employees use technology to serve those needs. As our community shifts back to reopening, we expect to retain and expand some of the novel approaches associated with remote work, increased access to City services and collaborative work.



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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**

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**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, property, 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 based on a population/road mile formula.

**General Fund Administration Cost Plan** - This is the overhead distribution of administrative costs within the General Fund to the non-administrative departments: Planning and Economic Development, Fire, Police, Transportation & Public Works (TPW), and Recreation & Community Engagement which represents a credit in Non-Departmental.

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

- Costs related to employee 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 employee retirements and voluntary terminations as they occur. Also includes 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.
- The Non-Program Actual expenditures reflected in prior years include any CalPERS unfunded liability payments made. These amounts are budgeted in the benefits sections of other departments, so corresponding budgeted amounts will not appear in Non-Departmental.

**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 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 separately in their appropriate funds.

**Contract Services** - Contracted services budgeted in Non-Departmental include an annual payment to the Local Agency Formation Commission (LAFCO), which regulates the boundaries of local cities, and a professional services contract for an annual revenue audit.

## Major Budget Changes

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The Non-Departmental budget includes budgeted General Fund expenditures, as well as non-enterprise debt service funds for Pension Obligation Bonds and two capital leases: Fire Station 5 and Courthouse Square.

The FY 2021-22 Non-Departmental budget decreased in total by \$2.1M compared to FY 2020-21. The largest driver of this change relates to a decrease of \$1.0M in Non-Program Salaries, which accounts for a combination of anticipated retirement payouts, salary increases and hiring changes. There is also a decrease of \$867K in General Fund Administration, which distributes administrative costs within the General Fund to non-administrative departments including Planning & Economic Development, Fire, Police, Public Works and Recreation & Community Engagement. General Fund expenditures increased overall mostly due to personnel costs, primarily rising retirement costs. As a result, the credit for General Fund Administration also grew by 7.1%, or \$867K, which translates as a decrease in the Non-Departmental expenditure budget. Also, worth noting is an increase of \$525K in Citywide rates for the General Fund's portion of liability, fire and earthquake insurance. Contract Services, which was reported as "CIP & O&M Projects" in prior years, also saw a total increase of \$200K for Broadband proposals. Lastly, CIP & O&M Projects decreased \$895K due to the transfer of funding for the Re-imagine Policing project to the Police department in FY 2021-22.

It should be noted that the Professional Services expense category is made up of several unrelated expenditures including the LAFCO payment, Revenue Audit contract, Animal Shelter, County Administration Fees, and the Sonoma County Transportation Authority costs.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Animal Shelter	\$1,936,562	\$1,840,807	\$2,207,000	\$2,207,000
County Admin Fee	\$307,768	\$313,914	\$310,000	\$315,000
Citywide General Fund Insurance	\$2,221,749	\$1,790,511	\$1,915,252	\$2,440,213
Sonoma Co Transportation Authority	\$104,631	\$108,775	\$110,000	\$110,000
General Fund Administration	-\$10,312,624	-\$11,137,665	-\$12,245,124	-\$13,111,646
Non-Program	\$18,911,685	\$27,019,615	\$2,615,000	\$1,575,000
Debt Service	\$4,812,487	\$4,800,019	\$4,840,352	\$4,832,811
Contract Services	\$0	\$43,317	\$260,000	\$460,000
CIP and O&M Projects	\$235,933	\$248,236	\$894,500	\$0
<b>Total</b>	<b>\$18,218,191</b>	<b>\$25,027,529</b>	<b>\$906,980</b>	<b>-\$1,171,622</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$0	\$0	\$2,550,000	\$1,550,000
Benefits	\$0	\$4,200,000	\$15,000	\$25,000
Professional Services	\$2,599,033	\$2,309,563	\$2,942,250	\$3,094,750
Debt Service	\$4,799,915	\$4,797,269	\$4,835,102	\$4,830,061
Liability & Property Insurance	\$1,984,249	\$1,790,511	\$1,915,252	\$2,440,213
Other Miscellaneous	\$18,911,685	\$22,819,615	\$0	\$0
General Fund Administration	-\$10,312,624	-\$11,137,665	-\$12,245,124	-\$13,111,646
CIP and O&M Projects	\$235,933	\$248,236	\$894,500	\$0
<b>Total</b>	<b>\$18,218,191</b>	<b>\$25,027,529</b>	<b>\$906,980</b>	<b>-\$1,171,622</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	-\$5,505,981	-\$6,791,975	-\$3,933,372	-\$6,004,433
2013 Pension Obligation (Refund)	\$22,616,623	\$30,716,903	\$3,735,750	\$3,731,509
Fire Station Capital Lease	\$367,727	\$367,726	\$367,727	\$367,727
COPs/Courthouse Square Capital Lease	\$739,822	\$734,875	\$736,875	\$733,575
<b>Total</b>	<b>\$18,218,191</b>	<b>\$25,027,529</b>	<b>\$906,980</b>	<b>-\$1,171,622</b>

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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

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The Planning & Economic Development Department (PED) is a part of the larger Community Development and Engagement Portfolio, which also includes the Housing and Community Services, Recreation, Community Engagement, and the Violence Prevention Partnership.

The functions of the Planning and Economic Development Department (PED) are distributed among 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; and provides staff support to the Zoning Administrator, Waterways Advisory Committee and General Plan Community Advisory Committee.

**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.

**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; cannabis; 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.

**Economic Development** - Works on business attraction, retention and expansion efforts and connected workforce related initiatives, including joint ventures and downtown development deals; programs the Santa Rosa Tourism Business Improvement Area funds to reinforce the city's unique destination brand; manages the Public Art Program and the City's arts and culture initiatives; provides staff support to the Economic Development Subcommittee, the Downtown Subcommittee, and the Art in Public Places Committee.

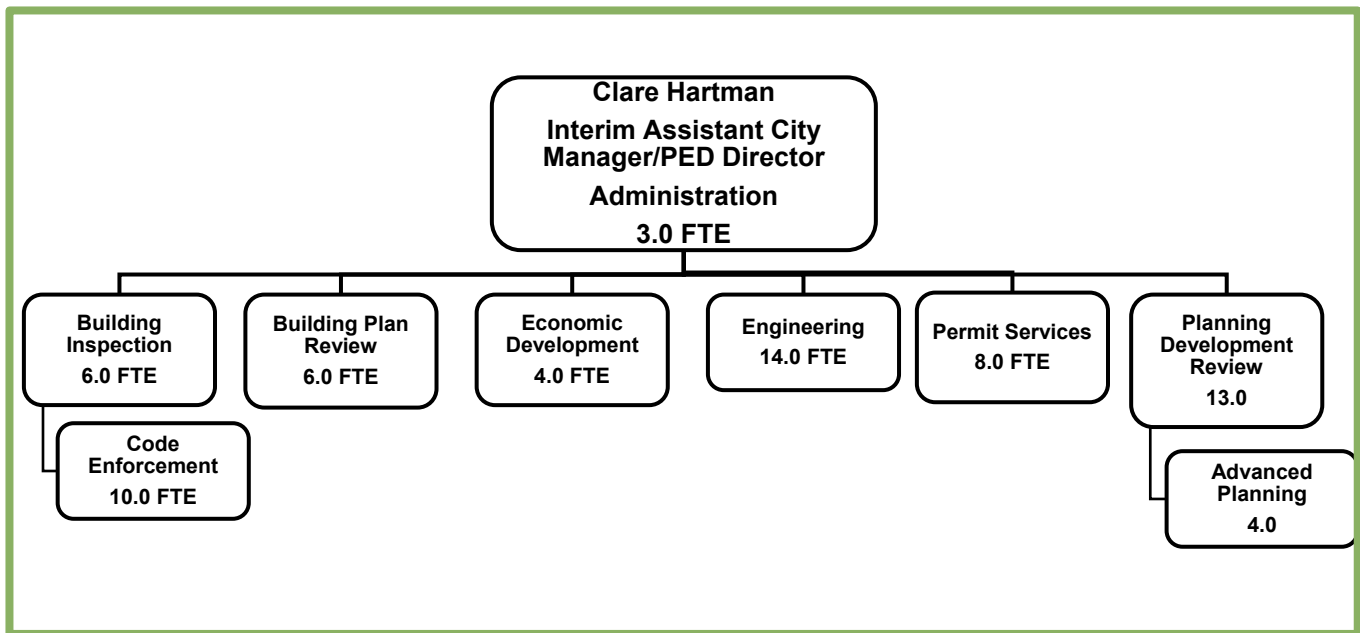
**Engineering** - Provides engineering services throughout the various development phases of both private residential and commercial projects, as well as ensures the safety and quality of construction activities within the public right-of-way.

**Neighborhood Revitalization Program (NRP)** - Collaborates to improve living conditions in focus neighborhoods by responding with solutions and that involve all neighborhood stakeholders, primarily building and fire safety inspections.

**Permit Services** - Assists with and processes all applications for planning, building and encroachment 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. Assigns addresses for all new development. Fee calculations and assessments, department revenue and Impact/Demand Fees are received through the department.

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

### FTE by Program



### Strategic Goals and Initiatives for FY 2021-22

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

- Finalize the purchase of software and continue policy development and training to implement Electronic Plan Review process to reduce environmental waste and promote efficiency and automation. (Contract is currently under review with Finance and Legal.) **1, 6, 9**
- Develop and implement a dynamic online permitting guide to assist the public with determining the appropriate permitting process for a specific project. **3, 9**
- Develop programs to move to a 100% digital application management and review platform that supports the acceptance and issuance of digital permits for encroachment, planning entitlement and building permits; and create a user-friendly web presence that supports the demands for information and direction. **9**
- Increase transparency through the development of interactive maps that provide information and public records associated with development projects. **9**
- Implement an expedited permit review process for priority downtown housing projects and consider expansion of the service to housing projects city-wide. **2, 3**
- Implement combined review process for infill development to review public improvement plans and building construction plans simultaneously. **3, 4**

- With the help of subject matter experts, initiate the Mendocino Avenue Specific Plan, Missing Middle Housing Initiative, and the Downtown Historic Survey effort to support and incentivize infill and transit-oriented housing and economic development. **3, 5**
- Continue work on the comprehensive General Plan & Climate Action Plan Update, including public engagement, an alternatives analysis, and draft housing element to assist with the Update and associated Environmental Impact Report. **3, 5, 6, 8**
- With the Healthy Cities Grant from Kaiser Permanente, continue to develop health policy and increased engagement with vulnerable communities. **8**
- Complete a Hazard Mitigation Plan Update in compliance with state law. **6**
- Update City policy and regulations as required to comply with recent state laws associated with housing in collaboration with surrounding jurisdictions. **3**
- Continue to prioritize and promote the inclusion of affordable housing in housing development projects. **3**
- Reduce the turnaround times associated with the review of public improvement plans and subdivision maps. **3, 9**
- Pursue new partnerships for development opportunity sites in downtown Santa Rosa. **5**
- Address development readiness opportunities for greater density and land potency in the downtown core. **5**
- Update the Economic Development strategic action plan, including special sections on Roseland and the Downtown areas. **5**
- Address policy and practice update needs for the Public Art Program and the special event permitting program. **5**
- Focus on using citation, administrative hearing, and receivership process to gain compliance on outstanding Code Enforcement cases. **4**
- Create outreach program to educate residents about code enforcement and gain compliance with ordinances regarding cannabis cultivation, smoking, and garage conversions. **3**
- Evaluate funding and resources to determine new areas to perform Neighborhood Revitalization Program code and fire inspections with the most substandard housing issues, blight and police calls in the Roseland annexation area. **3**
- Recruit and work with developers to pursue and implement exclusive negotiation agreements, development disposition agreements and/or any other coordination and assistance in pursuit of downtown and Roseland area infill development. **5**
- Continue technical and financial analysis and strategic pathway for a potential public-private partnership specific to a new government center and greater density and land potency uses for City Hall and other City owned parcels in the downtown core. **5, 9**
- Complete the Economic Development Division strategic plan; engage diverse communities to uncover core priorities; design roadmap to operationalize over 3-5 years. **5, 8**
- Initiate implementation of the 2021-2024 Public Art Strategic Plan. **5**
- Develop a permanent parklet/shared ROW (right of way) program. **1, 5**
- Pursue a downtown Infrastructure Finance District (IFD) in partnership with the County; lay groundwork to pursue an additional IFD in Roseland. **5**
- Develop the Childcare Facility Fund, phase 2 of the Childcare Support Pilot Program. **5**
- Lay the groundwork for the creation of a Roseland Community Benefit District. **5**



## Major Budget Changes

The Planning & Economic Development (PED) budget is \$16.2M, a decrease of \$400K, or 2.4%, when compared to the adopted FY 2020-21 budget.

Salaries and Benefits increased by \$195K, or 1.9%, when compared against FY 2020-21 adopted budget. Total Salaries decreased by \$24K, while total Benefits increased by \$219K. The overall decrease to Salaries was mostly due to the elimination of 1.0 FTE vacant Administrative Technician. This decrease was partially offset by merit increases. The overall increase in Benefits was mostly due to increases to retirement and health care benefits.

Service and Supplies decreased by \$349K, or 11.7%. \$310K of this decrease was in Professional Services. Most of the Professional Services decrease was due to Citywide budget reductions. This resulted in outside plan check and inspection services being reduced by \$310K. Other Miscellaneous was also reduced by \$95K, or 21.5%; mostly due to a \$51K decrease in Conference & Training and a \$32K decrease in Advertising. The Other Miscellaneous decreases were due to budget reductions and trainings being offered virtually. All of these Service and Supplies decreases were partially offset by a \$79K, or 7.3%, increase in the Information Technology charge.

The Operations & Maintenance (O&M) Projects netted a \$418K decrease. This decrease was predominately due to a \$620K decrease in the Fire Recovery project, which was completed in FY 2020-21. There was also a decrease of \$95K in the Santa Rosa Tourism Business Improvement Area project due to less transient occupancy (hotel) tax revenue because of COVID-19 pandemic. There was also a decrease in the Courthouse Square project of \$100K. These project decreases were partially offset by increases of \$231K in the Public Art project and a \$158K increase in the Advanced Planning project.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018- 19 Actual</b>	<b>2019-20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Administration	\$3,116,084	\$3,530,701	\$3,857,932	\$3,988,845
Permit Services	\$907,900	\$1,009,882	\$1,035,253	\$1,028,521
Building Plan Review	\$1,460,253	\$1,333,475	\$1,473,457	\$1,447,743
Building Inspection	\$853,518	\$931,721	\$1,026,826	\$964,284
Planning Development Review	\$2,219,994	\$2,157,028	\$2,092,968	\$2,135,215
Advance Planning	\$495,813	\$433,327	\$523,682	\$552,714
Engineering	\$3,139,557	\$2,739,931	\$2,980,230	\$2,913,919
Economic Development	\$628,711	\$850,864	\$720,258	\$709,496
Code Enforcement	\$0	\$148,911	\$1,373,721	\$1,459,387
Neighborhood Revitalization Program	\$0	\$0	\$261,911	\$163,542
CIP and O&M Projects	\$9,176,723	\$7,172,188	\$1,253,581	\$835,762
<b>Total</b>	<b>\$21,998,553</b>	<b>\$20,308,028</b>	<b>\$16,599,819</b>	<b>\$16,199,428</b>

<b>Expenditures by Category</b>				
	<b>2018- 19 Actual</b>	<b>2019-20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$5,563,860	\$5,917,701	\$6,700,562	\$6,676,959
Benefits	\$2,673,402	\$3,193,537	\$3,707,344	\$3,926,844
Professional Services	\$1,669,024	\$888,042	\$1,211,444	\$901,594
Vehicle Expenses	\$54,755	\$72,202	\$117,310	\$117,731
Utilities	\$22,336	\$26,011	\$24,800	\$30,000
Operational Supplies	\$68,487	\$62,715	\$97,390	\$68,679
Information Technology	\$770,873	\$790,310	\$1,078,135	\$1,157,364
Other Miscellaneous	\$347,662	\$352,684	\$441,482	\$346,590
Indirect Costs	\$0	\$0	\$2,677	\$2,609
General Fund Administration	\$1,651,431	\$1,832,638	\$1,965,094	\$2,135,296
CIP and O&M Projects	\$9,176,723	\$7,172,188	\$1,253,581	\$835,762
<b>Total</b>	<b>\$21,998,553</b>	<b>\$20,308,028</b>	<b>\$16,599,819</b>	<b>\$16,199,428</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2018- 19 Actual</b>	<b>2019-20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$20,769,628	\$18,827,083	\$15,672,250	\$15,268,549
Art In-lieu Fund	\$85,409	\$210,639	\$181,393	\$308,012
Santa Rosa Tourism BIA Fund	\$739,350	\$631,289	\$445,000	\$350,000
Administrative Hearing Fund	\$0	\$231,253	\$301,176	\$272,867
Economic Development Fund	\$57,449	\$0	\$0	\$0
State Grants Fund	\$345,245	\$407,387	\$0	\$0
Capital Improvement Fund	\$1,472	\$377	\$0	\$0
<b>Total</b>	<b>\$21,998,553</b>	<b>\$20,308,028</b>	<b>\$16,599,819</b>	<b>\$16,199,428</b>

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

<b>Fiscal Year</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Full-Time Equivalent</b>	51.00	63.00	61.00	69.00	68.00

