

Operations & Maintenance Budget

Fiscal Year 2018-19

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Chris Coursey

Vice Mayor

Chris Rogers

Council Members

Julie Combs

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John Sawyer

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City Manager

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**City of Santa Rosa
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For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morill

Executive Director

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City Manager's Budget Transmittal



July 1, 2018

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

I am pleased to submit the Fiscal Year (FY) 2018-19 Operations and Maintenance Budget for the City of Santa Rosa. This proposed budget continues to reflect a commitment by the organization to realize the vision of the City Council for the community and to implement the Council's goals and priorities; however, it also reflects the challenges facing the City.

The wildfires that swept through the City on October 9, 2017 was a significant, devastating event in Santa Rosa's history. The disaster's impact is felt throughout this budget: General Fund reserves were drawn below Council Policy; Capital Improvement Program (CIP) projects for the Water Department are needed to address water quality issues resulting from the fires; and, General Fund revenues are estimated to be impacted by the fire. All these factors exacerbate the General Fund's existing structural deficit.

There is optimism, though, that the City can strike a balance between achieving the City Council's vision and goals, while correcting the structural imbalances within the budget. Staff is actively looking for creative solutions to fund the projects that align with City Council Goals. Staff is also working with state and federal partners to secure as much cost reimbursement from the Federal Emergency Management Administration (FEMA) as possible, which will help restore reserves, and provide relief to the damage recovery effort.

FY 2018-19 Budget Summary

The City's proposed budget in total is significantly higher than the FY 2017-18 adopted budget, increasing by \$62.5 million for a total budget of \$447.8 million. Of this increase, however, \$47.8 million is related to projects in the Capital Improvement Program (CIP), with most of that amount tied to one disaster-related project in the Water Capital fund.

Operating budgets citywide increased by \$14.7 million; with the largest increase in the General Fund. The General Fund increased by \$14.9 million, or 9.7%, due in large part by three factors: an increase in positions to staff in two major new programs (the Roseland Annexation and support for Cannabis legalization); salary increases resulting from cost of living adjustments (COLA); and, increases in pension rates and unfunded liability costs.

The General Fund has a structural deficit. Total revenues and transfers into the General Fund are \$162.4 million. Total expenditures and transfers out of the General Fund are \$176.5 million. This results in a General Fund budget out of balance by \$14.1 million. The budget will be balanced through the use of General Fund reserves, which will lower those reserves to \$11.4 million. This amount is 6.8% of expenditures, which is far below the Council policy-mandated reserve percentage of 15% of expenditures.

City Manager's Budget Transmittal

The Santa Rosa economy continues to be strong. Approximately 47% of Santa Rosa's revenue is made up of Sales Tax and Property Tax. Sales Tax continues to grow in large part still due to auto sales followed by retail sales. Property Tax also shows steady growth due to the strong housing market. While the City estimates losses in General Fund revenue as a result of the October fires, the most significant being in property tax and sales tax, General Fund revenue as a whole is estimated to grow by 4.3%.

City Council Goals and Priorities

The City Council met on January 18, 19, and 25, 2018 to develop their goals and priorities. In addition, they developed seven near-term priorities to be completed within six months. The City Council's Mission is ***"To provide high quality public services and cultivate a vibrant, resilient, and livable City."*** Their Vision statement is: ***"Santa Rosa – Leading the North Bay."***

City Council Goals

Goal	Aspiration Statement
Ensure Financial Stability of City Government	Santa Rosa sustains a strong, diversified economic base that continually renews itself, and has a structurally balanced budget with sufficient reserves in all funds to weather economic shifts for long-term sustainability of City services.
Effectively Implement the Recovery and Rebuilding of Santa Rosa.	Santa Rosa emerges as an even stronger, more vibrant, resilient and livable community prepared to achieve its vision of leading the North Bay.
Meet Housing Needs.	Santa Rosa actively supports housing for all, through protection, preservation, and production of housing.
Attain Functional Zero Homelessness	Santa Rosa supports effective strategies that house homeless individuals.
Invest In and Sustain Infrastructure and Transportation	Santa Rosa regularly invests in its transportation, roads, technology, and overall infrastructure to protect and sustain its assets and keep pace with community needs.
Provide for Community Safety, Valued City Services, and Open Government	Santa Rosa is a safe and healthy place and has the right mix of services supported by effective internal services operating within open government practices.
Foster Neighborhood Partnerships and Strengthen Cultural Assets	Santa Rosa promotes thriving neighborhoods in preserving its heritage and vibrancy of the community.
Promote Environmental Sustainability	Santa Rosa protects and improves the environment through its policies and actions.
Foster a 21st Century City and Organization	Santa Rosa leads the North Bay by supporting innovation in service delivery, engaging its employees, and striving for high employee morale.
Foster a Strong Downtown and Overall Economic Development of the Community	In Santa Rosa, a successful downtown is a community-wide economic development engine and cultural center where people live and work.

City Manager's Budget Transmittal

The City's immediate, six-month priority projects are to 1) Development and submit FEMA Project Worksheets to become eligible for reimbursement funding; 2) Comply with California Voting Rights Act (CVRA) and adopt District Elections; 3) Rebuild/Build the downtown and the Fire-affected areas; 4) Complete the Budget Process for FY 2018-19; 5) Explore Revenue Options for inclusion on the November ballot; 6) Complete review of the Purchasing and Procurement process policy; and 7) homelessness. Many of these six-month priorities have been accomplished or significant work has been completed to date. City staff and the City Council will review the progress of these projects in July.

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

Tier 1: Priorities Underway and Receiving the Highest Attention

1.1	Recovery/rebuilding
1.2	Comprehensive Housing Strategy
1.3	Implement the Open Government Task Force Recommendations
1.4	Downtown Housing
1.5	Homelessness

The City Council reached consensus on its Tier 2 Priorities, which are shown below. These projects will receive attention as resources permit. Many of the projects cannot be completed by the City alone, and will require partnerships with third parties.

Tier 2: Priorities Underway with Attention as Resources Permit

2.1	Replenish reserves
2.2	Conduct emergency preparedness
2.3	Focus on employee morale and well-being
2.4	Plan and implement the Southeast Greenway
2.5	Create a plan to address deferred maintenance throughout the community
2.6	Implement the Climate Action Plan
2.7	Explore the feasibility of a public bank
2.8	Explore options for funding the Roseland Library

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

Budget Process

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

City Manager's Budget Transmittal

City departments are given Guidelines for preparing their budget in January. These Guidelines factor the current condition of the General Fund and the strength of the local economy, and provide direction for developing operational budgets. For General Fund operations, the direction for FY 2018-19 was to develop operating budgets with flat controllable costs, including overtime and all services and supplies. General Fund operations were directed not to propose Additional Needs requests. Departments and operations funded outside the General Fund were allowed to submit budgets based on their ability to pay for these services without raising rates.

This year marked the first budget development process where City Council Budget Study Sessions began in April. This early Study Session allowed staff to give an overview of the General Fund budget condition, as well as an opportunity for the City Council to identify programs, on which staff would prepare cost estimates. These programs, with estimates, were then presented to Council during the May Budget Study Session for discussion and possible inclusion in the final budget.

Budget Document Structure

Following the Transmittal Letter is the Guide to the Budget Document, then the Budget Overview which highlights key elements of the budget. Further sections provide information on the Capital Improvement Program, City Council Goals, Measure O, and a Budget Process explanation and calendar. There are sections with general City and organizational information, summary financial information, and a review of the City's Long Range Financial Plan. Departmental sections include the department's mission and outlines initiatives for the coming fiscal year and accomplishments from the prior year, emphasizing activities that fulfill City Council goals.

Acknowledgements

Facilitation of the budget process and the development of a budget document is a major undertaking. I would like to express my gratitude and appreciation to all departments, departmental budget coordinators, and the City Council for their efforts, support, and deliberation during the budget process. Lastly, I would like to extend a special thanks to the City's Acting Chief Financial Officer Alan Alton, and the Budget and Financial Planning team in the Finance Department: Shelley Reilly, Mike Frugoli, Janet Klaven, Veronica Connor, and Dina Manis. Collectively they provide tremendous resource and expertise coordinating the citywide efforts on budget and capital plan development, forecast updates, and document production. I also congratulate this team on receiving the Government Finance Officer's Distinguished Budget Presentation Award for the 2017-18 Fiscal Year Budget.

Conclusion

The City's current year and FY 2018-19 budgets have been impacted by both the immediate response and on-going recovery phases of the October fires. The response drew down General Fund reserves below City Council policy reserve limits. General Fund revenues, while estimated to have net growth, are estimated to sustain losses to Property Tax, Sales Tax, Utility Users Tax, and other significant revenue sources as a result of property and business losses.

While the disaster contributed to the General Fund structural deficit, it was not the only cause. Cost of living adjustments (COLA), increases in pension rates and unfunded liability costs, and the addition of staffing to support new programs were significant issues that existed before the fires.

With the adoption of last year's budget, which was in a deficit, staff started planning for ways to address it. Departments looked internally for ways to create efficiencies, offset costs, or assess what were core service

City Manager's Budget Transmittal

needs and what programs could be reduced. In the summer of 2017, General Fund operations were told they could no longer grow controllable costs – those that aren't salaries and benefits. Those operations responded by accomplishing that feat. The City also instituted a hiring freeze designed to curtail as much spending as possible. Appropriations not spent in a budget year are returned to reserves.

In the coming months, staff will finalize plans to present to the City Council options to make programmatic, strategic reductions in the General Fund. The City has also commissioned an opinion survey to gauge the feasibility of adding revenue measures to the November 2018 ballot. In addition, FEMA reimbursements for costs spent responding to the October fires, in addition to continued minimum spending, will help bring back reserves to Council policy levels.

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

- Developed a "Housing First" strategy
- Completed the Roseland Annexation
- Implemented the City's Cannabis program
- Initiated procedures for transitioning from at-large to district-based elections
- Approved an agreement for solid waste collection with Recology and a low-income rate for services
- Declared a local emergency due to the October wildfires and approved an agreement for post fire recovery and rebuilding

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

Sincerely,



Sean McGlynn, City Manager

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Guide to the Document

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

DOCUMENT ORGANIZATION

The document is organized into sections separated by tabbed pages that provide quick identification of their contents.

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

Transmittal, Guide and Budget Overview

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

This section also includes a segment detailing the City Council's goals. Every two years, the Council meets to develop its goals for the coming two-year period. At that time, the Council outlines the goals, proposes strategies, and works with City staff to develop work plans. To show the City's progress and efforts towards the goals, each goal has been assigned a number. These numbers appear in each department's section next to the 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.

Guide to the Document

Summary Financial Information

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

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

Department Detail

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

- Mission Statement: A statement explaining why a department exists.
- Department Description: A description of the services provided by the department, intended to give the reader an understanding of the scope and breadth of ongoing functions and responsibilities of a service area.
- FTE By Program: A graphic representation of each department's programs. The number of employees in a program is included. These charts are representative of a point in time; the number of employees in a program for any department fluctuates throughout the year.
- Strategic Goals and Initiatives: A list of initiatives the department hopes to begin or accomplish over the next fiscal year. Initiatives related to City Council goals are designated with the number of the corresponding goal.
- Major Budget Changes: A description of the department's major increases and decreases compared to the previous year's budget.
- Expenditures by Program: A financial table showing funds used to support departmental activities that provide benefits and services Citywide. It also provides historical information so the reader can examine trends and previous funding levels.
- Expenditures by Category: A financial table showing salary, benefits, operating and capital costs associated with the department. It also provides historical information so the reader can examine trends and previous funding levels.

Guide to the Document

- Expenditures by Fund: A financial table showing the funds from which the department receives financial resources. It also provides historical information so the reader can examine trends and previous funding levels.
- Authorized Full-Time Equivalent (FTE) Positions - All Funds: A table showing the staffing level of each department for the current fiscal year and prior four fiscal years.
- Performance Measures: A collection of statistical data measuring the achievements of each department.
- Prior Fiscal Year Accomplishments: A list of the department's accomplishments from the previous fiscal year. Accomplishments related to City Council goals are designated with the number of the corresponding goal.
- Looking Ahead: An overview of future projects and priorities unique to each individual department.

Reading Expenditures Tables

The Expenditures Tables in each department's section include the 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 fund (Enterprise Funds and Internal Service Funds) use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place.

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

Guide to the Document

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) 2018-19 Operating and Capital Budget is \$447.8 million across all funds and is comprised of \$353.0 million of operational funding and \$94.8 million of capital project funding. This represents a total increase of \$62.5 million or 16.2% over the FY 2017-18 adopted budget, Operations increasing by \$14.7 million or 4.3% and the Capital Improvement Program (CIP) increasing by \$47.8 million or 101.7%, as shown in the following table.

FUND TYPE	FY 2017-18 ADOPTED BUDGET (in millions)	FY 2018-19 ADOPTED BUDGET (in millions)	\$ Dollar Increase/ (Decrease) (in millions)	% Percent Increase/ (Decrease)
General Fund	\$154.3	\$169.2	\$14.9	9.7%
Enterprise Funds (non-CIP)	129.6	127.8	-1.8	-1.4%
Enterprise Funds - CIP	31.6	73.1	41.5	131.3%
Other Funds - CIP	15.4	21.6	6.2	40.3%
Special Revenue Funds	12.8	14.0	1.2	9.4%
Other Funds	5.2	5.2	0.0	-
Housing Authority	32.3	33.6	1.3	4.0%
Successor Agency to RDA	4.1	3.3	-0.8	-19.5%
TOTAL	\$385.3	\$447.8	\$62.5	16.2%
Operations (net of CIP)	\$338.3	\$353.0	\$14.7	4.3%
CIP only	\$47.0	\$94.8	\$47.8	101.7%

General Fund

The City's General Fund Projected FY 2018-19 ending reserve balance is \$11.4 million or 6.8% of expenditures which is drastically lower than the Council Reserve policy target of no less than 15% of expenditures. Due to the October 2017 Fire Disaster, the Council has appropriated an unprecedented amount of unassigned General Fund Reserves during FY 2017-18. The proposed FY 2018-19 General Fund budget also accounts for the cost of living adjustment (COLA) that Council and the labor groups agreed to in the first quarter of 2017. The Salary costs include a 3% COLA for FY 2017-18 and FY 2018-19 for most bargaining groups. The Council, City Manager and Finance department are strategizing how to combat decreasing revenue growth, increasing expenditures, and lack of reserves due to the Fire Disaster.

The FY 2018-19 General Fund expenditure budget of \$169.1 million can be broken down into three broad categories – Salaries and Benefits, Services & Supplies, and Operating Projects. The Salaries and Benefits category representing \$134.1 million or 79% of the total General Fund budget. Services and Supplies account for another \$30.9 million or 18% of the total, with the remaining \$4.2 million or 3% representing operating projects in the General Fund. Changes from the FY 2017-18 adopted budget, by category, are as follows:

General Fund Salaries and Benefits: Increase of \$12.8 million or 10.6% over FY 2017-18 adopted budget. The increase is a result of the addition of 20.00 FTE positions; mainly to support the Roseland Annexation and Cannabis Initiative. Along with the increase in positions, the Council approved a 3% cost of living adjustment for FY 2017-18 and FY 2018-19 Salaries. Rising employee benefit costs; particularly for PERS retirement and unfunded liability retirement costs added to the increase as well.

Budget Overview

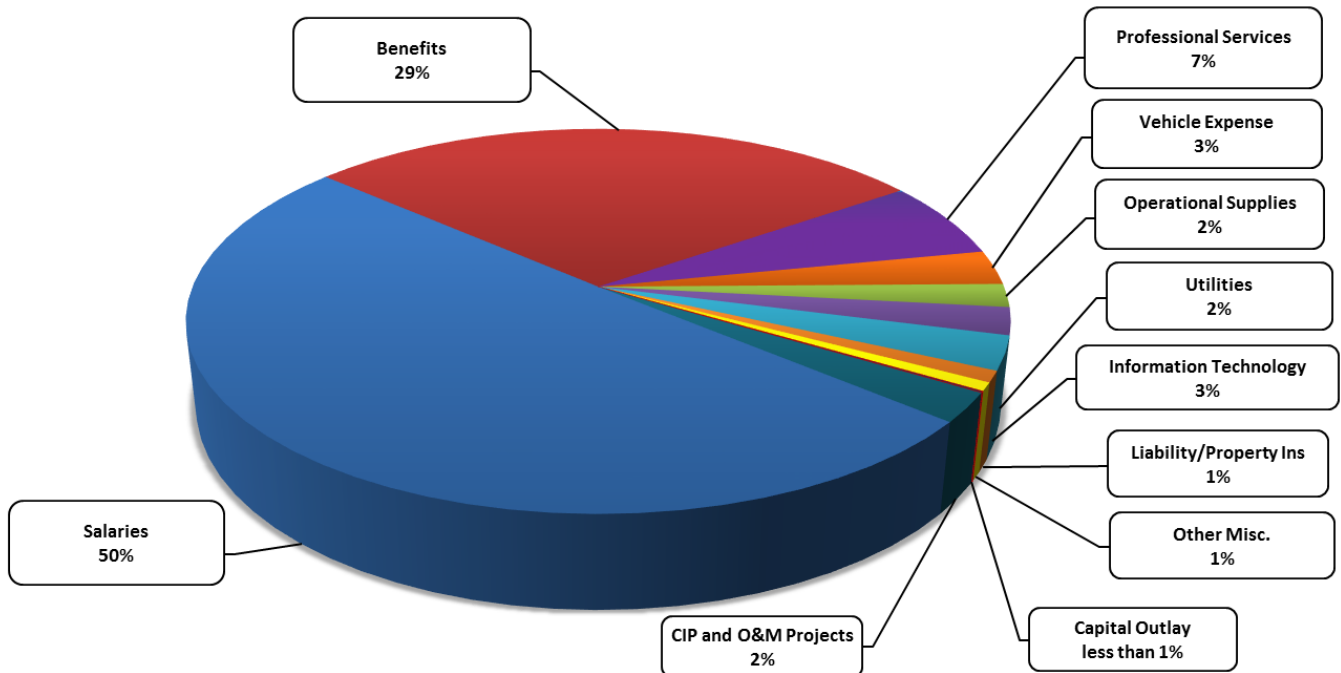
General Fund Services and Supplies: Increase of \$0.8 million or 2.7% from the FY 2017-18 adopted budget. The additions in this broad category include minimal increases in Liability and Property insurance costs, Information Technology costs and Vehicle Expenses driven by increased maintenance and part replacement costs.

General Fund Operating Projects: Increased by \$1.2 million or 40.0% from the FY 2017-18 adopted budget. The increase driven by the funding of the Resilient City Fire Recovery Center which will be processing the permitting for fire victims.

FY 2018-19 General Fund Budgeted Expenditures

CATEGORY	EXPENDITURES (in millions)
Salaries	\$85.2
Benefits	48.9
Professional Services	11.1
Vehicle Expense	4.9
Operational Supplies	3.3
Utilities	3.9
Information Technology	4.8
Liability/Property Insurance	1.6
Other Miscellaneous	1.0
Capital Outlay	0.2
O&M Projects	4.2
TOTAL	\$169.1

FY 2018-19 General Fund Expenditures – % by Category



Budget Overview

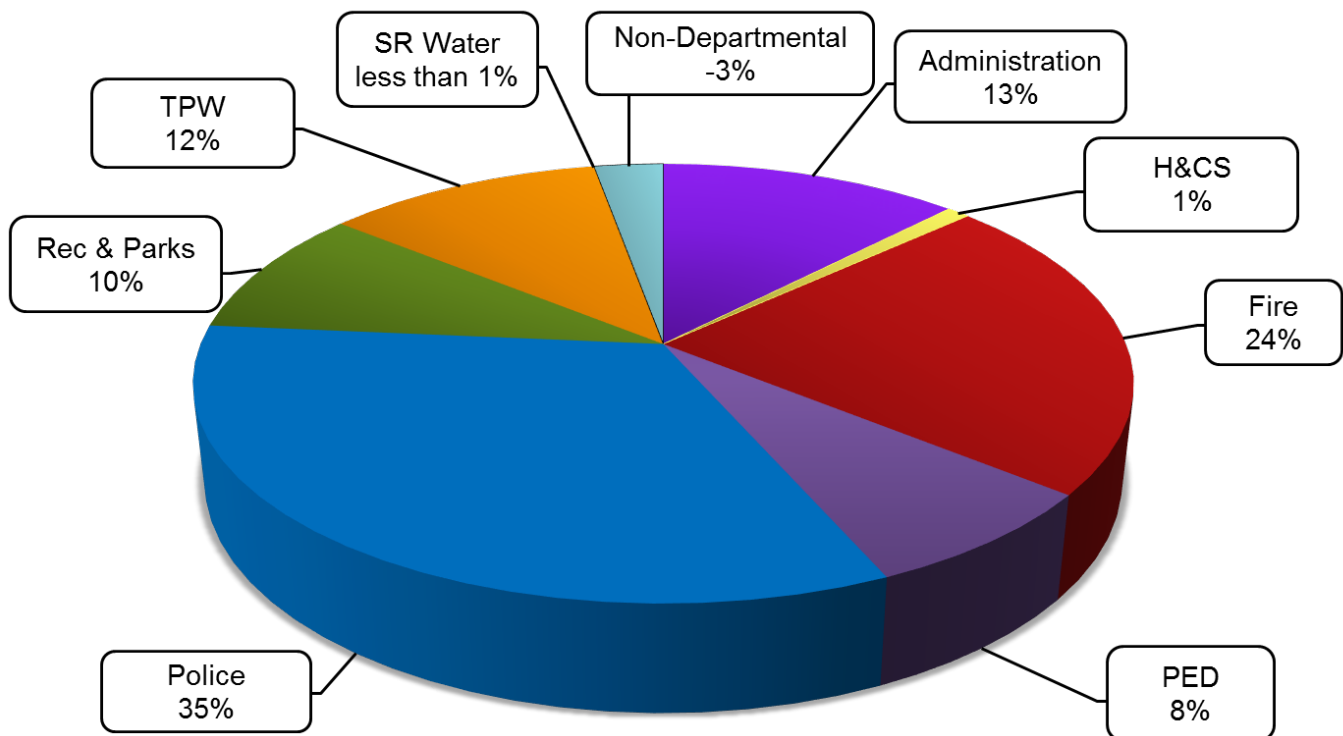
The General Fund FY 2018-19 expenditure budget of \$169.1 million reflects an emphasis on achieving funding of the core services provided to the community and addressing the City Council's agreed upon goals and priorities.

FY 2018-19 General Fund Budgeted Expenditures

DEPARTMENT	EXPENDITURES (in millions)
Administration*	\$22.1
Housing & Community Services	1.8
Fire	40.1
Planning & Economic Development	13.3
Police	59.3
Recreation & Parks	16.4
Transportation & Public Works	21.3
Water	0.6
Non-Departmental	-6.1
TOTAL	\$169.1

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

FY 2018-19 General Fund Expenditures – % by Department



Budget Overview

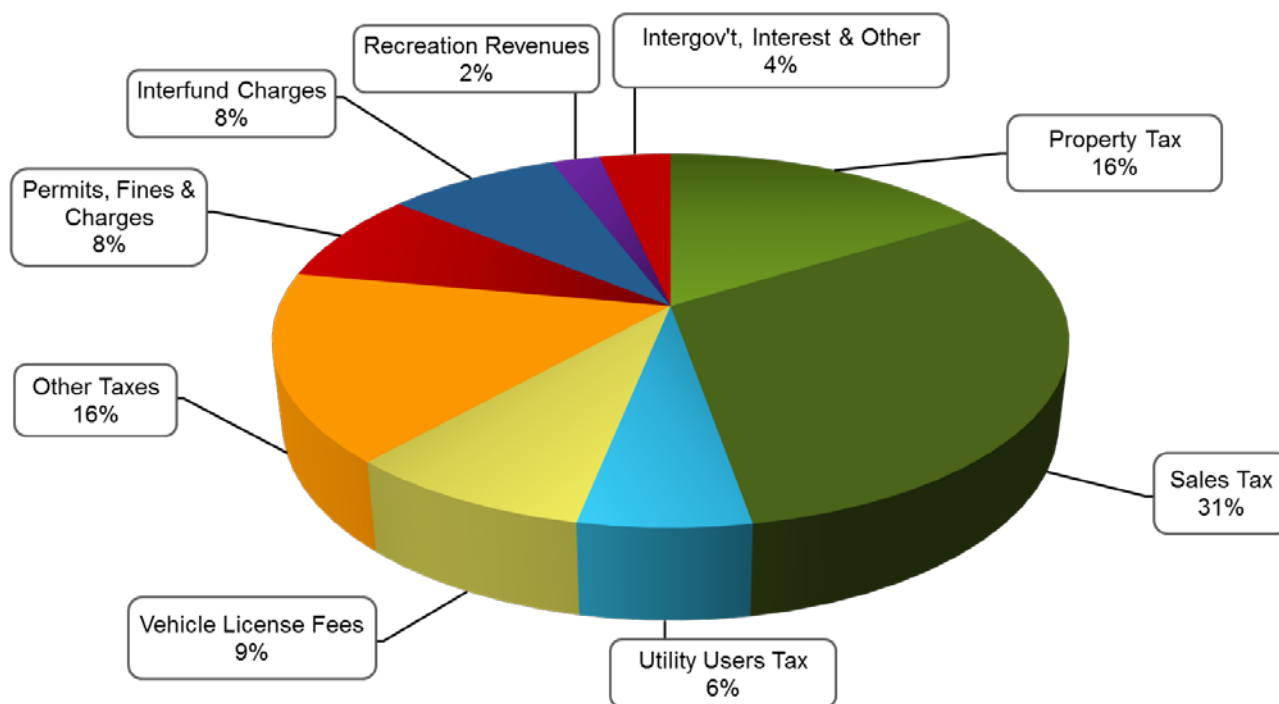
FY 2018-19 revenues are estimated at \$159.6 million, an increase of 4.2% over the FY 2017-18 adopted budget. Sales and Property Taxes are the two largest revenue sources for the City's General Fund, together accounting for 47% of General Fund revenue. In November 2016, the citizens extended Measure P, a quarter-cent general sales tax measure in effect for eight additional years, which is projected to generate \$9.2 million in the upcoming year. Although the City is projecting decreases across the major revenue categories due to the October 2017 Fire Disaster, the expected overall growth of the General Fund revenues is optimistic.

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

FY 2018-19 General Fund Budgeted Revenues

SOURCE	REVENUES (in millions)
Property Tax	\$25.8
Sales Tax	49.6
Utility Users Tax	9.4
Vehicle License Fees	13.5
Other Taxes	26.0
Permits, Fines and Charges	12.7
Interfund Charges	13.3
Recreational Revenue	3.8
Intergovernmental, Interest & Misc.	5.5
TOTAL	\$159.6

FY 2018-19 General Fund Revenues – % by Source



Budget Overview

Enterprise Funds

As noted in the fund chart at the beginning of this overview section, the Enterprise funds budgets include both operational and CIP elements, \$127.8M and \$73.1M respectively. The Utilities Enterprise Funds (Water, Local Wastewater, and Subregional Wastewater) make up the vast majority, \$178.1M of the \$200.9 Enterprise funds budgets. The Enterprise Funds FY 2018-19 budget is comprised of the following:

- \$ 0.5 million - Golf Funds
- \$ 6.5 million - Parking Funds
- \$ 13.4 million - Transit Funds
- \$ 2.5 million - Storm Water Funds
- \$ 71.6 million - Water Funds
- \$ 34.6 million - Local Wastewater Funds
- \$ 71.9 million - Subregional Wastewater Funds

Special Revenue Funds

The Special Revenue Funds FY 2018-19 budget of \$13.9 million is comprised of the following:

- \$ 9.3 million - Measure O Funds
- \$ 2.6 million - Homeless Shelter Operations & Mobile Home Rent Stabilization Funds
- \$ 0.5 million - Santa Rosa City Tourism BIA Fund
- \$ 0.5 million - Administrative Hearing Fund
- \$ 0.3 million - Supplemental Law Enforcement Services Funds
- \$ 0.3 million - Federal and State Narcotics Asset Forfeiture Funds
- \$ 0.4 million - Other Funds including Art-In Lieu Funds and AB434 Funds (Transit)

Other Funds

Total Other Funds FY 2018-19 budget of \$26.8 million includes the Capital Improvement Program Funds with a budget of \$21.6 million, non-enterprise Debt Service Funds with a budget of \$4.8 million, Trust and Agency Funds with a budget of \$0.3 million and the Special Assessment Funds with a budget of less than \$0.1 million.

Housing Authority & Successor Agency to the Redevelopment Agency

The Housing Authority's FY 2018-19 budget is \$33.6 million with the majority of the funding for the Housing Choice Voucher Program. The \$3.3 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 2018-19 budget has a total staffing count of 1,301.00 Full-Time Equivalents (FTE) across all funds. Staffing levels increased by 17.00 FTE or 1.3% from last fiscal year's budget. For a more detailed position explanation, see the FTE Staffing Summary under the Summary of Financial Information section.

Long Range Financial Forecast

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

Conclusion and Future Challenges

The fiscal outlook for the City is showing a structural deficit in FY 2018-19 and continuing throughout the forecast. General Fund unassigned reserves will be used to balance the FY 2018-19 budget, and any future budgets where a deficit exists. The deficit can be addressed through either cost control or through the addition of new, ongoing revenue streams.

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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 a five-year period. The first year of the CIP is known as the Capital Budget. Each year, the City Council appropriates funding for the Capital Budget only, and approves years two through five on a planning basis.

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

In compliance with the City Charter, the City Council holds a public hearing during the first quarter of each calendar year to solicit budget priorities from the community which was held this year on January 9, 2018. In addition, the City's Community Advisory Board (CAB) held a series of community-wide outreach meetings in August and September 2017 specifically to attain public input on the City's CIP budget priorities for FY 2018-19 with the results presented on May 16, 2018 to the City Council at the CIP process study session. The main areas of public interest identified from these meetings include affordable housing resources, street pavement improvements, and bike paths. Public input is provided to the City Council, City Manager, and staff which evaluates and prioritizes proposed projects based on need and the amount of funding available. The CIP proposed budget is then subjected to numerous reviews; first, by the City Manager's Office, the Board of Public Utilities to review water, local wastewater and subregional projects, then the full City Council for a preliminary review during the May budget study sessions. After the study sessions, the CIP is reviewed by the Planning Commission for General Plan consistency and an environmental review, and once again is submitted to the City Council for consideration and approval during the budget hearings in June.

General Fund Overview

General Fund projects proposed as part of the FY 2018-19 Capital Budget total is approximately \$2.5 million. \$1.2 million is devoted to facility improvements to provide access for disabled persons in compliance with the Americans with Disabilities Act (ADA) and in accordance with the City's settlement agreement with the Department of Justice. Cumulative prior funding of this project is approximately \$8.7 million with estimated total project funding of approximately \$20.7 million. The other FY 2018-19 projects include Roseland Pavement Maintenance for \$662,000, Light-Emitting Diode (LED) Street Lighting Replacement for \$600,000, and Pre-Design/Planning to support future CIP budget development for \$50,000.

Summary of CIP Projects by Department

The two departments that manage most of the nearly \$94.8 million Capital Budget are Santa Rosa Water and Transportation and Public Works. Detailed information about these two departments' proposed CIP budgets immediately follow. The other departments requesting funding this year are the Fire Department, Finance Department, and Recreation and Parks Department. The Fire Department is proposing \$350,000 for relocation of Fire Station 8 and \$49,006 of funding for the new South Santa Rosa Area Fire Station. The Parking Division of the Finance Department is proposing \$304,000 for Meter Replacement and \$300,000 for Parking Lot 10 Reconstruction. The Recreation & Parks Department is proposing \$4,380,180 of Park Development Fee funding for new construction and improvements in Northwest, Youth, Franklin,

Capital Improvement Program (CIP)

Galvin, and Southeast Community Parks; design and construction of the new Roseland Creek Community Park; improvements at South Davis and Juilliard Parks; and additional playground improvements in Northeast Santa Rosa.

Santa Rosa Water

The focus of the Santa Rosa Water Capital Improvement Program is to maintain regulatory compliance, level of service, and to reduce maintenance costs. The Program is funded from demand fees and rate revenue. All demand fee revenue is used to help fund the CIP with the remainder of the program being funded by rates. Demand fees are intended to reflect the estimated reasonable cost of capacity in the systems and fee revenue is used to help pay for capacity needed in the systems to serve new development. Rate revenue is used for repairs, replacing worn out infrastructure and bringing existing infrastructure and appurtenances up to current regulations and standards as necessary.

The Water Utility funding request is \$38.7 million, approximately triple FY 2017-18 funding. FY 2018-19 funding is reflective of the need to immediately fund key infrastructure replacement projects as the result of the October 2017 firestorm. The baseline funding per the current rate model remains at \$13 million. As such, the Water Department is utilizing catastrophic reserves, undesignated reserves and existing CIP funding from lower-priority projects to fund the gap between planned and actual FY 2018-19 appropriations. The Local Wastewater CIP has risen to \$22 million, also significantly increased due to the fires. This is approximately 180% of the planned \$12 million included in the current rate model. The difference between planned and actual FY 2018-19 Local Wastewater CIP is to be funded by the appropriation of undesignated reserves. The funded portion of the Subregional CIP increased by approximately \$7.6 million (185%) to approximately \$11.7 million. This increase is reflective of both the continuing goal of gradually increasing the level of funding as well as the need to make significant investment toward the replacement of the UV disinfection system.

The Water FY 2018-19 CIP budget is approximately \$38.7 million. 78% of Water CIP funding is allocated to the benzene contamination issue in the Fountaingrove water main. 11% is designated for other fire related infrastructure projects. The remaining 11% of funding is going toward other infrastructure and groundwater projects. There are sixteen projects receiving new funding in the FY 2018-19 request. Approximately 1,900 feet of pipe is proposed to be funded for replacement, a figure that will increase if a wholesale replacement of the Fountaingrove water main is initiated.

The Local Wastewater FY 2018-19 CIP budget is \$22.0 million. 24% of funding is allocated for fire damaged infrastructure replacements. 75% is allocated for sewer pipe and trunk repair and replacement projects, with the remaining 1% funding master plans and other non-infrastructure projects. There are twenty-four projects receiving new funding in the FY 2018-19 request. Approximately 13,900 feet of pipe is proposed to be funded for replacement.

The Subregional FY 2018-19 CIP budget is approximately \$11.7 million. 61% of funding is allocated to the diversion phase of the UV disinfection system replacement project. The remaining 39% is funding the primary influent pump drive replacement, other treatment system upgrades, reclamation and miscellaneous projects.

The Storm Water FY 2018-19 CIP budget is \$712,032 this year. Creek restoration project funding includes Lower Colgan Creek Restoration Phase 2, and various storm water creek restoration projects. Storm drainage project funding includes storm drain repair/replacement on Fulton Road, Pacific Avenue, the Poppy Creek Box Culvert and improvements on the Mohawk Lift Station.

Capital Improvement Program (CIP)

Transportation and Public Works

The Transportation and Public Works Department's Capital Improvement Program budget for FY 2018-19 is \$16.5 million, which includes General Fund contributions of \$1.2 million for ADA-related projects, \$662,000 for Roseland Pavement Maintenance, and \$600,000 for LED streetlight replacements. It should be noted that \$662,000 for Roseland is offset by an equal payment from the County of Sonoma as part of the annexation agreement. This is the second payment of a 10-year agreement. The emphasis of this year's Transportation and Public Works budget is primarily on street rehabilitation, pavement maintenance, traffic safety, bicycle and pedestrian safety, and street lights.

Two of the larger street projects include Fulton Road Improvements - Occidental Road to West Third Street, and Pacific Avenue Reconstruction - Humboldt Street to Mendocino Avenue. Approximately \$8.7 million, or 53% of the total Transportation and Public Works CIP request, is related to pavement rehabilitation, which includes full reconstruction, overlay, micro-surface, and slurry seal in addition to basic surface and base repairs. It should be noted that the funding requested is well below the estimated \$17 million per year needed to maintain the City streets in an overall condition of "Good", as rated by the City's Pavement Management Program.

Another largely funded category is Traffic Safety and Transportation projects related to improving traffic circulation, traffic safety as well as bicycle and pedestrian safety. Funding for these projects is nearly \$3.3 million representing approximately 20% of the total budget request. These projects include traffic signal improvements, sidewalk installation, pedestrian signal installations, bicycle lane enhancement, and traffic calming.

Additionally, the Department is continuing efforts to convert high pressure sodium street lights with light-emitting diode (LED) fixtures, and included an annual allocation of \$600,000 to continue the project. With this funding allocation, the Department anticipates that 100% of the 12,000 high-pressure sodium streetlights will have been converted to LED by July 2018, leaving approximately 1,800 decorative-style street lights still to be converted.

The Transportation and Public Works Department continues to work on implementation of improved capital project delivery, development, and prioritization for future process improvements.

Project List by Department

Please find the following list of projects being funded in FY 2018-19. For more information on any of the projects listed below, please refer to the FY 2018-19 Capital Improvement Program budget document. It includes detailed information about each project, information on funding sources, projects in relation to City Council Goals, ADA compliance and improvements, and General Plan consistency. Hardcopies of the FY 2018-19 CIP document are available at the City Manager's Office and Finance Department, and online at the Finance Department page on srcity.org.

Project Number / Title	2018-19 Request
Department: Finance	
45025 - Meter Replacement	\$304,000
45216 - Parking Lot 10 Reconstruction	\$300,000
Finance Department Total	\$604,000

Capital Improvement Program (CIP)

Department: Fire Department

05054 - New Fire Station-South Santa Rosa	\$49,006
05094 - Relocation of Fire Station 8	\$350,000
Fire Department Total	\$399,006

Department: Recreation and Parks

09539 - Northwest Park	\$80,000
09556 - South Davis Park	\$98,540
09558 - Youth Community Park	\$1,425,070
09581 - Juilliard Park Rehabilitation	\$300,000
09587 - Franklin Park Play Area	\$80,000
09597 - Northeast Zone Play Equipment	\$100,000
09608 - Southeast Community Park	\$510,995
09701 - Roseland Creek Park	\$600,000
09745 - Galvin Park	\$1,185,575
Recreation and Parks Department Total	\$4,380,180

Department: Santa Rosa Water

54001 - Storm Water Drainage Improvements	\$49,635
54004 - Storm Water Creek Restoration	\$50,000
54019 - Poppy Creek Box Culvert	\$50,000
54024 - Lower Colgan Creek Restoration -Phase 2	\$260,000
54034 - Mohawk Lift Station Storm Drain Improvement	\$2,397
55420 - Water Supply and Wastewater Planning	\$100,000
55505 - Warranty Punchlist - Water	\$100,000
55511 - Pre-Design - Water	\$190,000
55606 - Reservoir R9C Analysis Design Construction	\$100,000
55711 - Water Main Replacement: W 6th Street at Madison Street	\$50,000
55713 - Pacific Water Service Replacements	\$1,700,000
55716 - Water Main Replacement: Streamside Drive to Elaine Drive	\$405,000
55730 - Sonoma Co Transportation Public Works Pavement Preservation Program	\$173,000
55738 - Water Main Replacement: Decker Street	\$100,000
55742 - Emergency Groundwater - Speers Well	\$400,000
55752 - Post Tubbs Fire Water Quality Issue - Investigation	\$3,000,000
55753 - Post Tubbs Fire Water Quality Issue - Construction	\$30,000,000
55754 - Water Main Replacement: Corby Avenue Inglewood Dr Earle Street Phase 1	\$50,000
55755 - Replace Generators at Water Station 1	\$300,000
55756 - Replace Emergency Generators at Water Booster Stations 16, 17 and 18	\$900,000
55757 - Recoat Reservoir 5 and Restore Water Station Sites - Fire Related	\$1,100,000
70363 - Install/Rehabilitate Manholes	\$100,000
70551 - Local Sewer and Water Repairs - Urgent Projects	\$300,000
70553 - Warranty Punchlist - Sewer	\$25,000
70556 - Pre Design, Planning, Budget, GIS Support-Sewer	\$255,000
70560 - Local Wastewater Project Litigation	\$10,000
70579 - Sewer and Water System Replacements	\$340,000
70601 - South Park Sanitation District Coordination: East Robles Sewer	\$20,000
70708 - Sewer Main Replacement: Augustan El Camino Grosse	\$1,365,000
70718 - Sewer Main Replacement: Wright St Silva Ave Poppy Dr	\$120,000
70737 - Los Alamos Trunk Replacement: Streamside Dr To Elaine Dr	\$4,750,000
70749 - Sewer Main Replacement: W 6th St at Madison St	\$85,000
70750 - Montgomery Bridge Sewer Main Protection	\$50,000
70752 - Sewer Main Replacement: Pacific Ave West of North Street	\$100,000
70768 - Sewer Main Replacement: Donahue St, Decker St, Boyce St	\$700,000
70772 - Sewer Main Replacement: Range Ave North of Russell Avenue	\$40,000

Capital Improvement Program (CIP)

70775 - Robles Trunk Lining Phase I	\$3,500,000
70777 - Vallejo Street Trunk Junction Modifications	\$50,000
70779 - Oakmont Drive Sewer Main Upsizing Oakmont Creek To Greenfield Creek	\$700,000
70781 - Rehabilitate Matanzas Glenbrook Siphons	\$2,450,000
70782 - Skyfarm A and Hansford Lift Station Reconstructions	\$5,000,000
70783 - Replace Generators at Water Station 1 and Stagecoach Lift Station	\$300,000
70784 - Sewer Main Replacement: Corby Ave Inglewood Dr Earle St - Phase 1	\$500,000
70785 - Sewer Main Replacement: Alderbrook Lane and Denton Way	\$600,000
70786 - Llano Trunk Lining At Concord Avenue	\$700,000
86552 - Rock Slope Protection Placement - Ponds Delta,C and D	\$300,000
86557 - Laguna Treatment Plant Onsite Diversion System	\$7,200,000
86570 - Primary Influent Pump Drive Replacement	\$1,800,000
86572 - Laguna Treatment Plant Electrical Infrastructure Replacement	\$500,000
86575 - Laguna Treatment Plant Flood Protection - Design	\$64,000
86578 - Replace Compressors Waste Gas Assembly	\$500,000
86582 - Filter Influent Pump Station Discharge Piping	\$400,000
86594 - Manhole Rehabilitation and Coating of Influent Suction Pipes	\$100,000
86595 - Emergency Generator Fuel Tank Replacement	\$175,000
86596 - Repair Roofs and Replace Insulation Digester Nos. 1 & 2	\$350,000
86597 - Delta Pond Diffuser Piping Improvements	\$250,000
86598 - Sonoma County Transportation Public Works Project Coordination	\$100,000
Santa Rosa Water Department Total	\$72,879,032

Department: Transportation and Public Works

02034 - Miscellaneous Library Improvements	\$390
09708 - Americans with Disabilities Act Settlement-Facilities Project	\$1,200,000
17014 - Slurry Seal Selected Streets	\$500,000
17015 - Sidewalk Program	\$325,000
17016 - Street Overlay - Various Locations	\$1,034,420
17075 - Hearn Avenue at Highway 101 Interchange	\$700,000
17116 - Slurry Seal Preparation and Traffic Control	\$297,057
17216 - Stony Point Road Widening - Sebastopol Road to Hearn Ave	\$1,000,000
17238 - Pavement Markings - Various Locations	\$60,000
17269 - Traffic Signal Interconnect	\$50,000
17325 - Bridge Repairs per Caltrans Inspection Reports	\$200,000
17336 - Audible Pedestrian Signal Head	\$30,000
17338 - Fulton Rd Reconstruction - Occidental Rd to W 3rd St	\$1,770,500
17341 - Pacific Avenue Reconstruction	\$3,310,917
17346 - Franklin Avenue Pedestrian Path	\$250,000
17369 - American with Disabilities Act Sidewalk Survey	\$25,000
17377 - Farmers Lane at Fourth Street	\$20,000
17381 - Highway 101 Bike/Pedestrian Overcrossing	\$213,000
17444 - Fulton Rd from Guerneville Rd to Piner Rd - Widen to Four Lanes	\$997,366
17450 - Contract Pavement Preventive Maintenance	\$500,000
17476 - Inspection of Bridge Assets: Structural Crossings	\$50,000
17477 - Pre Design Planning Capital Improvement Program	\$190,000
17484 - Capital Improvement Program Traffic Circulation Analysis - City Wide	\$20,000
17497 - Hearn Ave Crossing with SMART	\$320,000
17522 - Hoen Ave Washout Repair	\$250,000
17531 - Light Emitting Diode (LED) Street Light Replacement Program	\$600,000
17534 - Streetlight Wire Replacement	\$80,000
17546 - Signal Bike/Vehicle Detection Various	\$100,000
17554 - SMART Pedestrian Path between 3rd & 4th streets	\$10,000
17558 - Mendocino and McConnell Intersection Pedestrian Improvements	\$141,000

Capital Improvement Program (CIP)

17562 - Corporation Yard Security	\$639
17572 - Flashing Yellow Arrow Retrofit	\$25,000
17573 - Roseland Pavement Maintenance	\$662,000
17579 - Survey Team Equipment Replacement	\$25,000
17580 - One Bay Area Grant (OBAG) 2 Pavement Rehabilitation	\$49,134
17581 - Downtown Improvements	\$100,000
17582 - Santa Rosa Creek Trail Phase 3	\$162,000
17591 - Bicycle and Pedestrian Gap Closures- Piner Road and Dutton Avenue	\$1,087,386
17593 - E Street Class II Bicycle Lanes- College Ave to Sonoma Ave	\$90,000
17594 - Oakmont Dr. Sewer Main Upsizing Oakmont Creek to Greenfield Cir	\$42,000
54016 - Materials Lab Equipment Replacement	\$10,000
Transportation and Public Works Department Total	\$16,497,809

Total FY 2018-19 CAPITAL BUDGET REQUEST	\$94,760,027
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Conclusion

As in recent years, the FY 2018-19 CIP Budget was developed within the limited financial resources available. Development fees, grants, special sales taxes, and enterprise fund revenues are not adequate to fund all of the necessary infrastructure improvements identified in the City. Staff will continue to pursue grants, but additional funding mechanisms will be needed in the future to adequately fund adopted capital plans and ongoing maintenance of existing and future facilities.

City Council Goals

Santa Rosa, located in coastal Northern California, is the largest City between San Francisco and Portland, Oregon. The ideal climate, wine country and redwood location, provides City residents and visitors an unmatched quality of life. The region offers residents, businesses, and visitors distinctive experiences that include a vibrant downtown; unique neighborhoods working together to connect and engage; breathtaking open space, creeks, and greenbelts; clean air and water; a multimodal transportation infrastructure to efficiently and safely move about the region; and countless cultural and recreational events all taking place in an ethnically and culturally diverse environment. However, Santa Rosa faces challenges common to many communities of comparable size including traffic congestion and budgetary and service delivery concerns.

To address the diverse needs and challenges facing our community, the City Council provides policy direction based on a set of goals designed to bring out the best in Santa Rosa.

GOAL	ASPIRATION STATEMENT
1. Ensure financial stability of City government.	Santa Rosa sustains a strong, diversified economic base that continually renews itself, and has a structurally balanced budget with sufficient reserves in all funds to weather economic shifts for long term sustainability of City services.
2. Effectively implement the recovery and rebuilding of Santa Rosa.	Santa Rosa emerges as an even stronger, more vibrant, resilient and livable community prepared to achieve its vision of leading the North Bay.
3. Meet housing needs.	Santa Rosa actively supports housing for all, through protection, preservation and production of housing.
4. Attain functional zero homelessness.	Santa Rosa supports effective strategies that house homeless individuals.
5. Invest in and sustain infrastructure and transportation.	Santa Rosa regularly invests in its transportation, roads, technology and overall infrastructure to protect and sustain its assets and keep pace with community needs.
6. Provide for community safety, valued City services and open government.	Santa Rosa is a safe and healthy place and has the right mix of services supported by effective internal services operating within open government practices.
7. Foster neighborhood partnerships and strengthen cultural assets.	Santa Rosa promotes thriving neighborhoods in preserving its heritage and vibrancy of the community.
8. Promote environmental sustainability.	Santa Rosa protects and improves the environment through its policies and actions.
9. Foster a 21st century city and organization.	Santa Rosa leads the North Bay by supporting innovation in service delivery, engaging its employees and striving for high employee morale.

City Council Goals

10. Foster a strong downtown and overall economic development of the community.

In Santa Rosa, a successful downtown is a community wide economic development engine and cultural center where people live and work.

Every year the City Council meets to brainstorm and develop Goals and Strategic Objectives to help prioritize and focus the City's resources on its most important issues. The Council and Executive Staff met in January for the City Council Goals Setting Workshop to develop the City Council Goals and Priorities.

The City continues to operate under the framework of the established City Council Goals. The 2018 City Council Goal Setting established seven Near Term Priorities where City staff and resources will be directed in the next six months. Tier 1 Priorities are projects and initiatives determined by the Council for primary attention of staff and resources. Tier 2 Priorities will be pursued as capacity and resources permit.

Near Term (Six Month) Priorities

- 1 FEMA Project Worksheet submission
- 2 California Voting Rights Act (CVRA) deadlines
- 3 Downtown Build /Fire Rebuild
- 4 Extended budget process for FY 2018-19
- 5 Revenue Options review
- 6 Purchasing Process and Policy review
- 7 Homelessness

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

- 1.1 Recovery / Rebuilding
- 1.2 Comprehensive housing strategy
- 1.3 Open Government Task Force recommendations
- 1.4 Downtown housing
- 1.5 Homelessness

Tier 2: Projects to receive attention as resources permit

- 2.1 Replenish resources
- 2.2 Conduct emergency preparedness
- 2.3 Focus on employee morale and well-being
- 2.4 Plan and implement the Southeast Greenway
- 2.5 Create plan to address deferred maintenance throughout the community
- 2.6 Implement the Climate Action Plan
- 2.7 Explore feasibility of a public bank
- 2.8 Explore options for funding Roseland Library

Measure O Overview

In November 2004, the voters in Santa Rosa passed Measure O, a quarter cent sales tax increase to fund Police, Fire, and Violence Prevention programs. The proceeds from the tax are divided 40%, 40% and 20%, respectively. Because the revenue from this increase is intended to fund specific programs, the increase was considered a “special tax” and as such, had to pass with a 2/3 majority vote. The City began receiving revenue from the tax increase in May of 2005. Revenue generated by the sales tax has averaged over \$7M annually since its inception. Revenues for FY 2018-19 are budgeted at \$9.2M.

Measure O funding is to be spent according to the Implementation Plan established by the City Council. This plan provides funding for a variety of specific programs benefiting the community, including: additional Fire and Police department personnel and equipment, four interim fire stations in various locations throughout the City, and funding for youth and violence prevention and intervention programs. Administered by the Office of Community Engagement, funding provides leadership, coordination and resources to the Santa Rosa Violence Prevention Partnership and continuum of youth and family services that work together toward the prevention and reduction of youth and gang violence in Santa Rosa. It also provides funding for the Recreation & Parks Department to provide direct services and high quality youth development programs in high-need areas of Santa Rosa. 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 2018-19 Measure O budget provides funding for positions consistent with the uses and purposes outlined in the Implementation Plan. All programs were subject to ongoing labor agreements that increased salaries and increased benefit costs, mainly in retirement and health insurance premiums. Total Measure O authorized positions for FY 2018-19 remains at 38.5 FTE; 10.0 in the Fire department, 19.0 in the Police department and 9.5 in Violence Prevention.

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

Measure O Overview

Fire: In FY 2018-19, Salaries and Benefits expenditures went up by \$267K, reflecting a \$182K increase in overtime to better reflect actual spending, as well as Citywide benefit and retirement cost increases. The department saw a \$39K rise in Services and Supplies budget, driven by an increase in vehicle maintenance in order to be in line with actual spending trends. The department also saw an increase of \$15K in Administrative Overhead.

Police: In FY 2018-19, Salaries and Benefits expenditures went up by \$405K reflecting the current labor agreements, and Citywide cost increases in benefits especially retirement costs. Vehicle costs decreased by \$26K due to lower anticipated replacement costs for Measure O Police vehicles. The department also saw an increase of \$15K in Administrative Overhead.

Violence Prevention: For FY 2018-19, in the Office of Community Engagement, Salaries and Benefits went down by \$24K due in part to annual grant funding received for a Community Outreach Specialist, which was budgeted for only 6 months in FY 2017-18. Salaries in both Recreation and Parks and Community Engagement increased according to labor contracts, and benefits rose due to Citywide cost increases in retirement and healthcare. Service and supply budgets for both departments saw minimal changes with the exception of IT costs increasing by \$10K for Community Engagement, and Recreation and Parks increased supplies and outside services budgets by a total of \$10K. Both departments saw an increase of \$4K in Administrative Overhead.

Measure O Overview

FIRE - MEASURE O:	FY 2017-18 Revised Budget	FY 2018-19 Adopted Budget	Change
Salaries	1,609,719	1,779,581	169,862
Benefits	993,416	1,090,551	97,135
Services and Supplies	70,705	110,034	39,329
Administrative Overhead	104,550	120,014	15,464
Capital - Vehicles	-	-	-
Total Operating	2,778,390	3,100,180	321,790
Debt Service - Fountaingrove Fire Station	367,727	367,727	-
TOTAL FIRE - MEASURE O	3,146,117	3,467,907	321,790

POLICE - MEASURE O:	FY 2017-18 Revised Budget	FY 2018-19 Adopted Budget	Change
Salaries	2,167,664	2,337,825	170,161
Benefits	1,296,564	1,531,779	235,215
Services and Supplies	187,318	161,639	(25,679)
Administrative Overhead	104,550	120,014	15,464
Capital - Vehicles	-	-	-
Total Operating	3,756,096	4,151,257	395,161
TOTAL POLICE - MEASURE O	3,756,096	4,151,257	395,161

VIOLENCE PREVENTION MEASURE O:	FY 2017-18 Revised Budget	FY 2018-19 Adopted Budget	Change
Salaries	876,961	834,142	(42,819)
Benefits	297,851	312,163	14,312
Services and Supplies	151,935	171,505	19,570
Grants Program	643,870	644,286	416
Administrative Overhead	52,276	60,008	7,732
Total Operating	2,022,893	2,022,104	(789)
TOTAL VIOLENCE PREV - MEASURE O	2,022,893	2,022,104	(789)

TOTAL - ALL MEASURE O FUNDS	8,925,106	9,641,268	716,162
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Budget Process and Calendar

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

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

During the first quarter of the year, the City Council holds a public hearing to solicit information from Santa Rosa residents on their budget priorities. The input from the public hearing provides Council members and City staff input prior to the Council Goal setting process and the development of the City's budget. The City encourages public participation at City Council public hearings, financial updates, community outreach events and the online budget comment form. In February and March, departments prepare their operations and maintenance budgets based on the budget guidelines, public feedback from outreach events, City Council goals and priorities, and Strategic Planning initiatives. The Capital Improvement Program (CIP) budget process runs parallel with the operations and maintenance budget process. For more information on the CIP, please see that section of this document or the CIP budget document.

In March and April, the Budget and Financial Planning staff reviews each department's budget and prepares the budgets for review by the Chief Financial Officer. The Chief Financial Officer and the City Manager review the requests and makes adjustments as needed. The proposed budget requests are reviewed by the full Council during study sessions in May. Budget and Financial Planning staff prepares a draft budget document that is made available to the public around June 1. The City Council holds public hearings in mid-June and generally adopts the Operations and Maintenance and Capital Improvement Program budgets at the end of the hearings. The final budget document is then printed and distributed.

Around mid-year, the Budget and Financial Planning staff presents financial updates to the Council and the public. The update includes a discussion on whether the budget needs to be modified based on changes to revenue sources and other factors. While the budget development process runs from December through June, Budget and Financial Planning staff, the Chief Financial Officer and departments are constantly monitoring the budget throughout the year.

Budget Process and Calendar

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



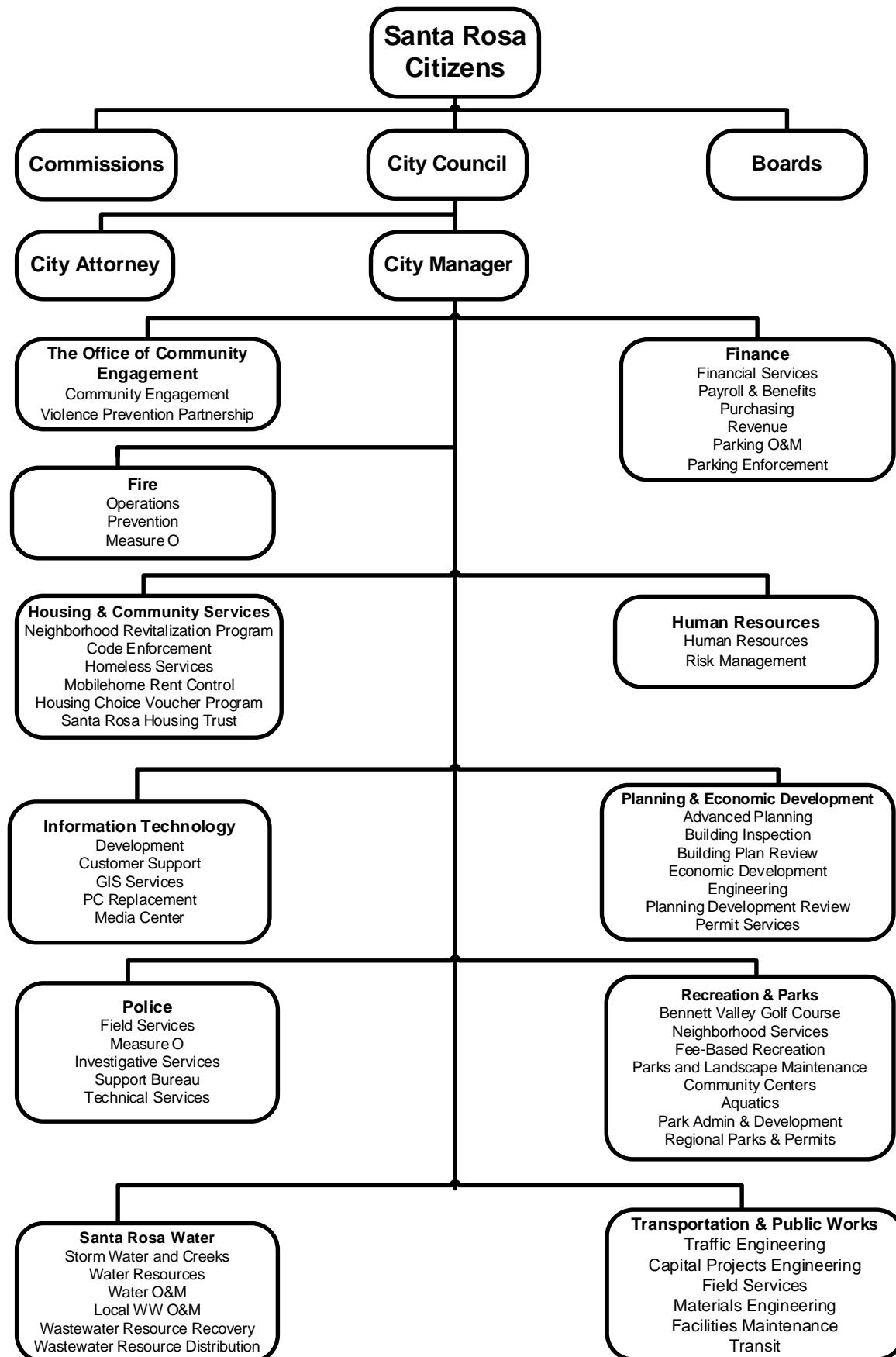
We are committed to a creative process which develops mutual respect and pride in ourselves and the community.

To this end we value:



ORGANIZATIONAL VALUES

City of Santa Rosa Organizational Chart



City at a Glance

As the county seat of Sonoma County, Santa Rosa is the center of trade, government, commerce, and medical facilities for the North Bay Area. Located just 55 miles north of San Francisco and 30 miles east of the Pacific Ocean, Santa Rosa is close to more than 400 Sonoma County wineries and 197 golf courses. Other available recreational pursuits include hot air ballooning, spas, and river sports, not to mention the famous Sonoma County cuisine. With fine schools that include a renowned junior college, a wealth of businesses and services, abundant recreational opportunities including many beautiful parks, and a superb climate in which to enjoy them. Santa Rosa has all the elements that create a unique and vibrant community.



Santa Rosa Rec & Parks Facebook page -Northwest Park bicycle pump track

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

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



Santa Rosa recently became the new home to Ironman Vineman. Participants will swim, bike and run their way through Santa Rosa and surrounding areas. Ironman Village will be open at beautiful Courthouse Square July 26-28, 2018.

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

History

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

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

According to popular legend, this area was named Santa Rosa by Father Juan Amorosa. After baptizing a young Native American woman in a stream, he followed the usual custom of naming rivers and creeks for

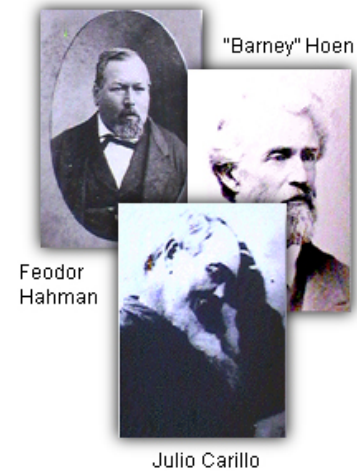
City at a Glance

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.