## Performance Measures

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- Pre-application meetings held within 21 days of request of service 1, 3, 5
- Development review applications receive a determination of completeness within 30 days of submittal 1, 3, 5
- Deliver innovative and effective Advance Planning processes and policy documents within expected timeframes and budget 3, 5
- Create and monitor metrics associated with public engagement in policy processes with an emphasis on vulnerable communities. 8
- Demonstrate an increase in attendance and diversity in participation through modern and effective community engagement techniques used to foster meaningful communication, participation and engagement with residents for planning initiatives 8
- 85% of Building Plan Checks completed within 10 weeks of submission on the first check and 5 weeks for subsequent checks 1, 3, 5
- 90% of Encroachment Permits issued within 3 weeks of submission of first check 1, 3, 5
- 90% of public improvement plan checks completed within 6 weeks of submission of first submittal and 3 weeks for subsequent checks, meeting published timelines 1, 3, 5
- Commercial investment in opportunity zones 1, 5
- % of minority and women owned businesses assisted 8
- Industrial, office and retail vacancy rates 5
- Business Tax Certificates issued / number of new businesses 5
- Sales and Transient Occupancy Tax performance, and amount/% of tax collected by industry 4, 5
- Santa Rosa Tourism Business Improvement Area assessment performance 4, 5
- Performance analytics of business website and on-line tools 5
- Number and type of special event permits 5
- Public Art measurements: number of items in collection, current projects, people engaged with process 10
- 100% of Priority 1- Life, Health and Safety code enforcement complaints investigated within 24 hours. 3, 5
- Total code enforcement cases closed. 3, 5
- Number of units inspected in NRP neighborhoods 3
- Number of violations in NRP neighborhoods 3

## Prior FY 2020-21 Accomplishments

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

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- Completed the Downtown Station Area Specific Plan, its associated Amendments and Zoning package and certified the Downtown Station Area Specific Plan Environmental Impact Report (EIR). 3
- Completed entitlement of 1 Santa Rosa Avenue and 425 Humboldt Street which resulted in 215 housing units entitled in Downtown core. 3
- Conducted weekly interdepartmental team meetings to set plan review priorities and to streamline the construction of affordable housing. 3
- Entitled 160-unit affordable senior housing project in Mendocino Avenue Corridor. 3
- Completed the Existing Conditions Report, Briefing Book and began the General Plan Update Community Advisory Committee and Technical Advisory Committee meetings. 3, 5, 6
- Hired an Equity & Public Health Planner to assist in with the implementation of the Community Involvement Plan and integration of Kaiser's Healthy Communities grant. 8
- Updated the City's Resilient City Development Measures and the Resilient City Combining District in response to the Glass Fire and COVID-19 Pandemic. 5, 6
- Adoption of revised Accessory Dwelling Unit ordinance to maintain consistency with State law. 3
- Issued building permits for 625 residential units in 2020. Of these, 112 are secured by contract for 38 very low-, 49 low-, and 25 moderate-income level households. Building permits were issued for an additional 45 residential units that are targeted for very low-income 3
- Transitioned plan check and inspection program for the Tubbs and Glass Fire rebuild areas from dedicated Rebuild Center to existing Department, resulting in 5-15-day review time for most permit types and a 24-72-hour response to inspection requests. 3, 5
- Processed permits for 105 units that experienced a complete loss due to the 2017 Tubbs Fire. Finalized permits for 1,834 units (overall since the rebuild started) allowing individuals to occupy their new home. 3
- Conducted an average of 1,500 inspections per month on fire rebuild permits. 3
- Processed 1,700 Encroachment Permits, an increase of 28% from FY 2019-2020 3, 5
- Reviewed and approved 14 sets of improvement plans resulting in the development of over 800 residential units. 3
- Closed 1,531 Code Enforcement cases.
- Processed 7,185 Building Permits (95% electronic), a reduction of 14% from 2019. This includes the additional permits processed for rebuild efforts and 268 Single Family Units and 104 Multifamily units completed construction outside the fire areas. 1, 3
- Received 62 Accessory Dwelling Unit permit applications – 48 were completed. 3
- Received applications for a total of 663 dwelling units in 2020. 3
- Adopted the Community Benefit District Enabling Ordinance; formed the Santa Rosa Downtown Community Benefit District; and pursuing a second benefit district in Railroad Square. 1, 3, 5
- Integrated the Public Art Program and Special Event Permit Program into PED 5
- Continued to review and update plan record database for all building files, including rolled plans, and ship files to offsite storage. 9
- Engaged developers in and advanced development agreements and other coordination needs on downtown catalyst/opportunity sites.<sup>132</sup> 5

- Began the technical and initial financial feasibility analysis for a potential public-private partnership project to replace City Hall with a new government center, and to use City Hall and other City owned parcels for greater density and land potency uses. **5**
- Completed the Public Art Program strategic plan; engaged diverse communities to uncover core priorities; designed roadmap to operationalize over 3-5 years; realigned budgets and coordination to better advance economic development through the public art program. **5, 8**
- Responded to COVID restrictions on businesses through programs such as Open and Out, expanded paid sick leave, predesignating program funds for grants to small businesses, and other creative program and policy initiatives. **1, 5**
- Developed a COVID-related temporary parklet/shared ROW program. **1, 5**
- Developed the Childcare Support Pilot Program, implemented phase 1, grants to childcare facilities and additional trainings to increase teacher supply, facility resiliency and licensing readiness. **1, 5**
- Created the Railroad Square Community Benefit District. **5**

## Looking Ahead

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The Planning & Economic Development Department (PED) continues to adjust to the dynamic economy and housing market to best serve Santa Rosa residents. Since 2017, Santa Rosa has experienced the Tubbs-Nuns (2017), Kincade (2019) and Glass (2020) Fires, resulting in thousands of homes destroyed, businesses disrupted and evacuation orders; multiple public safety power outages since 2019; and the COVID-19 pandemic, which modified conditions for most businesses and required residents to shelter-in-place throughout much of 2020 and 2021.

To address the fluctuations in development and the economy in conjunction with the recent disasters, PED has balanced the use of existing staff and professional contractors to meet the numerous and wide-ranging demands of residents and businesses and help the City Council achieve their goals for Santa Rosa. Identifying and allocating revenue generated by development permit activity and using it for consultant support continues to be crucial for the Department to manage workload, advance key projects and address the ongoing demands for service.

PED staff directly support several City Council goals. Business recovery, including childcare and sick leave programs, and Downtown economic development efforts will continue be a top priority to make up for lost revenue and support the City's businesses and workforce. In addition to crisis response and rebuild activities, the Department will continue to prioritize affordable and market-rate housing development. Staff will also lead a timely update to the Santa Rosa General Plan. This multi-year process will provide a Citywide look at long-range housing policy, economic development, infrastructure, circulation, and climate initiatives, amongst others. The Department will continue to promote and maximize efficiencies through its on-line permitting and paperless operations, including digitizing records, and intaking and reviewing plans electronically.

# Police

## Mission

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

## Department Description

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The Police Department is responsible for safeguarding lives and property, the preservation of constitutional rights, and the maintenance of the quality of life to promote safe and secure neighborhoods for 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, Human Resources, department supplies, and facilities.

**Field Services** - The most visible component of the department are the eight 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, Field and Evidence Technicians, Community Service Officers, SWAT team, Hostage Negotiation Team, Mobile Field Force, Canine Team, and the Downtown Enforcement Team. The School Resource Officer program was also a part of Field services and has been eliminated due to reduced staffing.

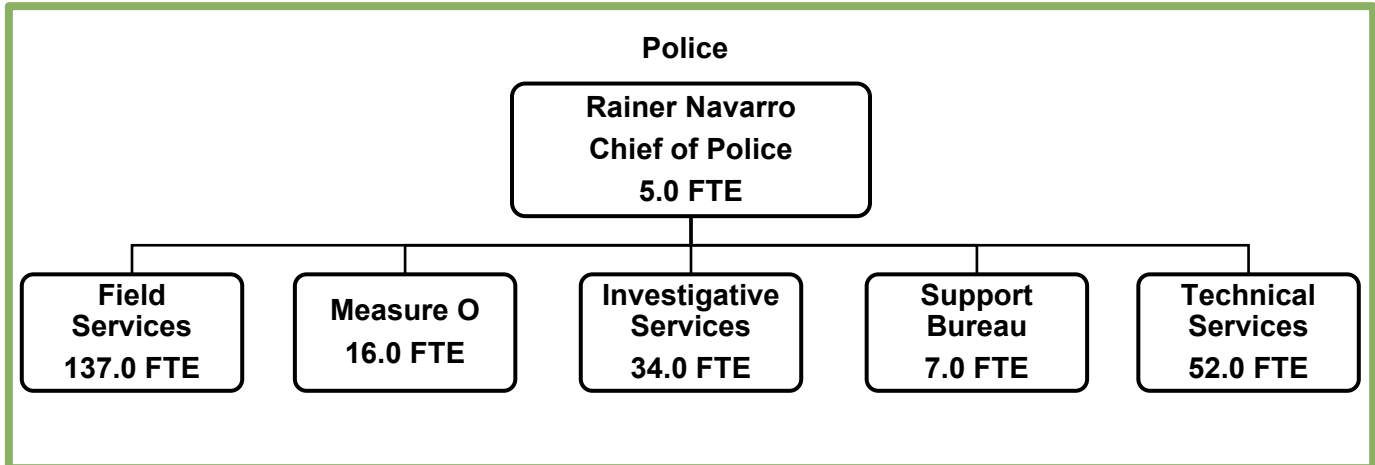
**Investigative Services** - Detective units of the department include: Domestic Violence and Sexual Assault, Narcotics, Property Crimes and Violent Crimes. The Investigative Services Bureau is supported by the Forensic Team that is responsible for higher-level processing and analysis of evidence related to investigations. Due to staffing shortages and cuts the Gangs unit has not been staffed since 2019 and the remaining investigative units have been understaffed causing delays in many of the Cities 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.

**Measure O** - Funding and staff for a total of 16 positions which includes 1 Lieutenant, 1 Sergeant, 9 Officers, 2 Field and Evidence Technicians and 1 Community Service Officer: 1 Communications Supervisor and 1 Police Technician.

## FTE by Program



## Strategic Goals and Initiatives for FY 2021-22

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

- Complete efforts to create modernized interoperable radio system.
- Continue efforts to explore and develop technologies to increase department efficiencies.
- Develop post COVID re-engagement plan
- Conduct a comprehensive, department wide staffing study
- Enhance community engagement and transparency
- Public Safety Building site hardening
- Create a thriving internship program
- Transition most homeless and mental health calls to a CAHOOTS type model
- Continue efforts to address the homeless crisis.
- Continue to develop the incident management team to operate in crisis situations and long term-emergencies by completing the dedicated DOC and providing advanced training.
- Continue recruitment strategies to fill multiple vacant positions in both civilian and sworn ranks

## Major Budget Changes

The Police Department's budget is comprised of two primary funding sources, the General Fund and the Measure O Fund. The total FY 2021-22 budget is \$68.7M, an increase of 3.5% over the prior year's adopted budget.

The department is funded largely by the General Fund, which in FY 2021-22 totals \$63.9M, an increase of \$2.6M or 4.3%. The General Fund makes up 93% of the Police Department budget. A \$1.3M increase in Salary and Benefits occurred including a \$1.4M increase in PERS retirement benefit. In accordance with Council's direction at budget adoption last year, the Police department's Salary and Benefits budget was reduced by \$894K without affecting the department's FTE count. In FY 2021-22, the corresponding vacant positions were eliminated from the budget to account for the prior year's budget reduction; 3.0 FTE Police Officers, 1.0 FTE Police IT Supervisor and 1.0 Communication Dispatcher. Additionally, 1.0 FTE Police Officer has been reduced bringing total Police Officer reductions to 4.0 FTE. Services and Supplies grew by \$1.3M which includes \$253K for Motorola Radio Maintenance and \$1.1M to fund a Mental Health Collaborative response program.

Meanwhile, Measure O decreased by \$487K to a total budget of \$4.0M in FY 2021-22 to become in line with projected revenues. Salary and Benefits decreased by \$536K through a reduction of 3.0 FTE Police Officers. Services and Supplies increased by \$53K or 34.9% from a \$14K increase in liability and \$30K in vehicle expenses.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
General Administration	\$7,336,185	\$8,144,518	\$8,929,607	\$9,964,534
Field Services	\$30,325,729	\$33,614,048	\$32,710,793	\$34,421,246
Investigative Services	\$8,436,205	\$7,803,481	\$9,440,318	\$9,994,724
Technical Services	\$7,907,725	\$8,291,172	\$8,673,963	\$8,736,446
Support Bureau	\$1,911,030	\$1,579,152	\$1,785,762	\$932,953
Measure O Police	\$3,892,331	\$4,206,863	\$4,489,679	\$4,002,715
CIP and O&M Projects	\$2,184,367	\$3,145,397	\$354,423	\$629,423
<b>Total</b>	<b>\$61,993,572</b>	<b>\$66,784,631</b>	<b>\$66,384,545</b>	<b>\$68,682,041</b>

<b>Expenditures by Category</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
Salaries	\$31,403,354	\$32,715,376	\$33,187,625	\$32,623,900
Benefits	\$19,428,928	\$21,213,545	\$22,439,668	\$23,784,115
Professional Services	\$1,706,361	\$1,672,171	\$1,911,256	\$3,292,742
Vehicle Expenses	\$2,021,131	\$2,126,205	\$2,165,418	\$2,047,877
Utilities	\$137,817	\$161,255	\$123,332	\$141,585
Operational Supplies	\$790,737	\$780,553	\$899,374	\$831,723
Information Technology	\$777,709	\$726,692	\$780,761	\$864,261
Liability/Property Insurance	\$25,964	\$26,092	\$29,655	\$43,537
Other Miscellaneous	\$411,936	\$484,343	\$389,200	\$383,565
Indirect Costs	\$120,014	\$112,474	\$116,007	\$112,486
GF Admin Cost Plan	\$2,968,265	\$3,490,493	\$3,987,826	\$3,926,827
Capital Outlay	\$16,989	\$130,035	\$0	\$0
CIP and O&M Projects	\$2,184,367	\$3,145,397	\$354,423	\$629,423
<b>Total</b>	<b>\$61,993,572</b>	<b>\$66,784,631</b>	<b>\$66,384,545</b>	<b>\$68,682,041</b>



## Expenditures by Fund

Funding Source	2018 - 2019 Actual	2019 - 2020 Actual	2020 - 2021 Budget	2021 - 2022 Budget
General Fund	\$55,998,584	\$59,972,387	\$61,294,866	\$63,914,326
Measure "O" - Police	\$3,892,331	\$4,206,863	\$4,489,679	\$4,002,715
Federal Grants	\$81,842	\$29,507	\$0	\$0
Federal Narcotics Asset Forfeiture	\$15,619	\$26,391	\$150,000	\$40,000
State Grants Fund	\$338,271	\$161,656	\$0	\$0
Supplemental Law Enforcement S	\$250,098	\$229,424	\$300,000	\$300,000
State Narcotics Asset Forfeiture	\$84,523	\$243,236	\$150,000	\$150,000
Capital Improvement Fund	\$1,332,304	\$1,915,167	\$0	\$275,000
<b>Total</b>	<b>\$61,993,572</b>	<b>\$66,784,631</b>	<b>\$66,384,545</b>	<b>\$68,682,041</b>

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

Fiscal Year	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Full-Time Equivalent	264.50	266.50	260.50	260.00	251.00

## Performance Measures

The Police Department has developed several performance measures as a way for the city and its residents to monitor progress toward City Council and Department goals. This also helps improve department reporting and community access to operational information.

### 911 Communications Center

The 911 Communications Center fielded 246,472 calls in 2020, down 3% from 2019. They dispatched 85,488 of these calls to field personnel. Monitoring the number of calls received and dispatched 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 police dispatchers that are necessary while the number of calls for service created directly correlates to how many officers we need on patrol at any given time. The 911 Communications Center measurable is a significant indicator of the Police Department's workload,

### Call Response Times

Field personnel responded to 111,990 calls for service, a decrease of 11% over the prior year. Call Response Times are important because a timely law enforcement response is critical to maintaining public safety, and it is one of several factors that community members consider an important performance measure from their law enforcement agency. Response time is critical in life-threatening situations or where the chance of preventing crime or catching a criminal are higher if they arrive on the scene quickly.

Insight into Call Response Times provides valuable information to Command staff regarding department staffing and coverage, and the potential need to adjust staffing to better align with safety necessities in the 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 dispatch an officer to a scene as efficiently and expeditiously as possible.

Response times for Priority 1 calls decreased by 1% over 2019 from 6 minutes and 48 seconds to 6 minutes 44 seconds. The departments goal is 6 minutes however with the reduction in staffing it has been difficult to achieve this. Response to Priority II calls decreased by 11% over last year, decreasing from 12 minutes 33 seconds to 11 minutes 8 seconds. Response to Priority III saw a decrease of 18% over last year, from 25 minutes and 38 seconds to 20 minutes and 57 seconds.

### **Homeless Related Calls**

The Police Department works collaboratively with Homeless outreach organizations as well as other departments in the City of Santa Rosa to address homeless related issues. There were 19,282 homeless related events in 2020, which was 17% of all Police events.

### **Violent Crimes**

Violent Crimes are an important measurement for the Police Department and the community. With this information trends resulting from crimes of this nature can be observed. The Police Department believes it is essential to monitor these statistics; 1) To know when crime is increasing or decreasing; 2) To know what types of crimes are becoming problematic and in what specific areas; 3) To better understand those who are prone to be victims/perpetrators.

In 2020, violent crimes including rape, homicide, robbery and aggravated assault averaged 76 reports/responses **per month**, which is a 7% increase over the prior year and a 10% increase from 2018. Domestic Violence reports increased by 10% to a total of 757 for 2020 and robberies increased by 7% to 135 for 2020. These increases may be attributed in part to the reduction in staffing over the last two years and to the pandemic and civil unrest this past year.