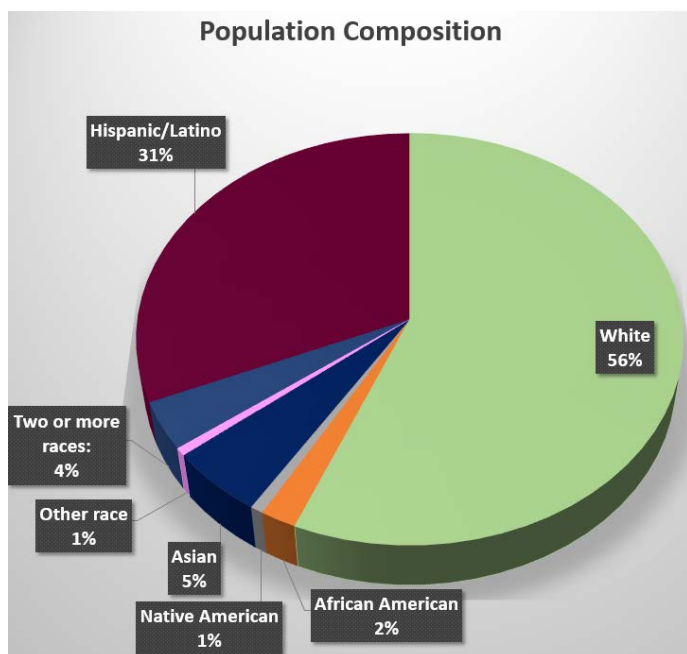
City Profile and Demographics

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.



Source: US Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

According to the latest US Census Bureau QuickFacts 2012-2016, there are approximately 2.64 persons per household, the median age is 36.7 and the median household income is \$62,705. The homeownership rate was 52.3% with a median value of \$414,800 for owner-occupied homes. In regard to the education of Santa Rosa residents, the survey states 85.6% are high school graduates and 31% have a bachelor's degree or beyond. The gender distribution is 51.2% female and 48.8% male. Approximately 12.2% of the City of Santa Rosa's population lives below poverty level.

The US Census Bureau estimates the City of Santa Rosa population at 175,155 (July 2016). The unemployment rate, provided by The U.S. Bureau of Labor Statistics, was 3.2% (January 2018). The table to the left displays Santa Rosa's major employers.

Major Employers (2017)

Employer	Employees
County of Sonoma	3,894
Kaiser Permanente	2,640
Santa Rosa School District	1,657
Santa Rosa Junior College	1,644
St. Joseph Health System	1,640
Keysight/Agilent Technologies	1,275
City of Santa Rosa	1,268
Medtronic/Arterial Vascular Eng.	1,000
Sutter Medical Center of Santa Rosa	936
Amy's Kitchen	890
Total	16,844

Source: City of Santa Rosa CAFR; all figures approximate

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All City Funds Schedule

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

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

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

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

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

All City Funds Schedule FY 2018-19

	GENERAL FUND	ENTERPRISE FUNDS	SPECIAL REVENUE FUNDS	OTHER FUNDS	HOUSING AUTHORITY	SUCCESSOR AGENCY	TOTAL ALL FUNDS
ESTIMATED RESERVES- JUNE 30, 2018	25,500,000	153,491,000	41,850,000	3,095,000	9,283,000	5,780,000	238,999,000
REVENUES:							
Property Tax	25,831,000	-	-	-	-	-	25,831,000
Sales Tax	49,609,000	-	9,150,000	-	-	-	58,759,000
Utility Users Tax	9,361,000	-	-	-	-	-	9,361,000
Other Taxes	39,521,600	-	-	300,000	-	-	39,821,600
Licenses & Permits	2,098,800	8,347	-	-	-	-	2,107,147
Charges for Services	27,371,289	127,493,467	2,826,507	5,402,314	3,010,058	-	166,103,635
Intergovernmental Revenue	1,953,000	28,246,963	10,417,690	-	26,800,748	-	67,418,401
Fines & Forfeitures	1,684,000	-	400,000	-	10,000	-	2,094,000
Investment Earnings	500,000	749,856	64,000	300,000	43,000	-	1,656,856
Contributions from Private Parties	-	-	31,000	-	-	-	31,000
Miscellaneous	1,667,000	631,425	1,686,000	-	2,994,729	-	6,979,154
TOTAL REVENUES	159,596,689	157,130,058	24,575,197	6,002,314	32,858,535	-	380,162,793
TRANSFERS IN	2,806,969	51,325,866	5,328,600	22,736,754	749,000	-	82,947,189
TOTAL REV & TRNSFS IN	162,403,658	208,455,924	29,903,797	28,739,068	33,607,535	-	463,109,982
EXPENDITURES:							
General Government	22,378,106	6,471,073	1,233,187	282,000	-	3,295,762	33,660,128 *
Housing & Community Svcs	1,835,286	-	3,127,988	-	33,600,260	-	38,563,534
Fire	40,129,062	-	3,125,180	399,006	-	-	43,653,248
Planning & Economic Dev.	13,280,381	-	504,500	-	-	-	13,784,881
Police	59,349,855	-	4,751,257	-	-	-	64,101,112
Recreation & Parks	16,367,318	454,903	1,032,350	4,491,119	-	-	22,345,690
Transportation & Public Works	21,280,987	13,951,594	244,556	16,497,809	-	-	51,974,946 **
Water	587,524	180,012,300	-	370,632	-	-	180,970,456 ***
Non-Departmental	(6,128,960)	-	-	4,834,107	-	-	(1,294,853)
TOTAL EXPENDITURES	169,079,559	200,889,870	14,019,018	26,874,673	33,600,260	3,295,762	447,759,142
TRANSFERS OUT	7,397,285	53,508,181	21,751,754	989,969	-	-	83,647,189
TOTAL EXP & TRNSFS OUT	176,476,844	254,398,051	35,770,772	27,864,642	33,600,260	3,295,762	531,406,331
SURPLUS / (DEFICIT)	(14,073,186)	(45,942,127)	(5,866,975)	874,426	7,275	(3,295,762)	(68,296,349)
ESTIMATED RESERVES- JUNE 30, 2019	11,426,814	107,548,873	35,983,025	3,969,426	9,290,275	2,484,238	170,702,651

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

* Total General Government = \$74,781,700 (includes Insurance Internal Service Fund \$32,336,634 & Information Technology Internal Service Funds \$8,784,938).

** Total Transportation & Public Works = \$66,474,079 (includes Equipment and Repair Replacement Internal Service Fund \$13,427,401 & a portion of internally allocated Administration Fund \$1,071,732).

***Total SR Water = \$189,839,758 (includes internally allocated Utilities Administration Fund \$8,869,302).

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.

Enterprise Funds Schedule FY 2018-19

	GOLF FUND	PARKING FUND	TRANSIT FUND	STORM WATER FUNDS	WATER FUND	LOCAL WASTEWTR FUND	SUBREG. WASTEWTR FUND	TOTAL ENTERPRISE FUNDS
ESTIMATED RESERVES- JUNE 30, 2018	1,314,000	10,610,000	285,000	1,392,000	44,640,000	58,750,000	36,500,000	153,491,000
REVENUES:								
Property Tax	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-
Licenses & Permits	-	8,347	-	-	-	-	-	8,347
Charges for Services	485,000	4,554,396	1,620,230	2,331,153	46,893,769	69,933,419	1,675,500	127,493,467
Intergovernmental Revenue	-	-	11,517,122	86,000	-	532,197	16,111,644	28,246,963
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	30,000	-	-	300,000	319,856	100,000	749,856
Contributions from Private Parties	-	-	-	-	-	-	-	-
Miscellaneous	65,000	100,000	-	-	50,500	182,925	233,000	631,425
TOTAL REVENUES	550,000	4,692,743	13,137,352	2,417,153	47,244,269	70,968,397	18,120,144	157,130,058
TRANSFERS IN	-	1,181,565	-	-	-	-	50,144,301	51,325,866
TOTAL REV & TRNSFS IN	550,000	5,874,308	13,137,352	2,417,153	47,244,269	70,968,397	68,264,445	208,455,924
EXPENDITURES:								
General Government	-	6,471,073	-	-	-	-	-	6,471,073
Housing & Community Svcs	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Planning & Economic Dev.	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Recreation & Parks	454,903	-	-	-	-	-	-	454,903
Transportation & Public Works	-	-	13,409,701	541,893	-	-	-	13,951,594
Water	-	-	-	1,928,122	71,643,462	34,558,700	71,882,016	180,012,300
Non-Departmental	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	454,903	6,471,073	13,409,701	2,470,015	71,643,462	34,558,700	71,882,016	200,889,870
TRANSFERS OUT	-	15,000	-	260,000	1,932,300	51,300,881	-	53,508,181
TOTAL EXP & TRNSFS OUT	454,903	6,486,073	13,409,701	2,730,015	73,575,762	85,859,581	71,882,016	254,398,051
SURPLUS / (DEFICIT)	95,097	(611,765)	(272,349)	(312,862)	(26,331,493)	(14,891,184)	(3,617,571)	(45,942,127)
ESTIMATED RESERVES- JUNE 30, 2019	1,409,097	9,998,235	12,651	1,079,138	18,308,507	43,858,816	32,882,429	107,548,873

Internal Service Funds Schedule

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

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

Internal Service Funds Schedule FY 2018-19

	EQUIPMENT REPAIR & REPLACEMENT FUND	INSURANCE FUND	INFORMATION TECHNOLOGY FUND	TOTAL INTERNAL SERVICE FUNDS
ESTIMATED RESERVES- JUNE 30, 2018	17,800,000	5,500,000	1,500,000	24,800,000
REVENUES:				
Property Tax	-	-	-	-
Sales Tax	-	-	-	-
Utility Users Tax	-	-	-	-
Other Taxes	-	-	-	-
Licenses & Permits	-	-	-	-
Charges for Services	8,842,093	33,900,286	8,203,904	50,946,283
Intergovernmental Revenue	-	-	-	-
Fines & Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Private Parties	-	-	-	-
Miscellaneous	80,000	-	-	80,000
TOTAL REVENUES	8,922,093	33,900,286	8,203,904	51,026,283
TRANSFERS IN	-	-	700,000	700,000
TOTAL REV & TRNSFS IN	8,922,093	33,900,286	8,903,904	51,726,283
EXPENDITURES:				
General Government	-	32,336,634	8,784,938	41,121,572
Housing & Community Svcs	-	-	-	-
Fire	-	-	-	-
Planning & Economic Dev.	-	-	-	-
Police	-	-	-	-
Recreation & Parks	-	-	-	-
Transportation & Public Works	13,427,401	-	-	13,427,401
Water	-	-	-	-
Non-Departmental	-	-	-	-
TOTAL EXPENDITURES	13,427,401	32,336,634	8,784,938	54,548,973
TRANSFERS OUT	-	-	-	-
TOTAL EXP & TRNSFS OUT	13,427,401	32,336,634	8,784,938	54,548,973
SURPLUS (DEFICIT)	(4,505,308)	1,563,652	118,966	(2,822,690)
ESTIMATED RESERVES- JUNE 30, 2019	13,294,692	7,063,652	1,618,966	21,977,310

Fund Use by Department

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

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

Enterprise Funds:

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

Special Revenue Funds:

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

Internal Service Funds:

Equipment Repair and Replacement Funds
 Insurance Fund
 Information Technology Funds

Housing Authority Funds:

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

Successor Agency to the Redevelopment Funds:

Debt Service Funds (ROPS)

Other Funds:

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

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City Revenues

General Fund

Description:	2017-18 Approved Budget		2018-19 Proposed Budget		Dollar Change	Percent Change
Tax Revenue Detail						
Property Taxes	\$	26,449,735	\$	25,831,000	\$ (618,735)	-2.3%
Sales Taxes		48,813,344		49,609,000	795,656	1.6%
Utility Use Taxes		9,723,982		9,361,000	(362,982)	-3.7%
Motor Vehicle License Fees		13,626,871		13,501,000	(125,871)	-0.9%
Franchise Fees		8,812,811		10,050,600	1,237,789	14.0%
Cannabis Industry Tax		-		2,557,000	2,557,000	-
Business Licenses		4,363,896		4,201,000	(162,896)	-3.7%
Real Property Transfer Tax		4,406,434		3,876,000	(530,434)	-12.0%
Transient Occupancy Tax		5,975,632		5,336,000	(639,632)	-10.7%
Total Tax Revenues	\$	122,172,705	\$	124,322,600	\$ 2,149,895	1.8%
Other Revenue Detail						
Licenses and Permits	\$	1,647,056	\$	2,098,800	\$ 451,744	27.4%
Charges for Services		25,179,727		27,371,289	2,191,562	8.7%
Intergovernmental Revenue		700,215		1,953,000	1,252,785	178.9%
Fines and Forfeitures		1,753,523		1,684,000	(69,523)	-4.0%
Investment Earnings		161,755		500,000	338,245	209.1%
Contributions from Private Parties		250,000		-	(250,000)	-100.0%
Miscellaneous Revenues		1,205,564		1,667,000	461,436	38.3%
Total Other Revenues	\$	30,897,840	\$	35,274,089	\$ 4,376,249	14.2%
Total General Fund Revenues	\$	153,070,545	\$	159,596,689	\$ 6,526,144	4.3%

City Revenues

General Fund

Total General Fund revenues are projected to be \$159.6M during FY 2018-19. This represents a \$6.5M, or 4.3% increase over adopted FY 2017-18 revenues. FY 2018-19 will be the first full year that the City will collect revenue for the Cannabis Industry Tax and from the Roseland Annexation area.

Property tax is projected at \$25.8M for FY 2018-19, a \$619K or 2.3% decrease from the previous fiscal year. This decrease is primarily due to the October 2017 Fire Disaster which destroyed approximately 3,000 homes in Santa Rosa, accounting for a decrease of \$1.13M in Property Tax. The remaining property values are anticipated to remain strong for the coming year with a projected growth of 2%.

Sales tax is the largest revenue source for the City and is projected to increase this fiscal year by only 1.6%, or about \$795K. Although the City expects overall Sales tax to grow by 3% from last year's adopted revenue, the sales tax base is diluted by the October 2017 Fire Disaster which decreased the tax base by \$1.1M. This decrease is also offset by the Annexation of the Roseland area which is projected to bring in new Sales tax revenue of \$510K. Santa Rosa's sales tax has continued to experience growth in overall retail sales, with the strongest sector being auto sales.

Also included in the projected Sales tax amount is Measure P (now Measure N) and Proposition 172 proceeds; \$9.2M and \$1.2M respectively. In November 2016, the voters approved the extension of Measure P/N, the quarter-cent sales tax measure until March 2027. Prop. 172 sales tax is based on a per-capita allocation. Both revenues are projected to grow in the same way as the City's general sales tax assumption.

Utility Users Tax (UUT) revenues are projected to drop by \$363K or 3.7% during FY 2018-19. The October 2017 Fire Disaster again is the driver of this decrease in revenue. The anticipated reduction across all categories of UUT were estimated at a \$960K decrease. A minimal growth rate of 1% was applied to the adjusted UUT revenue base.

Franchise Fees are projected to increase by \$1.2 or 14.0% in FY 2018-19 over the previous year. Franchise fee revenue for garbage disposal is the largest component of this revenue source at a projected \$6M, almost 60% of the total franchise fee revenues. The other franchise fees for PG&E, Cable TV and Construction are estimated to increase by 2%.

Motor Vehicle License Fees, which essentially fluctuate with the annual assessed property valuation, are expected to mirror the property tax trend and increase by 2% in FY 2018-19. Unfortunately, like Property tax, the Motor Vehicle License Fees base is expected to decrease by \$643K due to the October 2017 Fire Disaster.

Business Tax revenue is projected to decrease by \$163K for FY 2018-19. Again, this decrease to the tax base is due to business destroyed in the October 2017 Fire Disaster. The anticipated growth in this revenue category is minimal at 1% from last year.

Real Property Transfer Tax (RPTT) is projected to decrease by \$530K or 12% in FY 2018-19 from the previous year; primarily due to the loss of homes in the October 2017 Fire Disaster. This tax is collected based on the sale of homes in Santa Rosa which are projected to remain steady during the coming year although there are less homes. The remaining tax base is projected increase at 2% growth rate.

Transient Occupancy Tax (TOT) revenue is projected to decrease by \$640K or 11% for FY 2018-19. During the October 2017 Fire Disaster, two of the City's hotels were destroyed which reduced the tax base of the TOT by \$795K. Before the Fire Disaster, Santa Rosa tourism was continuing to increase with higher occupancy rates and higher average daily hotel rates. The projected TOT revenue includes a 3% growth increase from prior year on the assumption that the increased tourism will continue.

City Revenues

License and Permit Revenues are projected to increase by \$452K to a total of \$2M for FY 2018-19, significantly higher than the previous year. The driver of this increase is the building permit fees generating from the rebuilding of the homes and businesses destroyed in the October 2017 Fire Disaster. These fire-related fee revenues account for about \$1.4M of the total revenue in this category which will be a one-time increase and isn't forecasted to the same degree for future years.

Charges for Services are expected to increase \$2.2M or 8.4% for a total of \$27.4M in FY 2018-19. Included in the Charges for Services category are Planning and Economic Development fees of \$6M, Interfund charges (the General Fund charging other funds for services) of \$13.3M and Recreation fees of \$3.7M.

Intergovernmental Revenues are received from grant funds and other government entities. This revenue is expected to increase significantly from \$700K to \$1.9M, more than double from last year. For the first full fiscal year, the City will be collected \$1.2M from the County of Sonoma for the Roseland Annexation; \$662K is dedicated to be spent on road improvements in the Roseland area.

Fines and Forfeitures are expected to slightly decrease by \$70K FY 2018-19. Parking Violation revenue makes up the majority of this category at \$1.2M or 71% of the total. Investment Earnings are projected at \$500K, an increase of \$335K due to the rise in interest rates over the last fiscal year. In FY 2018-19, we are not anticipating any Contributions from Private Parties. Miscellaneous Revenues are budgeted at \$1.7M for FY 2018-19 which includes cost reimbursements from Recology (the garbage disposal service) for \$125K and Wildfire Strike Team overtime reimbursements for \$732K.

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 remained relatively flat at \$47M in FY 2018-19. The Water Utility's main source of revenue is rates, which make up 92% of the total revenue. Water rate revenues for FY 2018-19 are expected to be \$43M which is 0.7% higher than budgeted revenues for FY 2017-18. Like the General Fund, the Water Utility revenue is expected to decrease from the loss of homes and commercial property due to the October 2017 Fire Disaster. Demand fees, as known as connection fees charged to new users, are also projected to be flat, at an estimated \$1.6M in FY 2018-19.

Local Wastewater Fund

Total revenues for the Local Wastewater Utility increased by 1.3% to \$71M in FY 2018-19. Rate revenue comprises 94% of the projected revenue for the upcoming year. Local wastewater rate revenues are expected to be \$66.5M. Sewer fixed and usage charges are increasing 2.5% in 2019 but this increase is offset by the loss of homes and commercial property due to the October 2017 Fire Disaster. Wastewater demand fees are also expected to remain flat in FY 2018-19 at \$2.5M.

Subregional Wastewater Fund

The Subregional Wastewater fund estimating \$18M total revenue for FY 2018-19. The vast majority of Subregional system revenue comes from the partners that use the system 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.

City Revenues

Golf Course Fund

Golf Course fund revenues are projected to be flat at \$550K for the FY 2018-19 budget year. Golf revenues are mainly comprised of operator fees and restaurant rental revenue.

Parking Fund

Parking revenues reflect an increase of 5.4% up to \$4.7M for FY 2018-19. 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 reflect a decrease of \$1.9M, or 13% for a total of \$13.1M for FY 2018-19. Over 80% of total Transit revenue is derived from state and federal grant revenue, \$10.6M. Transit fare revenues are only expected to be \$1.6M for FY 2018-19.

Multi-Year Revenue Summary – All Funds

FUND	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Budget
GENERAL FUND REVENUES:					
Property Taxes	23,118,059	26,625,351	26,002,788	26,449,736	25,831,000
Sales Tax	43,338,044	46,636,403	45,892,181	48,813,344	49,609,000
Utility Users Tax	9,778,207	9,954,587	10,628,206	9,723,982	9,361,000
Other Taxes	31,428,766	33,844,145	35,775,970	37,185,644	39,521,600
Licenses and Permits	1,406,755	1,435,463	1,562,458	1,647,056	2,098,800
Charges for Services	22,332,713	23,741,270	26,501,725	25,179,727	27,371,289
Intergovernmental Revenue	3,584,050	4,561,741	1,582,331	700,215	1,953,000
Fines and Forfeitures	1,793,971	1,842,158	1,666,706	1,753,523	1,684,000
Investment Earnings	247,822	694,780	163,814	161,755	500,000
Contributions from Private Parties	1,835,951	1,286,202	3,333,516	250,000	-
Miscellaneous	3,236,299	1,623,712	1,839,183	1,205,563	1,667,000
	142,100,637	152,245,812	154,948,878	153,070,545	159,596,689
ENTERPRISE FUND REVENUES:					
Golf Fund	581,184	515,471	458,682	550,000	550,000
Parking Fund	5,072,440	4,656,471	4,661,199	4,453,747	4,692,743
Transit Fund	11,890,503	10,686,021	14,841,581	13,223,451	13,137,352
Storm Water Funds	2,279,919	2,552,814	2,605,433	2,540,925	2,417,153
Water Fund	42,266,567	43,272,625	49,741,193	46,905,214	47,244,269
Local Wastewater Fund	68,683,402	67,469,157	68,210,217	70,073,006	70,968,397
Subregional Wastewater Fund	16,291,554	15,715,544	131,295,640	17,726,893	18,120,144
TOTAL ENTERPRISE FUND REVENUES	147,065,569	144,868,103	271,813,945	155,473,236	157,130,058
SPECIAL REVENUE FUND REVENUES	23,174,620	23,439,032	29,463,373	22,783,127	24,575,197
OTHER FUNDS REVENUES	4,972,921	5,239,261	17,648,686	5,509,029	6,002,314
HOUSING AUTHORITY REVENUES	25,473,481	25,097,738	37,043,130	29,442,866	32,858,535
SUCCESSOR AGENCY TO THE REDEV. AGENCY	2,321,658	51,599,192	4,772,781	4,088,901	-
TOTAL REVENUES	345,108,886	402,489,138	515,690,793	370,367,704	380,162,793

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

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

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

Multi-Year Expenditure Summary – All Funds

FUND	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Budget
GENERAL FUND EXPENDITURES:					
City Attorney	2,175,962	2,386,399	2,266,046	3,067,461	3,518,076
City Council	737,017	521,029	2,010,489	1,140,021	1,479,278
City Manager	2,223,230	2,894,970	2,091,592	2,530,765	3,004,134
Office of Community Engagement	-	-	1,181,695	647,742	917,379
Finance	8,068,389	8,871,522	9,119,026	10,158,868	11,041,189
Human Resources	1,884,774	2,141,575	2,595,578	2,251,309	2,418,050
Subtotal - General Government	15,089,372	16,815,495	19,264,426	19,796,166	22,378,106
Housing & Community Services	-	561,641	1,382,063	1,304,857	1,835,286
Fire	31,580,515	32,928,993	35,307,383	38,456,107	40,129,062
Planning & Economic Development	4,312,163	6,785,168	9,873,955	10,399,190	13,280,381
Police	43,942,693	46,339,265	48,458,821	53,934,508	59,349,855
Recreation & Parks	14,473,798	16,196,596	12,963,175	15,377,188	16,367,318
Transportation & Public Works	12,894,689	12,867,139	16,805,621	19,715,881	21,280,987
Water	312,487	330,486	466,796	329,069	587,524
Non-Departmental	3,980,994	3,817,117	3,791,707	(4,971,153)	(6,128,960)
TOTAL GENERAL FUND EXPENDITURES	126,586,711	136,641,900	148,313,947	154,341,813	169,079,559
ENTERPRISE FUND EXPENDITURES:					
Golf Fund	1,204,488	1,069,228	1,017,627	518,998	454,903
Parking Fund	5,474,984	6,031,889	5,467,350	8,728,393	6,471,073
Transit Fund	13,346,954	15,678,044	14,720,730	14,202,980	13,409,701
Storm Water Funds	1,676,548	1,775,055	1,841,374	2,445,557	2,470,015
Water Fund	45,734,878	52,477,004	44,724,435	47,366,132	71,643,462
Local Wastewater Fund	25,280,874	32,045,333	20,416,447	23,581,300	34,558,700
Subregional Wastewater Fund	78,517,431	80,365,542	194,477,959	64,373,958	71,882,016
TOTAL ENTERPRISE FUND EXPENDITURES	171,236,157	189,442,095	282,665,922	161,217,318	200,889,870
SPECIAL REVENUE FUND EXPENDITURES	10,323,073	11,576,460	11,206,226	12,811,846	14,019,018
OTHER FUNDS EXPENDITURES:					
Capital Improvement Program (CIP) Fund	22,590,663	27,481,778	25,825,431	15,356,072	21,639,027
Debt Service Funds	5,667,337	5,017,526	13,878,375	4,830,714	4,834,107
Special Assessment Funds	18,868	42,608	29,031	76,556	75,178
Trust Funds	322,082	355,244	260,946	309,557	326,361
TOTAL OTHER FUNDS EXPENDITURES	28,598,950	32,897,156	39,993,783	20,572,899	26,874,673
HOUSING AUTHORITY EXPENDITURES	26,259,346	25,178,669	36,592,745	32,279,929	33,600,260
SUCCESSOR AGENCY TO THE REDEV. AGENCY	6,199,369	71,213,999	3,622,448	4,088,901	3,295,762
TOTAL EXPENDITURES	369,203,606	466,950,279	522,395,071	385,312,706	447,759,142

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

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

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

City Debt

Computation of Legal Debt Margin as of June 30, 2017

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 \$33,160,000 of debt subject to the limit and a legal debt limit of \$874,917,638, the City is not at risk of exceeding its legal debt limit.

<u>Computation of Legal Debt Margin</u>	
Assessed Value	\$23,331,137,000
Debt Limit (3.75% of Assessed Value)	\$874,917,638
Less Net Debt Applicable to Limit	(33,160,000)
Legal Debt Margin	\$841,757,638

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

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

Debt Obligations Outstanding as of 6/30/2018	<u>Principal Outstanding</u>
Wastewater Bonds	\$ 204,373,480
Wastewater Loans	148,770
Water Bonds	11,365,000
Golf Course Bonds	3,800,000
Redevelopment Bonds	35,775,000
Courthouse Square Project and Building Acquisition Certificates of Participation	11,115,000
Pension Obligation Bonds	22,045,000
Capital Leases	3,452,831
	<hr/>
	\$ 292,075,081

City Debt

Annual Debt Service Requirements

		2019	2020	2021	2022	Thereafter	Total
Wastewater Bonds	Principal	14,441,761	14,878,853	15,337,437	15,893,897	143,821,532	204,373,480
	Interest	<u>10,436,914</u>	<u>9,998,448</u>	<u>9,537,719</u>	<u>8,982,966</u>	<u>130,464,755</u>	<u>169,420,801</u>
	Total Debt Service	24,878,675	24,877,300	24,875,156	24,876,863	274,286,287	373,794,281
Wastewater Loans	Principal	98,208	50,562	-	-	-	148,770
	Interest	<u>4,919</u>	<u>1,001</u>	-	-	-	<u>5,920</u>
	Total Debt Service	103,127	51,563	-	-	-	154,690
Water Bonds	Principal	330,000	345,000	360,000	375,000	9,955,000	11,365,000
	Interest	<u>541,694</u>	<u>527,978</u>	<u>512,988</u>	<u>496,863</u>	<u>4,773,580</u>	<u>6,853,103</u>
	Total Debt Service	871,694	872,978	872,988	871,863	14,728,580	18,218,103
Golf Course Bonds	Principal	215,000	230,000	240,000	250,000	2,865,000	3,800,000
	Interest	<u>175,556</u>	<u>165,103</u>	<u>154,049</u>	<u>142,505</u>	<u>660,209</u>	<u>1,297,422</u>
	Total Debt Service	390,556	395,103	394,049	392,505	3,525,209	5,097,422
Redevelopment Bonds	Principal	1,725,000	1,755,000	1,795,000	1,845,000	28,655,000	35,775,000
	Interest	<u>1,315,912</u>	<u>1,278,369</u>	<u>1,232,101</u>	<u>1,178,638</u>	<u>7,432,304</u>	<u>12,437,324</u>
	Total Debt Service	3,040,912	3,033,369	3,027,101	3,023,638	36,087,304	48,212,324
Courthouse Square Project and Building Acquisition Certificates of Participation	Principal	330,000	345,000	355,000	365,000	9,720,000	11,115,000
	Interest	<u>398,750</u>	<u>388,625</u>	<u>378,125</u>	<u>367,325</u>	<u>3,766,875</u>	<u>5,299,700</u>
	Total Debt Service	728,750	733,625	733,125	732,325	13,486,875	16,414,700
Pension Obligation Bonds	Principal	2,760,000	2,860,000	2,980,000	3,110,000	10,335,000	22,045,000
	Interest	<u>974,120</u>	<u>872,236</u>	<u>754,250</u>	<u>620,008</u>	<u>862,441</u>	<u>4,083,056</u>
	Total Debt Service	3,734,120	3,732,236	3,734,250	3,730,008	11,197,441	26,128,056
Capital Leases	Principal	744,040	760,787	483,648	494,996	969,360	3,452,831
	Interest	<u>79,644</u>	<u>62,897</u>	<u>45,766</u>	<u>34,419</u>	<u>41,888</u>	<u>264,614</u>
	Total Debt Service	823,684	823,684	529,415	529,415	1,011,248	3,717,445
Citywide	Principal	20,644,009	21,225,201	21,551,086	22,333,893	206,320,892	292,075,081
	Interest	<u>13,927,508</u>	<u>13,294,657</u>	<u>12,614,999</u>	<u>11,822,724</u>	<u>148,002,052</u>	<u>199,661,940</u>
	Total Debt Service	34,571,517	34,519,858	34,166,085	34,156,617	354,322,944	491,737,021

FTE Staffing Summary

In fiscal year (FY) 2018-19, the City's proposed authorized Full-Time Equivalent (FTE) position count is 1,301.00, an increase of 17.00 FTE or 1.3% from last fiscal year's budget. FTE position count by department and detailed additions/eliminations are discussed 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 under Departments/Human Resources/Salaries or through the following link <http://srcity.org/192/Salaries>.

Authorized Full-Time Equivalent Position Count

DEPARTMENT	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	change	FY 2018-19
City Attorney	12.90	12.90	14.90	15.90	1.00	16.90
City Manager	14.00	17.00	11.00	13.00	-	13.00
Office of Community Engagement	-	-	7.00	7.00	-	7.00
Finance	62.35	64.35	97.35	98.85	3.50	102.35
Fire	147.75	147.75	147.75	148.75	1.00	149.75
Housing & Community Services	65.00	60.00	30.75	33.00	2.50	35.50
Human Resources	19.00	20.00	21.00	21.00	-	21.00
Information Technology	25.00	26.00	28.00	29.00	1.00	30.00
Planning & Economic Development	34.50	37.75	50.00	51.00	7.50	58.50
Police	258.75	256.75	256.50	264.50	2.00	266.50
Recreation & Parks	85.15	93.15	74.00	74.00	-	74.00
Transportation & Public Works	275.50	270.50	277.50	274.50	(0.50)	274.00
Water	239.50	243.50	249.50	253.50	(1.00)	252.50
Total FTE Positions	1,239.40	1,249.65	1,265.25	1,284.00	17.00	1,301.00

FTE Staffing Summary

Detail Full-Time Equivalent Position Change

Dept.	Position Title	FTE
CA	Assistant City Attorney	1.00
City Attorney Total		1.00
Finance	Customer Service Representative	2.00
Finance	Field Collection Representative	1.00
Finance	Parking Enforcement Officer	0.50
Finance Total		3.50
Fire	Fire Inspector	1.00
Fire Department Total		1.00
HCS	Code Enforcement Officer	1.00
HCS	Sr. Administrative Assistant	0.50
HCS	Sr. Code Enforcement Officer	1.00
Housing & Community Services Total		2.50
IT	GIS Analyst (transfer from TPW)	1.00
Information Technology Total		1.00
OCE	Community Outreach Specialist (extend LMTD 6/30/19)	0.00
Office of Community Engagement Total		0.00
PED	Associate Civil Engineer	0.50
PED	Building Inspector	1.00
PED	Building Plans Examiner	1.00
PED	CD Technician	1.00
PED	City Planner	1.00
PED	Program Specialist	1.00
PED	Senior Administrative Assistant	1.00
PED	Senior Planner	1.00
Planning and Economic Development Total		7.50
Police	Field Evidence Technician	1.00
Police	Police Technician	1.00
Police Department Total		2.00
TPW	Equipment Mechanics II	-3.00
TPW	Equipment Service Worker	-0.50
TPW	GIS Analyst (transfer to IT)	-1.00
TPW	Skilled Maintenance Worker	3.00
TPW	Sr. Maintenance Worker	1.00
Transportation & Public Works Total		-0.50
Water	Deputy Director - Engineering Resources	1.00
Water	Electrical Technician	-1.00
Water	Environmental Specialist	-1.00
Water	Senior Buyer	1.00
Water	Sr. Administrative Assistant	-1.00
Water Total		-1.00

Long Range Financial Forecast

The Long Range Financial Forecast (LRFF) is intended to serve as a tool for financial planning and decision making in the years ahead, and the City aims to update this forecast annually. The LRFF is a ten-year forecasting model for the General Fund. The LRFF provides the proposed budget for FY 2018-19, and forecast projections for fiscal years 2019-20 through 2027-28. The LRFF shows total General Fund revenues, summarized by major revenue source; total General Fund expenditures summarized by major expenditure group; transfers in and out; the projected surplus or deficit for a given year; and ending fund balance projections. Please note at the time the forecast was developed the FY 2018-19 budget had not been approved and is based on the City's revenue estimates and the budgeted expenditure requests.

Revenue Assumptions

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

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

- Sales Tax. The projected sales tax for FY 2018-19 is based on revenue estimates from the "Most Likely" scenario from MuniServices, the City's revenue consultant, which is based on local sales tax data. The annual growth from FY 2019-20 through FY 2027-28 is 3% each year.
- Measure P. The projected revenue for Measure P is identical to Sales Tax revenue projections. Measure P is due to expire in March 2027.
- Property Tax. Property tax is projected for FY 2018-19 to increase by 2% applied against adjusted property tax base. This is, again, projected on the "Most Likely" scenario from our revenue consultants analyzing Santa Rosa-specific property tax data. A 3% growth factor is assumed for FY 2019-20 then a 2% growth factor is assumed through the remainder of the forecast. In FY 2021-22 through FY2024-25, the base is increased by \$282K annually due to the anticipated rebuilding of homes lost in the October 2017 Fire Disaster.
- Utility Users Tax (UUT). For FY 2019-20 and beyond, all UUT (PG&E, Cable TV and Other) revenues are expected to grow at a rate of 1% each year for all years.

Expenditure Growth Assumptions

Since the majority of the Memorandum of Understanding contracts with the Citywide employees are approved through June 30, 2020, budgeted salaries for FY 2018-19 are reflective of the 3% Cost of Living Adjustment and FY 2019-20 Salaries include a 2.5% increase. Salaries for all future years do not include any Cost of Living Adjustments. FY 2019-20 and forward, all salaries are forecasted to include an additional 1% growth rate to account for merit increases.

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

- Healthcare. Healthcare is projected to have a 6% growth rate in FY 2019-20 and forward.
- Dental/Vision Insurance. This benefit is expected to grow at a rate of 3% in years 1-10.
- Retirement for Fire, Police and Miscellaneous Employees. The retirement rates applied were provided by CalPERS actuarial valuation reports. For the future years not included in the CalPERS report, the growth rate was held flat. Also, included in the retirement rate is additional

Long Range Financial Forecast

4.0% contribution to the Pension Obligation Bond and an additional 1.0% contribution to the Unfunded Liability for all CalPERS Groups for all years. Together these three retirement rates are applied against forecasted Salaries in the model.

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

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

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

Transfers In and Out Growth Assumptions

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

Summary of Findings

Budgeted General Fund revenues represent a "most likely" view of major, forecastable revenues. The revenue budget, and subsequent forecast estimates are based on trend analysis from the Budget staff, and, where applicable, discussions with consultants. Expenditures continue to significantly increase based on the approved employee contracts and on-going cost projections. In the current year's budget and foreseeable future years budgets, expenditures continue to outpace revenue assumptions. The LRFF indicates a structural deficit which continues throughout the forecast. General Fund unassigned reserves will be used to balance the current year's budget, and any future budget deficits until unassigned reserves are exhausted. The City Manager and City staff are strategically working on how to remedy the structural deficit it faces. The future year deficits can be addressed through either cost reductions or through the addition of new, on-going revenue streams.

It should be noted that a recession is not included in this forecast. Based on historical trends, recessions are cyclical and the City is due to experience one. Economy experts forecast the next recession to occur as soon as 2019-20; however, the impact of such a recession on the Santa Rosa economy is unknown. Therefore, we have not included a recession scenario in the forecast. If there are signs that indicate a recession may be imminent, the LRFF will be adjusted accordingly.

Long Range Financial Forecast

	PROPOSED BUDGET	FORECAST								
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
(in millions)										
Beginning Fund Balance	22.8	8.5	(9.0)	(29.3)	(51.6)	(75.3)	(99.7)	(124.5)	(148.7)	(175.2)
Revenue										
Property Tax	25.8	26.6	27.1	27.9	28.7	29.6	30.4	31.0	31.6	32.2
Sales Tax	40.4	41.7	42.9	44.2	45.5	46.9	48.3	49.7	51.2	52.8
Measure P	9.2	9.4	9.7	10.0	10.3	10.6	10.9	11.3	8.7	0.0
Utility Users Tax	9.4	9.5	9.5	9.6	9.7	9.8	9.9	10.0	10.1	10.2
Other Taxes	26.0	26.5	27.0	27.5	28.0	28.5	29.1	29.6	30.2	30.8
Motor Vehicle Fees	13.5	13.8	14.0	14.3	14.6	14.9	15.2	15.5	15.8	16.1
License and Permits	2.1	1.8	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.1
Fines and Forfeitures	1.7	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.1
Intergovernmental	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Use of Money & Property	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6
R&P Revenues	3.8	3.8	3.8	3.9	3.9	3.9	4.0	4.0	4.1	4.1
All Other Charges for Service	8.9	8.1	8.2	8.3	8.4	8.5	8.7	8.8	8.9	9.1
Interfund Charges	13.3	13.7	14.1	14.5	15.0	15.4	15.9	16.4	16.9	17.4
Misc.	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1
Total Revenue	159.6	161.9	165.5	169.4	173.4	177.6	181.8	185.8	187.1	182.3
Transfers In	2.8	2.8	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Expenditures										
Salaries	85.2	87.2	88.0	88.8	89.6	90.4	91.3	92.3	93.2	94.1
Retirement	27.9	31.3	34.8	37.9	40.5	42.4	43.9	44.1	44.3	44.4
Healthcare	14.2	15.0	15.9	16.9	17.9	19.0	20.1	21.3	22.6	24.0
All Other Benefits	6.8	6.9	7.0	7.2	7.3	7.4	7.6	7.8	8.0	8.2
IT Costs	4.8	4.9	5.0	5.2	5.3	5.5	5.7	5.8	6.0	6.2
Insurance	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5
Service & Supplies	24.5	25.0	25.6	26.1	26.6	27.2	27.8	28.4	28.9	29.5
O&M Projects	4.2	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Expenditures	169.2	174.9	181.0	186.7	192.1	196.8	201.4	204.7	208.2	211.8
Transfers Out	7.5	7.4	7.5	7.6	7.6	7.7	7.8	7.9	8.0	8.0
Surplus/(Deficit)	(14.3)	(17.5)	(20.3)	(22.3)	(23.7)	(24.4)	(24.8)	(24.2)	(26.5)	(34.9)
Ending Fund Balance	8.5	(9.0)	(29.3)	(51.6)	(75.3)	(99.7)	(124.5)	(148.7)	(175.2)	(210.1)

Please note: The LRFF was developed before the approval of the FY 2018-19 budget, and as such does not equal the FY 2018-19 General Fund Approved Budget.

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City Attorney's Office

Mission

The City Attorney's Office is committed to providing the highest-quality legal services and support for elected City officials, departments, boards and commissions, and to represent the City in litigation and administrative proceedings.

Department Description

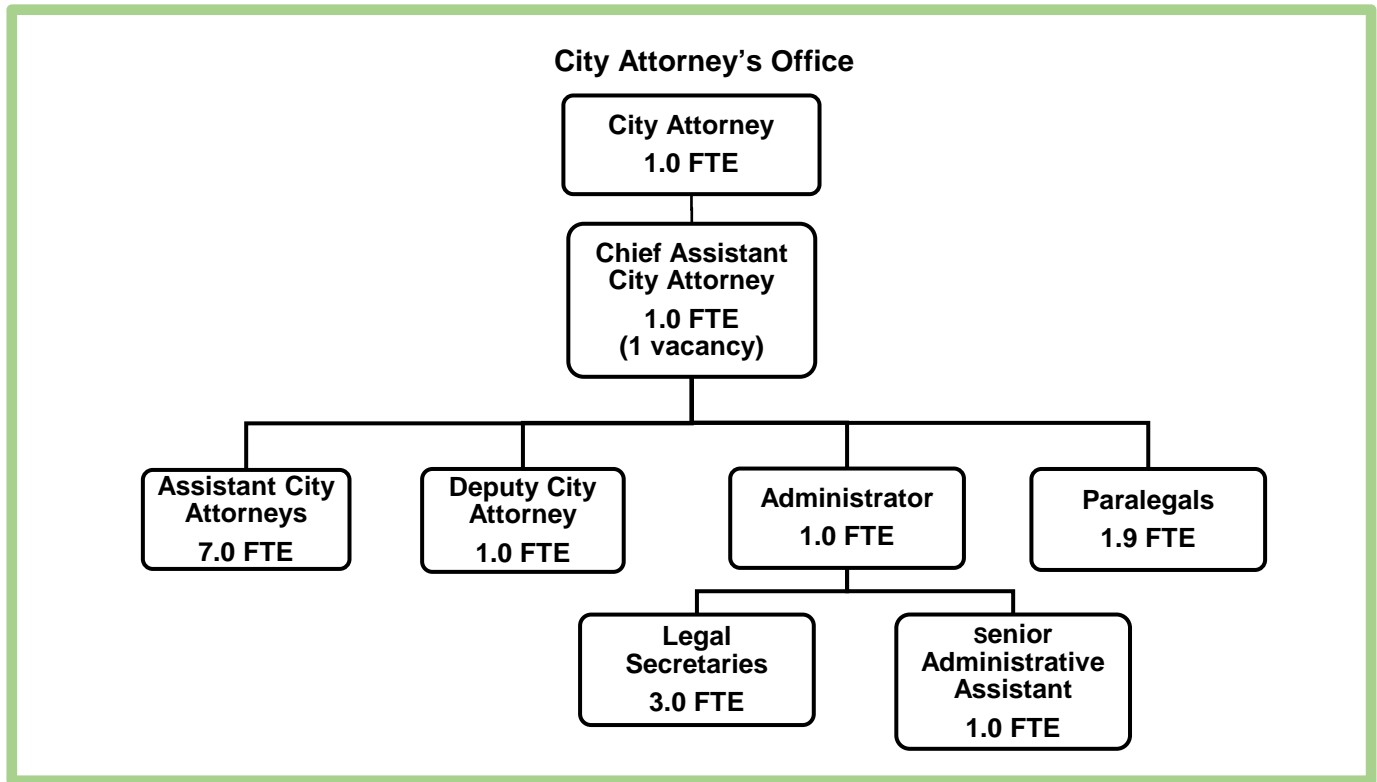
By City Charter, the City Attorney is appointed by the City Council to serve as the chief legal advisor for the City of Santa Rosa.

The City Attorney's Office (CAO) is responsible for representing the City in legal proceedings and providing comprehensive legal support to the Council, boards, commissions and City staff on a wide range of municipal matters. The CAO provides guidance 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, and Board of Public Utilities' agendas 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 issues such as housing and land use, California Environmental Quality Act (CEQA) compliance, municipal infrastructure, including roads, parks and civic facilities, public safety, including Police and Fire, water supply, water quality, franchise agreements, landfill issues, and labor and employment. The City Attorney's Office reviews and revises proposed legislation and policies; reviews and approves as to form contracts and surety bonds; and prosecutes City Code violations and abates public nuisances as part of the Neighborhood Revitalization Program.

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

City Attorney's Office

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

- | | |
|--|----------------|
| • Provide advice and legal support for implementation of all Council Goals. | ALL |
| • Provide high quality and timely support to City departments in this time of increased need. | ALL |
| • Provide advice and legal support as the City continues in its recovery and rebuilding from the impacts of the October wildfires. | 2 |
| • Provide advice and legal support as the City transitions to district-based Council member elections. | 6,9 |
| • Provide advice and legal support for design and implementation of updated and streamlined procurement policies. | 2,5,6,9 |
| • Provide advice and legal support regarding comprehensive housing policies and programs. | 3 |
| • Provide advice and legal support regarding homelessness policies and programs. | 4 |
| • Provide advice and legal support regarding improvements to internal City policies and procedures to foster open government. | 6,9 |
| • Provide advice and legal support regarding land use and California Environmental Quality Act issues. | 8 |
| • Provide advice and legal support regarding Roseland's annexation and continued transition into City services. | 6,7 |
| • Provide ongoing advice and legal support regarding the City's cannabis related industry. | 1,9,10 |
| • Provide skilled and effective defense of all claims and lawsuits filed against the City of Santa Rosa, including defense of court actions currently scheduled for trial. | 1 |
| • Enforce environmental and consumer protection laws and aggressively pursue violations with legal action. | 8 |
| • Enforce the City Code with a focus on neighborhood revitalization through prosecution of Code violations in key neighborhoods. | 6,7 |

City Attorney's Office

- Oversee prosecution and provide skilled and effective defense of claims arising from the October wildfires. 2
- Provide professional, timely and effective legal advice to the Council, City Manager, City Departments and City boards and commissions on other issues as needed. ALL

Major Budget Changes

The FY 2018-19 City Attorney's Office (CAO) budget is \$3.5M, an increase of \$451K, or 14.7%, over the prior year's adopted budget. The largest change occurred in Salaries and Benefits (up \$453K) with the addition of 1.0 FTE Assistant City Attorney for Cannabis. A cost-of-living adjustment approved Mid-Year FY 2017-18 and for FY 2018-19 added to the increase in Salaries and Benefits. Total Service and Supplies decreased by a net (\$2K), or -0.7%, over the prior year. The decrease in Professional Services (down \$26K) more than offset the increases in Operational Supplies (up \$4K) and Information Technology (up \$14K), and Other Miscellaneous (up 6K). The rise in Operational Supplies and Other Miscellaneous are attributed to the Cannabis support costs for the Assistant City Attorney. The O&M projects remained flat over FY 2017-18.

Budget Summary

Expenditures by Program			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Legal Services	\$2,266,046	\$3,052,461	\$3,503,076
CIP and O&M Projects	\$0	\$15,000	\$15,000
Total	\$2,266,046	\$3,067,461	\$3,518,076

Expenditures by Category			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$1,431,974	\$1,967,671	\$2,212,679
Benefits	\$586,794	\$782,154	\$989,761
Professional Services	\$111,855	\$134,300	\$108,575
Vehicle Expenses	\$81	\$400	\$400
Utilities	\$1,743	\$1,000	\$1,200
Operational Supplies	\$17,751	\$19,800	\$23,800
Information Technology	\$65,466	\$73,681	\$87,706
Other Miscellaneous	\$50,382	\$73,455	\$78,955
CIP and O&M Projects	\$0	\$15,000	\$15,000
Total	\$2,266,046	\$3,067,461	\$3,518,076

City Attorney's Office

Expenditures by Fund			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$2,266,046	\$3,067,461	\$3,518,076
Total	\$2,266,046	\$3,067,461	\$3,518,076

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	12.90	12.90	14.90	15.90	16.90

Performance Measures

INDICATORS:	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 TO DATE**	FY 2017-18 EST. ****
New Lawsuits Served	22	13	15	8	11
Ongoing Litigation				30***	
Attorney-assigned Claims	34	37	43	19	26
Opinion Requests Completed*	375	379	406	448	624
Contracts Reviewed	1024	1168	1207	717	1000
Pitchess Motions Defended	10	5	3	7	10
Weapons Administrative Actions	15	13	32	18	25
* Does not reflect continuing advice/support for projects ** Through 03/19/2018 *** Count from Litigation Report dated 1/31/2018 plus new matters **** Calculated using % growth					

- CAO estimates at least 3 new lawsuits will be filed by end of FY 2017-18. This is in addition to the ongoing support for lawsuits filed earlier in the fiscal year and in prior fiscal years. There are only 2 cases currently scheduled for trial, although we anticipate additional cases may be scheduled before the end of the FY 2017-18. City Attorney's Office handles the vast majority of litigation in house to minimize outside counsel costs when possible.
- CAO handles actions alleging liability from claim filing through discovery, trial, appeals and writs.
- CAO continues to provide general legal advice and support on a wide range of municipal matters. Much of this work is not reflected in the official opinion requests tracked above, and is performed as a part of continuing services on ongoing issues. City Attorney's Office is working with the IT department to develop improved ways to track this work.
- While at least 91% of all requests for formal legal opinions receive response within 30 days, most requests for legal opinion receive immediate response and the attorneys provide continuing services to resolve any matter requiring either reactive or proactive support.
- The average turnaround for review of all standard contracts, Professional Service Agreements and funding agreements is currently 7 days for FY 2017-18 and was 8 days for FY 2016-17.

City Attorney's Office

- CAO continues to provide full in-house legal services for Housing Authority, at far lower cost than payment to outside legal counsel.
- Community and law enforcement interests are preserved by timely and successful processing of all Pitchess motions, confiscation of weapons cases, and prosecution of environmental crime violations.
- CAO continues to provide trainings and legal updates as necessary.
- CAO continues its efforts in successfully supporting departments in recovery of revenues and prosecution of City Code violations.

Prior FY 2017-18 Accomplishments

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

LITIGATION

- Represented the City to successful conclusion in numerous litigation actions, in both Federal and State Court, including potentially significant exposure to the City and/or its employees:
 - In many cases, obtaining dismissal or settlement through court proceedings prior to trial, with no cost recovery against the City. 1
 - In other cases, successfully negotiating settlement of significant personal injury, contract, or statutory claims on terms favorable to City and within Council authorizations.
- Represented the Santa Rosa Police Department (SRPD) and officers in multiple federal cases alleging violation of constitutional rights and obtained dismissals with no indemnity and fee payments, or within authority extended by Council.
- Represented SRPD in Pitchess motions to obtain access to personnel records of police officers.
- Filed and handled through resolution 25 weapons retention matters of behalf of SRPD following confiscation during domestic violence and involuntary psychiatric hold cases. 6
- Appeared in the Court of Appeal with resulting decisions in the City's favor.

CODE ENFORCEMENT & ENVIRONMENTAL

- Successfully pursued code enforcement actions, including obtaining inspection warrants, establishing receiverships, prosecuting misdemeanors, prevailing in short cause trials, prevailing in State administrative hearings, and recovering City costs. 6
- Settled California River Watch Endangered Species Act Claim on terms favorable to City. 8
- Represented the Certified Unified Program Agency (CUPA) to obtain Health & Safety Code compliance and penalty from an industrial laundry that discharged to creek. 8
- Provided continued legal support for CEQA defense and code enforcement efforts with respect to BoDean Asphalt Plan expansion and modifications. 6,9

PROJECT-RELATED WORK & GENERAL CITY SERVICES

- Provided advice and legal support in the City's immediate and long-term response and recovery to the October wildfires.
- Provided advice and guidance to Council following claim of violation of California Voting Rights Act and City's subsequent transition to district based election of Council members. 7,9
- Provided advice and support in connection with the annexation of Roseland and the on-going transition to full City services. 7,9
- Provided ongoing support to Planning and Economic Development in finalizing and implementing regulations applicable to the cannabis industry. 1,9

City Attorney's Office

- Participated in negotiations and provided advice and guidance in the establishment of new garbage franchise agreement. 6,8,9
- Provided legal support to staff and Council regarding programs and initiatives to address homelessness. 4
- Provided legal support to staff and Council regarding Comprehensive Housing Strategy and Housing Action Plan. 3
- Assisted with approval of a variety of development projects. 3
- Assisted with funding of affordable housing and rehabilitation projects. 3,4
- Developed Petition for Enforcement of Administrative Order in Superior Court.
- Represent the City in negotiations with Sonoma-Marín Area Rail Transit (SMART) regarding an Agreement concerning Maintenance of Improvements at Railroad and right-of-way crossings within City. 5

ORDINANCES & REGULATIONS

- Reviewed, revised and/or created a number of chapters in the Santa Rosa City Code including but not limited to: Chapter 20-16 to establish Resilient City Development Measures; Chapters 20-42 and related provisions to establish new standards and requirements for Accessory Dwelling Units and Junior Accessory Dwelling Units; Chapter 20-46 and related provisions to provide for comprehensive regulation of cannabis uses; Chapter 3-44 regarding Public Works contract policies relating to state prevailing wage requirements and to allow City to use force account work; Chapter 11-40 for special events and film production permits; Chapter 11-24 pertaining to Parking to allow expanded use of parking revenue and changes to parking fee structure; Chapter 6-10 to impose cannabis industry tax; and Chapter 10-44 to prohibit rental housing price gouging following the Tubbs and Nuns fires. 1,9
- Reviewed and revised many City and Council Policies including Street Banners, Event Permits, and Internal Audit Policy. 1,9
- Represented Fire Department regarding proposed County ordinance changing control of medical dispatch from RedCom. 6

EMERGENCY OPERATIONS/DEBRIS ABATEMENT/FIRE RECOVERY

- Provided legal support to staff and Council regarding response and recovery from the October wildfires, including advice and legal support for: 2
 - Emergency Operations Center and immediate response to fires
 - Debris Task Force
 - Build/Rebuild Task Force
 - Watershed Task Force
 - Resilient City initiatives

CITYWIDE SUPPORT AND TRAINING

- Conducted City-wide Public Records Act training. 6
- Represented the Fire Department to successfully assert warranty claims against manufacturer of multiple departmental fire engines. 1
- Represented the City Clerk to obtain a judicial order of inspection of referendum petitions and to supervise the investigation of allegations of deceptive collection of referendum signatures.
- Represented the Fire Department in negotiations with private party conducting Water Board-supervised subsurface investigation at Station 11.
- Advised SRPD regarding drone program. 9
- Advised Public Works and City Council regarding legal issues arising from Stony Point Road construction project. 5

City Attorney's Office

- Reviewed all Council, Planning Department, Board of Public Utilities, Successor Agency, and ALL Housing Authority agenda items.
- Average July 2017 – March 2018 Contract Review Turnaround (All contracts) – 7 business 1,9 days.
- Provided responses to 262 formal Legal Opinion requests from July 2017 – March 2018 in ALL addition to informal requests and ongoing support on a wide range of advice matters.
- Continues to provide legal advice regarding responses to Public Records Act Requests and 6 conflicts questions.
- Continues to provide legal advice regarding compliance with Political Reform Act and Fair 6 Political Practices Commission (FPPC) regulations.

OUTSIDE LEGAL INVOLVEMENT

- City Attorney Staff served as Faculty at Empire College of Law.
- City Attorney Staff served as a panelist for Empire College of Law's Public Law Night.
- City Attorney Staff presented at the Sonoma County Bar Association Public Law Division on the subject matter of Drug Abatement and Receiverships.
- City Attorney Staff served as a panelist on Sonoma County Bar Association Civil Trial Workshop (4th Year).
- City Attorney Staff served as Sonoma County Superior Court Mandatory Settlement Conference Panelist.
- City Attorney Staff served as Sonoma County Superior Court Discovery Facilitator.
- City Attorney Staff served as Sonoma County Superior Court Demurrer Facilitator.
- City Attorney Staff served as Board Member, Sonoma County Lawyer Referral Service.

Looking Ahead

The City faces many significant challenges in the coming fiscal year — recovery and rebuild, implementation of comprehensive housing strategies, continuing efforts to address homelessness, integration of Roseland into City services, execution of district elections, update of City procurement procedures, implementation of Cannabis regulations, exploration of long term financing, evaluation of City facilities, and others. These challenges will require increased legal services across many City departments and programs.

In particular, the City's response and recovery from the October fires includes a myriad of programs and initiatives, including remediation of water system contamination, replacement of municipal infrastructure, facilitation of community rebuild, the pursuit of reimbursement, and the re-energizing the City's economy, through enhancement of commercial opportunities and support for broad-based housing development. Each program and initiative raises complex legal issues and will require substantial support from the City Attorney's Office. In addition, the extensive damage caused by the fires is triggering new litigation. On the prosecution side, the Council recently authorized the pursuit of claims against PG&E. Although we have engaged outside counsel, the City, by law, must retain oversight and control over the litigation. We anticipate that that work will likely absorb a substantial portion of a full-time Assistant City Attorney position, along with paralegal resources. On the defense side, we are likely to receive an unknown number of claims against the City related to the fires. The defense of such claims is generally not within the scope of work of the outside counsel and will have to be absorbed in-house.

In addition to matters arising from the fires, we will continue to work closely with the City Manager and City Departments to provide legal support for key on-going projects. Legal guidance will be required for finalization and implementation of the City's comprehensive housing strategies, including new density bonus policies, inclusionary housing standards, permit streamlining initiatives, specific plan updates, impact fee revisions, and others. Legal support will be needed for City homeless programs, including support in the design, implementation and defense of programs aimed at assisting people in their transition

City Attorney's Office

from streets, parks, and creeksides, and into housing and supportive services. Legal support will be needed as Roseland is brought into City services and items of deferred maintenance are addressed. Legal support will be needed as the City implements district-based Council member elections. Legal support will be needed as the City processes a large number of new cannabis use permits and implements the cannabis business tax. Legal support will be needed as the City evaluates its existing facilities and considers new opportunities. And legal support will be needed as the City explores opportunities for long-term municipal financing, including possible bonds and new financing districts.

The Office's day-to-day work continues as well. Claims are defended. Agenda items are reviewed. Ordinances, resolutions, and policies are drafted or revised. Contracts are reviewed. Assistance is provided in Public Records Act responses. Advice is provided to staff. Labor and employment issues are addressed. The City Code is enforced. And 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 Coursey
Mayor



Chris Rogers
Vice Mayor



Julie Combs
Council Member



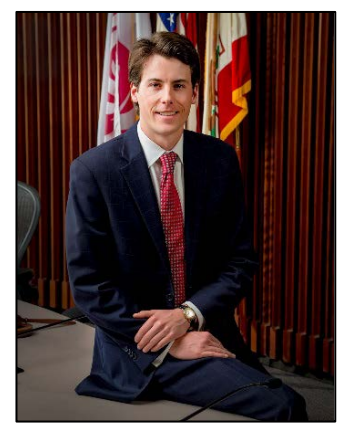
Ernesto Olivares
Council Member



John Sawyer
Council Member



Tom Schwedhelm
Council Member



Jack Tibbetts
Vice Mayor

City Council

City Council is comprised of Administration, Elections, and various Community Promotions Programs, which consist of the following recommended for FY 2018-19:

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

The City Council established Goals and Priorities during their visioning session in January 2018. They are committed to supporting the programs, projects, and services required to accomplish the Strategic Goals and Priorities.

GOAL	ASPIRATION STATEMENT
1. Ensure financial stability of City government.	Santa Rosa sustains a strong, diversified economic base that continually renews itself, and has a structurally balanced budget with sufficient reserves in all funds to weather economic shifts for long term sustainability of City services.
2. Effectively implement the recovery and rebuilding of Santa Rosa.	Santa Rosa emerges as an even stronger, more vibrant, resilient and livable community prepared to achieve its vision of leading the North Bay.
3. Meet housing needs.	Santa Rosa actively supports housing for all, through protection, preservation and production of housing.
4. Attain functional zero homelessness.	Santa Rosa supports effective strategies that house homeless individuals.
5. Invest in and sustain infrastructure and transportation.	Santa Rosa regularly invests in its transportation, roads, technology and overall infrastructure to protect and sustain its assets and keep pace with community needs.
6. Provide for community safety, valued City services and open government.	Santa Rosa is a safe and healthy place and has the right mix of services supported by effective internal services operating within open government practices.
7. Foster neighborhood partnerships and strengthen cultural assets.	Santa Rosa promotes thriving neighborhoods in preserving its heritage and vibrancy of the community.
8. Promote environmental sustainability.	Santa Rosa protects and improves the environment through its policies and actions.

9. Foster a 21st century city and organization.	Santa Rosa leads the North Bay by supporting innovation in service delivery, engaging its employees and striving for high employee morale.
10. Foster a strong downtown and overall economic development of the community.	In Santa Rosa, a successful downtown is a community wide economic development engine and cultural center where people live and work.

The City continues to operate under the framework of the established City Council Goals. The 2018 City Council Goal Setting established seven Near Term Priorities where City staff and resources will be directed in the next six months. Tier 1 Priorities are projects and initiatives determined by the Council for primary attention of staff and resources. Tier 2 Priorities will be pursued as capacity and resources permit.