### **Property Crimes**

Though violent crimes saw an increase over the past year, property crimes decreased by 8 percent. The average number of property crimes reported per month was 242.

### **Prior FY 2020-21 Accomplishments**

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

- 
- Completed Phase 1 of the Radio Infrastructure Upgrade Project
  - Identified funding and began Phase 2 of the Radio Infrastructure Upgrade Project
  - Created a recruitment team and continued recruiting and hiring a diverse staff at all levels within the department.
  - Supported the response to the Glass fire, including evacuations and Incident Management Team
  - In compliance with SB1421 and AB748 created a “Change for the Better” page on the transparency website to provide public records
  - Completed After Action Report to protests and implemented several changes recommended by the consultant.

## **Looking Ahead**

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The Police Department's most significant challenges ahead are in staffing, infrastructure, and technology.

The current building has several extensive repairs and updates that are required and is no longer meeting the needs of the department. It requires additional security measures, both for the building and the parking lots. The HVAC system is unreliable, and the backup generator does not power the entire building.

Technology is rapidly developing, and the department must continue to implement up to date equipment and systems for our personnel and the community. The police department will continue to seek new ways to interact with our community and streamline efficiencies with developing technology.

The department has been reduced by six sworn officer positions in the last two years. This is having a direct impact on the department's ability to staff the investigative teams: Domestic Violence, Violent Crimes, Property Crimes, Narcotics and Gangs as well as the specialty units such as the Downtown Enforcement Team, Traffic, Accident Investigations and School Resource Officers.

In the coming year, we will continue to face multiple factors that makes recruiting qualified police officers and dispatchers challenging. With normal attrition and medical retirements, the department will face several additional vacancies during this budget year. The recruiting team will continue to put all of its available resources toward recruiting and hiring qualified candidates and will continue to find innovative and effective ways to promote the department and the city as a great place to live and work.

# Recreation and Community Engagement

## Mission

The Recreation Division and Community Engagement Division create community through partnerships and programs.

## Recreation Division Description

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**General Administration** - The Administration service unit provides central management, administration, for the Recreation Division, and includes oversight of hiring for 350 annual temporary employees and management of the Recreation enterprise software.

**Neighborhood Services** - The Neighborhood Services service unit provides youth development and recreational programming for underserved, low-income youth and families. Using the General Fund and augmented by a share of the proceeds from a Measure O. 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 academic after school enrichment activities, summer camps, family events, field trips and a variety of sports at schools and other locations.

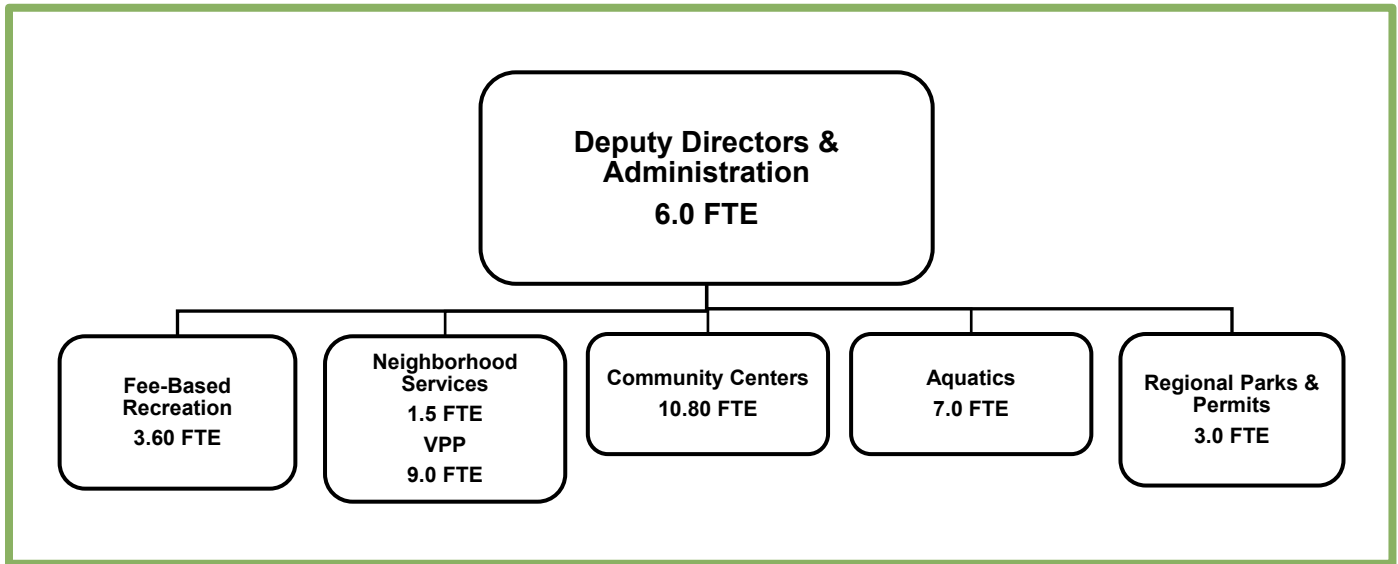
**Fee-Based Recreation** - The Fee-Based Recreation service unit delivers athletics, camps, community center programs and off-site leisure instruction. Wa-Tam, Yu-Chi, Doyle Adventure, Camp Tiny Tots, and Sports Clinics are featured in the summer. Baseball, soccer, basketball, and tennis programs are offered for youth. Adult softball is the largest program organized in Northern California. Sport field and court permits are administered through this unit.

**Community Centers** - The Community Centers service unit operates, prepares, and rents the City's community centers (Finley, Steele Lane and Person Senior Wing), historic buildings (Church of One Tree and De Turk Round Barn), clubhouses (Franklin and Doyle) and two commercial kitchens. Leisure instruction classes are offered at the centers for all ages: park picnic reservations, and rental of Rosie the Trolley are also administered through 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. Additionally, five High School swim teams utilize the pools and Ridgway is home to Neptune Swim Club.

**Howarth Park & Permits** - This service unit includes operation of the City's largest park, Howarth Park, with seasonal amusements (train, carousel, jump house, boat 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.

## FTE by Program



### Community Engagement Division Description

**The Office of Community Engagement** - Supports and organizes civic engagement opportunities with residents of Santa Rosa, including connecting community members and various groups with their local government to strengthen the public involvement process in local government decision making. The OCE is responsible for implementing City-wide community engagement strategies based on recommendations from the Mayor's Open Government Task Force Report to help create an inclusive, transparent, participatory, and collaborative relationship with the community in the City's decision-making processes. The OCE facilitates neighborhood connectedness through the Community Improvement Grant program and works in partnership with the Community Advisory Board (CAB) to gather community feedback on issues of concern to City residents and Capital Improvement Program priorities. The OCE also partners with neighborhood groups to deliver the Neighborfest Pilot Program to strengthen neighborhood connectedness, resiliency and emergency preparedness amongst the Santa Rosa community.

**The Violence Prevention Partnership** - (The Partnership) is a collaborative effort focused on creating a safe & healthy community by funding non-profit organizations and schools through the CHOICE Grant Program, strategic alignment of integrated opportunities for youth and families, and collaborating on community and civic engagement events. The Partnership collaborates with 70+ organizations, including private citizens, local governments, community-based organizations, school districts, the faith community, and local law enforcement focused on reducing violence through creating safe and healthy neighborhoods through collective impact, integrated youth development programs, and community partnership efforts.

## **Strategic Goals and Initiatives for FY 2021-22**

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

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### **COMMUNITY ENGAGEMENT DIVISION**

- Work with the Community Advisory Board (CAB) to implement the CAB's Five-Year Strategic Plan and support the administration of the CAB Grant Program. 7, 8, 9
- Continue implementing the Community Empowerment Plan, including expanding listening sessions to more community members; completing the Marylou Lowrider Patrol Car build; continuing the Multicultural Roots Project; completing and disseminating the Citizen Guidebook to Participation; and developing a Youth Citizen Guidebook to Local Government and training framework. 7, 8, 9
- Develop a City-wide community engagement framework to provide subject matter guidance and leadership to City staff and elected officials that develop strategies and opportunities to civically engage residents. (CE Strategic Plan). 8, 9
- Continue to implement strategies to strengthen collaborative efforts in alignment with the Partnership's 2017-22 Strategic Plan, the 2016 Community Safety Scorecard, the Measure O (2004) Community Helping Our Indispensable Children Excel (CHOICE) Grant Programs, and violence prevention cohorts. 8
- Continue to collaborate with Upstream Investments to update and release the Community Safety Scorecard. 5, 7, 8
- Continue to administer the annual Violence Prevention Awareness Series, a monthly series of civic engagement events and awareness opportunities that include special events, trainings, and presentations. 7, 8

### **RECREATION DIVISION**

- Resume full Recreation services as allowed by the State of California COVID guidelines.
- Complete Design/Build of Finley Aquatic Center – Spray Ground and ADA improvements.
- Repair Howarth Park and Gavin Tennis Courts to reinstate instruction, rentals, and camps.
- Evaluate all service fees for market rates and cost recovery.

## Major Budget Changes

The FY 2021-22 Recreation & Community Engagement budget is \$12.0M; a \$376K or -3.0%, decrease from the prior fiscal year's adopted budget. Most of this overall decrease was in the General Fund due to a city-wide effort to reduce the growing burden on the General Fund.

The General Fund portion of the budget decreased by \$325K, or -3.3%, when compared against the FY 2020-21 adopted budget. Salaries increased by \$18K. Total headcount was reduced by a 0.6 FTE Recreation Specialist and a 0.5 FTE Recreation Specialist from Community Centers and Neighborhood Services, respectively. The reduction in Salaries due to these eliminations were completely offset by merit increases. Benefits increased by \$88K, or 5.9%, almost entirely due to increased retirement costs.

General Fund supported Service and Supplies decreased by \$205K, or -9.5%. Professional Services decreased by \$121K, or -12.6%. This decrease was mostly due to FY 2020-21 having \$150K one-time funding for the Community Empowerment Program. Operational Supplies decreased by \$41K, or -7.9%, mostly because of reductions to various recreation programs Operation Supplies. The rest of the decrease in Service and Supplies is mostly due to a decrease in the Information Technology charge.

The CIP and O&M projects in the General Fund remained entirely flat. The FY 2021-22 CIP and O&M project budget of \$315K is comprised of two O&M projects: \$190K for the Community Helping Our Indispensable Children Excel (CHOICE) grant, and \$125K for the Sonoma County Probation Grant, which funds a 1.0 FTE Community Outreach Specialist within the Violence Prevention Partnership.

In FY 2021-22, the Measure O fund budget decreased by \$51K, or -2.1% to a total budget of \$2.3M. Salaries and Benefits remained relatively flat, increasing by \$12K mostly due to the increase in retirement costs described above. The rest of the decrease was mostly due to Professional Services containing a one-time budget of \$50K for the Community Safety Scorecard in FY 2020-21.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018- 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Administration	\$3,125,017	\$3,124,964	\$3,071,255	\$2,776,665
Neighborhood Services	\$1,138,180	\$2,431,591	\$3,009,960	\$2,948,384
Fee-Based Recreation	\$1,108,277	\$913,585	\$1,287,999	\$1,290,278
Community Centers	\$2,170,878	\$2,102,570	\$2,121,008	\$2,090,850
Aquatics	\$1,596,013	\$1,421,811	\$1,795,704	\$1,782,399
Regional Parks & Permits	\$657,598	\$653,389	\$815,163	\$836,346
Parks and Landscape Maintenance	\$5,267,730	\$985,291	\$0	\$0
Bennett Valley Golf Course	\$479,362	\$0	\$0	\$0
CIP and O&M Projects	\$1,053,048	\$632,565	\$315,000	\$315,000
<b>Total</b>	<b>\$16,596,103</b>	<b>\$12,265,766</b>	<b>\$12,416,089</b>	<b>\$12,039,922</b>

<b>Expenditures by Fund</b>				
	<b>2018- 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
General Fund	\$14,492,975	\$9,906,295	\$9,984,070	\$9,659,329
Measure "O" Fund	\$670,850	\$2,032,938	\$2,399,815	\$2,348,389
Change For Kids Fund	\$31,883	\$35,817	\$32,204	\$32,204
Capital Improvement Fund	\$630,916	\$25,415	\$0	\$0
State Grant Funds	\$0	\$259,958	\$0	\$0
St. Francis Knolls	\$565	\$0	\$0	\$0
Stony Ranch	\$1,062	\$0	\$0	\$0
The Orchard at Oakmont	\$13,728	\$0	\$0	\$0
Sandra's Place Tax District	\$509	\$0	\$0	\$0
Woodbridge Tax District	\$3,223	\$0	\$0	\$0
North Village I Special Tax District	\$3,269	\$0	\$0	\$0
Kawana Springs 6 Special Tax District	\$764	\$0	\$0	\$0
Bennett Valley Golf Course Operations	\$265,723	\$0	\$0	\$0
Taxable Golf Bond Debt Services	\$127,298	\$0	\$0	\$0
Tax-exempt Golf Bond Debt Services	\$259,879	\$0	\$0	\$0
Railroad Square Maintenance Fund	\$2,783	\$0	\$0	\$0
Expendable Fund-No Interest Allocation	\$90,676	\$5,343	\$0	\$0
<b>Total</b>	<b>\$16,596,103</b>	<b>\$12,265,766</b>	<b>\$12,416,089</b>	<b>\$12,039,922</b>

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

<b>Fiscal Year</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Full-Time Equivalent</b>	74.00	74.00	44.00	42.00	40.90



## Performance Measures

<b>Recreation Division Indicators</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21 Estimates</b>
Percentage of cost recovery through usage fees during fiscal year	27%	23%	8%
Number of people attending permitted park events (facility bookings) annually	410,000	244,492	45,000
Number of people awarded scholarships annually	456	195	105
Number of volunteers annually	800	758	155
Number of activity registrations*	55,000	65,270	65,000

Estimate based on comprehensive capture of activities through the new Recreation Management Enterprise.

<b>Community Engagement Division Indicators</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21 Estimates</b>
Number of Community Advisory Board grants awarded	9	0	6	7
Number of Measure O (2004) CHOICE Grants awarded	9	9	11	11
Amount awarded in Measure O (2004) CHOICE grants to local non-profits and organizations that align with the Partnership's Strategic Plan and Community Safety Scorecard	\$736,700	\$736,700	\$840,000	\$840,000
Number of Measure O (2004) CHOICE Mini-Grants awarded	2	11	11	10
Amount awarded in Measure O (2004) CHOICE Mini-Grants to local non-profits and organizations that align with the Partnership's Strategic Plan and Community Safety Scorecard	\$6,000	\$47,428	\$18,000 *Due to COVID	\$50,000
Number of VPP Policy Team meetings	4	5	2	6
Number of VPP Operational Team meetings	10	10	4	10
Number of VPP Multi-Disciplinary Assessment and Referral Team meetings	8	11	15	2
Number of Guiding People Successfully referrals and evaluations	61	60	11	11

## Prior FY 2020-21 Accomplishments

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

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### RECREATION DIVISION

- Implemented COVID-safety protocols to continue limited Recreation services including Day Camps, Aquatics, Volunteer projects, Howarth Park Boat rentals, Adult Softball, virtual and drive-through Special Events, and mass nutrition distribution points 4
- Opened Temporary Evacuation Point at A Place to Play and evacuation shelter at Finley Community Center for 2020 Glass Fire 7
- Initiated 1,000+ monthly wellness phone calls during Shelter-in-Place to isolated Senior Center patrons; hosted virtual events, and implemented weekly senior nutrition distribution at Steele Lane Community Center 7
- Developed and offered “School of Rec”, a distance learning support and day care program for 120 youth during school closures; met all Center for Disease Control and State child-care licensing requirements 5

### COMMUNITY ENGAGEMENT DIVISION

- Held 18 listening session with Santa Rosa’s communities of color and developed report for City Council. 7, 8
- Created and launched the *Multicultural Roots Project: Stories from Santa Rosa’s Black, Indigenous, People of Color.* 8
- Partnered with the Sonoma County Lowrider Council to plan and begin build of The Marylou Lowrider Patrol Car. 7, 8
- Worked with the City Council Open Government Task Force Subcommittee, City Attorney and City Clerk to finalize and present the Open Government Ordinance to City Council. Ordinance adopted in December 2020. 9
- Invested \$840,000 into local community-based organizations through the CHOICE Cycle X Grant Program and \$18,000 through the CHOICE Mini-Grant Program to impact the areas of school readiness, student engagement & truancy prevention, workforce development, and street outreach, mediation and intervention services to support high-risk families and underserved neighborhoods. 5,7,8
- Worked with Board of State & Community Corrections to repurpose \$15,000 of CalVIP funds to distribute COVI-19 relief directly to the Partnership’s GPS clients 7,8
- Worked with CHOICE Cycle X funded agencies to accommodate \$13,000 in modification requests due to COVID-19 in the form of original scope of work, allowing delayed evaluation report submissions, and keeping the original payment timeline to ensure non-profits did not have gaps in funding revenue from the City. 7,8
- Launched the 2nd Annual Violence Prevention Awareness Series, a series of monthly community engagement events and trainings to educate our community and highlight partner organizations on strategies in creating a healthy and resilient community, initiated with the annual Violence Prevention Awareness Seminar, “Tipping the Scale: Deconstructing Race and Racism led by Dr. Sharon Washington, with over 360 in attendance 7,8

- Identified external funding sources to continue the Guiding People Successfully (GPS) referral component to provide wrap-around case management through the Multi-Disciplinary Assessment and Referral Team and coordination of services to at-risk youth and families utilizing shared data software **5,7,8**
- Referred 46 youth and families to Guiding People Successfully (GPS) Multi-Disciplinary Assessment and Referral Team for intense case review and wraparound coordination with CHOICE Cycle X-funded agencies and various sectors of law enforcement. **5,7,8**

## **Looking Ahead**

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The Recreation Division has not raised service fees in 4 years, requiring a full market-study to determine the appropriate level to establish fees for both market flexibility and cost recovery.