Near Term (Six Month) Priorities

- 1 FEMA Project Worksheet submission
- 2 California Voting Rights Act (CVRA) deadlines
- 3 Downtown Build /Fire Rebuild
- 4 Extended budget process for FY 2018-19
- 5 Revenue Options review
- 6 Purchasing Process and Policy review
- 7 Homelessness

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

- 1.1 Recovery / Rebuilding
- 1.2 Comprehensive housing strategy
- 1.3 Open Government Task Force recommendations
- 1.4 Downtown housing
- 1.5 Homelessness

Tier 2: Projects to receive attention as resources permit

- 2.1 Replenish resources
- 2.2 Conduct emergency preparedness
- 2.3 Focus on employee morale and well-being
- 2.4 Plan and implement the Southeast Greenway
- 2.5 Create plan to address deferred maintenance throughout the community
- 2.6 Implement the Climate Action Plan
- 2.7 Explore feasibility of a public bank
- 2.8 Explore options for funding Roseland Library

City Council

Major Budget Changes

The FY 2018-19 City Council's total budget is \$1.48M, an increase of \$339K from prior fiscal year. Being that FY 2018-19 is an election year, there was \$375K of election related costs within professional services, as well as \$60K within the Other Miscellaneous column under printing services. In addition, professional services had an \$80K decrease due to the 150th City birthday not receiving funding in FY 18-19. There were also small increases in the Other Miscellaneous expenditure category due to training, and Information Technology costs.

Budget Summary

Expenditures by Program			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
Elections	\$425,735	\$125,000	\$560,000
Administration	\$1,398,698	\$799,485	\$794,278
Events	\$145,631	\$135,536	\$125,000
Media Access Center	\$11,050	\$0	\$0
CIP and O&M Projects	\$29,375	\$80,000	\$0
Total	\$2,010,489	\$1,140,021	\$1,479,278

Expenditures by Category			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$180,432	\$135,100	\$136,756
Benefits	\$137,943	\$193,462	\$155,221
Professional Services	\$1,438,914	\$487,603	\$866,346
Vehicle Expenses	\$404	\$0	\$0
Utilities	\$3,893	\$5,300	\$5,300
Operational Supplies	\$12,591	\$9,700	\$9,700
Information Technology	\$41,652	\$93,656	\$98,755
Other Miscellaneous	\$165,285	\$135,200	\$207,200
Indirect Costs	\$0	\$0	\$0
CIP and O&M Projects	\$29,375	\$80,000	\$0
Total	\$2,010,489	\$1,140,021	\$1,479,278

Expenditures by Fund			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$2,010,489	\$1,140,021	\$1,479,278
Total	\$2,010,489	\$1,140,021	\$1,479,278

City Council

Performance Measures

The City Council's service indicators remain relatively the same year after year. In FY 2017-18, the City Council held their annual Council Goals Session and adopted the Goals and Priorities. The City Council held 46 meetings and made 53 appointments to various Boards and Commissions. In addition, the City Council Members all serve on various Boards and Committees.

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

Various Committees: The City Council Members work with City staff on various committees and provide leadership and guidance on a variety of issues. Council standing committees include: BPU Liaison, Downtown Subcommittee, Economic Development Subcommittee, Violence Prevention Partnership – Steering Committee, Violence Prevention Partnership Policy Committee, Long Term Financial Policy and Audit Subcommittee, and the Subcommittee on Homeless Issues. Santa Rosa Build/Rebuild Ad Hoc Committee. The Council Regional Appointments include: ABAG, Cannabis Policy Subcommittee, Health Action Council, Library Advisory Board, LOCC North Bay, Mayors' and Councilmembers' Association Liaison to LOCC, Russian River Watershed Association, Waterways Advisory Committee, and the Water Advisory Committee (WAC). Council Members also hold liaison positions on Sonoma Clean Power JPA, Sonoma County Transportation Authority/Regional Climate Protection Authority, and Sonoma County Waste Management Agency.

Boards and Commissions: The City Council Members appoint City residents to positions on various Boards and Commissions. These Boards work with City staff on a variety of issues, provide the Council and citizens with important background information and make decisions based on that information. They are: Art in Public Places Committee, Bicycle and Pedestrian Advisory Board, Board of Building Regulation Appeals, Board of Community Services, Board of Public Utilities, Community Advisory Board, Cultural Heritage Board, Design Review Board, Housing Authority, Measure O 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 2017-18 Accomplishments

- Developed “Housing First” Strategy
- Completed Roseland Annexation
- Completed reunification of Courthouse Square
- Implemented City’s cannabis program
- Extend Citybus pilot program for students
- Extend operation of homeless center
- Formally proclaimed a local homeless emergency in Santa Rosa
- Approve solid waste collection services with Recology
- Approve low income rate for solid waste collection
- Adopt emergency operations plan (161)
- Declare local emergency due to fires
- Provide disaster recovery management services
- Reduce impact fees for accessory dwelling units (252)
- Provide disaster recovery management services
- Approve agreement for post fire recovery and rebuilding staffing needs
- Initiate procedures for transition from at-large to district-based council member elections

Looking Ahead

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

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City Manager's Office

Mission

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

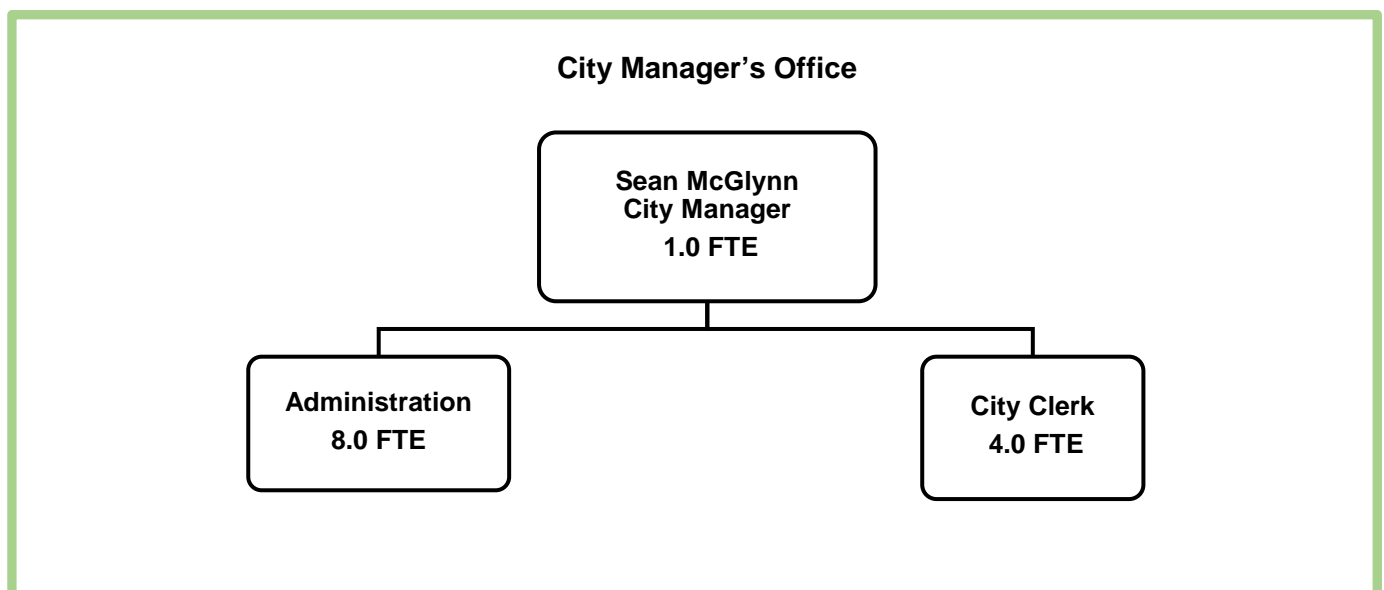
Department Description

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

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

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

FTE by Program



City Manager's Office

Strategic Goals and Initiatives for FY 2018-19

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

Administration

- Assist the City Council with policy development and implementation of City Council Goals and Priorities; lead Citywide strategic planning to support Goals. **All**
- Review revenue options and budget process **1,9**
- Provide analysis of federal and state legislation impacting the City of Santa Rosa and assist the Council in providing an effective program. **1,6,8**
- Complete and submit the FEMA project worksheet **2**
- Complete the Purchasing process policy review **1**
- Support effective strategies that house homeless individuals **3,4,6,7,10**
- Lead in the recovery and rebuilding of Santa Rosa. **2,3,7**
- Garbage franchise rollout and zero waste project **2,8,9**
- CFO recruitment **1,9**
- Coordinate California Voting Rights Act district elections process **2,6**

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**
- Administer fair and impartial municipal elections and ballot measures; provide technical support and guidance to City Council candidates. **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. **1,6,9**
- 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**
- Foster public involvement and informed decision-making by providing professional customer service and accessible and accurate information about City government. **1,2,6,8,9,10**
- Assist in the implementation of the recommendations of the Open Government Task Force. **All**

Major Budget Changes

The FY 2018-19 City Manager's Office budget is \$3.0M, an increase of \$473K from last fiscal year's adopted budget. Salaries and benefits increased by \$160K primarily due to COLA raises. Professional services increased by \$490K primarily due to a new E&Y contract to assist with FEMA reimbursement. There was also a \$182K decrease that occurred within O&M Projects due to a Garbage Franchise Analysis project, as well as a City Clerk Records Management project being completed. In addition to this, there were also minor increase in IT rates, as well as trainings and dues within the Other Miscellaneous category.

City Manager's Office

Budget Summary

Expenditures by Program			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$1,974,477	\$2,241,727	\$2,896,221
Measure O	\$1,482	\$0	\$0
City Clerk	\$62,771	\$77,038	\$77,913
CIP and O&M Projects	\$54,344	\$212,000	\$30,000
Total	\$2,093,074	\$2,530,765	\$3,004,134

Expenditures by Category			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$1,042,581	\$1,245,841	\$1,318,716
Benefits	\$397,240	\$532,994	\$619,677
Professional Services	\$326,092	\$237,370	\$727,370
Vehicle Expenses	\$512	\$500	\$0
Utilities	\$8,769	\$5,360	\$5,360
Operational Supplies	\$35,321	\$25,500	\$25,500
Information Technology	\$86,287	\$145,278	\$150,214
Other Miscellaneous	\$141,928	\$125,922	\$127,297
CIP and O&M Projects	\$54,344	\$212,000	\$30,000
Total	\$2,093,074	\$2,530,765	\$3,004,134

Expenditures by Fund			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$2,091,592	\$2,530,765	\$3,004,134
Measure O	\$1,482	\$0	\$0
Total	\$2,093,074	\$2,530,765	\$3,004,134

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	15.00	17.00	11.00	13.00	13.00

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 analysis of federal and state legislation impacting the City of Santa Rosa.

City Manager's Office

- Zero Waste project
- Received approximately 6,437 phone calls.
- Provide responses to each of the approximate 1,428 e-mails that come in for the City Manager and the City Council.

City Clerk	FY 2015-16	FY 2016-17	FY 2017-18
City Council Meetings: Produce, publish, and timely post preliminary and final Council agendas, agenda packets and meeting minutes	120	169*	130*
City Council Legislation: Timely and accurately conform, publish, post, and import into Laserfiche all City Council legislation	*Resolutions –166 *Ordinances – 21	Resolutions – 107 Ordinances - 20	Resolutions – 252 Ordinances – 25
FPPC Filings – Form 700: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	341 filings	160 filings	354 filings
FPPC Filings – Campaign Disclosure Statements: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	Filers – 20 Filings – 80	Filers – 19 Filings - 60	Filers – 27 Filings – 57
Public Records Act Requests: Receive and review written requests, coordinate production of records, prepare responses	*Requests – 225	*Requests - 240	Requests – 274
Boards and Commissions: Track and recruit applicants and administer appointments for 12 advisory bodies (86 positions)	Applications – 40 Appointments -14	Applications – 81 Appointments – 38	Applications – 88 Appointments – 53
(*) Fiscal Year-end estimates based on year-to-date actuals			

Prior FY 2017-18 Accomplishments

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

Administration

- Developed recommendations for annual City Budget and long-term fiscal policies; assisted the City Council with policy development and implementations of City Council Goals and Priorities. **All**
- Assisted the City Council with recruitments, orientations, and staffing for various Boards and Commissions, monitored legislation impacting the City of Santa Rosa, and recommended policy actions. **1,6,7,8,9, 10**

City Manager's Office

- Assisted in various functions at the Emergency Operations Center during the wildfires, including management, logistics, public information, etc. Also provided assistance at Local Assistance Center and the Right of Entry Center. 4,5,6
- Successfully transitioned to new solid waste provider for City. 1,6,8,9

City Clerk

- Managed the preparation, distribution, and posting of City Council agendas, agenda packets and minutes for 130 City Council meetings. 2,5
- Served as filing official for over 354 Statements of Economic Interests for City Council members, advisory body members, and designated staff in compliance with the Political Reform Act. 2,5
- Responded in a timely manner to over 274 requests for public records in compliance with the Public Records Act. 2,5
- Conducted recruitments for vacancies on 13 Boards, Commissions, and Committees; solicited and received 55 applications. 2,4,5
- Centralized public portal to Boards/Commissions/Committees 2,4,5
- Launched SpeakUp Santa Rosa! Online engagement platform 2,4,5
- Implemented VoteCast – a digital tracking program for capturing motions and votes during Council meeting 2,5

Looking Ahead

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

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The Office of Community Engagement

Mission

The mission of the Office of Community Engagement is to invite the community's values and priorities into the City's decision-making processes.

Department Description

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

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

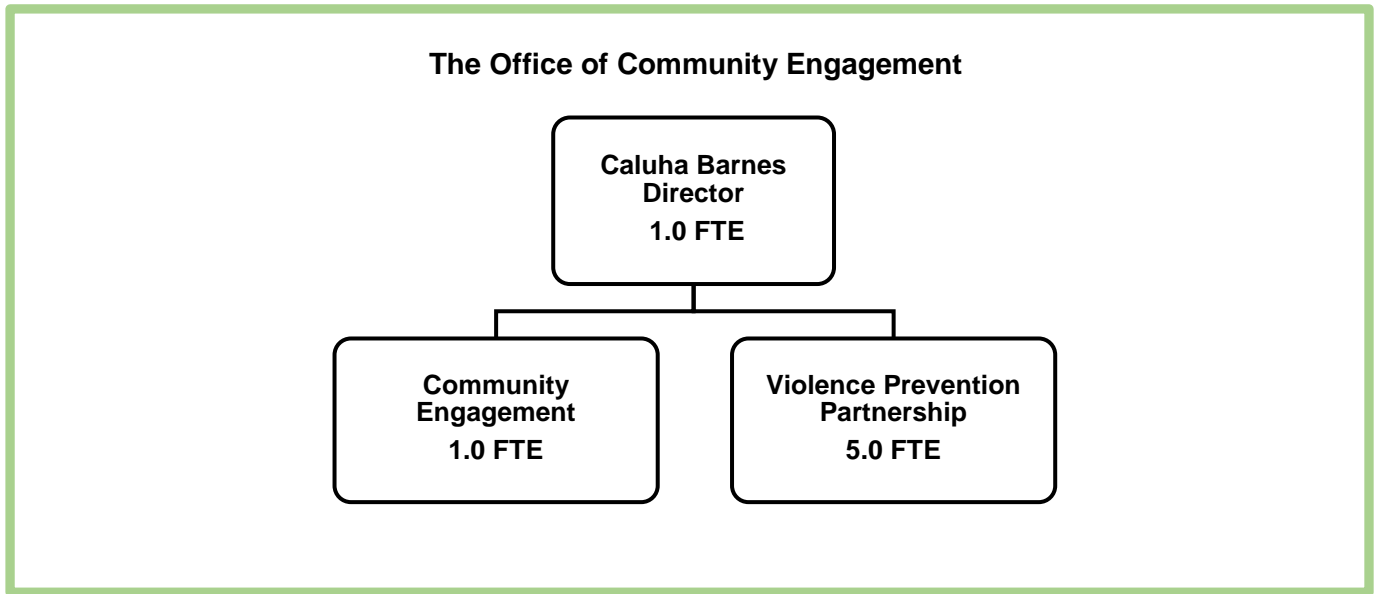


Violence Prevention Partnership – Responsible for the implementation and evaluation of the Measure O CHOICE Grant Program, the Community Safety Scorecard (Scorecard), and the Santa Rosa Violence Prevention Partnership (The Partnership) 2017-2022 Strategic Plan. The Partnership is a collaborative effort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



The Office of Community Engagement

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

Community Engagement

- Continue to develop outreach strategies to reach diverse population groups of our community in a culturally and linguistically competent manner. 7
- Develop a neighborhood resiliency and empowerment program to pilot in 2-3 neighborhoods, with capacity building and skill development available to participating residents, and a network of community partners to help support the program. 7
- Work with the Community Advisory Board (CAB) to complete and implement the CAB's Strategic Plan. 6,7
- Oversee and manage the revision of the Community Improvement Grant Program in partnership with the Community Advisory Board. 7
- Complete the implementation of the Open Government Task Force Recommendations, conducting an analysis of work to be completed and identify impact of Task Force recommendations that are not recommended by staff. 6
- Continue to provide expert technical guidance and leadership to City management, City departments, and elected officials to develop strategies for community involvement. 2,4,5,6,8
- Continue to develop and implement creative new processes that give community members more opportunities to learn about, discuss, and participate meaningfully in the decision-making process on key community issues facing the City.

Violence Prevention Partnership

- Implement strategies, create and enhance partnerships, and track metrics in alignment with The Partnership's 2017-22 Strategic Plan, the Community Safety Scorecard, and the Measure O Community Helping Our Indispensable Children Excel (CHOICE) Grant Program. 6,7
- Coordinate and host the 1st Annual Gang Prevention Awareness Month (after a 9-year run as the Gang Prevention Awareness Week), and the 2nd Annual Parent Engagement Month, 6,7

The Office of Community Engagement

as well as other community engagement efforts including special events, trainings, and presentations.

- Implement and manage an enhanced evaluation system for Measure O's CHOICE Grant Program and programming offered through Recreation & Parks Neighborhood Services. 6
- Refer youth and families to Measure O funded agencies, rather than relying on external funding, through the Guiding People Successfully (GPS) program, the Partnership's referral system for high-risk youth and families in need of services and resources. 6,7
- Support the overall mission and vision of the Office of Community Engagement. 2,4,5,6,7,8

Major Budget Changes

The Office of Community Engagement has two primary funding sources: The General Fund and the Measure O Fund. The FY 2018-19 department budget is \$2.2M, an increase of \$262K, or 13.9%, over the prior fiscal year's adopted budget.

The General Fund increased by \$270K, or 41.6%, over the prior fiscal year. Salaries and Benefits grew by \$58K, or 15.2%, primarily due to a 3% cost-of-living increase approved Mid-Year FY 2017-18 and for FY 2018-19, as well as planned merit increases. Services and Supplies grew by a net \$19K, or 26.1%, primarily due to the one-time increase in Professional Services for the Sunshine Ordinance Cultural and Language Accessibility Consultant (up \$25K), Other Miscellaneous (up \$3K) for the Community Advisory Board (CAB) expenses to hold seven Open House events, and Community Awareness Program's one-time FY 2017-18 funding that was not renewed for FY 2018-19 (down \$10K). An increase of \$193K, or 100%, occurred in O&M Projects as a result of the Sonoma County Probation Grant (up \$158K) which will fund the Community Outreach Specialist in Measure O during the fiscal year, as well as the CAB Community Improvement Grants (up \$35K).

The Measure O Fund declined by (\$8K), or -0.6%, over the year. Salaries and Benefits edged downward by (\$24K), or -4.7%. Although a rise occurred with the 3% cost-of-living adjustment (COLA) approved Mid-Year FY 2017-18 and for FY 2018-19, an offset arose with the 1.0 FTE Limited Term Community Outreach Specialist. This position previously funded 50% by the Board of State and Community Correction's California Gang Reduction, Intervention, and Prevention Grant Program in FY 2017-18, will now be 100% reimbursed by the Sonoma County Probation Grant in FY 2018-19. Service and Supplies increased by a net \$13K, or 1.8%, primarily driven by the City-wide allocated information technology costs (up \$10K), Subrecipient Funding for the Measure O Mini-Grant Program (up \$10K), Professional Services (down \$7K), and Operational Supplies (down \$380K, as the Community Awareness Program one-time funding in FY 2017-18 was not renewed for FY 2018-19).

Budget Summary

Expenditures by Program			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Empowered Communities Collaborative	\$362,789	\$454,663	\$531,306
Violence Prevention	\$1,128,456	\$1,240,875	\$1,233,187
CIP and O&M Projects	\$818,906	\$193,079	\$386,073
Total	\$2,310,151	\$1,888,617	\$2,150,566

The Office of Community Engagement

Expenditures by Category			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$563,047	\$632,814	\$639,974
Benefits	\$191,719	\$263,911	\$290,660
Professional Services	\$521,027	\$629,596	\$638,480
Vehicle Expenses	\$50	\$0	\$0
Utilities	\$3,543	\$2,100	\$2,820
Operational Supplies	\$40,905	\$25,620	\$16,100
Information Technology	\$43,080	\$45,684	\$65,130
Other Miscellaneous	\$31,132	\$24,675	\$26,325
Subrecipient Funding	\$67,865	\$45,000	\$55,000
Indirect Costs	\$28,877	\$26,138	\$30,004
CIP and O&M Projects	\$818,906	\$193,079	\$386,073
Total	\$2,310,151	\$1,888,617	\$2,150,566

Expenditures by Fund			
Funding Source	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$1,181,695	\$647,742	\$917,379
Measure O Fund	\$1,128,456	\$1,240,875	\$1,233,187
Total	\$2,310,151	\$1,888,617	\$2,150,566

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

Fiscal Year	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	7.00	7.00	7.00

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

Performance Measures

Community Engagement

- Continue to investigate platforms to facilitate communication with residents, with the goal of engaging individuals from varied socioeconomic, geographic, and ethnic backgrounds of Santa Rosa, and evaluate the success of new outreach strategies. Where appropriate, use sign-in sheets to track number of residents reached and include a column that asks residents how they heard about the meeting, initiative, etc.
- Support the Community Advisory Board (CAB) by coordinating and attending meetings and working with the Chair to set the agenda for 11 meetings per year. Administer the CAB Community Improvement Grant Program, ensuring that all current grant recipients spend down their funds by mid-FY 2018-19. The Office of Community Engagement will work with the CAB to determine allocations needed for the revised grant program.

The Office of Community Engagement

- Support the development of neighborhood leadership by providing at minimum, two neighborhood leadership academies, with a minimum of 8 sessions, and evaluate change in knowledge (pre/post) of community building and civic engagement principles.
- Track the number of community partners and residents involved in the neighborhood resiliency and empowerment program.

Violence Prevention Partnership

- Incorporate the Strategic Plan 2017-22 focus areas into implementation strategies in alignment with the Community Safety Scorecard.
- Facilitate five Policy Team, ten Operational Team, and one Joint Policy/Operational Team meetings.
- Implement annual Gang Prevention Awareness Month (formerly Week), by hosting a series of 7 community engagement events to highlight the services provided by our partners, Measure O, and the City of Santa Rosa.
- Implement annual Parent Engagement Month – 3 community engagement events that support Santa Rosa parents of high-risk youth.
- Facilitate 12 Multi-Disciplinary Assessment and Review Team meetings as part of our Guiding People Successfully (GPS) Referral component of the Partnership.

Prior FY 2017-18 Accomplishments

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

Community Engagement

- Initiated the first ever strategic planning process for the Community Advisory Board. 5
- Coordinated the Welcome Roseland Community Celebration event in collaboration with 13 City Departments, multiple community and business partners and residents to recognize the long-hoped for annexation of several Southwest Santa Rosa communities. 5
- Supported nine community projects totaling \$31,483 via the Community Advisory Board's annual Community Improvement Grant program which received the highest ever number of applicants. 5
- Planned five Community Advisory Board Open House events, conducting three events pre-disaster, to obtain input for the City's Capital Improvement Projects budget priorities. 5
- Worked collaboratively with a multi-disciplinary team to plan and conduct two informational community meetings and to develop communications about the Homeless Encampment Assistance Pilot Program. 5,6
- Employed the Office's first ever AmeriCorp VISTA employee who coordinated the recruitment and placement of 106 volunteers for the organization. 5

Violence Prevention Partnership

- Invested \$736,400 in 9 agencies, including 2 first-time recipients to enhance school readiness, student engagement & truancy prevention, and workforce development services for youth & families, thru the Measure O funded CHOICE Grant Program. 5,6
- Completed the Board of State and Community Correction's California Gang Reduction, Intervention, and Prevention Program (CalGRIP) grant that funded The Partnership's Guiding People Successfully (GPS) referral program – where 88% of GPS enrolled youth did not have a new or higher-level offense during or within the review period following their GPS enrollment. 5,6
- Completed The Partnership's 2017-22 Strategic Plan, which shifted the Partnership's focus from a violence intervention model to a public health framework, incorporating more upstream violence prevention strategies. The Plan was accepted by the Policy Team on August 8, 2017 and adopted by City Council on September 26, 2017. 6

The Office of Community Engagement

- Conducted the annual Gang Prevention Week and Parent Engagement Month - a series of 7 community events and 4 parent trainings to support families of high-risk youth and engage them in peer support and community resources. 5,6

Looking Ahead

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

Violence Prevention Partnership – Beginning July 1, 2018, the Wraparound Coordinator (1.0 LTE Community Outreach Specialist) position will be fully funded through Sonoma County Probation through September 30, 2019. The Partnership has a pending application into the Board of State and Community Corrections for California Violence Intervention and Prevention Program funding, which would fund the limited term position through April 2020. The position is critical in the oversight and implementation of the Partnership's Guiding People Successfully referral component, providing services for youth and families in need of resources.

Staff is in the process of analyzing the structure of the Partnership's staff roles to determine how each position's job duties align within the program, as well as within the Office of Community Engagement as a department. An example of this is if the Partnership can sustain the 0.5 FTE Community Outreach Specialist in Housing and Community Services due to potential reductions moving forward.

The Partnership had originally planned on two updates to the Community Safety Scorecard, in FY 2018-19 and FY 2022-23, but have since decided to combine these into one update, in FY 2020-21 to provide an ample amount of time in between updates to gather metrics and implement strategies before launching the second Scorecard. The second Scorecard has been removed from the budget process and the Implementation Plan as well.

Finance

Mission

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

Department Description

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

Financial Services – Is divided into 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 sections ensure the proper use of the City's funds. Financial Services is responsible for preparing and producing a number of mandated reports including the City's Comprehensive Annual Financial Report, the City's Operations and Maintenance Budget, and the City's Capital Improvement Program Budget.

The Financial Reporting section provides professional-level accounting, internal audit, and financial reporting services 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 those departments throughout the year. This section also includes the City's Treasury function which manages the investment of the City's cash.

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

Purchasing – Includes the Central Warehouse, and Contract Management Services. The division provides purchasing, procurement, surplus disposal, purchasing cards, public requests for information and warehousing support to the entire City organization. Contracts are also monitored for adherence to insurance requirements and the requirements of the federal and state laws are satisfied.

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

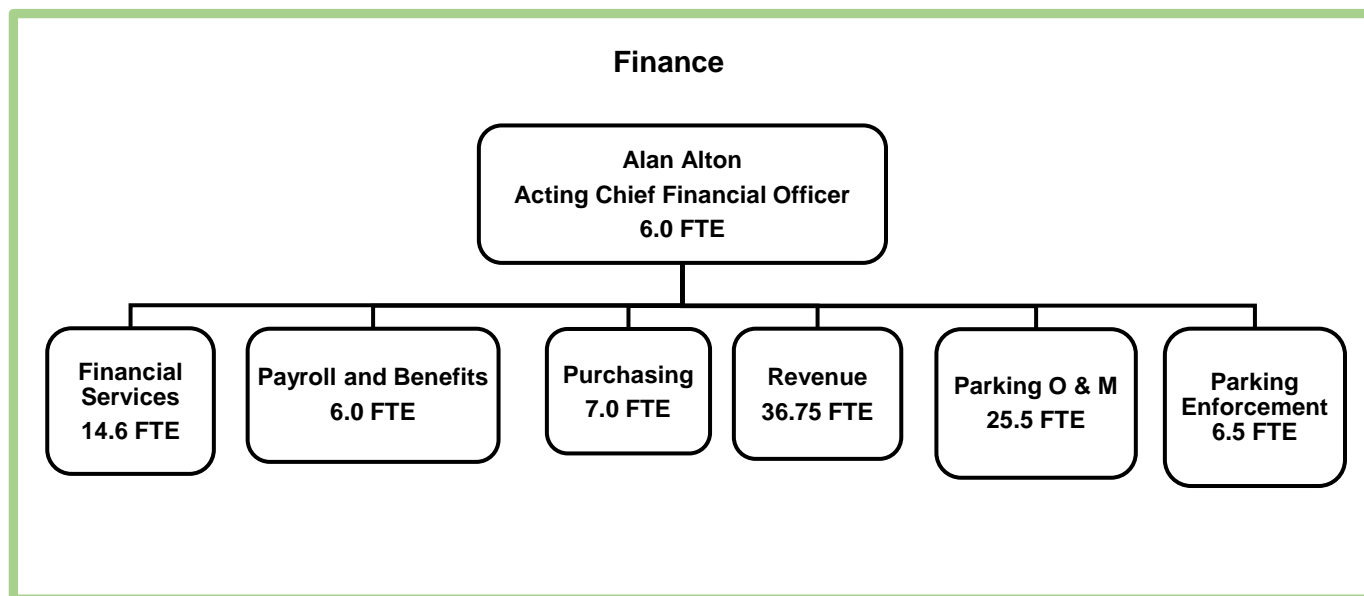
Finance

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

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

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

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

Administration

- Continue streamline processes and procedures to increase efficiencies while maintaining compliance with Federal and State laws and mandates. 1
- Continue working with Federal Emergency Management Agency (FEMA) on reimbursement efforts. 2, 9

Financial Services

- Complete the Request for Proposal (RFP) process for a new bank contract. 1, 9

Parking Enforcement

- Continue to enforce parking codes in a fair and equitable manner that promotes and encourages economic growth. 6

Parking Operations & Maintenance

- Complete RFP for replacement of Parking Access and Revenue Control system of the five garages, which is at the end of its useful life. 1, 5, 6, 10
- Complete Garage 12 elevator modernization. 5, 6, 10
- Complete Garage 9 top deck replacement. 5, 6, 10
- Complete Lot 10 reconstruction. 5, 6, 10
- Implement indigent payment plan for outstanding citations in compliance with AB 503 6

Payroll and Benefits

- Implement electronic W-2 reporting. 9
- Expand employee self-service options regarding payroll deductions and deferred compensation transactions. 9
- Implement the latest OneSolution upgrade. 9
- Continue to identify, evaluate, and address procedures in order to maintain compliance with CalPERS regulations and Federal and State labor and income reporting regulations. 1
- Continue to evaluate and make improvements to the payroll and timekeeping systems to increase ease of use and create efficiencies. 9
- Continue to identify, evaluate, and address labor contract language to create clarity and uniformity among the various bargaining units. 1

Purchasing

- In collaboration with City Attorney's Office (CAO), Purchasing will develop a FEMA compliant bidding strategy to execute FEMA solicitation requests. 2
- Purchasing will perform solicitations for all departments to procure goods and services through centralized purchasing platform. 5, 6, 8, 9
- General Provisions for bidding include City Environmental Policy and are considered when applicable. 8

Revenue

- By the end of FY 2018-19, the remaining 54,000 Advanced Metering Infrastructure (AMI) water meters will be installed. 1, 6, 9
- Revenue will be transitioning to a new and improved electronic payment system so that customers will be able to use mobile applications to view and pay their utility bill, schedule payments, pay by e-Check, and receive notifications when payments are due. 1, 6, 8, 9
- Revenue and Collections will be soliciting bids on Business Tax Administration Services since the current contract with MuniServices expires at the end of this fiscal year. 1, 7, 9

Finance

Major Budget Changes

The Finance Department has two primary funding sources: The General Fund and the Parking Enterprise Funds. The FY 2018-19 department budget is \$17.8M, a decrease of (\$1.3M), or -6.8%, over the prior year's adopted budget.

The General Fund budget increased by \$882K, or 8.7%, when compared with the prior year's adopted budget. Salaries and Benefits grew by \$824K, or 11.3%, primarily due to the addition of 3.0 FTEs (1.0 FTE Field Collection Representative added Mid-Year FY 2017-18 for Cannabis and 2.0 FTE Customer Service Representatives added Mid-Year FY 2017-18 for Roseland). A 3% cost-of-living adjustment was approved Mid-Year FY 2017-18 and for FY 2018-19, which added to the increase in Salaries and Benefits. Services and Supplies rose by \$59K, or 2.0%. A large part of the growth occurred in the City-wide allocated information technology costs (up \$75K) and Cannabis support costs (up \$18.5K) added Mid-Year FY 2017-18.

The Parking Fund budget is \$6.5M, a decrease of (\$2.3M), or -25.9%, over the FY 2017-18's adopted budget. Salaries and Benefits increased by \$330K, or 10.7%, largely from the addition of a 0.5 FTE Parking Enforcement Officer and the 3% cost-of-living adjustment approved for both FY 2017-18 and FY 2018-19. Services and Supplies had a net growth of \$201K, or 12.8%. The increases in Professional Services (up \$158K), City-wide allocated information technology costs (up \$23K), Other Miscellaneous (up \$25K) more than offset the decreases in Vehicle Expenses (down \$14K) and Liability/Property Insurance (down \$12K). The growth behind Professional Services occurred primarily due to rise in banking, credit card fees, and contracted services, while the increase in Other Miscellaneous was mainly from additional surface parking lease from Caltrans and marketing costs. Indirect Costs edged downward by (\$303K), or -48.5%. Capital Outlay declined by (\$23K), or -100%, as a new Honda Fit parking vehicle was replaced in FY 2017-18. The CIP and O&M Projects decreased by (\$2.5M), or -71.9%, largely due to the (\$2.0M) reduction in Garage Equipment/Replacement project funded in FY 2017-18, that will resume after FY 2018-19.

Budget Summary

Expenditures by Program			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
	\$1,461,480	\$1,682,549	\$1,809,388
Purchasing	\$931,777	\$1,024,637	\$1,061,517
Financial Services	\$2,230,444	\$2,534,687	\$2,641,837
Revenue	\$3,952,553	\$4,471,313	\$5,113,929
Payroll and Benefits	\$701,616	\$660,682	\$696,518
Parking Services O&M	\$3,286,633	\$4,248,799	\$4,336,631
Parking Enforcement	\$961,960	\$1,053,344	\$1,170,442
CIP and O&M Projects	\$762,545	\$3,426,250	\$964,000
Total	\$14,289,008	\$19,102,261	\$17,794,262

Expenditures by Category			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$6,197,393	\$6,795,631	\$7,429,278
Benefits	\$3,122,919	\$3,563,623	\$4,083,048
Professional Services	\$2,074,948	\$2,436,196	\$2,645,338
Vehicle Expenses	\$174,128	\$221,625	\$207,305
Utilities	\$155,620	\$92,637	\$89,816
Operational Supplies	\$515,661	\$610,233	\$637,242
Information Technology	\$701,525	\$869,447	\$967,554
Liability/Property Insurance	\$99,211	\$94,882	\$82,577
Other Miscellaneous	\$222,542	\$343,525	\$365,577
Indirect Costs	\$257,283	\$625,712	\$322,527
Capital Outlay	\$5,233	\$22,500	\$0
CIP and O&M Projects	\$762,545	\$3,426,250	\$964,000
Total	\$14,289,008	\$19,102,261	\$17,794,262

Expenditures by Fund			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$9,119,026	\$10,158,868	\$11,041,189
Capital Improvement Fund	\$31,864	\$0	\$0
Parking District Fund	\$4,934,404	\$8,728,393	\$6,471,073
Pooled Investment Fund	\$203,714	\$215,000	\$282,000
Total	\$14,289,008	\$19,102,261	\$17,794,262

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	62.35	64.35	97.35	98.85	102.35

Finance

Performance Measures

Revenue & Collections

INDICATORS:	MONTHLY AVERAGE	FY 2017-18
Total Amount Billed	\$1,967,400	\$23,608,810
Muniservices – Business Tax Certificates Issued	1047	12563
Invoices Issued	268	3,215
Utility Users Tax files	n/a	187
Alcohol Sales Permit Fee files	n/a	440
Transient Occupancy Tax files	n/a	189
City Tourism BIA files	n/a	189
County Tourism BIA files	n/a	22
Franchise Fees	n/a	42
Calls received	135	1,620
Electronic payments received	1	14
Mail (Phone) payments received	618	7,410
Counter payments received	119	1,421
Dollar amounts sent to collections	\$21,821	\$261,862

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

Utility Billing

INDICATORS:	MONTHLY AVERAGE	FY 2017-18
Total Amount Billed	\$9,135,140	\$109,624,674
Number of Accounts	n/a	49,706
Water Services **	n/a	53,506
Sewer Services	n/a	49,638
Operations calls initiated and received	4,314	51,768
Collections calls initiated and received	2,390	28,680
Meters read by Meter Specialists	51,882	622,584
Property visits by Meter Specialists ***	2,928	35,136
Electronic payments (includes IVR & ABP) received	30,585	367,020
Mail payments received	12,802	153,624
Counter payments (includes drop box) received	3,305	39,660
Electronic users	n/a	16,017
Dollar amounts sent to collections	\$23,968	\$287,615

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

Parking Operations

INDICATORS:	FY 2014-15	FY 2015-16	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Number of monthly parking permits issued	23,348	24,100	25,248	24,500
Number of hourly parking garage patrons served	443,520	510,356	547,952	548,000
Number of metered parking transactions	1,922,491	1,907,972	1,922,227	1,940,000
Number of residential parking permits issued	1,325	1,370	1,465	1,450

Prior FY 2017-18 Accomplishments

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

Administration

- Continue streamline processes and procedures to increase efficiencies while maintaining compliance with Federal and State laws and mandates. 1
- Managed the FEMA reimbursement forms collection and, in partnership with IT, created online FEMA forms in the case of another disaster. 2, 9

Financial Services

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

Parking Enforcement

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

Parking Operations & Maintenance

- Implemented Railroad Square Parking Management Plan and Progressive Parking Strategies. 9,10
- Engaged consultant to assist in the procurement process to replace the garage parking access and revenue control equipment, which is at the end of its useful life. 1, 5, 6, 10
- Issued an RFP for citation processing services. 6, 9
- Completed installation of solar photovoltaic systems on four public parking garage rooftops. 1, 8
- Implemented a low wage employee discount permit program. 6, 10
- Completed a structural condition assessment of the five public garages and developed a 10-year asset management plan for the garages. 5

Payroll and Benefits

- Completed CalPERS audit and implemented new procedures for reporting holiday-in-lieu pay. 1
- Developed and implemented procedures for a new short-term disability program. 1
- Developed new union membership reports in response to AB119. 9
- Implemented vacation sellbacks for 8 additional bargaining units and revised enrollment procedures to comply with IRS regulations. Developed an automated enrollment process to improve efficiency and ease-of-use. 9
- Applied cost of living increases and various other compensation and benefit changes to employees across 16 bargaining units. 1
- Implemented process for fire survivors to request emergency access to deferred compensation funds and assisted HR in developing a disaster leave sharing program. 2
- Continued to identify, evaluate, and address labor contract language to create uniformity among the various bargaining units. 1
- Worked closely with FEMA consultants and IT to develop reports for FEMA reconciliation and reimbursement claims in response to the Tubbs fire. 2

Purchasing

- Attend and participate in Disaster Procurement Bay Area Group to develop and put in place procurement resources that are FEMA compliant to Title 2 of the Code of Federal Regulations, Part 200. 2
- Evaluate and develop policies and implement procedures to renew, maximize bid visibility, increase local participation, and produce quality work when performed per City Code 3-08.060. 6
- Implement a continued strategy to place all City bid opportunities on the chosen internet platform (Planet Bids) to maximize visibility to the public and promote competition. 9

Finance

- In conjunction with the record retention project, continue to repurpose office supplies, minimize new orders, and maximize the use of recycled products. 6
- Revenue**
- Installed over 12,000 (22% of utility billings customer base) Advanced Metering Infrastructure (AMI) meters were installed. By the end of fiscal year, Revenue estimates 24,000 (44%) of the meters will be installed. 1, 9
 - Implemented an online leak adjustment form for customers affected by the Tubbs fire making it possible for customers to easily manage their loss online. 1,2, 9
 - Collaborated with the Business Tax administrator to address delinquent and non-complying accounts to generate additional revenue to the City. 1

Looking Ahead

The Finance Department will continue to pursue and evaluate strategies to streamline processes and procedures for increased efficiency while maintaining compliance with State and Federal laws and mandates. Finance will continue to be closely involved with major City projects to ensure proper representation of fiscal impacts.

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

Payroll will continue to modernize and expand employee self-service options including streamlining standard processes.

Revenue is implementing a new software that will be available to customers to monitor their water usage, provide leak notifications, and give the City an additional tool for large system planning. By the end of the fiscal year, the City will have a payment Kiosk at City Hall Annex. The initial roll-out will accept utility billing payments. Phase two will explore processing payments for parking citations.

Revenue and Collections will be soliciting bids on Business Tax Administration Services since the current contract with MuniServices expires at the end of this fiscal year.

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, vegetation management and Community Outreach within the City of Santa Rosa and the Roseland Fire Protection District.

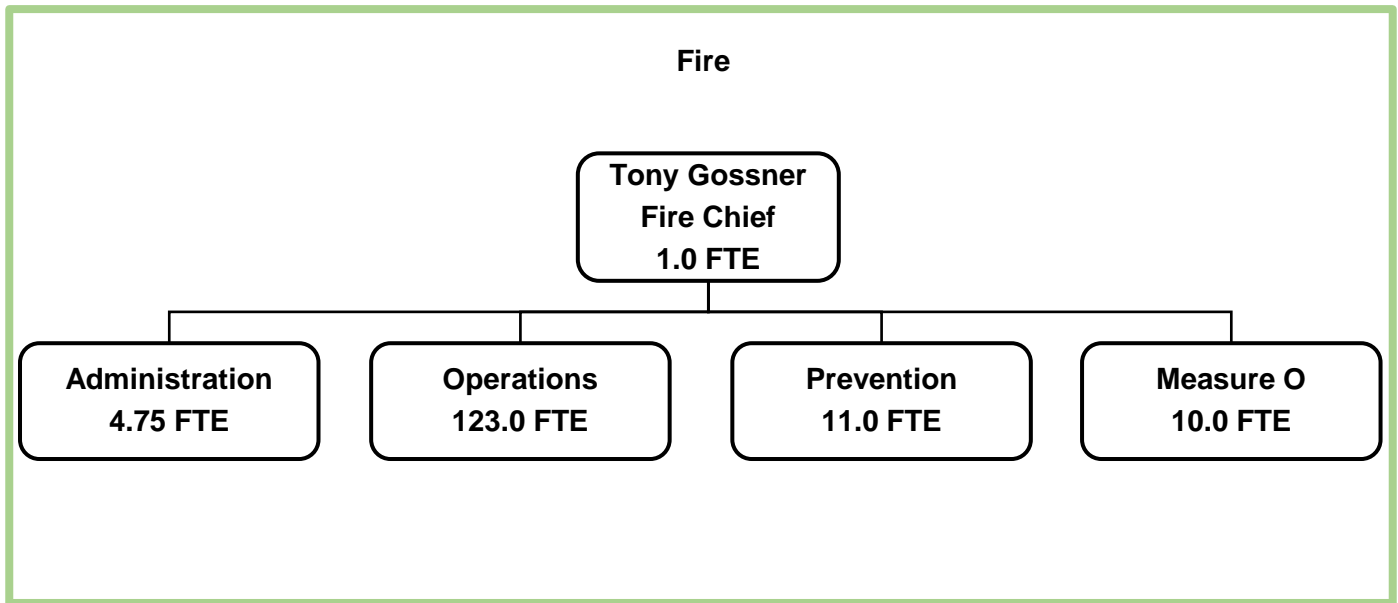
Fire Operations – Responds to and mitigates emergency incidents within the City of Santa Rosa and Roseland Fire Protection District. Major services to the community include: paramedic and emergency medical care, extinguishment of fires, technical rescue, mitigation of the effects from natural disasters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



Measure O - Fire – Is an extension of Operations that funds staffing for nine paramedic fire operations staff, one Training Captain, partial funding (23%) for the EMS Battalion Chief and paramedic incentive pay for six additional fire operations staff. Measure O also funds construction of existing and future fire stations.

Fire

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

- | | |
|--|----------------|
| • Fire Station 8 relocation and rebuild of Fire Station 5. | 2,5,6 |
| • Train, develop and test all employees. | 6,9 |
| • Continue to seek grant opportunities to enhance services | 1,2,5,6 |
| • Implementation of Strategic Plan and Standards of Coverage. | 6 |
| • Addition of a second battalion, Community Outreach Specialist and Building Plans Examiner. | 2,6,7,9 |
| • Continue to support City-wide emergency preparedness through training and program analysis | 2,6,7 |
| • Privacy project for Stations 1, 3, 4, 6 and 7. | 5,9 |
| • Continue to work on coordinating Warning and Notification plans with City public safety Agencies and Sonoma County | 2,6,7 |
| • Develop and implement a plan to make training and exercise mandatory for better Trained EOC staff | 2,6 |
| • Create a Recovery Plan, Debris Management Plan, Volunteer and Donations Plans | 2,5,6,7 |
| • Develop better staffing model and training for City's staff capability to operate emergency shelters | 2,6,7 |
| • Develop and implement a vegetation management education and inspection Program for the Wildland-Urban Interface Fire Areas (WUI) | 2,6,7 |

Major Budget Changes

Overall, Fire's expenditures increased by \$966K this budget cycle. Salaries increased by \$624K primarily due to COLA increases (not including Unit 2 Firefighters who have not settled their contract yet). Salaries have also increased due to the addition of a Fire Inspector for the additional work expected related to new Cannabis business within the City. This new position is fully covered by anticipated increases in revenue. Benefits increased by \$1.065M principally due to increases in health insurance premiums and the PERS employer contribution. General Fund charges to Fire for administration increased by \$313K.

Finally, project expenditures were reduced by \$1.076M made up of the following reductions; Relocation of Station 8 reduced by \$650K, New Fire Station improvements reduced by \$200K and Training Center Improvements reduced by \$150K. It should be noted that these projects did not see reductions in the accumulated project balance, rather the drop represents no additional funding in the current budget year.

Budget Summary

Expenditures by Program			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$1,564,684	\$3,621,275	\$4,083,003
Fire Prevention	\$1,813,631	\$1,963,354	\$2,258,055
Operations	\$31,441,441	\$32,274,427	\$33,263,510
Measure O Fire	\$2,747,146	\$2,803,856	\$3,100,180
CIP and O&M Projects	\$993,216	\$2,023,562	\$948,500
Total	\$38,560,118	\$42,686,474	\$43,653,248

Expenditures by Category			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$21,090,242	\$21,362,895	\$21,986,843
Benefits	\$12,685,561	\$13,390,289	\$14,455,882
Professional Services	\$1,310,853	\$1,343,748	\$1,305,110
Vehicle Expenses	\$888,030	\$774,096	\$874,324
Utilities	\$33,746	\$35,200	\$35,400
Operational Supplies	\$335,715	\$383,813	\$299,830
Information Technology	\$560,918	\$565,947	\$629,199
Liability & Property Insurance	\$14,769	\$15,437	\$17,942
Other Miscellaneous	\$523,029	\$552,624	\$533,053
Indirect Costs	\$115,410	\$104,550	\$120,014
General Fund Administrative Cost Plan	\$0	\$2,134,313	\$2,447,151
Capital Outlay	\$8,629	\$0	\$0
CIP and O&M Projects	\$993,216	\$2,023,562	\$948,500
Total	\$38,560,118	\$42,686,474	\$43,653,248

Fire

Expenditures by Fund			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$35,307,383	\$38,456,107	\$40,129,062
Measure "O" - Fire	\$2,747,146	\$2,803,856	\$3,100,180
Administrative Hearing Fund	\$0	\$25,000	\$25,000
Capital Improvement Fund	\$505,589	\$1,401,511	\$399,006
Total	\$38,560,118	\$42,686,474	\$43,653,248

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	147.75	147.75	147.75	148.75	149.75

Performance Measures

Indicators	2015	2016	2017
Budgeted Sworn Personnel	139	138	139
Population	175,667	176,799	177,938
Number of Incidents	25,109	26,035	27,258
Fire Loss	\$5,907,600	\$3,690,100	\$6,592,550
On Scene within 5 Min. (Council goal is 90%)	71.57%	72.30%	73.42%
Civilian Fire Fatalities	1	1	1
Full Assignment within 8 minutes	83.91%	77.03%	72.29%
Engine Company Annual Inspections	*2,488	2,684	2,681
Fire Prevention Annual Inspections	*567	527	471
CUPA Annual Inspections	539	410	479
Construction Inspections	*1,045	908	1,058
CUPA Construction Inspections	69	59	54
Plan Reviews	*570	1,195	1,184
CUPA Plan Reviews	69	66	64
Limited Term Permits/Inspections	173	338	328
Fire Prevention Investigations	37	48	55

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

Prior FY 2017-18 Accomplishments

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

• Hired two firefighter/paramedics, one Fire Inspector for Roseland annexation and multiple promotions of Fire Engineers and Fire Captains	6,7
• Added an Interim Acting Battalion Chief	6
• Recruited for one Fire Inspector in anticipation of additional workload related to Cannabis and nine vacant firefighter positions	2,6
• Re-classified one Building Plans Examiner to a Fire Protection Engineer and actively recruiting to fill this vacancy	2
• Purchased two type 1 fire engines and new portable radios for entire department	5,6
• Purchased self-contained breathing apparatus for the department using grant	6
• Developed and implemented a collaborative Active Shooter Response Program with Police	6,9
• Updated five-year Strategic Plan and Standards of Coverage	6,9
• Updated HazMat team from Type 3 to Type 2	6,9
• Adopted the 2016 California Fire Code with local amendments	6

Looking Ahead

Personnel Needs:

Addition of a second battalion, a Community Outreach Specialist and Building Plans Examiner:

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

The Community Outreach Specialist (COS) is a civilian position within the Fire Department that is responsible for engaging with the public, attending public events to educate on the programs available through the Fire Department, planning and coordinating events that foster relationships between the Fire Department and the public and leading a group of volunteers (Fire Corps) who assists in educating the

Fire

public on the Fire Department's function and programs. This position will also assist with the implementation of specific Fire Department elements of the Local Hazard Mitigation Plan (vegetation management and hazardous materials programs) and facilitate community meetings and engagement activities. The COS has historically been a .25 FTE position which has led to difficult recruitment and retention of employees. Upgrading this position to a 1.0 FTE will attract more qualified applicants and ensure the long-term viability of this position. Furthermore, prior COS employees have stated that there were too many tasks to complete on a part-time basis. Thus, the addition of work week hours will create a more effective and efficient working environment that will lead to greater success for this position and the community we are trying to reach.

The Building Plans Examiner is a civilian position within the Fire Department that is responsible for reviewing and approving permit applications, plans and supporting documentation. Over the last several years the Fire Department has continued to see an increase in the number of plan reviews our Department is responsible for completing, and the addition of this position will help to minimize the delay in turnaround times for project reviews and help with overall customer service delivery to our internal and external customers.

The Building Plans Examiner reviews and approved plans fire sprinkler systems, fixed extinguishing systems, fire alarm systems, single and multiple-unit residential and light frame commercial structures for residential or small commercial building projects to verify compliance with applicable codes as adopted by the City, County, State, and Federal agencies. This position will also prepare reports and written correspondence relating to plan review corrections outlining deficiencies in submittals. This position serves to review, approve and issue over the counter permits for minor applications in the Building Department to assist with moving projects through the development process with minimal delay. At times the Building Plans Examiner will confer with architects, engineers, contractors, builders and the public to provide information and guidance on building permit submittal requirements. They play a key role in providing technical advice and assistance to the public to minimize plan check time. At times they will explain and interpret building standards, requirements and restrictions to staff and the public; assist staff, design professionals, builders and the public with code interpretation and compliance issues; and coordinate permit application review with other City departments.

Recruitments of new employees and promotions of existing employees:

The Fire Department will continue to actively recruit and hire exemplary employees as needed to fill vacancies in the Operations, Prevention, and Administrative Bureaus. Specifically, a recruitment of firefighter/paramedic applicants is due to begin in the fall of 2017 to establish a current and certified list of candidates to select for employment as the need arises. Also, the Fire Prevention Bureau is recruiting for the classifications of Fire Protection Engineer and Fire Inspector in the Spring of 2018 to help address the current workloads in the Department.

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 and still have the original open style barracks dorm rooms that do not accommodate privacy for our current diverse workforce. Modern fire station design standards do not include open style communal dorm rooms. As planned, the Privacy Dorm project would be completed over a 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 planning for the relocation and/or construction of new fire stations based on 2017 Standards of Coverage report:

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

Continue with the annexation of Roseland and Roseland Fire Protection:

With the annexation of Roseland in November of 2017, the Fire Department has hired one FTE Fire Inspector to perform the additional work load of construction inspections, hazardous materials inspection for the CUPA program and attend to Fire Department prevention functions within this newly annexed area of our community that were not previously provided while under the County's jurisdiction. In summary, the following programs were determined to create additional workloads that could not be supported by current staffing levels, thereby requiring the need for the additional staffing in the Fire Prevention Bureau. The following is a breakdown related to areas of significance:

Certified Unified Program Agency (CUPA) – Formerly the Sonoma County Fire Services perform the hazardous materials inspections within the Roseland Area. Since November of 2017 the Santa Rosa Fire Department has become responsible for these inspections. Through conversations with Sonoma County Fire Services, it was estimated that there were 58 businesses that will require a hazardous material inspection. The City has identified other businesses within the Roseland Area that the County had not brought into their system that will require additional time and education as we move these businesses into our program.

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

Fire

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

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

Community Outreach – The Fire Department took part in the numerous community/public meetings in and around the Roseland area to provide education about changes the residents will notice during the annexation transition. It is anticipated that there will be a need for continued community outreach and education to members of this area

Roseland Fire Protection – The Fire Department is actively working with the Roseland Fire Protection District's Board of Director's to ensure the continued viability and provision of fire and emergency services to territory within its remaining fire district's boundary. Current options being pursued are creating a subsidiary fire district, a partial subsidiary fire district and complete dissolution of the fire district. The deadline for the Board to decide is December 31, 2018.

Actively plan for ambulance franchise and REDCOM RFPs:

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

EMS Ordinance, Ambulance Franchise and 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 will expire on June 30, 2019. 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.

Equipment Needs:

Apparatus Maintenance and Replacement:

The Fire Department currently has fourteen (14) 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.

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 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 currently 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.

Ongoing Other Equipment Replacements:

Additional portable radio need: With the recent approval to purchase 48 units, we remain short 15 for of a wholesale first line replacement (including spares). That cost is estimated at: \$68,000. This number does not include reserve / unstaffed equipment.

Replacement pagers: Used to back up our station alerting systems and for staff notification. 60 units - \$38,000

Station alert system upgrades: New chips to add Santa Rosa specific and county wide "all call" ability. 10 stations - \$10,000 (\$1000 ea.)

EMS Equipment needs to start getting replaced to ensure all emergency equipment is up-to-date and within constantly changing safety standards.

EOC needs: EOC laptops, server upgrades with better displays and projectors in EOC. Satellite phones and EOC satellite data capabilities. Public notification tools and upgrade the City's Nixle account to the full calling version for \$50,000

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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. Information regarding the Housing Authority is located in its own section.

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

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

Code Enforcement – Responds to complaints and conducts inspections to ensure adopted City Zoning and Building Codes are implemented on private property to address general health, life, fire and safety issues facing residents. This currently involves responding to complaints such as (but not limited to): health and safety violations; unsafe buildings; substandard housing; 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.

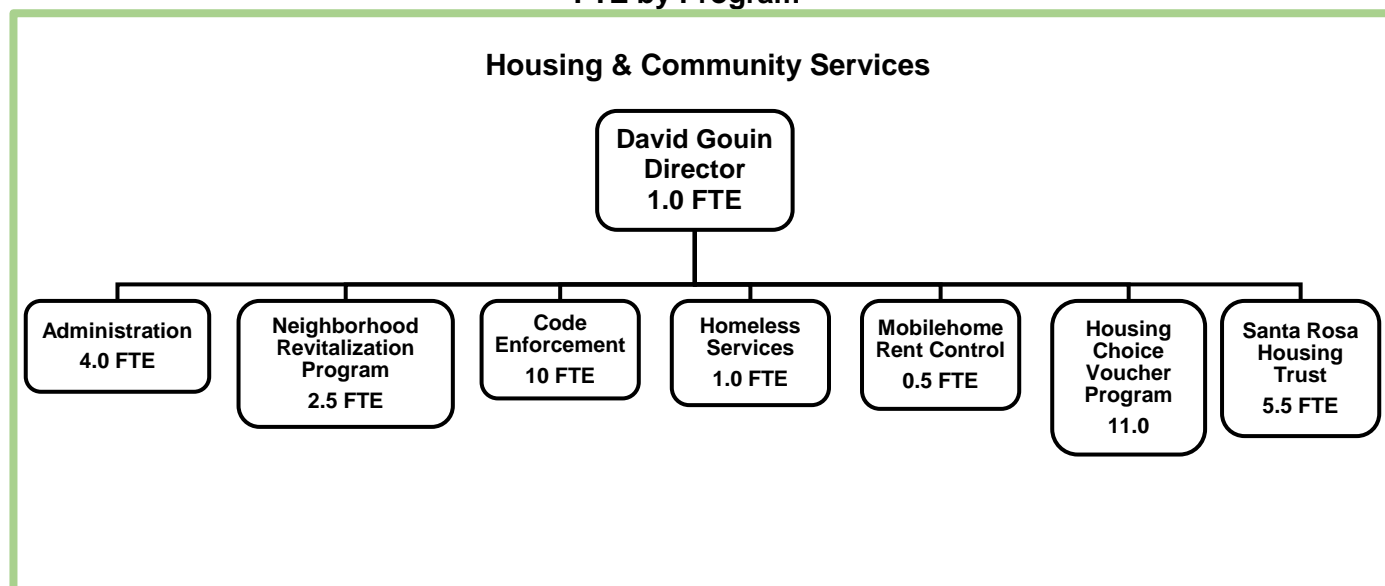


Homeless Services – Provides essential support for a variety of programs and initiatives to address homelessness in our community as part of the City's Housing First Strategy and broader goal of "Housing for All." Programs include emergency services such as a drop-in center and shelter, street outreach, housing resources, and a mobile bathroom-shower trailer (Clean Start) through the following programs: Homeless Services Center, Samuel L. Jones Hall Homeless Shelter, Family Support Center, Homeless Outreach Services Team (HOST), and the HCA Family Fund Program. Initiatives include the Community Homeless Assistance Program (CHAP) and the Homeless Encampment Assistance Pilot Program, which aim to address the health, safety and shelter needs of persons experiencing homelessness and living in encampments as well as to mitigate impacts to the surrounding community. Programs and initiatives are coordinated in collaboration with key City departments, service providers, and community partners and through participation in the Continuum of Care and other regional planning efforts such as the redesign of the homeless system of care.

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

Housing & Community Services

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

Neighborhood Revitalization Program (NRP)

- Evaluate the need for inspections in the Roseland annexation area and perform inspections in areas determined to have the most substandard units. 7
- Focus community outreach programs in Roseland to help residents improve quality of life. 7

Code Enforcement

- Improve timing of response to priority 2 code enforcement complaints (e.g., substandard housing, unpermitted building, etc.) by performing group inspections biweekly based on date complaints are received. 6,7

Homeless Services

- Administer homeless services contracts for the housing-focused Samuel L. Jones Hall Homeless Shelter, Family Support Center, Homeless Services Center, Homeless Outreach Services Team (HOST), and HCA Family Fund Program; continue support to the Community Homeless Assistance Program (CHAP). 4
- Participate in the homeless system of care redesign; support the Joint County/City Homeless Services Redesign Ad Hoc subcommittee; update contracts' scope of services and performance metrics as part of redesign to align with Federal, State, and local Housing First policy. 4
- Support City efforts to solve homelessness through continued coordination of services among key City departments, collaboration with the County and service providers, and participation in the Continuum of Care and other regional planning efforts. 4
- Lead the Homeless Encampment Assistance Pilot Program with key City departments, Catholic Charities' Homeless Outreach Services Team (HOST), and community partners. 4

Housing & Community Services

Mobilehome Rent Control

- 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 City Entity budget increased nearly \$1M in FY 2018-19 compared to FY 2017-18. A component of the increase is salary, benefit, and overhead increases that are not controlled by the Department. The Code Enforcement Division increased approximately \$500K in FY 2018-19 partially due to staffing additions and associated benefits, services, and supplies. Mid-year FY 2017-18, Code Enforcement received 1.0 FTE Senior Code Enforcement Officer funded by the passing of the comprehensive Cannabis Tax ordinance, and reclassified a Code Enforcement Officer to an HCS Manager in order to better serve the needs of the Roseland Annexation. With the FY 2018-19 budget, 1.0 FTE Code Enforcement Officer and 0.5 FTE Senior Administrative Assistant have also been added in support of Cannabis. An increase in code enforcement complaints related to cannabis cultivation justified the increase in staffing.

The Homeless Services Division budget increased approximately \$840K because of new initiatives directed by the City Council, including: funding the Homeless Encampment Assistance Program (HEAP), adding beds to Samuel Jones Hall (SJH) Homeless Shelter; extending the hours at Family Support Center Homeless Shelter; repurposing the programming at SJH Homeless Shelter to align with their Housing First strategy; and creating an Housing First Fund, all of which are managed by Catholic Charities. CIP and O&M projects are showing a decrease because of one-time funding in FY 2017-18 that is not repeating in FY 2018-19 for Code Enforcement Abatement (\$100K) and the Homeless Services Pilot Program (\$350K).