The Community Engagement Division and Recreation Division both operate significant youth-based violence prevention services utilizing the 2004 Measure O ¼-cent Sales Tax. Measure O will statutorily expire following the third quarter in FY 24-25 (March 2025), impacting over \$2.2 million in ongoing services, including after-school based activities and the CHOICE Grant program.

# Santa Rosa Water

## Mission

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

## Department Description

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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 32 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.

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

**Engineering Resources** - Focuses on asset management, CIP and infrastructure needs and planning.

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

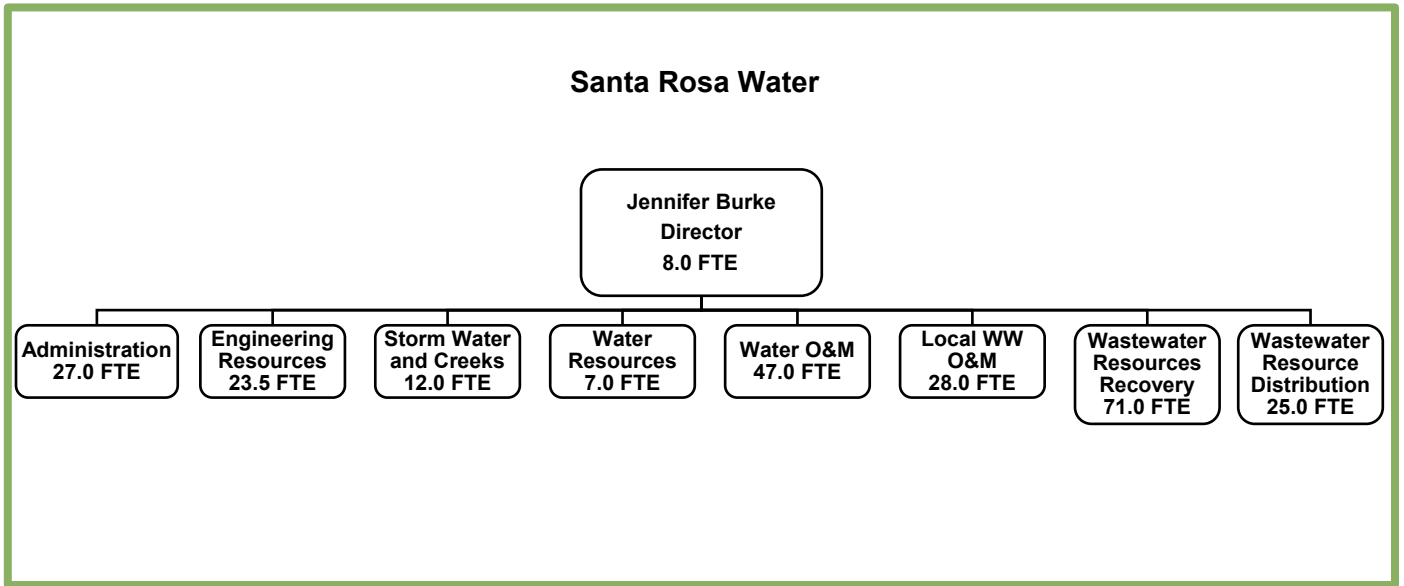
**Storm Water and Creeks** - Makes Santa Rosa a better place by enhancing creek health through restoration and community involvement, providing biological and engineering services, and managing storm water runoff to preserve and restore water quality and minimize flooding.

**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.

## FTE by Program



### Strategic Goals and Initiatives for FY 2021-22

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

- Public and environmental health
- Infrastructure sustainability and improvement
- Fiscal responsibility and cost effectiveness
- Replacement and repair of assets damaged by fire
- Communication, outreach and education (internal and external)
- Meet and exceed present and future regulations

### Major Budget Changes

The majority of the Water department's FY 2021-22 budget is comparable to FY 2020-21. Aside from a \$30M bond procured to fund the Water Department's UV System replacement, the overall department budget increased by \$7.2M, or 4.8%.

The Water Department staffing levels increased by just 1.0 FTE Associate Right-of-Way Agent. This position is funded by the Transportation & Public Works department and is cost neutral to the Water Department. Additional reclassifications took place within the Water department that had no significant budgetary impacts. With few staffing changes, Salaries costs decreased by -\$615K, or -2.8% due to an increase in staff time charged to CIP projects as well as vacant positions being budgeted at bottom step. Although salaries decreased, the department's benefits increased by \$491K, or 3.7%. The rising benefits budget can be largely attributed a \$663K increase in unfunded retirement liability costs, which were offset by small decreased in other benefit budget areas.

The Water department's services and supplies saw few significant changes. Increases in various contracts within the Biosolids division were the main driver behind the Professional Services budget category rising by \$738K, or 18.1%. Purchase of Water decreased in FY 2021-22 by -\$1.1M, or -6.9%, reflecting the estimated increase in cost from the Sonoma County Water Agency. Worth noting is an increase of 18.2% in the Liability & Property Insurance budget category. Citywide costs of Fire & Earthquake insurance increased in FY 2021-22, and this \$195K increase accounts for the Water department's portion of the premium.

The Subregional division will be making payments on two new bonds in FY 2021-22, including the \$30M construction bond mentioned above, as well as a will begin to be repaid by the Water Department in FY 2021-22, increasing the debt service budget category by \$2.2M or 8.5%. Other significant capital projects contributing to the additional \$5.1M variance in this category include \$3M for Water Pump Generator replacements and \$4M for Reservoir Seismic Upgrades, both funded from the Water Capital Fund.

Utility Billing is part of the Finance Department but is funded by Water. The Utility Billing Services budget category decreased by -\$67K, or just -1.5%. The elimination of 1.0 Limited Term Meter Specialist was the only staffing change made in this division. The approximate \$123K savings from eliminating this position was offset by small increases in benefits and other services and supplies.

The General Fund portion of the Water department's budget is for the Storm Water division. Most of Storm Water is funded through enterprise funds, however a small portion of Storm Water's operations, funded by the General Fund, is increasing by \$132K or 21.9%. The majority of this increase reflects less staff time being used for enterprise fund capital projects. However, an increase in Storm Water's I.T. costs are also driving the division's rising costs.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Administration	\$4,016,882	\$4,391,348	\$5,211,820	\$4,922,532
Purchase of Water	\$14,768,139	\$16,509,170	\$15,501,140	\$14,437,103
Storm Water and Creeks	\$2,177,006	\$2,087,195	\$2,612,649	\$2,869,318
Water Resources	\$851,062	\$967,635	\$1,083,825	\$1,102,102
Water O&M	\$14,546,340	\$15,500,866	\$18,113,144	\$18,925,224
Local Wastewater O&M	\$9,831,887	\$10,633,746	\$12,115,764	\$12,474,660
Wastewater Resource Recovery	\$22,066,462	\$22,576,722	\$24,736,386	\$24,040,393
Wastewater Resource Distribution	\$6,888,824	\$6,743,223	\$8,582,813	\$8,995,475
Debt Service	\$24,429,714	\$25,694,593	\$25,428,625	\$27,646,855
Engineering Resources	\$2,477,058	\$3,260,668	\$3,349,444	\$3,363,284
CIP and O&M Projects	\$28,635,737	\$30,150,828	\$33,730,839	\$68,859,680
<b>Total</b>	<b>\$130,689,111</b>	<b>\$138,515,994</b>	<b>\$150,466,449</b>	<b>\$187,636,626</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Salaries	\$19,252,551	\$20,185,444	\$21,790,411	\$21,174,713
Benefits	\$11,060,131	\$12,105,249	\$13,258,259	\$13,749,579
Professional Services	\$2,933,661	\$2,532,337	\$4,080,912	\$4,818,517
Utility Billing Services	\$3,855,806	\$3,808,888	\$4,544,784	\$4,476,097
Vehicle Expenses	\$2,493,927	\$2,434,829	\$3,545,689	\$3,631,750
Utilities	\$4,793,502	\$4,729,572	\$5,411,477	\$5,681,452
Purchase Water	\$14,768,139	\$16,509,170	\$15,501,140	\$14,437,103
Operational Supplies	\$3,517,394	\$3,588,953	\$5,045,001	\$4,770,575
Information Technology	\$2,413,363	\$2,231,010	\$2,329,733	\$2,381,905
Debt Service	\$24,829,078	\$26,093,957	\$25,846,303	\$28,046,221
Liability & Property Insurance	\$860,619	\$862,792	\$1,074,674	\$1,269,890
Other Miscellaneous	\$1,144,922	\$1,997,033	\$2,001,103	\$2,218,570
Indirect Costs	\$10,002,044	\$11,168,444	\$12,286,124	\$12,120,574
Capital Outlay	\$128,237	\$117,488	\$20,000	\$0
CIP and O&M Projects	\$28,635,737	\$30,150,828	\$33,730,839	\$68,859,680
<b>Total</b>	<b>\$130,689,111</b>	<b>\$138,515,994</b>	<b>\$150,466,449</b>	<b>\$187,636,626</b>

## Expenditures by Fund

	2018 - 19 Actual	2019 - 20 Actual	2020 - 21 Budget	2021 - 22 Budget
General Fund	\$722,424	\$723,154	\$604,210	\$736,453
Capital Facilities Fee Fund	\$721	\$131	\$225,000	\$225,000
Capital Improvement Fund	\$408,785	\$325,824	\$542,192	\$225,000
Stony Ranch	\$238	\$202	\$2,000	\$2,000
Woodbridge Tax District	\$2,589	\$15,295	\$7,500	\$3,500
Kawana Springs 6 Special Tax District	\$238	\$202	\$15,077	\$15,077
Kawana Town Center Special Tax District	\$144	\$0	\$5,498	\$5,498
Utilities Administration Fund	\$7,477,194	\$8,795,385	\$9,863,589	\$9,591,403
Water Utility Operations	\$29,793,843	\$32,389,055	\$33,817,265	\$33,610,670
Water Capital Fund	\$15,455,496	\$7,087,769	\$11,090,000	\$13,790,000
2018 Water Bond Debt Service	\$395,896	\$631,310	\$709,875	\$705,375
Local Wastewater Utility Fund	\$9,884,170	\$10,667,414	\$12,234,997	\$12,588,603
Local Wastewater Capital Fund	\$7,168,682	\$12,584,610	\$12,096,000	\$12,730,000
Local Wastewater Demand Fee	\$74,380	\$41,600	\$50,000	\$50,000
Subregional Waste Operations	\$30,737,742	\$31,567,803	\$35,376,132	\$35,984,777
2020 Subregional Construction	\$0	\$0	\$0	\$30,000,000
2020 Subregional Bonds	\$0	\$0	\$0	\$4,747,305
CEC Loan Debt Service Fund	\$103,042	\$51,520	\$0	\$0
Subregional Waste Capital	\$2,280,063	\$5,918,934	\$7,000,000	\$8,000,000
2018 WW Refunding Debt Service	\$610,555	\$3,087,547	\$3,198,375	\$3,187,500
2016 WW Refunding Debt Service	\$10,254,190	\$11,728,727	\$13,246,250	\$13,281,050
2014 Wastewater Debt Service	\$879,317	\$880,281	\$1,021,625	\$1,025,625
2012 WW Refunding Debt Service	\$2,253,982	\$2,253,982	\$2,522,500	\$0
2014 Wastewater Construction	\$659,280	\$1,106,678	\$0	\$0
2008A Subregional Construction	\$37,720	\$77,249	\$0	\$0
Storm Water Enterprise Fund	\$821,214	\$727,025	\$1,119,861	\$1,223,372
Storm Water -Creek Restoration	\$734,127	\$793,071	\$988,503	\$1,208,418
2007 Wastewater Bond Construction	\$298	\$0	\$0	\$0
2002B Subregional WW Debt Service	\$9,932,732	\$7,061,226	\$4,730,000	\$4,700,000
2001B Subregional Construction	\$49	\$0	\$0	\$0
<b>Total</b>	<b>\$130,689,111</b>	<b>\$138,515,994</b>	<b>\$150,466,449</b>	<b>\$187,636,626</b>



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

Fiscal Year	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Full-Time Equivalent	253.50	252.50	247.50	247.50	248.50

## Performance Measures

Regional Water Reuse*	2018	2019	2020
Billion gallons wastewater treated	6.6	7.5	5.5
Treated wastewater recycled	100%	93%	100%
Biosolids reused	100%	100%	100%
Environmental compliance inspections - grease related food industries	585	596	228
Number of people attending Treatment Plant educational tours	1,514	1,373	75
Laguna Lab annual proficiency acceptance rating	98.0%	98.0%	96.5%
Received thousands of gallons of high strength waste	22.7	16	12.2
Water Supply, Distribution and Quality*			
Miles of water main in system	623	624	625
Million gallons of water purchased	5,764	5,594	5,873
Million gallons metered water delivered	5,330	5,382	5,828
Million gallons water produced from well	0	217.0	408.4
Unaccounted for water	7.07%	7.04%	7.04%
Water Main repairs	15	21	18
Local Wastewater Collection*			
Miles of sewer main in system	593.6	595.1	596.0
Miles of sewer lines flushed	178.1	289.2	223.5
Miles of sewer lines rodded	5.2	4.4	3.1
CCTV inspection of sewer main miles	93.3	91.2	108.8
Sewer Main repairs	27	118	42.0
Sewer laterals repair/replace	19	36	47.0
Engineering*			
Number of water and/or sewer connection permits issued	559	156	763
Miles of water line replaced	3.34	2.75	1.43
System replaced (%)	0.13%	0.05%	0.11%
Miles of sewer main replaced	5.23	3.74	1.88
System replaced (%)	0.30%	0.22%	.06%
Water CIP projects completed	4	6	4
Wastewater CIP projects completed	7	6	3
Laguna Treatment Plant CIP projects completed	2	2	1
Storm Water and Creeks Section **			
Educational creek related activities with youth	347	294	249
Volunteer creek cleanups	105	126	67
Cubic yards of debris removed from creeks	1,037	1,184	883
Illicit spill discharges responded to by SW Team	75	108	106
*Calendar Year figures			
**Fiscal Year figures			

## Prior FY 2020-21 Accomplishments

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

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- Santa Rosa Water Staff responded to the challenges of the COVID-19 pandemic. Due to our 24-7 operation, staff work schedules were modified to create coverage while following all safety protocols. Operational staff have continued to work at the facilities and in the field throughout the pandemic. Office staff have performed both on-site and work from home schedules to continue to seamlessly operate all critical functions. **1, 4**
- Successfully secured a \$70 million dollar bond for the replacement of the Ultraviolet Disinfection system at a historically low interest rate and due to Santa Rosa Water's AA Rating also received \$18 million dollars in premiums paid to reduce the borrowed amount to \$52 million dollars. In addition to the new funding, a refunding of previous debt was performed with overall savings of \$16 million dollars over the life of the bond (\$9.7 million dollars in net present value). **4, 6**
- Complied with State's COVID-19 water shut off moratorium and developed tracking processes as well as non-standard payment plans and waived delinquent fees for all customers. **1**
- Successfully operated the recycled water distribution system without Delta Pump Station, for the first time. Delta Pump Station was taken off-line to facilitate a nearly 1-mile levee repair project. **4**
- In March 2020, the City's Board of Public Utilities awarded Lystek with a contract to take the biosolids that were going to the Compost Facility and to start bringing those biosolids to Lystek beginning November 1, 2020. The Laguna Compost Facility ceased operating April 6, 2020 and sold the last of its compost on May 4, 2020. In addition, the Compost Facility property is being considered by Renewable Sonoma for the potential to utilize the existing compost site for a county-wide regional organics processing facility. **4, 6**
- Negotiated with the North Coast Regional Water Quality Control Board on conditions for the City's wastewater NPDES permit, identifying 38 changes that resulted in 28 updates based on the City's recommendations. In addition, developed a five-year workplan to accomplish the special studies identified in the new discharge NPDES permit. The new special studies include: pathogen special study, engineering evaluation of discharge outfalls, local limits evaluation, sewer use ordinance evaluation, disaster preparedness assessment report and action plan, and develop a storage pond integrity monitoring program. **4**
- Coordinated with Bay Area Air Quality Management District to update new "Permit(s) to Operate" for all mobile generators, the combined heat and power generators and the backup generators for the treatment plant. **4**
- Completed the purchase of almost 15,000 phosphorus credits for the Laguna 1 and 2 Restoration project. These credits will be able to be used to offset the phosphorus in the recycled water that the City may need to discharge from the Regional Water Reuse System. **4, 6**
- The Fats, Oil, Grease pollution prevention program supported both businesses and residences to eliminate fats, oils and grease from entering the sanitary sewer. Staff conducted 572 full inspections which lead to 37 enforcement actions. **6**
- Lead the sampling for the class of contaminants known as "forever chemicals," PFAS. This was a new requirement and the City was part of the 20% of wastewater treatment plants that met this requirement. **6**