The positions in Code enforcement as well as salary increases dictated by MOUs, increases to health and retirement costs, and increases to overhead, none of which are controlled at the department level, contributed to salaries, benefits, and indirect costs (overhead) increasing by a net of \$551K. Other services and supplies increases (vehicle expense, operational supplies, etc.) increased to support the new positions. The increase in subrecipient funding of \$773K is solely in the Homeless Services Program for the programs noted above which are managed by Catholic Charities.

The General Fund increased \$520K due to the salary, benefit, and overhead increases noted above and the new positions in Code Enforcement. The Administrative Hearing Fund decreased \$77K because of the one-time FY 2017-18 project funding of \$100K is not repeating, offset by salary, benefit, and overhead increases. The Homeless Services Fund increased a net of \$487K as the one-time FY 2017-18 project funding of \$350K is not repeating, offset by the new program initiatives directed by Council (described above). The Mobilehome Rent Stabilization Fund increased as the Department anticipates there may be more work in the aftermath of the Tubbs/Adobe Fire.

Housing & Community Services

Budget Summary

Expenditures by Program			
	2016 - 17 Actual	2017 - 18 Budget	2018 - 19 Budget
Neighborhood Revitalization	\$350,552	\$424,717	\$463,413
Code Enforcement	\$1,287,465	\$1,294,371	\$1,808,898
Homeless Services	\$1,527,965	\$1,596,347	\$2,524,100
Mobile Home Rent Control Ord.	\$38,468	\$126,059	\$166,863
CIP and O&M Projects	\$26,543	\$450,000	\$0
Total	\$3,230,993	\$3,891,494	\$4,963,274

Expenditures by Category			
	2016 - 17 Actual	2017 - 18 Budget	2018 - 19 Budget
Salaries	\$1,014,033	\$1,178,457	\$1,443,958
Benefits	\$520,196	\$594,751	\$832,015
Professional Services	\$219,391	\$155,900	\$192,900
Vehicle Expenses	\$17,208	\$17,920	\$33,620
Utilities	\$9,125	\$5,500	\$8,720
Operational Supplies	\$22,403	\$14,700	\$33,200
Information Technology	\$65,935	\$91,315	\$95,820
Other Miscellaneous	\$24,008	\$30,336	\$30,156
Subrecipient Funding	\$1,130,956	\$1,174,253	\$2,038,031
Indirect Costs	\$174,770	\$178,362	\$226,854
Capital Outlay	\$6,425	\$0	\$28,000
CIP and O&M Projects	\$26,543	\$450,000	\$0
Total	\$3,230,993	\$3,891,494	\$4,963,274

Expenditures by Fund			
	2016 - 17 Actual	2017 - 18 Budget	2018 - 19 Budget
General Fund	\$1,382,063	\$1,304,857	\$1,835,286
Administrative Hearing Fund	\$282,497	\$514,231	\$437,025
Homeless Shelter Operations	\$1,527,965	\$1,946,347	\$2,524,100
Mobilehome Rent Stabilization	\$38,468	\$126,059	\$166,863
Total	\$3,230,993	\$3,891,494	\$4,963,274

Housing & Community Services

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	65.00	60.00	30.75	33.00	35.50

Performance Measures

Indicators	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 Estimates
Neighborhood Revitalization Program				
Number of units passed inspection (Building and Fire)	404	400	450	300
Number of total violations in NRP neighborhoods (Building and Fire)	772	800	800	600
Number of legal letters sent to landlords In NRP neighborhoods	17	20	25	25
NRP Special Events	13	15	20	15
NRP “Knock and Talks” to distribute information	562	600	600	900
Homeless Services				
Number of persons sheltered at Samuel Jones Hall 138-bed year-round and 50-bed winter shelter programs (ended FY1718)	977	999	878	N/A
Number of persons sheltered at the housing-focused Samuel Jones Hall (established FY1718)	N/A	N/A	N/A	800
Number of persons exited to housing from Samuel Jones Hall	N/A	108	64	80
Number of persons sheltered at Family Support Center	450	473	492	450
Number of persons exited to housing from Family Support Center	N/A	112	119	125
Number of persons served at Homeless Services Center	1,800	2,336	2,098	1,900
Number of households served under the HCA Program (established in FY1415)	252	238	195	180
Number of persons served under the HOST Program (established in FY1516)	N/A	745	314	400
Number of showers provided by HOST portable bathroom/shower trailer (established in FY1516)	N/A	1,198	3,685	4,000
Number of persons placed into safe shelter or housing (temporary or permanent) under HOST	N/A	204	329	300

Housing & Community Services

Mobilehome Rent Control				
Number of mobilehome parks under rent control	14	15	15	15
Spaces under mobilehome rent control	1,455	1,642	1,664	1,582
Code Enforcement				
Total Cases Opened	n/a	n/a	787	1212
Total Cases Closed	n/a	n/a	836	871
Priority 1 (Emergency Call Outs) Average Days to Begin Initial Investigation	n/a	n/a	n/a	0 to 24 hours
Priority 2 (substandard housing, unpermitted construction, etc.) Average Days to Begin Initial Investigation	n/a	n/a	n/a	46.32
Priority 3 (Nuisance) Average Days to Begin Initial Investigation	n/a	n/a	n/a	38.27

Prior FY 2017-18 Accomplishments

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

Neighborhood Revitalization Program (NRP)

- Organized a visit to the Children's Museum of Sonoma County by 200 Apple Valley residents. 7
- Administered a computer literacy class for residents of West 9th Street, which was held at the Salvation Army. 6,7
- Administered an English as a Second Language class to 15 participants of the South Park neighborhood. 7
- Organized 5 neighborhood clean-ups for the following neighborhoods: Sunset Avenue, Aston, and Apple Valley. 6,7
- Lead 3 Mural Painting Projects on Sunset Avenue and Aston Ave. 7
- Arranged a Holiday neighborhood gathering and toy-give away – West 9th Street. 7
- Lead Neighborhood Safety Night Walk- West 9th Street. 6,7
- Collaboration with 3 large-scaled events involving residents from NRP neighborhoods—Dias de los Muertos, Dia de Independencia and Posada Navideña. 7

Code Enforcement

- Closed an average of 72 cases monthly in 2017 compared to 31 in 2016. 6
- Investigated 100% of Priority 1 code enforcement complaints (emergency health and safety issues) within 24 hours of receiving complaint. 6

Homeless Services

- Administered contracts for the HCA Family Fund Program, Family Support Center, and Homeless Services Center, which received additional funding to expand hours as part of the Homeless Encampment Assistance Pilot Program (HEAP); continued support to the Community Homeless Assistance Program (CHAP). 4

Housing & Community Services

- Administered a contract for the Homeless Outreach Services Team (HOST) Program for a third year, providing resources for street outreach, safe shelter, housing placement, and the operation of a mobile bathroom-shower trailer (Clean Start). The City and County provided additional funding to HOST to assist with the closure of the Red Cross disaster shelter at the Finley Community Center, which resulted in the successful placement of 70 individuals into safe shelter. 4
- Provided additional funding to the Samuel L. Jones Hall Homeless Shelter to implement an expanded housing-focused program which provides 213 year-round beds with enhanced services to increase housing placements as well as promote housing stability. 138 beds are dedicated for Coordinated Entry plus up to 75 beds for the Homeless Encampment Assistance Pilot Program (HEAP). 4
- Implemented the Homeless Encampment Assistance Pilot Program (HEAP) to address the health, safety and shelter needs of persons experiencing homelessness and living in encampments as well as to mitigate impacts to the surrounding community. HEAP is a multi-disciplinary partnership between the City and Catholic Charities' Homeless Outreach Services Team (HOST). HEAP's efforts included the cleanup of two large encampments (Farmers Lane Extension and the 101 Underpasses), resulting in the successful placement of approximately 70 individuals into services, shelter, and housing. 4

Mobilehome Rent Control

- 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

Looking Ahead

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

The Code Enforcement Division expects to see more cases related to the legalization of cannabis cultivation, both in residential and commercial areas, as has been the trend for the past year. The annexation of Roseland will also add a large service area that could contain a number of code violations. Pending City Council direction, the Department may establish a proactive rental inspection service to ensure decent, safe, and sanitary housing for renters. If established, this program will work in conjunction with the existing Code Enforcement and Neighborhood Revitalization Programs.

In Homeless Services, the City continues to participate in the Continuum of Care and other regional planning efforts such as the redesign of the homeless system of care, as all organizations focus on the Housing-First model.

Staff will continue to provide mediation services for mobilehome park residents and owners.

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Housing Authority

Mission

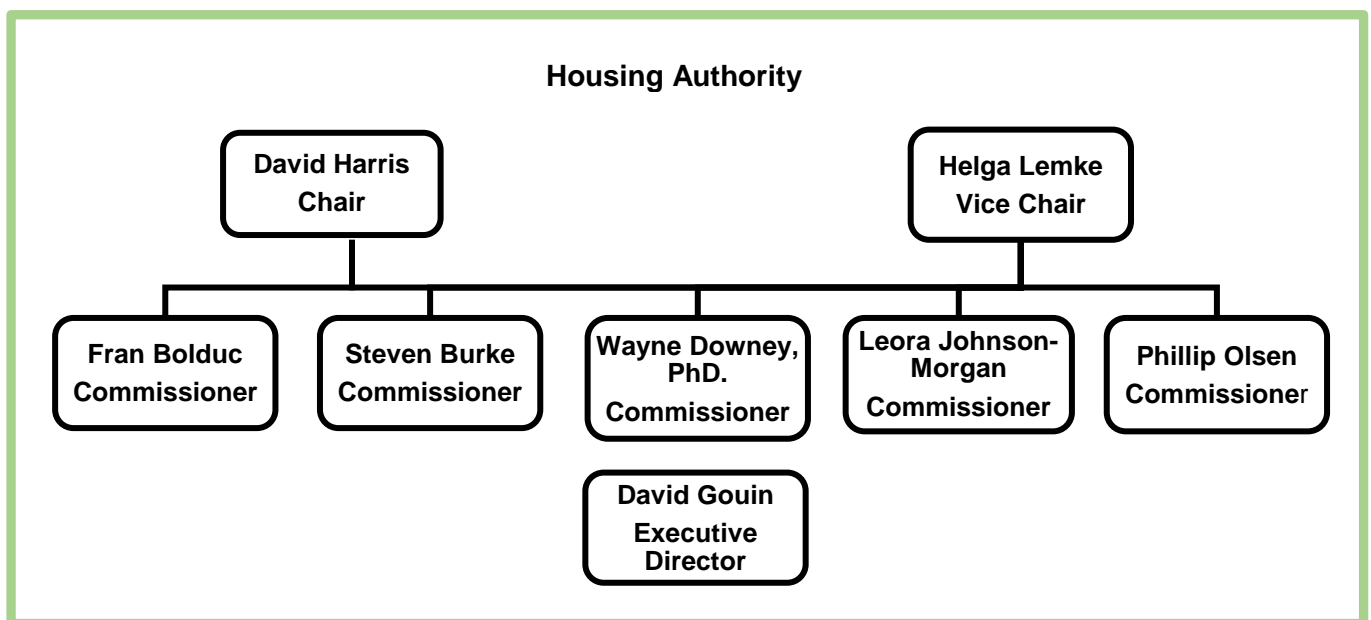
To ensure adequate, decent, safe and sanitary housing for qualified people within Santa Rosa consistent with Federal, State and local law.

Department Description

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

Santa Rosa Housing Trust (SRHT) – Manages the City's \$113 million affordable housing loan portfolio, administers Federal and State housing grants, and performs compliance monitoring for over 3,000 units Citywide. These programs maximize and leverage available Federal, State, and local funding to assist in the production of affordable housing programs; conversion, preservation and rehabilitation of affordable housing; and the acquisition, development, and rehabilitation of special needs facilities. SRHT is actively involved in furthering the City Council's goal of "Housing for All".

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



Housing Authority

Strategic Goals and Initiatives for FY 2018-19

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

Santa Rosa Housing Trust

- Manage the City's affordable housing portfolio consisting of an approximate value of \$113 million and monitoring of affordability covenants for over 3,000 units. 3
- Evaluate, originate, close and manage loan documents and affordability agreements of new affordable housing units and the rehabilitation of existing affordable housing units. 3
- Facilitate the acquisition and preservation of existing housing units for use as affordable housing. 3

Housing Choice Voucher Program

- Provide Housing Choice Voucher rental assistance to approximately 2,000 clients monthly, including 402 HUD-VASH clients, 1,475 Santa Rosa voucher holders, and between 100-200 Port-In clients from other jurisdictions. 3
- Utilize the resources of the voucher program to encourage the development of new affordable housing. 3
- Establish partnerships with neighboring Housing Choice Voucher programs to enhance services to landlords and tenants. 3

Major Budget Changes

The Housing Authority budget increased a net of approx. \$1M from FY 2017-18 to FY 2018-19. The Administrative Division increased due to City overhead and Information Technology increases that are not controlled by the Department. The Housing Choice Voucher Program increased by \$2M because the Department received more vouchers and also anticipates a higher per unit assistance cost in FY 2018-19. The SRHT Portfolio Services and Grant Management budget decreased slightly due to less funding available from loan repayments. The SRHT Affordable Housing Programs and Financing budget is showing a year over year decrease of (\$1.1M) because the Housing Authority chose to appropriate \$1.4M of available funding (loan repayments and impact fees) in FY 2017-18 to hasten the production of affordable housing, rather than waiting to use it in the FY 2018-19 budget.

Salaries, benefits, and indirect costs (overhead) increased a net of \$588K because of salary increases dictated by MOUs, a significant increase in retirement costs, and increases to overhead, none of which are controlled at the department level. Loan Activity decreased \$1.3K due to the appropriation of available funds in FY 2017-18, as described above. Rental Assistance increased \$1.8M as we are anticipating higher per unit assistance costs in FY2018-19.

The Housing Operations Fund increased because a large portion of the Department's overhead and Information Technology costs are budgeted in that fund, and both increased over FY 2017-18. The Housing Choice Voucher Program fund increased \$2.2M mostly due to additional vouchers and higher rates for rental assistance. The Moderate Rehabilitation fund decreased \$105K because that program is ending early in FY 2018-19. The Real Property Transfer Tax fund shows a decrease of \$1.2M because those funds were used in FY 2017-18, rather than waiting for 2018-19 to hasten the production of affordable housing, as described above. Other funds had minor increases or decreases depending on the anticipated 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, and Mortgage Revenue Bond Fund); or fees collected (Brookwood Property, Housing Compliance Fund, and Housing Impact Fee Fund).

Housing Authority

Budget Summary

Expenditures by Program			
	2016 - 17 Actual	2017 - 18 Budget	2018 - 19 Budget
Admin Housing & Comm Services	\$947,306	\$1,308,170	\$1,468,864
Housing Choice Vouchers	\$21,644,599	\$24,872,603	\$26,880,246
SRHT Portfolio Svcs & Grant	\$10,260,079	\$779,418	\$767,840
SRHT Afford Housing Prog & Fin	\$3,511,466	\$5,120,758	\$4,266,220
CIP and O&M Projects	\$198,980	\$198,980	\$217,090
Total	\$36,562,430	\$32,279,929	\$33,600,260

Expenditures by Category			
	2016 - 17 Actual	2017 - 18 Budget	2018 - 19 Budget
Salaries	\$1,457,195	\$1,724,850	\$1,782,040
Benefits	\$672,642	\$797,876	\$961,176
Professional Services	\$141,395	\$137,500	\$142,000
Vehicle Expenses	\$11,500	\$32,801	\$32,505
Utilities	\$4,447	\$8,250	\$8,750
Operational Supplies	\$32,043	\$129,300	\$135,286
Information Technology	\$177,947	\$209,667	\$227,252
Debt Service	\$5,700,000	\$0	\$0
Liability & Property Insurance	\$18,167	\$24,631	\$25,526
Other Miscellaneous	\$61,948	\$160,596	\$152,878
Subrecipient Funding	\$420,928	\$419,150	\$456,145
Insurance Prem/Claims	\$0	\$70,000	\$70,000
Loan Activity	\$6,376,888	\$4,064,216	\$3,035,531
Rental Assistance	\$19,842,091	\$22,440,000	\$24,271,800
Indirect Costs	\$1,446,259	\$1,862,112	\$2,082,281
CIP and O&M Projects	\$198,980	\$198,980	\$217,090
Total	\$36,562,430	\$32,279,929	\$33,600,260

Housing Authority

Expenditures by Fund			
	2016 - 17 Actual	2017 - 18 Budget	2018 - 19 Budget
Housing Operations Fund	\$947,306	\$1,308,170	\$1,468,864
Operating Reserve Fund	\$36,000	\$78,000	\$86,587
Housing Choice Voucher Program	\$21,537,698	\$24,726,836	\$26,843,098
1980 Moderate Rehabilitation A	\$106,901	\$145,767	\$40,273
Brookwood Property	\$4,037	\$15,499	\$12,513
Community Dvlp Block Grant	\$465,291	\$1,363,888	\$1,508,034
Rental Rehabilitation Fund	\$0	\$0	\$20,339
Housing Grant Fund	\$9,905,593	\$424,000	\$448,671
Real Property Transfer Tax Fund	\$690,039	\$1,427,665	\$157,043
Southwest Low/Mod Housing Fund	\$363,787	\$160,932	\$162,803
Low and Moderate Income Housing	\$279,330	\$127,999	\$154,947
HOME Fund	\$1,222,512	\$589,308	\$829,049
Mortgage Revenue Bond Fund	\$136,325	\$0	\$15,901
Housing Compliance Fund	\$179,102	\$272,786	\$259,860
Housing Impact Fee Fund	\$680,173	\$1,639,079	\$1,592,278
CalHome Grant MH Loan Program	\$8,336	\$0	\$0
Total	\$36,562,430	\$32,279,929	\$33,600,260

Housing Authority

Performance Measures

Indicators	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Housing Trust				
Number of new affordable housing rental and ownership units completed	47	23	60	79
Very Low Income units	11	4	0	57
Low Income units	34	19	60	22
Moderate Income units	2	0	0	0
Number of new affordable rental housing units preserved	0	0	0	0
Number of new affordable rental housing units preserved- Special Needs	0	0	0	0
Number of new affordable rental and ownership housing units in the pipeline	444	421	342	142
Very Low Income units	200	196	139	34
Low Income units	244	225	203	108
Moderate Income Units (Added FY 2017/18)	n/a	n/a	n/a	28
Above Moderate Income Units (Added 2017/18)	n/a	n/a	n/a	26
Number of affordable ownership units transferred title	8	5	1	5
Number of owner-occupied affordable housing units rehabilitated or financed	0	0	8	9
Number of investor/developer affordable rental housing units rehabilitated	153	96	48	118
Number of units receiving housing accessibility modifications	1	1	1	1
Number of affordable housing rental units monitored	2,690	2,841	2,841	2,919
Number of owner-occupied housing units monitored	302	278	275	262
Consolidated Plan for CDBG and HOME funds (2009-2014 and 2014-2019)	✓	✓	✓	✓
Action Plan for CDBG and HOME funds	✓	✓	✓	✓
Consolidated Annual Performance Report (CAPER) for CDBG and HOME funds	✓	✓	✓	✓
Housing Choice Voucher Program				
Number of Housing Choice Voucher Rentals (Vouchers and Port-Ins) (Approximate)	1,950	2,000	2,000	2,000
Number of Housing Choice Vouchers-Santa Rosa clients	1,838	1,838	1,862	1,877
Number of HUD-VASH Vouchers	296	365	389	402

Housing Authority

Number of landlords participating in program (all figures approximate)	650	715	695	700
Number of Port-In clients (varies monthly, all figures approximate)	250	200	200	195

Prior FY 2017-18 Accomplishments

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

Santa Rosa Housing Trust

- Provided \$1,295,646 for the rehabilitation of Papago Court which is a 48-unit rental complex. 3
- Performed affordability compliance on approximately 3,000 rental units. 3
- Successfully attained waiver from HUD to allow flexibility in use of existing CDBG, HOME, and HOPWA funds to assist in recovery efforts. 3

Housing Choice Voucher Program

- Advocated for additional resources and expanded the HUD-VASH program to 402 vouchers for homeless veterans. 3
- Petitioned the Federal Department of Housing and Urban Development for an increase in the Fair Market Rent levels to accurately reflect the local rental market, reducing cost burdens on families and increasing tenant choice in the market. 3
- Provided ongoing rental assistance for approximately 2,000 low-income families residing in Santa Rosa. 3
- Achieved High Performing Public Housing Agency designation for the eleventh consecutive year. 3

Looking Ahead

Both divisions of the Housing Authority will assist Santa Rosa residents displaced by the Tubbs/ Adobe Fire that occurred in October 2017. Staff will continue to partner with the other City departments, County of Sonoma, State of California, and Federal government on funding mechanisms to facilitate affordable and market-rate housing development.

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 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.

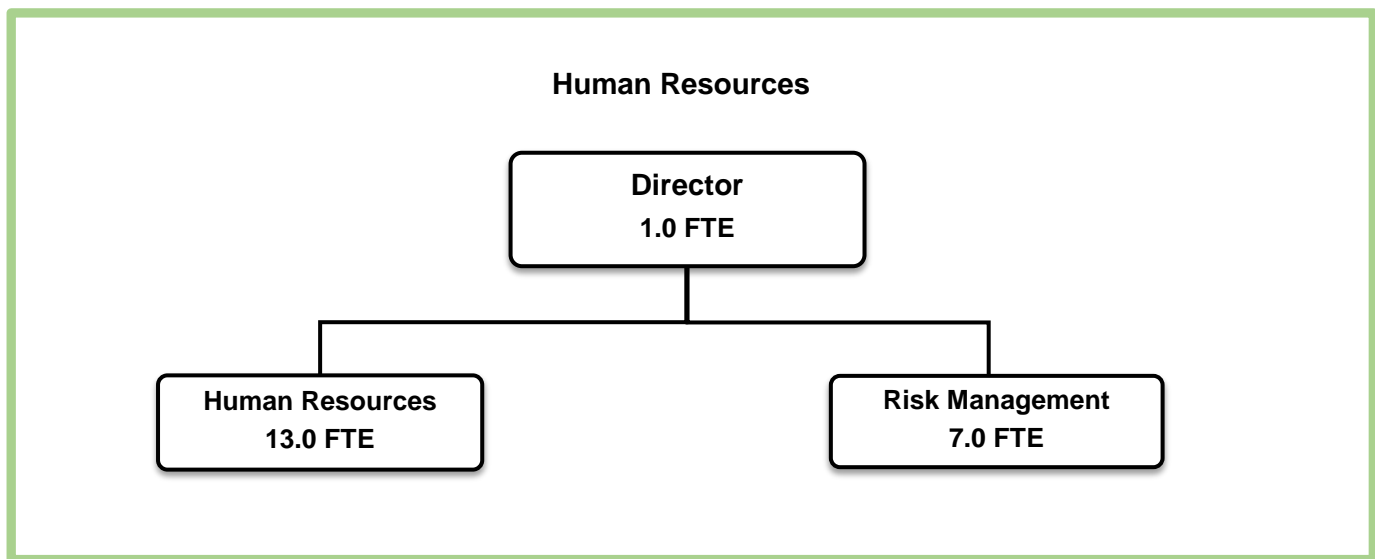
Risk Management – Provides a multitude of Risk Management services to the City of Santa Rosa and provides guidance for the City Council, City Management, and City staff. Risk Management is a Division of the Human Resources Department.

Risk Management's primary objective is 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, Citywide benefits, 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

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

- Utilize the findings and recommendations of a 3rd party organizational assessment to increase effectiveness and enhance service delivery. 2
- A key Risk Management initiative is to update and implement the ADA Transition Plan. 6
- Analyze, review, and implement innovative technological solutions to streamline workflow and heighten levels of service in a variety of functional areas 2
- The Employee/Labor Relations Division will continue to develop and implement ongoing supervisor/manager training on labor relations; will conduct strategic planning for future negotiations, to include partnering with departments for early and ongoing issue identification, grievance tracking and training needs. 2
- Implement innovative and streamlined HR and Risk Programs to inform staff of available and value-add resources and programs. 2
- The Organization Development and Training Division will modernize and implement cutting-edge training and employee development opportunities. 2
- Utilize analytics to increase efficiency and effectiveness, in addition to providing visibility and transparency through the public-facing website, as well as via internal communication methods. 6

Major Budget Changes

The Human Resources Department is comprised of two funds: Human Resources, funded by the General Fund, and Risk Management, an internal service fund (Non-General). Overall, the department as a whole increased by 2.5% (\$851K) when compared against the FY 2017-18 adopted budget.

In the General Fund, Human Resources increased by 7.4% (\$167K) due primarily to COLA increases and a slight increase in the IT cost.

In FY 2018-19, the Risk Management internal service fund increased by 2.2% (\$684K) when compared against the FY 2017-18 adopted budget. Part of this increase within Risk Management is due to a \$240K increase within the City Health Plans. The variance in the City Health Plans is due primarily to employee movement within the plans with minor cost adjustments. The PPO and EPO Health Plans had negative variances of 7.7% (\$246K) and 6.9% (\$91K), respectively, whereas the Kaiser Health Plan rose by

Human Resources

approximately 6.5% (\$577K). There was a slight increase in Workers' Compensation Insurance by 6.2% (\$230K), as well as a \$143k increase in liability insurance due to increased premium estimates. FY 2018-19 was also the year that the City initiated a Short Term Disability program, which resulted in new expenses of \$267K. In FYE 18/19 the City portion obligation for public safety health insurance decreased, resulting in a decrease in PERS health of \$244K.

Budget Summary

Expenditures by Program			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$2,595,578	\$2,251,309	\$2,418,050
Risk Management	\$30,858,931	\$31,652,459	\$32,336,634
Total	\$33,454,509	\$33,903,768	\$34,754,684

Expenditures by Category			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$1,847,354	\$1,883,687	\$2,046,844
Benefits	\$715,341	\$843,092	\$934,860
Professional Services	\$1,038,758	\$780,488	\$644,322
Vehicle Expenses	\$605	\$0	\$100
Utilities	\$2,133	\$1,700	\$1,700
Operational Supplies	\$38,638	\$27,500	\$27,500
Information Technology	\$160,437	\$199,808	\$210,988
Other Miscellaneous	\$498,223	\$92,340	\$91,640
Insurance Prem/Claim	\$28,876,018	\$29,858,008	\$30,484,793
Indirect Costs	\$277,002	\$217,145	\$311,937
Total	\$33,454,509	\$33,903,768	\$34,754,684

Expenditures by Fund			
	2016 - 2017 Actuals	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$2,595,578	\$2,251,309	\$2,418,050
Risk Management Fund	\$30,858,931	\$31,652,459	\$32,336,634
Total	\$33,454,509	\$33,903,768	\$34,754,684

Human Resources

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	19.00	20.00	21.00	21.00	21.00

Prior FY 2017-18 Accomplishments

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

- Implemented numerous programs to assist City employees post-fire 2
- Collaborated with Joint Powers Authority to secure property insurance reimbursement for City properties damaged or lost in fire 1
- Contracted with new Workers' Compensation TPA; converted from manual to electronic Claims File management 2
- Implemented Citywide centralized Safety Program 6
- Collaborated with City Staff and Labor Groups to finalize, implement and administer Memorandum of Understandings 2
- Implemented Short-term Disability Program for several Bargaining Units 2
- Automated mechanism for Injury/Illness reporting 2

Performance Measure

INDICATORS	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18*
Number of Positions	1220	1,171	1170	1214	1200
Applications Received	5,803	6,213	5504	3764	5611
Recruitments Conducted	91	111	114	105	121
New Hires	85	149	119	118	75
Separations	89	103	115	79	121
Turnover Rate	7.40%	12.72%	10.16%	9.72%	6.25%
Training Sessions Held	45	47	67	69	43
Job/Class Studies	29	20	19	16	21

*Estimated

Looking Ahead

The Human Resources department will work proactively within each of its divisions to provide high quality 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 also will continue to participate in career fairs and expos to broaden our reach into the community for diversity and recruitment opportunities.

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

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

Human Resources

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

The Organization Development and Training Division will continue to identify best practices for methods of delivery to meet the increasing demand for education, training, succession planning and mentoring, in addition to introducing modern techniques in instructional design and content delivery.

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Information Technology

Mission

The Mission of the Information Technology Department is to develop, leverage, and implement technology to make Government more efficient, transparent, and responsive to 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

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

Administration – Provides the overall strategy and administration for the Department, including network and data security, Smart City initiatives, performance measures, and oversight of the City's website: srcity.org.

Development – Provides strategy, leadership, analysis, and hands-on services for building new software systems and implementing large-scale Citywide software migration programs, while providing software application development, project management, and software application support services. The division supports, enhances, and maintains over 50 in-house developed systems used by departments throughout the City; and also provides second-tier support for over 25 third party enterprise applications, including the core Finance/HR/Payroll system, the central Permitting and Inspections system, and the Utility 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 (currently over 1,800 desktop units). The Help Desk is available to employees Monday through Friday, and responds to over 5,000 support requests each year. It completes the support of approximately 70% of the service calls, with the remaining calls being forwarded to development or technical staff. Technical Support within IT Operations includes the support of all voice communications, data communications, computer networks, and all peripheral equipment, i.e., printers and personal computers (PCs). The division supports 300 printers, over 1,200 PCs, roughly 190 servers, a Citywide computer network with 2,900 connections in over 60 City locations with hundreds of pieces of communications equipment, and a phone system that includes six separate switches and over 1,200 phone instruments and roughly 500 mobile devices through a managed Mobile Device Management (MDM) solution.