- Supported the recovery and rebuild related to the Glass Fire. Included distributing wattles to homeowners. Also, supported the Transportation and Public Works Department to protect Skyhawk Open Space Area from erosion, and identified two burned storm drainpipes. **3, 4, 5**
- Continued participation by staff in the City-wide Homeless Encampment Assistance Program (HEAP) committee to minimize water quality issues associated with people living along creeks. **2, 6**
- Reviewed 338 building permits, processed 360 new meter requests, completed and processed 430 meter requests to re-establish water service for those affected by the Tubbs fire. **3, 4**
- Worked closely with the City Attorney’s Office and Planning and Economic Development department to create new payment plan options for Downtown development. **3, 4**
- Continued working with Woolpert as the implementation partner and license manager for the Cityworks Enterprise Asset Management System software obtained to replace our existing Hansen 7 software. The new software will make for better business decisions, work tracking, asset lifecycle maintenance and cost-efficient purchases. This software will make disaster recovery and FEMA reporting more efficient. Current “go live” timeframe for all departments (excluding Water) on Work Orders and Inspections is fall of 2021. **4**
- Engaged and worked with consultants to prepare the Laguna Treatment Plant Electrical Infrastructure Evaluation Report
- In areas impacted by the 2020 Glass Fire, staff launched an immediate water quality investigation in consultation with other City departments and the Division of Drinking Water. The Water Quality team took more than 160 post-fire samples inside the impacted areas to rule out any contamination and allow for homeowners to return to affected areas once it was safe to do so. Provided significant public education and outreach on the safety of water for evacuated homeowners. **4**
- Developed first draft of 2020 Urban Water Management Plan and Water Shortage Contingency Plan to assess and plan to ensure safe, reliable drinking water service out to 2045 during normal and dry years. Documents to be posted for public review in May, with Council public hearing/adoption in June. **3, 5, 6**
- In response to the COVID-19 pandemic, developed “virtual” Water Use Efficiency check-ups and rebate pre- and post- inspection protocols to maintain safety of our team and the public and provide improved customer service. As a result, the Water Use Efficiency team completed 220 virtual or outdoor socially distanced Residential Water-Use Efficiency Check-Ups and delivered 312 “WaterSmart Home Kits” for customers to perform “Do-It-Yourself” Water Use Efficiency Checkups in their home. **1, 6**
- As part of ongoing maintenance of Santa Rosa Water’s annual energy inventory, staff tracked electricity and natural gas usage and cost by individual account and evaluated any potential cost-saving rate program changes. This also included the facilitation of the transition of accounts to Sonoma Clean Power’s Evergreen program and PG&E’s new Time of Use rate structures where operations could be optimized. **6**
- The Take it from the TAP! Program was converted into two bi-lingual digital curriculums so that Santa Rosa Water could continue to educate students and the community about the environmental, financial, and health benefits of choosing to drink Santa Rosa tap water instead of plastic single use bottled water during distance learning offerings through local schools. **6**

- Achieved an outstanding Sanitary Sewer Overflow (SSO) record with only two SSO's in 2020. **4, 6**  
As of March 2021, 12 months has elapsed with no SSO's. From the State's website, our annual metric for SSO per 100 miles of pipe for 2020 is .34. The region, however, was 32.18 and the State average was 21.65.

## **Looking Ahead**

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**Financial Planning** - Due to the COVID19 pandemic, the resulting shelter in place orders and the moratorium on water shut offs, Santa Rosa Water has developed methods to analyze and determine the current financial impacts, changes in water use, revenue decreases, billing and delinquency rates and additional expenditures related to the emergency. Staff will be developing processes to determine how to collect overdue balances on accounts and closely following any Federal or State legislation that could provide relief to the rate payers to try to assist rate payers with bringing their bills to a current status.

**Drought** - The region is facing the second consecutive year of significantly below normal rainfall totals. As of April, rainfall is below the single driest water year on record that occurred during the 1976-77 drought. It is anticipated drought conditions will be declared with necessary corresponding reductions in water deliveries from our wholesale water supplier, the Sonoma County Water Agency.

Significant outreach to customers has been ongoing since December of 2020 in response to the lingering dry conditions. SRW has been encouraging citizens to be "Water Smart" and directing them to take advantage of a multitude of water use efficiency resources and programs offerings. As of March 2021, we have seen a 400% month-to-month increase in call volumes for our Water Use Efficiency Section requesting a variety of services. Based on experience gained in previous droughts, including the most recent historical drought in 2014-2016, SRW fully anticipates that additional resources for the Water Use Efficiency Section in terms of program expenditures and staffing will be needed and sustained through the next fiscal year at a minimum.

A "Drought Task Force" is currently being assembled with participation from multiple divisions and Departments, which is an outgrowth of the ongoing planning efforts by Santa Rosa Water and the Communications Team since November 2020. A gradual ramp up of activities has already been launched as we head into the irrigation season and resultant increased customer water usage.

**Infrastructure and Prioritization** - The City, as the rest of the country, has realized the growing need to increase our investment in aging infrastructure. SRW has been conducting comprehensive studies on the water distribution and wastewater collection systems as well as the Regional Water Reuse System to determine the magnitude of the investment needed. Through these studies, along with continuing condition assessments, SRW will continue to prioritize efforts and develop a long-term plan for the replacement and improvement of our aging infrastructure.

The City utilizes asset management programs to manage assets proactively and budget accordingly. The City utilizes an enterprise asset management software product to inventory assets and manage maintenance on citywide infrastructure including the water distribution, collection, and reuse systems; parks and recreation facilities; streets, streetlights, and signs; and parking facilities. The City's existing asset management software has reached the end of its software lifecycle and SRW is leading the effort to implement a replacement system, Cityworks. Cityworks is a City-wide software solution that offers integrations with GIS and will significantly improve the efficiency of the services maintaining the assets, and also produce condition and other data points to improve the forecasting and planning of assets replacement.

**Proposed Organics Processing Facility** - The City, Zero Waste Sonoma, and Renewable Sonoma, have an interest in understanding if land near the Laguna Treatment Plant can provide a future home to an in-county, Regional Organics Processing Facility. To that end, the City has entered into an exclusive negotiation agreement with Renewable Sonoma for the lease of property near the Plant.

**Santa Rosa Plain Groundwater Sustainability Agency** - In response to the requirements of the Sustainable Groundwater Management Act (SGMA) of 2014, the cities of Santa Rosa, Rohnert Park, and Cotati, the Town of Windsor, Sonoma County, the Sonoma County Water Agency, the Goldridge and the Sonoma Resource Conservation Districts formed a Joint Powers Authority known as the Santa Rosa Plain Groundwater Sustainability Agency (SRP GSA) in 2016. The City of Sebastopol joined the SRP GSA in 2019.

SGMA requires that Groundwater Sustainability Plans (GSPs) be developed and submitted to the State of California Department of Water Resources by January 31, 2022 and that groundwater basins achieve sustainability by January 2042. The SRP GSA remains focused on finalizing the GSP in the first half of the upcoming fiscal year. The SRP GSA adopted a fee structure lasting through 2021/22) to support the GSP development which was assessed on the GSA member agencies. Beyond that, the fee structure will need to remain in place to ensure the implementation of the GSP. To that end, the GSA will be utilizing a rate consultant in the next fiscal year to revisit the fees needed for the first five years of GSP implementation, with the goal of the GSA becoming fiscally independent of the JPA member agencies.

**Regulatory Permit for the Laguna Wastewater Treatment Plant** - The Laguna Wastewater Treatment Plant and Water Reclamation System (LTP) has a new LTP National Pollutant Discharge Elimination System (NPDES) Permit (LTP Permit). This permit has some provisions that are more stringent and costly compared to the current permit. Staff are working on developing a pathogen special study, engineering evaluation of discharge outfalls, local limits evaluation, sewer use ordinance evaluation, disaster preparedness assessment report and action plan, developing a storage pond integrity monitoring program, and developing a monitoring plan for the Salt and Nutrient Management Plan. These studies will require additional support from staff and consultants above the last permit term. Staff seek to reduce uncertainty and associated risks associated with the current Nutrient Offset Program (NOP) which is being implemented to comply with the phosphorus limit. Compliance certainty may come at a greater cost than was spent in the previous term for phosphorus limit compliance. This is in contrast to the NOP which is based on forecasting the amount of credits needed to offset phosphorus discharges based on statistical data related to weather and historic discharges, therein providing regulatory uncertainty. Long-term cost impacts associated with the permit renewal cannot yet be determined, but estimates are that costs for phosphorus alone could be \$1.0-2.5 million more during this permit term.

**Regulatory Permit Renewal for the City of Santa Rosa's Municipal Separate Storm Sewer System (MS4) NPDES Permit (Storm Water Permit)** - The City of Santa Rosa submitted a new Report of Waste Discharge (ROWD) in 2020 which is the first step in renewing the Storm Water Permit. This ROWD highlights the City's results from the previous permit term and identifies changes that the City would like to see in the next permit. City staff are meeting monthly with the Regional Board staff to provide feedback on various elements of the new MS4 NPDES permit and are planning on seeing a draft permit by the end of 2020. In general, the cost of implementing the Storm Water Permit have increased each cycle with changes to development requirements to install green infrastructure as a part of their development projects which the City is required to track in perpetuity, increased costs related to greater amounts of water quality monitoring, and new requirements to control pollution sources, all of which are just a few examples of ways that the new Storm Water Permit may become more expensive to implement.

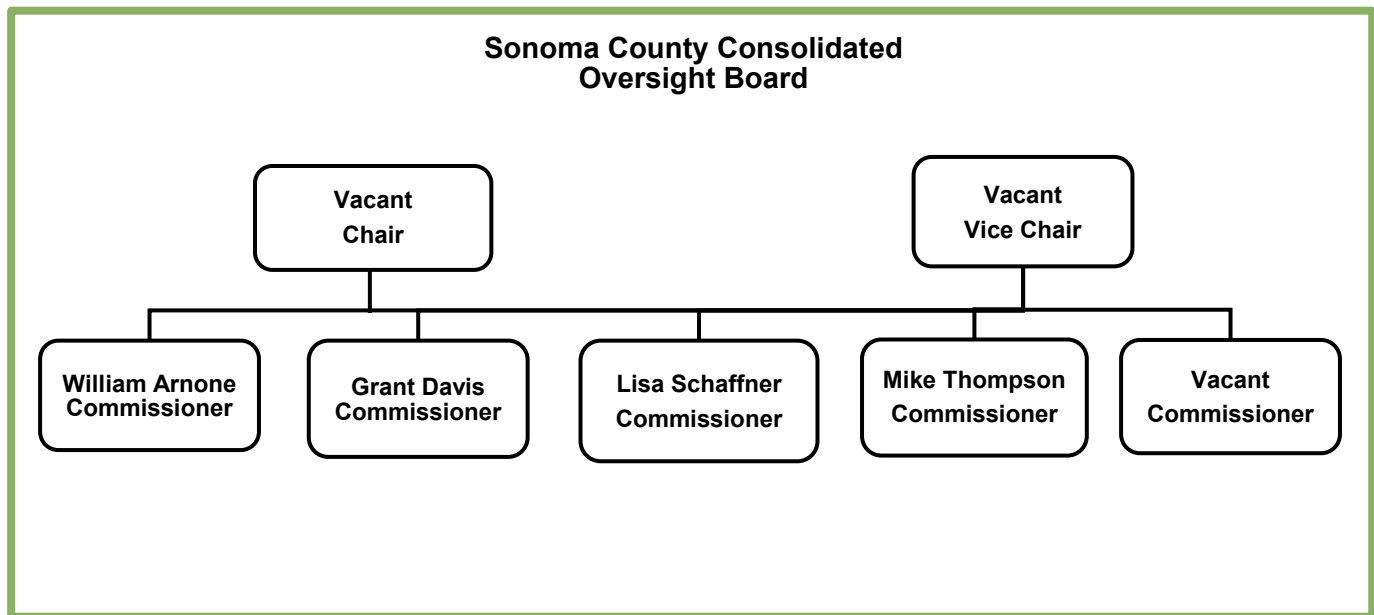
# Successor Agency to the Former Redevelopment Agency

## Description

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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.

Beginning on July 1, 2018, each county with more than one oversight board was required to consolidate into one countywide oversight board. The Sonoma County Auditor/Controller's office delegated the staffing of the board to the Sonoma County Community Development Commission with board members made up of representatives throughout the County. The City remains in its role as Successor Agency, but now submits items such as the annual Recognized Obligation Payment Schedules (ROPS) to the consolidated Oversight Board.



## Strategic Goals and Initiatives for FY 2021-22

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

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- 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 1<sup>st</sup> of each year.

## Major Budget Changes

The FY 2021-22 Successor Agency budget is \$3M, falling \$21K, or just 0.7%, over the prior year's adopted budget. The decline is primarily due to a reduction in administrative support costs and lower scheduled payments for the redevelopment bond.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Successor Agency	\$3,072,104	\$3,063,078	\$3,047,301	\$3,026,638
<b>Total</b>	<b>\$3,072,104</b>	<b>\$3,063,078</b>	<b>\$3,047,301</b>	<b>\$3,026,638</b>

<b>Expenditures by Category</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
Professional Services	\$31,192	\$29,709	\$20,200	\$3,000
Debt Service	\$3,040,912	\$3,033,369	\$3,027,101	\$3,023,638
<b>Total</b>	<b>\$3,072,104</b>	<b>\$3,063,078</b>	<b>\$3,047,301</b>	<b>\$3,026,638</b>

<b>Expenditures by Fund</b>				
	<b>2018 - 19 Actual</b>	<b>2019 - 20 Actual</b>	<b>2020 - 21 Budget</b>	<b>2021 - 22 Budget</b>
SA RDA Oblig Retirement Fund	\$3,072,104	\$3,063,078	\$3,047,301	\$3,026,638
<b>Total</b>	<b>\$3,072,104</b>	<b>\$3,063,078</b>	<b>\$3,047,301</b>	<b>\$3,026,638</b>

## Prior FY 2020-21 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).

# Transportation & Public Works

## Mission

Enhancing our City's vibrant quality of life through excellent transportation services and responsive stewardship of the public infrastructure and environment with pride and dedication to the community.

## Department Description

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

**Traffic Engineering** - Traffic Engineering is responsible for managing the placement and maintenance of street signs and striping throughout the City's 508 street miles. In addition, the Traffic team programs and maintains traffic signal timing to ensure safe and efficient traffic flow. The team's goal is to provide effective and efficient transportation facilities for all modes, whether pedestrian, bicycle, or vehicle. The Transportation Planning team develops and manages the long-term transportation strategy for the City while monitoring and managing regional, state, and federal funding opportunities. Electrical Maintenance maintains traffic signals, streetlights, and electrical systems in City-owned facilities; Materials Engineering and Facilities Maintenance are described below.

**Facilities Maintenance** - Responsible for maintaining all 108 City-owned buildings, except for those owned by Santa Rosa Water. Services performed include building inspections, regular preventative maintenance, contract administration, minor construction, and routine repairs. Facilities Maintenance is also responsible for all building costs such as janitorial services, utilities (gas, electricity, and water/sewer), elevator and heating, ventilation, and air conditioning (HVAC) repairs, fire alarm systems, permits, underground tank monitoring, and emergency generators.

**Materials Engineering** - Responsible for quality assurance of materials used to construct City roadway projects including those constructed by private developers. Some of the services provided 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).

**Capital Projects Engineering** - Responsible for the design and construction of projects to rehabilitate, upgrade and expand the City's public 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.

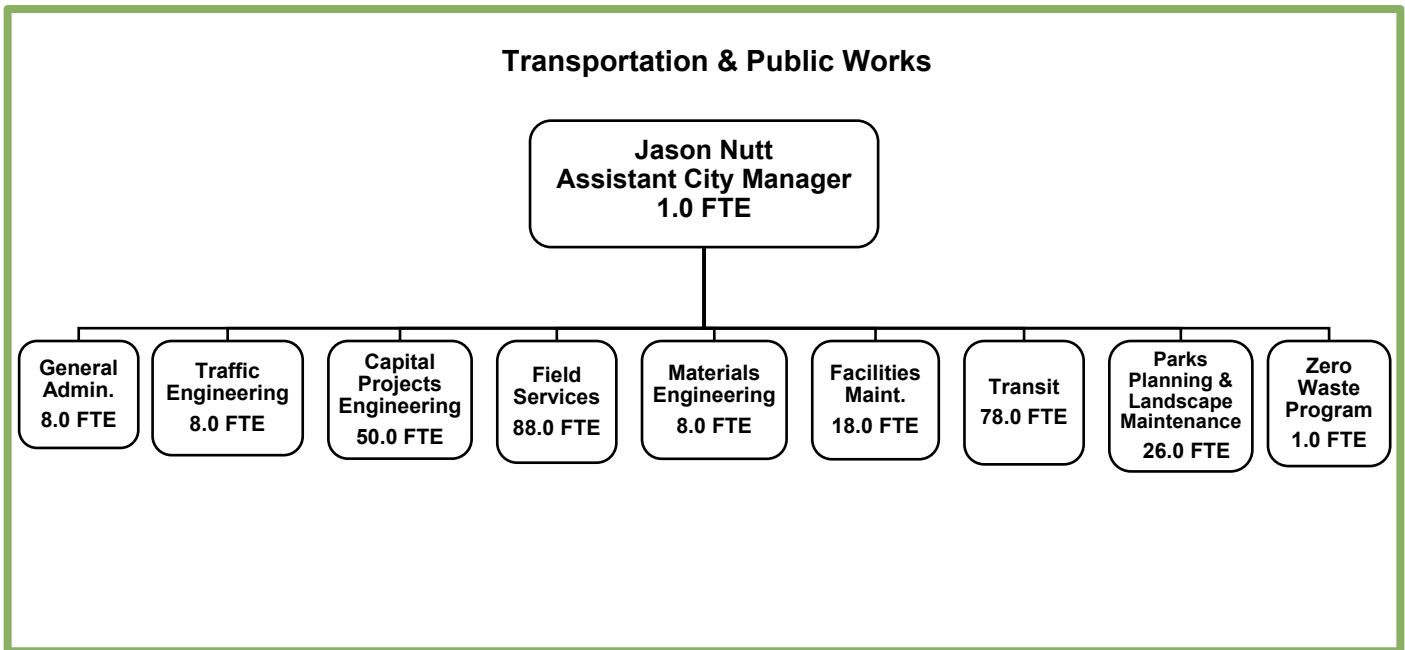
**Field Services** - Comprised of three sections: Fleet Services maintains and replaces the City's fleet vehicles and equipment; Street Maintenance maintains most street assets including pavement, sidewalk, curb and gutter, storm drain system, creeks, ditches, pedestrian ramps, signs, and markings; and Parks Planning & Landscape Maintenance, described below.

**Parks Planning & Landscape Maintenance** - Comprised of two sections: The Park & Landscape Maintenance service unit maintains 1,035 acres of park land including community, neighborhood and special purpose parks, in addition to open space, trail parks, public plazas, and recreational and public building sites; and delivers land stewardship for 73 acres of roadway landscaping. The Parks Planning and Development unit provides continuing acquisition and development of parks and recreation facilities; acts as a liaison to LandPaths at Bayer Farm, Luther Burbank Home and Gardens, Bennett Valley Golf Course and Legends; manages all digital park assets in geographical information system (GIS), capital park and master plan designs; conducts park research; and prepares and manages grant applications.



**Transit** - Manages and operates Santa Rosa CityBus, providing fixed-route service throughout Santa Rosa, with 14 fixed-routes and one deviated fixed-route which serves the Oakmont community. The Transit Division also manages Santa Rosa Paratransit, the City’s American with Disabilities Act (ADA) complementary curb-to-curb paratransit service, the Santa Rosa Free Ride Trip Reduction Incentive Program, and the Learn to Ride Santa Rosa CityBus Travel Training Program.

**FTE by Program**



**Strategic Goals and Initiatives for FY 2021-22**

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

- |   |            |
|---|------------|
| ▪ Invest in and maintain city owned road, park, facility, electrical and mechanical infrastructure to regional, state, federal and industry standards | 4, 7       |
| ▪ Operate an efficient public a transit system  | 3, 5       |
| ▪ Maximize grants and other outside funds   | 4, 5, 6    |
| ▪ Manage, track and acquire property, leases and easements  | 3, 5       |
| ▪ Support Climate Action by reducing impacts from City operations   | 5, 6, 9    |
| ▪ Develop a highly skilled and motivated team   | 8, 9       |
| ▪ Implementation of City-wide Telematics program  | 6          |
| ▪ Develop a specification for electric vehicle standards to meet the 2035 California mandate for electric vehicles.                                   | 4, 6       |
| ▪ Implementation of the re-instatement of a tree maintenance crew within the Park.  | 4          |
| ▪ Implementation of Cityworks asset management work order system for tracking and dispatching work performed  | 2, 4, 5, 6 |

## Major Budget Changes

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The Transportation & Public Works' (TPW) budget is funded by four major sources: The General Fund, the Capital Improvement Fund, the Transit Enterprise Funds, and the Equipment Repair and Replacement Internal Service Funds. The total FY 2021-22 budget is \$81.3M, a decrease of \$3.9M, or -4.5%, over the prior year's adopted budget.

The General Fund makes up 36.3% of the department's budget, increasing \$1M over the year, to a total of \$29.5M. Salaries & Benefits decreased overall by \$379K including a \$501K increase PERS retirement benefits. Position reductions as part of the FY 2021-22 budget include 1.0 FTE Administrative Support Supervisor, 4.0 FTE Skilled Maintenance Workers, 1.0 FTE Electrician and 2.0 FTE Groundskeepers. Positions added as a part of the FY 2021-22 budget include 1.0 FTE Senior Administrative Assistant, 1.0 FTE Safety and Training Coordinator, 4.0 FTE Associate Civil Engineers which offset Salary and Benefits to CIP projects and 1.0 FTE Parks Planner. Services & Supplies grew by \$479K; this includes \$192K increase in Utilities mainly from PG&E rate increases, \$116K increase in street surface repair in conjunction with the Roseland Annexation plan and \$80K increase in vehicle expenses for repair and maintenance of City vehicles. CIP and O&M projects increased \$325K for Real Estate Projects professional services and staff time support.

The Capital Improvement Fund makes up 29.7% of the department's overall budget. Over the year, the fund declined by a net \$2.4M, ending with a total budget of \$24.2M in FY 2021-22. Although large increases were seen across a number of CIP projects, notably Park Amenities Capital Replacements (+\$2.2M), Southeast Play Equipment Rehabilitation (+\$1.3M), ADA Settlement Facilities Projects (+\$1.2M) and Sonoma Avenue Reconstruction Farmers to Hahnman (+\$775K), other projects experienced substantial declines particularly the Pacific Avenue Reconstruction (-\$2.8M), Sam Jones Hall Rehabilitation (-\$2.6M), Fountaingrove Roadway Irrigation (-\$1.7M), and Hearn Avenue at Highway 101 Interchange (-\$1.5M).

The Equipment Repair and Replacement Internal Service Funds declined by \$779K, or -6.5%. Salaries & Benefits remained relatively flat, growing \$85K or 2.4% over the year mostly attributable to an increase in PERS retirement benefit. Services & Supplies increased by \$429K, which included \$250K for fleet telematics software and \$100K increase in auto parts, tires and supplies from higher costs driven by shortages. Capital Outlay is variable year to year and declined \$1.3M based on the replacement schedule of vehicles defined by the Fleet Management System.

The Transit Enterprise Fund budget is \$13.9M, a decrease of \$1.2M, or 7.8% over the FY 2020-21 adopted budget. Services and Supplies decreased by \$772K, including reductions of \$280K in repair and maintenance, \$270K in fuel and \$267K in paratransit service all relative to reductions of service due to decreases of demand from the pandemic.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
General Administration	\$1,262,084	\$1,624,082	\$1,598,124	\$1,606,282
Traffic	\$1,331,116	\$1,271,521	\$1,556,299	\$1,663,705
Capital Projects Engineering	\$3,424,690	\$2,978,033	\$2,678,073	\$2,899,589
Field Services	\$19,060,549	\$19,254,730	\$23,425,264	\$22,811,788
Materials Engineering	\$515,807	\$691,660	\$819,416	\$748,454
Transit	\$13,625,797	\$13,100,127	\$15,066,348	\$13,889,982
Facilities	\$4,206,541	\$4,537,696	\$4,745,672	\$4,855,706
Regional Parks	\$0	\$4,758,138	\$6,820,590	\$6,769,976
Zero Waste Operations	\$0	\$0	\$0	\$149,852
Bennett Valley Golf Course	\$0	\$481,335	\$525,884	\$537,010
CIP and O&M Projects	\$15,203,037	\$24,739,921	\$27,933,676	\$25,367,461
<b>Total</b>	<b>\$58,629,621</b>	<b>\$73,437,243</b>	<b>\$85,169,346</b>	<b>\$81,299,805</b>

<b>Expenditures by Category</b>				
	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
Salaries	\$14,899,416	\$16,641,545	\$18,031,750	\$17,198,425
Benefits	\$9,302,086	\$10,488,881	\$11,289,883	\$11,665,363
Professional Services	\$1,616,154	\$2,647,195	\$3,265,102	\$3,304,494
Vehicle Expenses	\$3,949,647	\$3,903,424	\$5,036,534	\$4,619,501
Utilities	\$2,405,314	\$2,841,121	\$4,190,556	\$4,448,839
Operational Supplies	\$2,734,812	\$2,469,767	\$2,881,610	\$3,079,490
Information Technology	\$1,095,050	\$1,089,639	\$1,166,125	\$1,239,482
Debt Service	\$0	\$454,617	\$457,291	\$455,752
Liab/Property Insurance	\$357,262	\$350,747	\$418,992	\$450,576
Other Miscellaneous	\$535,359	\$571,045	\$655,978	\$671,450
Transportation Purchase	\$1,247,705	\$1,313,381	\$1,517,000	\$1,250,000
Indirect Costs	\$1,969,631	\$1,920,866	\$1,805,290	\$1,781,069
GF Admin Cost Plan	\$1,410,705	\$1,421,709	\$1,635,834	\$2,217,228
Capital Outlay	\$1,903,443	\$2,583,385	\$4,883,725	\$3,550,675
CIP and O&M Projects	\$15,203,037	\$24,739,921	\$27,933,676	\$25,367,461
<b>Total</b>	<b>\$58,629,621</b>	<b>\$73,437,243</b>	<b>\$85,169,346</b>	<b>\$81,299,805</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2018 - 2019 Actual</b>	<b>2019 - 2020 Actual</b>	<b>2020 - 2021 Budget</b>	<b>2021 - 2022 Budget</b>
General Fund	\$20,144,911	\$24,821,368	\$28,500,943	\$29,507,446
Capital Facilities Fee Fund	\$17,907	\$65,479	\$0	\$0
AB 434 Funds (Transit)	\$213,518	\$122,521	\$170,451	\$0
Measure M - Parks 2019	\$0	\$0	\$300,000	\$139,217
Capital Improvement Fund	\$11,831,938	\$23,741,246	\$26,596,985	\$24,164,461
St. Francis Knolls	\$0	\$0	\$2,001	\$2,309
Stony Ranch	\$0	\$307	\$5,292	\$6,184
The Orchard at Oakmont	\$0	\$6,819	\$48,503	\$61,701
Sandra's Place Tax District	\$0	\$0	\$5,431	\$5,319
Woodbridge Tax District	\$0	\$1,694	\$11,780	\$14,255
North Village I Special Tax Di	\$0	\$795	\$9,956	\$11,176
Kawana Springs 6 Special Tax D	\$0	\$0	\$6,596	\$8,093
Catalina/Amorosa STD Zone 7	\$0	\$0	\$0	\$9,264
Utilities Administration Fund	\$1,075,006	\$1,144,069	\$1,155,090	\$1,223,165
Municipal Transit Fund	\$12,243,273	\$11,670,080	\$13,381,449	\$12,510,386
Transit Capital Fund	\$2,243,325	\$201,336	\$0	\$0
Paratransit Operations	\$1,382,524	\$1,430,047	\$1,684,899	\$1,379,596
Bennett Valley Golf Course Ops	\$0	\$131,432	\$420,075	\$144,504
Taxable Golf Bond Debt Serv	\$0	\$128,491	\$131,440	\$132,224
Tax-exempt Golf Bond DS	\$0	\$262,882	\$262,609	\$260,282
Storm Water Enterprise Fund	\$484,325	\$431,225	\$542,045	\$562,873
Equipment Repair	\$5,844,576	\$5,420,798	\$6,101,380	\$6,329,131
Equipment Replacement Fund	\$3,148,318	\$3,853,772	\$5,828,421	\$4,821,337
Railroad Square Maintenance Fu	\$0	\$2,882	\$4,000	\$6,882
<b>Total</b>	<b>\$58,629,621</b>	<b>\$73,437,243</b>	<b>\$85,169,346</b>	<b>\$81,299,805</b>

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

<b>Fiscal Year</b>	<b>FY 2017 - 18</b>	<b>FY 2018 - 19</b>	<b>FY 2019 - 20</b>	<b>FY 2020 - 21</b>	<b>FY 2021 - 22</b>
<b>Full-Time Equivalent</b>	274.50	274.00	290.00	287.00	286.00

## Performance Measures

<b>INDICATORS:</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
Grant Revenues Secured	\$5.4M	\$5.8M	\$7.2M
<b>Travel Time Along 5 Major Arterial Streets (PM Peak)</b>			
College/West College Avenue Cleveland Avenue to 4 <sup>th</sup> Street	3:31	Measure Suspended**	3:16
Guerneville Road/Steele Lane Range Avenue to Illinois Street/County Center Drive	2:14	Measure Suspended**	2:11
Mendocino Avenue College Ave to Steele Lane	3:01	Measure Suspended**	2:56
Santa Rosa Avenue Baker Overcrossing to Yolanda Avenue	2:54	Measure Suspended**	3:21
Stony Point Road West College Avenue to Hearn Avenue	8:17	Measure Suspended**	6:45

\*Stony Point Road south of Sebastopol under construction.

<b>Capital Projects Engineering</b>	<b>2018*</b>	<b>2019*</b>	<b>2020*</b>
Total Construction Project Expenditures	\$14.5M	\$18.4M	\$22.9M
% CIP Projects completed within 5% of baseline budget	76%	Measure Suspended**	67.7%
Average construction contingency spent on CIP projects	4.9%	6.7%	4.9%
CIP Projects completed within 2 mo. of baseline schedule	82%	Measure Suspended**	Measure Suspended**
Overall satisfaction with construction projects (new)	79%	82%	89%

\*\* Due to Shelter-in-Place from COVID-19

<b>Transit</b>	<b>FY 2018-19</b>	<b>FY 2019-20*</b>	<b>FY 2020-21</b>
Routes meeting new system productivity standards	2	3	Measure Suspended**
Average systemwide on-time performance of 90%	86%	88%	90.6%
Paratransit passengers/hour equal or greater than 2.4	2.42	2.21	Measure Suspended**

\*Year-to-date pre-COVID

\*\* Due to COVID-related reductions in service/demand.

<b>Fleet Services</b>	<b>2018*</b>	<b>2019*</b>	<b>2020*</b>
Mechanic productivity: goal 1,500 hours/mechanic/year	1,515	1,596	1,266
Vehicle Downtime: goal under 5%	2.0%	4.2%	2.21%
Preventive Maintenance Performed On-time: goal 90%	81%	71%	75%
Scheduled versus Non-Scheduled Repairs: goal (60% or higher) versus (40% or lower)	67%/33%	68%/32%	70.2%/29.8%
Annual Parts Inventory Turn (annual sales/inventory value): goal 4-6	3.1	3.5	2.6
Parts Fill Rate: goal 90% within 24 hours	93.6%	91.2%	93.04%

\* Calendar Year

<b>Parks &amp; Landscape Maintenance</b>	<b>FY 2018-19</b>	<b>FY 2019-20 Estimates</b>	<b>FY 2020-21 Estimates</b>
Dollar amount of park and ground maintenance expense per capita	\$31.00	\$31.00	\$31.00

## Prior FY 2020-21 Accomplishments

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

- Received grant for and began work on the Local Roadway Safety Program for Fourth Street, Montgomery Drive, and College Avenue. 4, 7
- Completed retrofit and replacement of remaining streetlights in Fountaingrove and Coffey Park as part of Fire rebuild. 6, 7
- Submitted white paper and documentation for appeal to FEMA's denial of our pavement damage due to debris removal trucks associated with the Tubbs Fire. 5, 7
- Received top honors for 2021 outstanding Local Streets and Roads Projects: Fulton Road Reconstruction Project and Flashing Yellow Left Turn Arrow Retrofit Project. 4, 7
- Hired Active Transportation Planner – to support citywide bicycle and pedestrian activities 3,4, 6
- Stony Point Road Corridor Study, one of 8 studies identified in the Bicycle and Pedestrian Master Plan Update 2018 is 95% complete. The Final Study is expected to be done in June 2021. 4, 7
- MTC staff has recommended awarding the City with \$12.0M in federal funds from the 2021 Regional Active Transportation Program (ATP) Cycle 5 pending MTC Commission for the construction phase of the Highway 101 Bicycle and Pedestrian Overcrossing. 4,6, 7
- Sought City Council direction on Shared Mobility Devices - staff is developing 1-year pilot program (ordinance and permit process). 6
- Bike Share – in partnership with the Sonoma County Transportation Authority (SCTA) the City Council is scheduled to approve a resolution and Coordination Agreement to participate in the Sonoma/Marin Bike Share Pilot Program expected to launch in 2021. 6
- Continue to participate in a Countywide Vision Effort in partnership with the SCTA and the Sonoma County Department of Health Services. A draft data dashboard was been created for the County and its Cities. 7
- Among several other tasks our Facilities crews reconstructed the Luther Burbank Trellis, remodeled PED public facing office, installed 16,000 square feet of flooring in Finely Community Center, installed enhanced pedestrian crossings at College Avenue/Orchard St and at Coffey Ln/Dogwood Drive, and provided an initial response to COVID-19 by disinfecting touched surfaces, installing plexiglass separators at all public counters, and contracting the installation of bipolar ionization systems throughout the City buildings. 5,7
- Coffey Park was reopened to the public in October 2020 after it was destroyed in the 2017 wildfires. 5
- LED lights replaced existing lighting at Howarth Park tennis courts, creating efficient and more effective lighting. 6
- A major support trellis was replaced at Luther Burbank Home and Gardens. 4
- Provide 106 development plan reviews for development impacts related to parks, and potential for future park acquisition and development. 5
- A Place to Play sport field improvements grant application was approved and included in the Sonoma County Agricultural Preservation and Open Space District's Matching grant program. 5
- Implemented multiple fixed-route service changes to respond to dynamic operating conditions and community needs during the pandemic; launched "call ahead" service to provide a demand-responsive mobility option for riders affected by fixed-route service reductions. 1
- Implemented full range of health and safety practices and policies onboard transit vehicles and in transit facilities to protect employees and riders during the pandemic. 1

- Supported Sonoma County vaccination effort and equitable access to vaccines by leading the Bay Area in providing free access to vaccination appointments and enhancing service to the Grace Pavilion mass vaccination site. 1
- Played a leadership role in implementation of the Sonoma County Transit Integration and Efficiency Study and development of a “unified brand” for local transit in Sonoma County through SCTA Future of Transit Ad Hoc Committee process 6
- Placed order for first four battery-electric transit buses and initiated project to construct infrastructure for electric bus charging at MSCS yard 6
- Developed and implemented financial strategy for recovery from significant revenue impacts to the Transit Fund due to the pandemic. 1, 4
- Public health and safety were protected through Capital Projects Engineering (CPE) infrastructure upgrade projects serving the public. These improvement projects enhanced public fire protection capacity, reliable drinking water supply and functioning sewer collection systems, and wastewater treatment compliance. CPE completed or anticipates completing a total of 37 capital improvement projects in FY 2020-21, including: 7
  - (4) fire recovery and rebuilding projects
  - (8) sewer and water rehabilitation projects
  - (8) Regional Water Reuse system improvement projects
  - (14) street and public access improvements projects
  - (3) public facility improvement projects
- Filled 5,217 potholes. 4
- Removed 3500 cubic yards of debris from the public right-of-way. 5,7
- Parks and Streets collaborated to removed burned trees and repair damage within the Glass Fire burn scar. 4
- Met the mandated Measure M Maintenance of Effort (MOE) Streets spending target to ensure receipt of \$1.2 million in annual funding. 1,5
- Upgraded tennis court lighting at Howarth Park to energy efficient LED lighting. 4,6
- Introduced 10 hybrid police patrol vehicles into the Fleet. 4,6
- Created a City-wide Debris Response Team to promote the cleanliness of public spaces. 1,2
- Reduce Fleet staffing levels through attrition and increased efficiencies to address the reduction in Transit operations related to COVID. 1,4
- Re-purposed 16 vehicles slated for auction to reduce outside rental costs associated with COVID. 1,4
- Converted all Diesel fuel dispensed at MSCN to Renewable Diesel Fuel. 6
- The Parks department implemented a phased approach to systematically re-open parks and restrooms. 1

## Looking Ahead

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Park Planning will begin the implementation of Parks for All (Measure M) spending based on community feedback collected over the last year. Fremont park will begin the community engagement portion of the Master Plan process.

Implementation of additional playground replacements citywide based on highest need for replacement. A community garden will be installed at Kawana Springs Community Park. Update to the renaming policy will begin.

Transit Division activities in FY 21-22 will continue to focus on pandemic recovery as well as longer-range strategic initiatives including transit fleet electrification, a proposed K-12 youth free fare program, and development of a “unified brand” for local transit in Sonoma County through the SCTA Future of Transit Ad Hoc Committee’s work to implement the Sonoma County Transit Integration and Efficiency Study. Pandemic recovery activities will include implementing service increases to meet needs for school transportation for Fall 2021, relaunching the Short Range Transit Plan process suspended at the outset of the pandemic, and implementing an EcoPass program to support additional partnerships for fare-free transit access. During FY 21-22 charging infrastructure supporting CityBus’ first nine electric buses will be completed, and the Transit Division will deploy its first four battery-electric buses.

Capital Projects Engineering (CPE) is on track with initiating a total of 27 capital improvement projects in FY 2021-22. Significant construction projects include the Laguna Treatment Plant Disinfection Improvements project which will replace the existing Ultraviolet light (UV) primary disinfection infrastructure (~\$46.8M); North Trunk Sewer Replacement project which moves old sewer lines away from Paulin Creek to reduce maintenance costs and potential sewer overflows and creek impacts, and installation of new water mains in Chanate Road and Lomas Avenue to loop existing systems together, improving performance and reducing maintenance costs (~\$10.7M); Lower Colgan Creek Restoration – Phase 2 project, a three phased project stretching along 1.4 miles of the creek in southwest Santa Rosa, will restore the creek from an earthen flood control channel to a healthier seasonal creek with increased flood capacity (~\$2.6M); Fulton Rd Widening project will reconstruct and widen Fulton Rd between Guerneville Rd and Piner Rd with a new concrete surface, adding a vehicle lane in each direction, as well as upgrading bike and pedestrian facilities along the project limits (~\$13M); and the Laguna Treatment Plant Flood Protection which will install flood protection facilities for the Laguna Treatment Plant (~\$7.1M).

The Street Maintenance and Parks Maintenance sections will continue to experience challenges with maintaining the streets and parks systems due to current vacancies being held. The Street Maintenance section is currently on track to meet the required Maintenance of Effort (MOE) target, but the recent creation and absorption of the Debris Removal Team threatens that goal. The Debris Removal Team will continue efforts to clean and remove debris from public spaces as they address a continued increase in encampment debris and illegal dumping. Asphalt roadway maintenance equipment recently purchased will allow for an increase in efficiency with a higher quality product. The implementation of the Cityworks will allow asset lifecycles to be tracked closely.

Fleet Services Section will be finalizing the implementation of a city-wide Vehicle Telematics System program. An electric vehicle base specification will be developed to be used when purchasing new vehicles within the city fleet to meet the 2035 California electric vehicle mandate. Fuel consumption continues to decrease as existing Police patrol vehicles are replaced with hybrid models to support efforts to reduce greenhouse gas emissions. Productivity levels will follow a more normal trend as city-wide operations resume, following the effects of COVID-19.



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# Policies

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

## **CONTINGENCY RESERVE POLICIES**

### **General Fund**

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

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

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

A reserve for potential liability claims should be maintained at a level at least equal to the discounted expected value of reserves determined by the annual actuarial valuation that estimates the potential

loss from incurred but not reported (IBNR) claims. Due to the lack of predictability of future IBNR claims, and the potential of non-insured claims against the City, additional reserves of twice individual claim Self Insured Retention should be set aside.

A reserve for Employee Benefit Insurance claims on self-insured City benefit plans should be set at a level that allows for at least three months 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.

**Homeless and Affordable Housing Policy**

The City Council 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 the approved Fiscal Year percentage from the table below by the estimated amount of Real Property Transfer Tax projected to be received by the City for the applicable year. Every year, this percentage will increase by 5% annually until 100% of the RPTT revenues are designated for homeless and affordable housing:

<b>% of RPTT Appropriated</b>	<b>Fiscal Year</b>
35%	2020/2021
40%	2021/2022
45%	2022/2023
50%	2023/2024
55%	2024/2025
60%	2025/2026
65%	2026/2027
70%	2027/2028
75%	2028/2029
80%	2029/2030
85%	2030/2031
90%	2031/2032
95%	2032/2033
100%	2033/2034

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 maximum 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 regard 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 favor it over cash funding. The policy specifies standards to use as guides when considering debt financing including credit risk, long term capital projects, debt financing mechanisms, ongoing debt administration and internal controls and rebate policy and system.

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

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

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

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

Regarding market relationships, the City's Chief Financial Officer (CFO) is responsible for maintaining relationships with ratings agencies such as Moody's, Standard & Poor's, 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 objective 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, determined the proposed debt's federal income tax status, and has met any other requirements.

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.

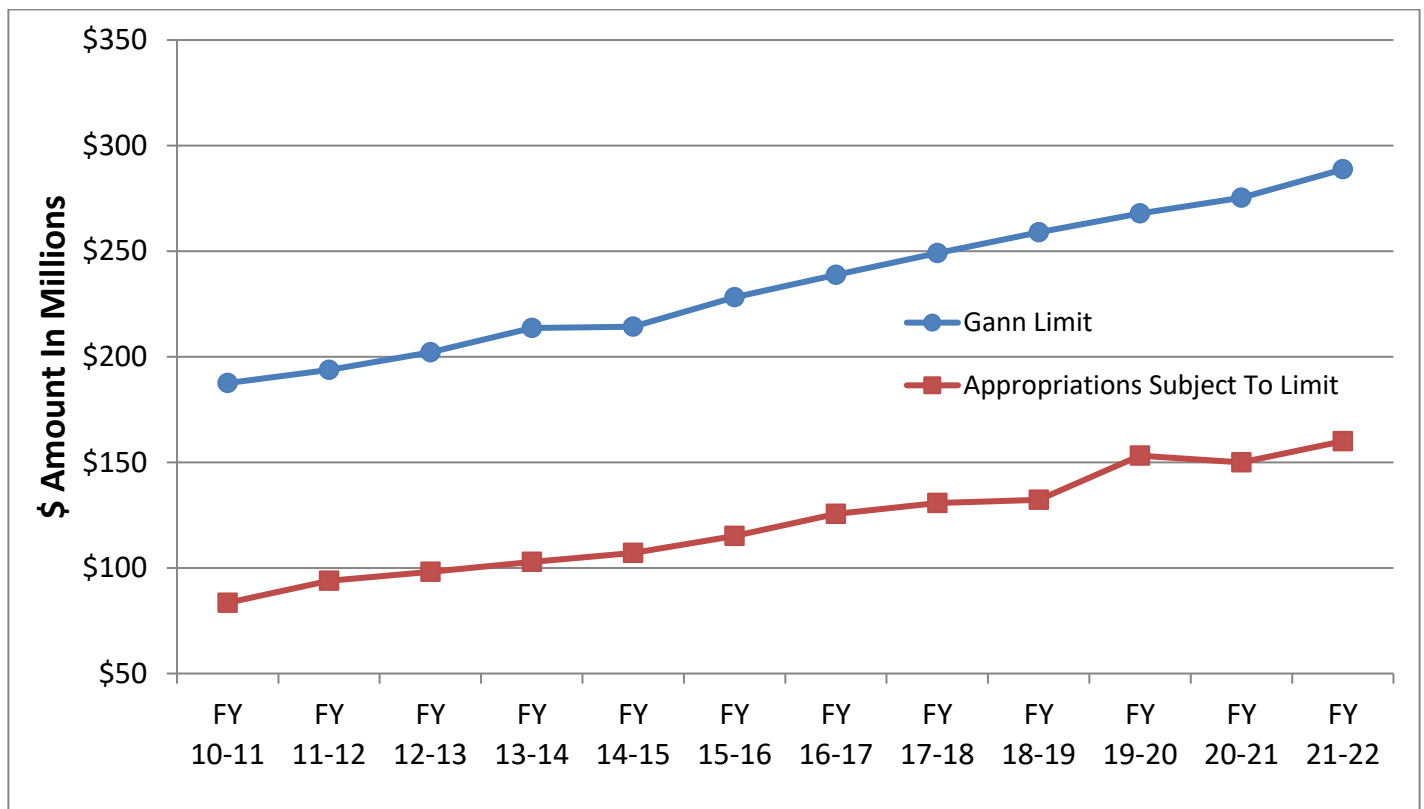


In May 2021, the California State Department of Finance notified cities of the population change and the per capita personal income factor to be used to determine the appropriation limit. Using the change in per capita income method, the calculation as applied to the City of Santa Rosa for FY 2021-22 is:

- The change in the California per Capita Income for FY 2021-22 is 5.73%.
- The percent population increase of the City of Santa Rosa from Jan. 1, 2020 to Jan. 1, 2021 is -0.83%.

$$\frac{5.73 + 100.00}{100.00} \times \frac{-0.83 + 100.00}{100.00} = 1.0485$$

Applying the year’s factor of 1.0485 to last year’s limit of \$275,369,000, the Gann limit for FY 2021-22 is \$288,731,000. With appropriations subject to the limitation totaling approximately \$160,002,000, the City of Santa Rosa is not at risk of exceeding the Gann limit.



RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF COUNCIL OF THE CITY OF SANTA ROSA APPROVING THE BUDGET FOR THE CITY OF SANTA ROSA FOR FISCAL YEAR 2021/22, THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2021/22 AND ESTABLISHING RESERVES FOR THE 2020/21 FISCAL YEAR

WHEREAS, the City Manager has submitted to the Council an estimate of expenditures, revenues and transfers for all City Departments for the Fiscal Year 2021/22, together with such other budget information as required by the Charter of the City of Santa Rosa; and

WHEREAS, sufficient copies of such estimates were placed on the City of Santa Rosa's website (<https://srcity.org/800/Budget-Information>) and have been placed on file in the Office of the City Manager for inspection by the public as required by the Charter of the City of Santa Rosa and other applicable laws; and

WHEREAS, the Council has reviewed the proposed budget for the Fiscal Year 2021/22 based upon the City Manager's estimate of expenditures, revenues and transfers; and

WHEREAS, the City of Santa Rosa submits its budget document to the Government Finance Officer's Association "Distinguished Budget Presentation Award,"; and

WHEREAS, it is City practice, at the end of each fiscal year, to appropriate all available fund balances to a reserve in each fund in accordance with Generally Accepted Accounting Principles (GAAP); and

WHEREAS, approval of the budget for the Capital Improvements Program does not constitute final approval for any project, and each project will be subject to environmental and engineering review.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa approves the budget of the City of Santa Rosa for the Fiscal Year 2021/22, as set forth in the 2021/22 Budget columns of those documents marked, "City of Santa Rosa Proposed Operations and Maintenance Budget – Fiscal Year 2021/22" and "City of Santa Rosa Proposed Capital Improvement Program Budget – Fiscal Year 2021/22," together with the detailed back-up to those documents, with the exception of the following CIP project, which shall be addressed separately:

- 770 – Stormwater Creek Restoration Projects
- 1903 – Los Alamos Trunk Replacement: Streamside Dr to Elaine Dr
- 2041 – Cleveland Ave. and 7<sup>th</sup> St. Lateral Installation and Sewer Main Abandonment
- 2356 – Annual Slurry Seal 2021
- 2379 – Parking Garage Maintenance 2021- Garage #1 & #3

BE IT FURTHER RESOLVED that the Council approves the FY 2021/22 Operating and Capital budgets with the following Modifications:

Modifications:

- A. Changes directed or approved by Council during the review of the budget;
- B. The Council has approved a policy to fund public safety services in kind for community promotion programs in the budget. The actual cost may exceed the estimated budgeted appropriations for these services;
- C. Adjustment of salary and benefit costs in accordance with applicable ordinances and resolutions of the Council and updated cost calculations regarding such salaries and benefits;
- D. Adjustment of revenues and expenditures in the Risk Fund to cover benefit costs associated with new Fiscal Year 2021/22 positions approved by Council and benefit costs associated with Fiscal Year 2021/22 Memorandum of Understanding (M.O.U.) agreements;
- E. Adjustment of interfund charges, indirect costs and other costs which are allocated to various accounts in accordance with City accounting practice;
- F. Carryover of Fiscal Year 2020/21 appropriations in the Internal Service Equipment and Replacement Fund related to equipment purchases that were delayed due to issues with the manufacturer, a change in need or finalization of grants supporting the purchases;
- G. Incorporation of approved budget adjustments in Fiscal Year 2020/21 which affect the Fiscal Year 2021/22 budget, and which are not reflected in the budget document;
- H. Any necessary adjustments to the allocation of costs to the agencies in the Santa Rosa Subregional Wastewater System, including the issuance of refunds or credits for payments and/or the collection of additional funds;
- I. Inclusion of any additional Fiscal Year 2020/21 projects which are to be carried forward into Fiscal Year 2021/22 without appropriation of additional funds and exclusion of any other Fiscal Year 2020/21 projects which are not to be carried forward into Fiscal Year 2021/22;
- J. The adjustment of revenues and expenditures for grant-funded activities, in which the expenditures and the revenues must be “balanced”;
- K. The adjustment of offsetting revenues and expenditures; the City Manager may authorize increases in appropriations for a specific purpose where the appropriation is offset by unbudgeted revenue, which is designated for said specific purpose.

- L. Other administrative or accounting adjustments and corrections which are necessary and which are in accordance with the Council’s direction and approval of the budget including the creation of capital project accounts for the purpose of administrative tracking and including, but not limited to substitutions/exchanges of non-General Fund funding sources;
- M. The Council authorizes 1,238.90 FTE as of July 1, 2021 as the total authorized positions for the City for Fiscal Year 2021/22, and authorizes any necessary adjustments and corrections which are necessary and which are in accordance with the Council’s direction and approval of the budget or previous Council approval.
- N. The Council authorizes the issuance of Project Work Orders under Master Professional Services Agreements in Exhibit A attached hereto, with a cumulative not to exceed sum of \$15 million for Fiscal Year 2021/22.

BE IT FURTHER RESOLVED that the Council confirms reductions, increases and adjustments in Fiscal Year 2021/22 appropriations, which have been accomplished by administrative action.

BE IT FURTHER RESOLVED as follows:

- 1. All available fund balances as of June 30, 2021, as determined upon completion of the annual audit, are appropriated in a reserve in each fund in accordance with GAAP.
- 2. The City Manager and Chief Financial Officer are authorized to make changes to the budget document that enhance the presentation of the document in such a way to meet the criteria set forth by the Government Finance Officer’s Association “Distinguished Budget Presentation Award” but shall not make any material changes to budget appropriations approved by the City Council.
- 3. Deficits in available fund balances are adjusted by an appropriation from the existing reserves.

BE IT FURTHER RESOLVED that the City Manager is authorized to administer the budget in accordance with established administrative policies, and the City Manager is authorized to approve the transfer of budgeted amounts, as necessary and without restriction within a fund, not to exceed \$50,000 between funds, including the use of contingency funds, and the establishment, substitution, or deletion of projects and capital items.

BE IT FURTHER RESOLVED that the City Manager is authorized to delegate approval authority for such budget changes, in accordance with administrative policy; and the City Manager is further authorized to decrease the total budget for a fund, if required during the year.

IN COUNCIL DULY PASSED this \_\_\_\_ day of June, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

Attachment: Exhibit A - Master Professional Services Agreements List

RESOLUTION NO \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THAT PUBLIC FACILITIES IMPROVEMENT FEES FUNDED (“PFIF”) PROJECTS CONTAINED WITHIN THE CITY BUDGET AND THE CAPITAL IMPROVEMENT PROGRAM DOCUMENT CONTINUE TO REPLACE THE PFIF MAP AND LIST ON FILE WITH THE CITY ENGINEER AND MAKING CERTAIN FINDINGS WITH REGARD TO CEQA REQUIREMENTS FOR THE ADOPTION OF THE CITY BUDGET

WHEREAS, the City of Santa Rosa budget includes the Capital Improvement Program document, which includes projects funded by the Public Facilities Improvement Fee; and

WHEREAS, the Council finds that continued development in the City has increased use of certain public facilities, with the result that some are now overburdened and extended beyond their capacity or will become so in the near future if development continues; and

WHEREAS, former Article IV, “Public Facilities Improvement Fees,” Santa Rosa City Code Section 18-08.060 provided that, “the City Engineer has on file a map and a list containing a description of all such non-existing or presently deficient capital improvements, and their corresponding current cost estimates”; and

WHEREAS, former Section 18-08.060 also provided that, “the Council reserves the right to review, from time to time as the Council deems appropriate, all such maps, lists and estimates, and to change and revise the same, or any one of them, as conditions change”; and

WHEREAS, the Council has previously authorized that projects included in the Capital Improvements Program (“CIP”) utilizing PFIF shall constitute the map description and cost estimates described in the then current Santa Rosa code Section 18-08.060; and

WHEREAS, the Planning Commission of the City of Santa Rosa has reviewed the CIP portion of the proposed budget and has found the first and second year, new and annual projects set forth therein to be consistent with the City of Santa Rosa General Plan; and

WHEREAS, each City department with a CIP project is directly responsible for obtaining the proper environmental review of each such project as required by the California Environmental Quality Act.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa determines that projects included in the Capital Improvement Program which have PFIF Funding shall continue to constitute the map, description and cost estimates described in former Santa Rosa City Code Section 18-08.060.

BE IT FURTHER RESOLVED that each City department which has a CIP project within the approved budget shall submit each such project to an Environmental Specialist for a review to be conducted in accordance with the applicable requirements of the California Environmental Quality Act (CEQA), and the City Code provisions implementing, and following completion of

the environmental review, the decision making body shall make the applicable environmental findings and determinations prior to approving the project. Projects which involve a significant design shall be submitted to an Environmental Specialist for review at an appropriate time during the design phase; projects which do not involve a substantial design phase shall be submitted to an Environmental specialist for review at the time the preliminary decision is made to go forward with the project or as soon thereafter as practical. If bids or proposals are required to be obtained for a project, the environmental documentation and review shall be completed prior to the obtaining of any bids or proposals; if no bids or proposals are required to be obtained for a project, the environmental documentation and review shall be completed prior to commencing the physical construction or installation of the project.

BE IT FURTHER RESOLVED that the action of adopting the FY 2021-22 Budget, including the conditions attached thereto, is exempt from CEQA in that it can be seen with certainty that there is no possibility that the adoption of the budget, as conditioned, may have significant effect on the environment.

IN COUNCIL DULY PASSED this \_\_\_\_ day of June 22, 2021.

AYES: (0)

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AMENDING THE CITY SALARY PLAN AND SCHEDULE AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT THESE CHANGES INCLUDED IN THE FISCAL YEAR 2021-2022 BUDGET

WHEREAS, the Personnel Officer, on behalf of the City Manager, ensures the orderly and consistent administration of the City Council's adopted salary plan and schedule; and

WHEREAS, the Personnel Officer recommends that various classifications be abolished, created or modified, and that some existing salary ranges be adjusted; and

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa amends the City salary plan and schedule and authorizes the changes to permanent budgeted positions as follows:

- 1) Reclassify 1.0 Senior Administrative Assistant, Unit 4 Support Services to Administrative Secretary, Unit 4 Support Services in the City Attorney's Office
- 2) Convert 1.0 FTE Risk Management Analyst Limited Term, Unit 12 Confidential to Risk Management Analyst, Unit 12 Confidential in the Human Resources Department
- 3) Reclassify 1.0 Employee Relations Manager, Unit 11 Confidential Mid-Management to a new classification of Deputy Human Resources Director, Unit 11 Confidential Mid-Management in the Human Resources Department
- 4) Add .25 FTE Senior Customer Service Representative, Unit 4 Support Services in the Finance Department
- 5) Delete 1.0 FTE Field Collection Representative, Unit 7 Technical in the Finance Department
- 6) Delete 1.0 FTE Meter Technician Limited Term, Unit 7 Technical in the Finance Department
- 7) Delete .50 FTE Parking Operations Coordinator, Unit 7 Technical in the Finance Department
- 8) Delete 1.0 FTE Senior Administrative Assistant, Unit 4 Support Services in the Finance Department
- 9) Delete 1.0 FTE Accountant-Auditor, Unit 6 Professional in the Finance Department
- 10) Add 1.0 FTE Financial Analyst, Unit 18 Mid-Management in the Finance Department
- 11) Delete 1.0 FTE Department Application Specialist, Unit 7 Technical in the Fire Department
- 12) Delete 5.0 FTE Firefighter, Unit 2 Fire in the Fire Department
- 13) Convert 1.0 FTE Community Outreach Specialist Limited Term, Unit 7 Technical to Community Outreach Specialist, Unit 7 Technical in the Fire Department
- 14) Add 1.0 FTE Fire Inspector Limited Term, Unit 2 Fire, ending June 30, 2023, in the Fire Department
- 15) Add 1.0 FTE Building Plans Examiner Limited Term, Unit 6 Professional, ending June 30, 2023, in the Fire Department
- 16) Delete 1.0 FTE Administrative Technician, Unit 7 Technical in the Planning and Economic Development Department



- 17) Delete 1.0 FTE Permit Intake Manager, Unit 18 Mid-Management in the Planning and Economic Development Department
- 18) Add 1.0 FTE Program Specialist II, Unit 6 Professional in the Planning and Economic Development Department
- 19) Move the classification of Arts and Culture Coordinator, Unit 6 Professional to Unit 18 Mid-Management and modify the salary range to \$90,196 – \$115,157
- 20) Create the new classification of Assistant Chief Building Official, Unit 18 Mid-Management with an annual salary range of \$103,131 - \$132,077 and add 1.0 FTE in the Planning and Economic Development Department
- 21) Delete 1.0 FTE Housing and Community Services Manager, Unit 18 Mid-Management in the Housing and Community Services Department
- 22) Delete 1.0 FTE Senior Administrative Assistant, Unit 4 Support Services in the Planning and Economic Development Department
- 23) Add 1.0 FTE Administrative Secretary, Unit 4 Support Services in the Planning and Economic Development Department
- 24) Extend limited term assignment of 1.0 FTE Development Review Coordinator through June 30, 2022 in in the Planning and Economic Development Department (overflow of 1.0 FTE Quality Control Associate in the Transportation and Public Works Department)
- 25) Delete 1.0 FTE Senior Administrative Assistant, Unit 4 Support Services in the Recreation and Parks Department
- 26) Delete .10 FTE Recreation Specialist, Unit 7 Technical in the Recreation and Parks Department
- 27) Extend 1.0 FTE Community Outreach Specialist Limited Term, Unit 7 Technical in the Recreation and Parks Department/Community Engagement until June 30, 2022
- 28) Delete 1.0 FTE Administrative Support Supervisor, Unit 18 Mid-Management in the Transportation and Public Works Department
- 29) Add 1.0 FTE Senior Administrative Assistant, Unit 4 Support Services in the Transportation and Public Works Department
- 30) Delete 4.0 FTE Skilled Maintenance Worker, Unit 3, Maintenance in the Transportation and Public Works Department
- 31) Delete 1.0 FTE Electrician, Unit 7 Technical in the Transportation and Public Works Department
- 32) Delete 2.0 FTE Groundskeeper, Unit 3 Maintenance in the Transportation and Public Works Department
- 33) Add 1.0 FTE Safety and Training Coordinator, Unit 18 Mid-Management in the Transportation and Public Works Department
- 34) Add 4.0 FTE Associate Civil Engineer, Unit 6 Professional in the Transportation and Public Works Department
- 35) Reclassify 1.0 FTE Administrative Analyst, Unit 18 Mid-Management to Zero Waste Coordinator, Unit 18 Mid-Management in the Transportation and Public Works Department
- 36) Reclassify 1.0 FTE Geysers Operations and Maintenance Coordinator, Unit 18 Mid-Management Utilities Mechanical Superintendent in the Water Department

- 37) Reclassify 1.0 FTE Water Systems Technician, Unit 7 Technical to Supervising Mechanical Technologist, Unit 7 Technical in the Water Department
- 38) Delete 2.0 FTE Water Systems Technician, Unit 7 Technical in the Water Department
- 39) Add 1.0 FTE Supervising Mechanical Technologist, Unit 7 Technical in the Water Department
- 40) Add 1.0 FTE Senior Mechanical Technologist, Unit 7 Technical in the Water Department
- 41) Delete 1.0 FTE Senior Maintenance Worker- Utilities, Unit 3 Maintenance in the Water Department
- 42) Add 1.0 FTE Senior Electrical Technician- Utilities, Unit 7 Technical in the Water Department
- 43) Add 1.0 Associate Real Property Agent, Unit 7 Technical in the Water Department
- 44) Add 1.0 FTE Technology Application Specialist, Unit 7 Technical in the Information Technology Department
- 45) Create the new regular classification of Media Services Technician in Unit 7 Technical with an annual salary range of \$58,006 - \$70,516
- 46) Delete 1.0 FTE Senior Administrative Assistant, Unit 4 Support Services in the Police Department
- 47) Add 1.0 FTE Administrative Technician, Unit 7 Technical in the Police Department
- 48) Delete 7.0 FTE Police Officer, Unit 5 Police in the Police Department
- 49) Delete 1.0 FTE Police IT Supervisor, Unit 18 Mid-Management in the Police Department
- 50) Delete 1.0 FTE Communications Dispatcher, Unit 14 Police Technical in the Police Department
- 51) Add 1.0 FTE Parks Planner, Unit 18 Mid-Management in the Transportation and Public Works Department

BE IT FURTHER RESOLVED that the Council authorizes the City Manager to implement these changes consistent with the orderly and continual administration of the City's salary plan and schedule.

IN COUNCIL DULY PASSED this 22<sup>nd</sup> day of June, 2021

AYES:  
 NOES:  
 ABSENT:  
 ABSTAIN:

ATTEST: \_\_\_\_\_  
 City Clerk

APPROVED: \_\_\_\_\_  
 Mayor

APPROVED AS TO FORM:  
 \_\_\_\_\_  
 City Attorney

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RESOLUTION NO.

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA SETTING THE STORM WATER UTILITY BUDGET AND DETERMINING THE AMOUNT OF ELIGIBLE FUNDING THAT HAS BEEN RECEIVED FROM THE FLOOD CONTROL ZONE 1A BENEFIT ASSESSMENT IN FISCAL YEAR 2020-21 AND BASED THEREON SETTING THE STORM WATER ASSESSMENT PER EQUIVALENT RESIDENTIAL UNIT FOR THE FISCAL YEAR 2021-22

WHEREAS, on October 8, 1996, the Council adopted Resolution No. 22880 entitled, “A Resolution Approving Report and Levying Annual Storm Water Charges, City of Santa Rosa, Storm Water Enterprise”; and

WHEREAS, Resolution No. 22880, among other things, approved the report of the Director of Public Works, as amended, including the formula and range of proposed charges; and

WHEREAS, an escalator based on the Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area was included in the assessment; and

WHEREAS, the 1.6% escalator for the year ended August 31, 2020, increased the assessment for the Storm Water Utility for fiscal year 2020-21 to \$36.49 per Equivalent Residential Unit (ERU); and

WHEREAS, the annual amounts for each type of expense set forth in the report, as amended and approved, are estimates only and subject to change for any fiscal year; and

WHEREAS, Resolution No. 22880 levied storm water assessments for fiscal year 1997-1998 and subsequent fiscal years as set forth in the report and provided that such assessments would be reduced (pro rata) in the next fiscal year by the amount of funds received from the Flood Control Zone 1A Benefit Assessment of the Sonoma County Water Agency in the current fiscal year if such funds so received are committed for purposes for which the revenues from the storm water assessments would otherwise be expended; and

WHEREAS, the Council has determined that no such qualifying funds were received from the Zone 1A Benefit Assessment and so committed in the current fiscal year (2020-21), resulting in a storm water assessment of \$36.49 per ERU for fiscal year 2021-22.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Santa Rosa that:

1. Based on the foregoing and in accordance with the provisions of Section 4 of Resolution No. 22880, the assessment levied for the Storm Water Utility for fiscal year 2021-22 only shall be \$36.49 per ERU.

2. It is the Council's intent by its adoption of this resolution to establish the amount of qualifying funds received from the Flood Control Zone 1A Benefit Assessment during fiscal year 2020-21 only and using that amount as the credit described and required under Section 4 of



RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING CERTAIN PROJECTS WITHIN THE FISCAL YEAR 2021-22 CAPITAL IMPROVEMENT PROGRAM BUDGET YEAR

WHEREAS, the City Manager has submitted to Council an estimate of expenditures, revenues and transfers for all City Departments for Fiscal Year 2021-22, together with such other budget information as required by the Charter of the City of Santa Rosa; and

WHEREAS, the Council has reviewed the proposed budget for Fiscal Year 2021-22 based upon the City Manager’s estimate of expenditures, revenues and transfers; and

WHEREAS, the Council approved the proposed budget by prior resolution with one excluded item for separate consideration; and

WHEREAS approval of the budget for the Capital Improvements Program does not constitute final approval for any project, and each project will be subject to environmental and engineering review.

NOW, THEREFORE, BE IT RESOLVED that the Council approves the Fiscal Year 2021-22 budget for the following Capital Improvement Program project that was excluded from the primary budget adoption resolution as follows:

- 770 – Stormwater Creek Restoration Projects
- 2356 – Annual Slurry Seal 2021

IN COUNCIL DULY PASSED this \_\_\_\_\_ day of June, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING CERTAIN PROJECTS WITHIN THE FISCAL YEAR 2021-22 CAPITAL IMPROVEMENT PROGRAM BUDGET YEAR

WHEREAS, the City Manager has submitted to Council an estimate of expenditures, revenues and transfers for all City Departments for Fiscal Year 2021-22, together with such other budget information as required by the Charter of the City of Santa Rosa; and

WHEREAS, the Council has reviewed the proposed budget for Fiscal Year 2021-22 based upon the City Manager’s estimate of expenditures, revenues and transfers; and

WHEREAS, the Council approved the proposed budget by prior resolution with one excluded item for separate consideration; and

WHEREAS approval of the budget for the Capital Improvements Program does not constitute final approval for any project, and each project will be subject to environmental and engineering review.

NOW, THEREFORE, BE IT RESOLVED that the Council approves the Fiscal Year 2021-22 budget for the following Capital Improvement Program project that was excluded from the primary budget adoption resolution as follows:

- 2041 – Cleveland Ave. and 7<sup>th</sup> St. Lateral Installation and Sewer Main Abandonment
- 2379 – Parking Garage Maintenance 2021- Garage #1 & #3

IN COUNCIL DULY PASSED this \_\_\_\_\_ day of June, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING CERTAIN PROJECTS WITHIN THE FISCAL YEAR 2021-22 CAPITAL IMPROVEMENT PROGRAM BUDGET YEAR

WHEREAS, the City Manager has submitted to Council an estimate of expenditures, revenues and transfers for all City Departments for Fiscal Year 2021-22, together with such other budget information as required by the Charter of the City of Santa Rosa; and

WHEREAS, the Council has reviewed the proposed budget for Fiscal Year 2021-22 based upon the City Manager’s estimate of expenditures, revenues and transfers; and

WHEREAS, the Council approved the proposed budget by prior resolution with one excluded item for separate consideration; and

WHEREAS approval of the budget for the Capital Improvements Program does not constitute final approval for any project, and each project will be subject to environmental and engineering review.

NOW, THEREFORE, BE IT RESOLVED that the Council approves the Fiscal Year 2021-22 budget for the following Capital Improvement Program project that was excluded from the primary budget adoption resolution as follows:

- 1903 – Los Alamos Trunk Replacement: Streamside Dr to Elaine Dr

IN COUNCIL DULY PASSED this \_\_\_\_\_ day of June, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
City Attorney



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# 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.

**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.

**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.

**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 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](http://srcity.org) webpage.

**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.

**International City/County Management Association (ICMA):** A professional and educational organization for chief appointed managers, administrators, and assistants in cities, towns, counties, 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 is required to provide by specific state and/or federal law.

**Measure “O”:** A quarter cent sales special tax measure passed by Santa Rosa voters in 2004, of which proceeds are used to fund public safety and gang intervention and prevention programs. The measure is effective April 2005 and expires after 20 years.

**Measure “O” Temporary Emergency Funding:** A quarter cent general sales tax measure passed by Santa Rosa voters in 2018, of which proceeds are used to provide temporary emergency funding to protect vital City services. Originally, the measure was effective April 2019 and set to expire after six years. In November 2020, voters approved the termination of this Measure for Measure Q.

**Measure “P”:** A quarter cent general sales tax measure passed by Santa Rosa voters in 2010. The tax is effective April 2011 and was set to expire on March 31, 2019. In 2016, voters approved Measure N, extending the tax for an additional eight years through March 31, 2027. In November 2020, voters approved the termination of this Measure for Measure Q.

**Measure “Q”:** A half cent general sales tax measure passed by Santa Rosa voters in November 2020. Measure Q simply combines and extends existing voter approved sales taxes (Measure O-Temporary Emergency funding and Measure P) without changing the sales tax rate. The measure is effective July 2021 and expires after ten years.

**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.

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

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

**Public Safety Power Shutoff (PSPS):** PG&E turns off power to the electrical system in areas of severe weather to prevent a potential wildfire.

**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 Authority (RCPA):** 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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