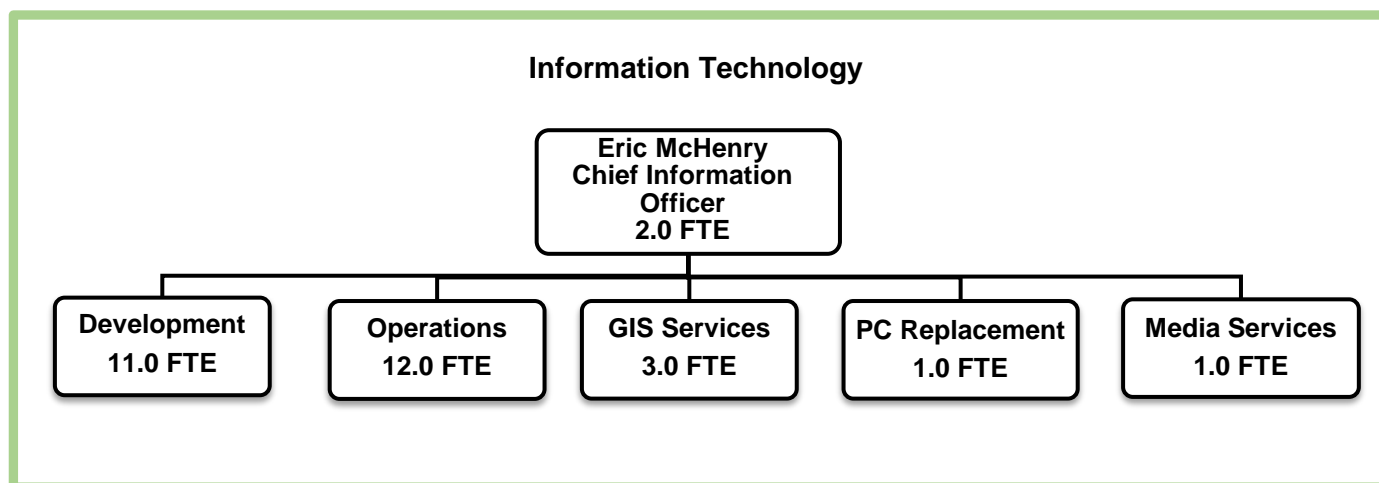
GIS Services – The Geographical Information System (GIS) Services division provides coordination, support, and maintenance of the City's GIS system and GIS services for all departments. The City GIS group also works closely with Sonoma County GIS to support County-wide 911 dispatch. The GIS system is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

Information Technology

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

Media Services – The Media Services section manages the City's Public, Educational & 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 2018-19

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

- | | |
|---|----------|
| • Upgrade the City's 311 system. | 6 |
| • Enhance IT Disaster Recovery Capabilities. | 5 |
| • Upgrade the City's Storage Area Network. | 5 |
| • Begin Implementation of Enterprise Asset Management System. | 5 |

Major Budget Changes

The FY 2018-19 Information Technology budget is \$8.8M, an increase of \$635K, or 7.8%, over the prior year's adopted budget. Salaries and Benefits increased \$401K, or 9.8%, primarily due to the addition of 1.0 FTE GIS Analyst transferred from the Transportation & Public Works department, as well as the 3% cost-of-living adjustment (COLA) increases approved Mid-Year FY 2017-18 and for FY 2018-19. Services and Supplies grew by \$197K, or 8.5%, predominantly in Professional Services (up \$183K) for license and support costs on behalf of the City's various software applications. CIP and O&M Projects edged upwards by a net \$32K, or 2.3%. The increases in the O&M PEG Project (up \$100K) and PC Purchases (up \$27K) more than offset the decline in EOC Software (down \$75K).

Information Technology

Budget Summary

Expenditures by Program			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
I.T. Administration	\$450,291	\$458,801	\$502,477
I.T. Development	\$2,395,727	\$2,967,366	\$3,195,878
I.T. Customer Support	\$2,588,481	\$2,670,483	\$2,825,143
I.T. GIS Services	\$316,408	\$327,522	\$471,259
I.T. Media Services	\$38,422	\$170,132	\$188,125
I.T. PC Replacement Program	\$181,282	\$161,996	\$176,953
CIP and O&M Projects	\$863,144	\$1,393,567	\$1,425,103
Total	\$6,833,755	\$8,149,867	\$8,784,938

Expenditures by Category			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$2,571,218	\$2,824,679	\$3,031,190
Benefits	\$1,172,870	\$1,277,004	\$1,471,740
Professional Services	\$1,258,377	\$1,804,709	\$1,987,991
Vehicle Expenses	\$13,130	\$14,850	\$14,850
Utilities	\$280,685	\$308,515	\$308,965
Operational Supplies	\$74,626	\$74,700	\$74,700
Information Technology	\$22,279	\$27,589	\$32,792
Liability/Property Insurance	\$25,716	\$28,021	\$35,949
Other Miscellaneous	\$122,516	\$63,644	\$63,744
Indirect Costs	\$361,019	\$332,589	\$337,914
Capital Outlay	\$68,175	\$0	\$0
CIP and O&M Projects	\$863,144	\$1,393,567	\$1,425,103
Total	\$6,833,755	\$8,149,867	\$8,784,938

Expenditures by Fund			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Information Technology	\$6,386,853	\$7,602,304	\$8,195,882
Technology Replacement	\$446,902	\$547,563	\$589,056
Total	\$6,833,755	\$8,149,867	\$8,784,938

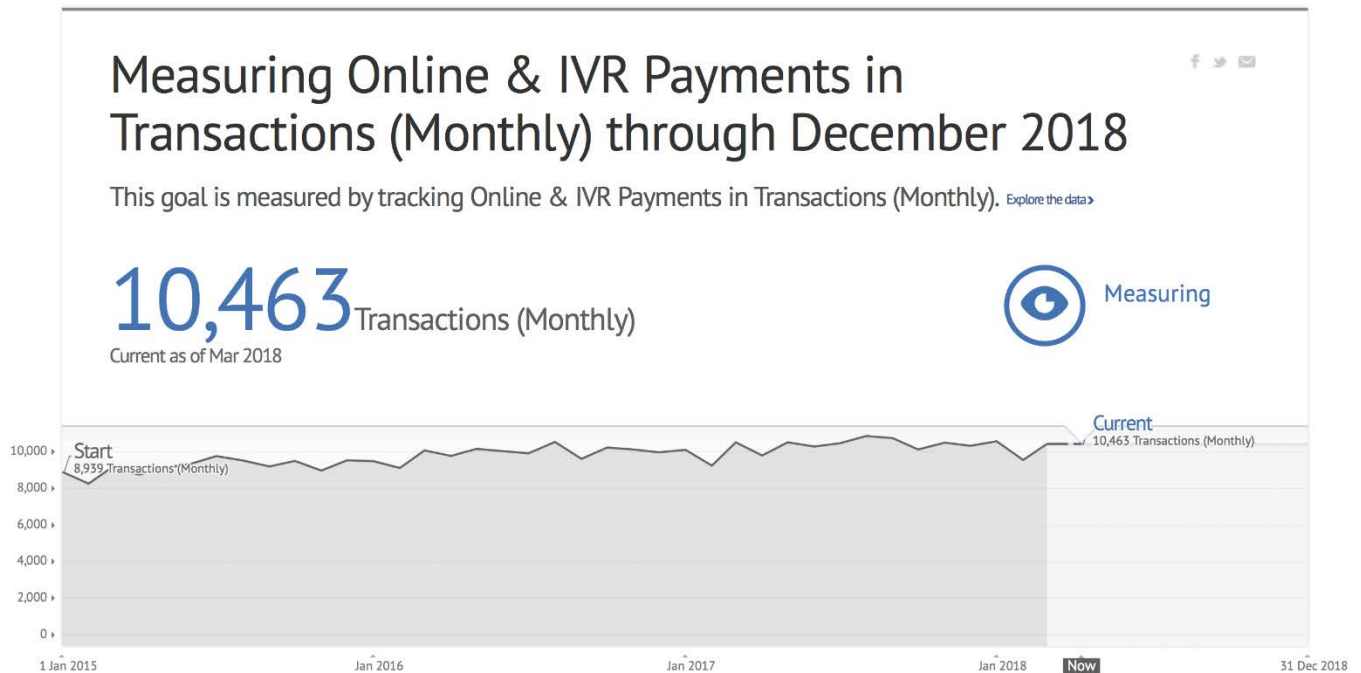
Information Technology

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

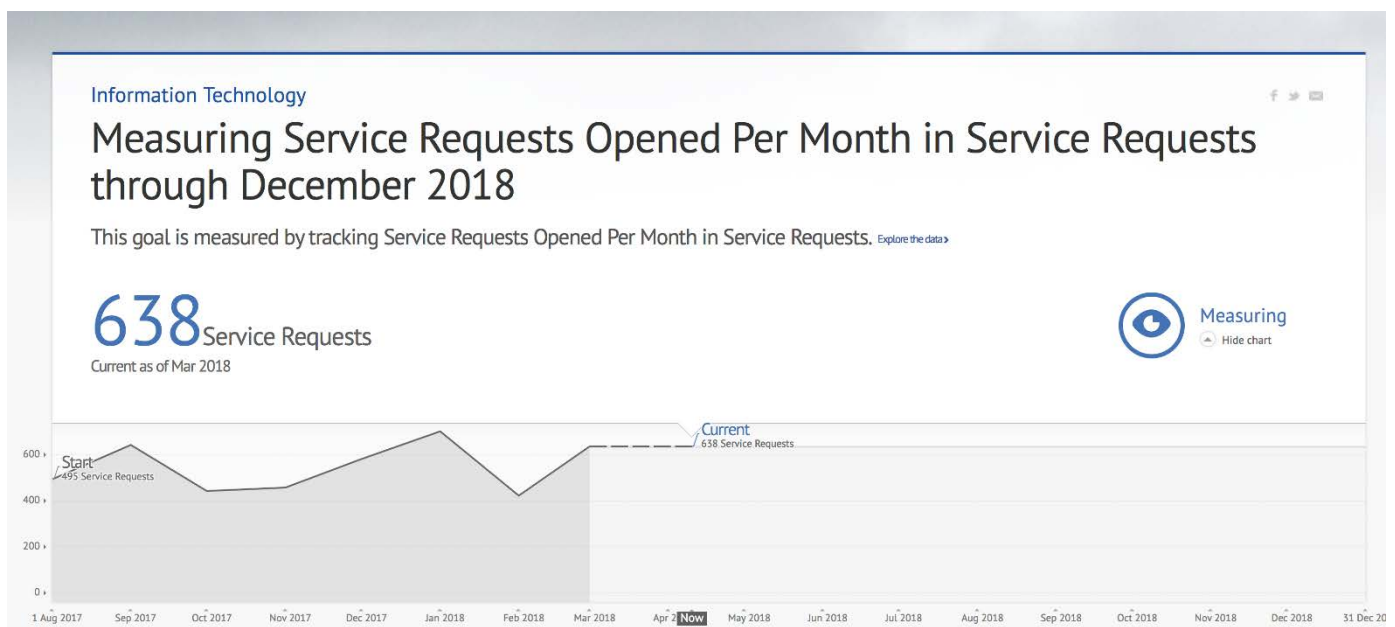
Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	25.00	26.00	28.00	29.00	30.00

Performance Measures

Online and IVR payments



Internal Services Requests



SRCity.org Website Traffic



Prior FY 2017-18 Accomplishments

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

- | | |
|--|---|
| • Deployed free public WI-FI in Courthouse and Railroad Squares. | 9 |
| • Worked with departments to establish and publish public-facing performance measures and scorecards (srcity.org/Performance). | 6 |
| • Queueing system for PED front counters. | 9 |
| • Fire-recovery support tools and data analysis. | 6 |
| • Deployed new water billing resident portal. | 6 |
| • Migration of all permits for Roseland annexation. | 6 |
| • Advanced Metering Infrastructure (AMI) integration with water billing. | 9 |
| • Production services and hardware upgrades for public meeting content. | 6 |
| • New helpdesk system. | 5 |
| • Continued migration of enterprise applications to the cloud. | 5 |
| • Data and information security upgrades. | 5 |

Looking Ahead

As we look ahead to FY 2018-19, there are several exciting projects on the horizon. The City will be upgrading the 311 system to provide better online and mobile capabilities for residents and visitors to interact with City staff, report issues, and find information. The IT Department will also be launching initiatives to upgrade the City's aging data storage network and enhance disaster recovery capabilities. An additional large technology project of note is the long-planned upgrade of the Enterprise Asset Management System.

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Non-Departmental

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

Department Description

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

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

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

Sonoma County Transportation Authority – This program includes costs for Santa Rosa's local contribution to Sonoma County Transportation Authority (SCTA) which is 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, and Recreation & Parks which represents a credit in Non-Departmental.

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

- A contingency appropriation in the General Fund, for the City Manager's use, as required, primarily for funding special studies, analyses, or other special projects, approved by the Council, but which were not anticipated or budgeted for during the budget process, and to respond to changed departmental operating needs during the year.
- Costs related to retirements and voluntary terminations for all General Fund operating departments have been centrally budgeted. These amounts are transferred to the appropriate General Fund department to cover the expenses related to retirements and voluntary terminations as they occur. 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.

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

Non-Departmental

Budget Summary

Expenditures by Program			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Animal Shelter	\$1,650,228	\$1,712,409	\$1,900,000
Media Access Center	\$100,000	\$0	\$0
County Admin Fee	\$307,290	\$294,608	\$300,000
Citywide GF Insurance	\$1,353,515	\$1,480,114	\$1,614,664
Sonoma Co Transportation Authority	\$122,993	\$103,572	\$104,000
General Fund Administration	\$0	-\$9,017,456	-\$10,312,624
Non-Program	\$0	\$313,000	\$60,000
Debt Service	\$13,878,375	\$4,830,714	\$4,834,107
CIP and O&M Projects	\$235,205	\$142,600	\$205,000
Total	\$17,647,606	-\$140,439	-\$1,294,853

Expenditures by Category			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$0	\$1,550,000	\$1,550,000
Benefits	\$0	\$10,000	\$10,000
Professional Services	\$2,205,977	\$2,167,099	\$2,307,510
Debt Service	\$13,875,385	\$4,827,204	\$4,830,597
Liability & Property Insurance	\$1,353,515	\$1,480,114	\$1,614,664
Other Miscellaneous	\$0	-\$1,300,000	-\$1,500,000
General Fund Administration	\$0	-\$9,017,456	-\$10,312,624
CIP and O&M Projects	\$235,205	\$142,600	\$205,000
Total	\$17,670,082	-\$140,439	-\$1,294,853

Non-Departmental

Expenditures by Fund			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General LT Debt	\$192,237	\$0	\$0
General Fund	\$3,791,707	-\$4,971,153	-\$6,128,960
2013 Pension Obligation (Refund)	\$3,717,065	\$3,734,837	\$3,736,380
2007 COPs Building Acquisition	\$9,320,357	\$0	\$0
Fire Station Capital Lease	\$367,727	\$367,727	\$367,727
COPs/Courthouse Square Capital Lease	\$473,226	\$728,150	\$730,000
Total	\$17,862,319	-\$140,439	-\$1,294,853

Major Budget Changes

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 2018-19 budget decreased in total by \$1.2M when compared to FY 2017-18. The largest driver of this change relates to General Fund Administration, which distributes administrative costs within the General Fund to non-administrative departments including PED, Fire, Police, Public Works and Recreation & Parks. General Fund expenditures increased in FY 2018-19 due mostly to COLAs as outlined in MOU contracts and rising pension costs. As a result, the credit for General Fund Administration also increased by 14.4%, or 1.3M, which translates as a decrease in the Non-Departmental expenditure budget. Small variances in other Non-Departmental programs offset the change in General Fund Administration, including rising premiums for Liability & Property Insurance of \$135K and Revenue audit contract costs, shown as CIP and O&M Projects, increasing by \$62K. Professional Services increased by a total of \$140K, including \$190K from the Animal Shelter contract costs rising to cover the Roseland neighborhoods now annexed into city limits. Also, City Manager contingency funds are budgeted in Non-Departmental for FY 2018-19, at zero dollars.

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

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Planning & Economic Development

Mission

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

Department Description

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

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

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

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

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

Economic Development – Works on business attraction, retention and expansion efforts and connected workforce related initiatives; programs the Santa Rosa Tourism Business Improvement Area funds to reinforce the city's unique destination brand.

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.

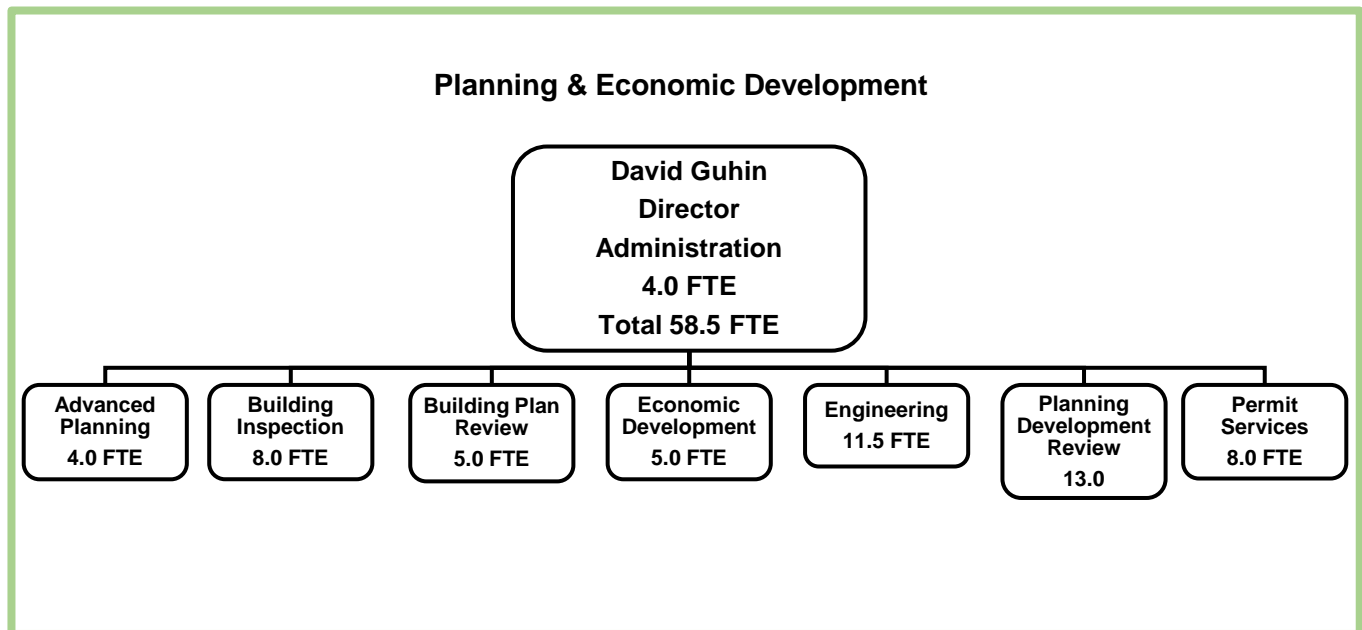
Permit Services – Assists with and processes all applications for planning, building and encroachment permits while coordinating with all reviewing agencies on projects, provides information and clarification to the public regarding zoning and building codes, as well as City processes. Assigns addresses 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 staff support to the Planning Commission, Design Review Board and Cultural Heritage Board, as well as provides information to the public regarding land use and zoning, and conducts environmental review as necessary.

Resilient Rebuild Center – A full service dedicated center for the rebuilding effort. Staffed by consultants and overseen by City staff, this center provides planning, engineering, building and inspection services to support the rebuild of approximately 3,000 homes lost in the Tubbs Fire.

Planning & Economic Development

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

- Continue to operate the Resilient Rebuild Center to rebuild homes and business lost in the fire. 2, 3
- Implement Electronic Plan Review for all divisions, reducing environmental waste and promoting efficiency and automation in processes. 2, 3, 6, 9
- Complete an update to the Downtown Station Area Plan to support and incentivize downtown housing and economic revitalization efforts. 1, 3, 9, 10
- Initiate a comprehensive General Plan update. 5, 6, 7, 9, 10
- Continue to work with the Council Cannabis Subcommittee to implement the Cannabis Program, including the vetting of competing cannabis retail applications. 1, 10
- Continue to implement the Housing Action Plan through the completion of the density bonus, inclusionary housing, impact fees, and planning and design review policy initiatives. 1, 3, 10
- Continue to prioritize and promote the inclusion of affordable housing in housing development projects. 3
- Streamline the encroachment permit process for all dry utility companies. 9
- Reduce the turnaround times associated with the review of public improvement plans and subdivision maps. 3, 9
- Upgrade to permit system, Accela, to version 9.
- Pursue new partnerships for development opportunity sites in downtown Santa Rosa. 1, 10
- Address development readiness opportunities for greater density and land potency in the downtown core. 3, 10

Planning & Economic Development

Major Budget Changes

The Planning and Economic Development (PED) department's FY 2018-19 budget is \$13.8M, an increase of \$2.9M, or 26.4%, over the prior year's adopted budget. Salaries and Benefits rose by \$1.5M, or 21.3%, with the addition of 5 FTEs (1.0 FTE Community Development Tech, 1.0 FTE Senior Administrative Assistant, 1.0 FTE Senior Planner, 1.0 FTE Program Specialist, 1.0 FTE Building Plans Examiner added Mid-Year FY 2017-18) and 2.5 FTEs (1.0 FTE City Planner, 0.5 FTE Associate Civil Engineer, and 1.0 FTE Building Inspector approved for FY 2018-19) for Cannabis. Also, a 3% cost-of-living adjustment was approved Mid-Year FY 2017-18 and for FY 2018-19. Service and Supplies decreased by a net (\$728K), or -32.9%. The main drivers included the (\$1.4M) reduction in consultant contracts (plan checks, inspection, and permits) approved one-time for FY 2017-18 that were not renewed for FY 2018-19, \$91K growth in Citywide allocated information technology costs, and \$36K increase for Cannabis support costs (vehicle replacement & maintenance and trainings added Mid-Year FY 2017-18 and for FY 2018-19). A growth of \$553K occurred in General Fund Administrative Costs because of the allocation of administrative costs to non-administrative departments for services. The CIP and O&M Projects increased by \$1.6M, or 241.8%, primarily from the \$1.4M increase in the Fire Recovery project due to the October 2017 fires.

Budget Summary

Expenditures by Program			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$1,282,627	\$2,466,722	\$3,166,839
Permit Services	\$691,831	\$810,687	\$972,449
Building Plan Review	\$1,364,641	\$1,320,800	\$1,328,321
Building Inspection	\$834,497	\$810,849	\$850,536
Planning Development Review	\$1,538,180	\$1,731,248	\$2,077,353
Advance Planning	\$420,698	\$491,714	\$540,429
Engineering	\$2,266,254	\$2,230,321	\$2,206,680
Economic Development	\$301,564	\$387,785	\$408,590
CIP and O&M Projects	\$2,013,664	\$653,564	\$2,233,684
Total	\$10,713,956	\$10,903,690	\$13,784,881

Planning & Economic Development

Expenditures by Category			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$4,365,046	\$4,747,969	\$5,659,733
Benefits	\$1,945,368	\$2,192,851	\$2,757,505
Professional Services	\$1,423,193	\$1,074,450	\$245,250
Vehicle Expenses	\$41,986	\$61,450	\$98,011
Utilities	\$20,217	\$28,052	\$27,052
Operational Supplies	\$75,169	\$120,122	\$90,021
Information Technology	\$556,488	\$680,122	\$770,873
Other Miscellaneous	\$218,590	\$246,359	\$251,321
Indirect Costs	\$16,669	\$0	\$0
General Fund Administration	\$0	\$1,098,751	\$1,651,431
Capital Outlay	\$37,566	\$0	\$0
CIP and O&M Projects	\$2,013,664	\$653,564	\$2,233,684
Total	\$10,713,956	\$10,903,690	\$13,784,881

Expenditures by Fund			
Funding Source	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$9,873,955	\$10,399,190	\$13,280,381
Santa Rosa Tourism BIA	\$541,349	\$504,500	\$504,500
Economic Development Fund	\$14,825	\$0	\$0
Capital Improvement Fund	\$283,827	\$0	\$0
Total	\$10,713,956	\$10,903,690	\$13,784,881

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	34.50	37.75	50.00	51.00	58.50

Planning & Economic Development

Performance Measures

• Rebuild: Housing first plan check turnaround time within 5 days.	2, 3, 9
• Pre-application meetings held within 14 days of request of service.	1, 2, 3, 9
• Development review applications receive a determination of completeness within 30 days of submittal and once complete, a decision is rendered within 60 days for planning projects deemed categorically exempt of requiring a Negative Declaration from the California Environmental Quality Act (CEQA).	1, 2, 3, 9
• Deliver state of the art Advance Planning processes and documents within expected timeframes and budget.	9
• Utilize modern and effective community engagement techniques to foster meaningful communication, participation and engagement with residents for planning initiatives.	6, 7
• 85% of Building Plan Checks completed within 6 weeks of submission on the first check and 3 weeks for subsequent checks.	1, 2, 3, 9
• 90% of Encroachment Permits processed within 3 weeks of submission of first check.	1, 2, 3, 9
• 85% of Engineering Plan Checks completed within 6 weeks of submission of first check and 3 weeks for subsequent checks, meeting published timelines.	1, 2, 3, 9
• New commercial square footage.	1, 10
• Issue Business Tax Certificates	1, 10
• Sales and Transient Occupancy Tax performance.	1, 10
• Santa Rosa Tourism Business Improvement Area assessment performance.	1, 10
• Performance analytics of business website and on-line tools.	

Planning & Economic Development

Prior FY 2017-18 Accomplishments

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

-
- | | |
|--|----------------------|
| • Implementation of the Comprehensive Cannabis Program and Regulations through staffing and policy development to manage and support the permitting process for customers. | 1, 10 |
| • Completed Roseland Annexation. | |
| • Established Resilient City Rebuild Permit Center and Resilient City Urgency Ordinance. | 2, 7 |
| • Adopted a Resilient City Combining District to facilitate redevelopment in the fire-damaged areas. | 2, 10 |
| • Initiated disposition and development negotiations for Downtown Housing on a City surface parking lot. | 1, 3,
6, 10 |
| • Produced the first annual Santa Rosa IRONMAN and IRONMAN 70.3 events. | 1, 7,
10 |
| • Processed a record number of planning entitlements and instituted a weekly prioritization across divisions for entitlements involving affordable housing components. | 1, 3,
9, 10 |
| • Engineering processed 894 Encroachment Permits, an increase of 14% from 2016. | 1, 3,
10 |
| • Engineering reviewed and approved 17 sets of improvement plans resulting in the development of 716 multi-residential and single-family units. | 1, 3,
7, 9,
10 |
| • 766 Housing Permits currently under review and 468 Housing Units under construction. | 1, 3,
9, 10 |
| • Processed 6368 Building Permits, an increase of 16% from 2016. | 1, 3,
9, 10 |
| • Processed 680 Planning Permit Applications, an increase of 14% from 2016. | 1, 3,
9, 10 |
| • Developed consultant plan check and enhanced inspection review process, which by doing so has reduced inspection lead times by 30%. | 1, 3,
9, 10 |
| • Continued third party plan review and inspection for additional large, high profile projects. | 1, 3,
9, 10 |
| • Continued to review and update plan record database for all building files, including rolled plans, and ship files to offsite storage. | |

Looking Ahead

The Planning & Economic Development Department is still adjusting to the rebounding economy and rebuild effort resulting from the fire disaster in the fall of 2017. While permit activity and development are at record highs, the department still operates at pre-recession staffing levels. In the coming years, PED hopes to acquire the staff and resources to meet the numerous and wide-ranging demands of this dynamic and burgeoning city, and help the City Council achieve their goals for Santa Rosa.

PED is a key player in many of the Council's priorities. Housing and recovering from the fire disaster will be a continued focus as the department prioritizes housing permits and land use and attracts developers. Downtown Economic Development efforts and implementation of the Comprehensive Cannabis Program will continue to be a priority for the department to achieve the Council priorities of increasing revenue for the City. Internally, PED will continue to take steps towards a paperless operation, including digitizing records, and reviewing plans electronically.

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

Police

Mission

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

Department Description

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

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

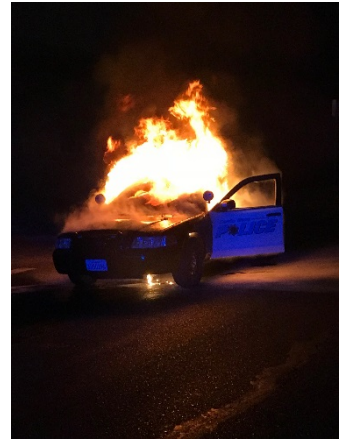
Field Services – The most visible component of the department is comprised of 8 teams that perform patrol 365 days a year, 24 hours a day. Field Services also includes the Traffic Bureau comprised of Motorcycle Officers and Accident Investigators, the Community Policing Team, School Resource Officers,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

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

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

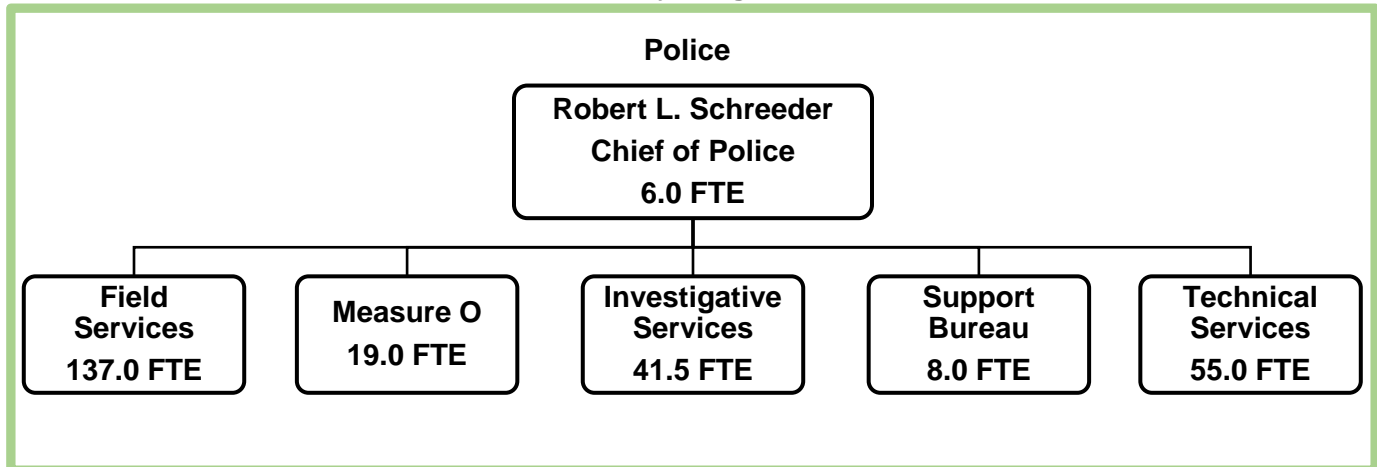
Support Bureau – Recruitment, Testing and Employment; Training and Wellness; and the Volunteers in Police Services (VIPS) program. The Police Department has personnel needs and recruitments that necessitate dedicated staff. Because of this need, the bureau is dedicated to the recruiting and testing of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

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



Police

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

• Further the efforts to build a modernized interoperable radio system	5,9
• Continue to regionalize our training program	6,9
• Strengthen the department's social media presence and outreach programs	6,9
• Develop training on the use of the Incident Command System as it applies to law enforcement planning for special events and response to natural disasters	6
• Explore the development and deployment of an unmanned aerial vehicle program	6
• Conduct an updated staffing study to best allocate our resources within the changing community	6
• Continue to recruit and hire a diverse work force at all levels of the department	6

Major Budget Changes

The Police Department's FY 2018-19 budget increased by \$5.5M when compared to the FY 2017-18 adopted budget, mostly due to a \$3M increase in salaries and \$2.8M increase in benefits. MOU contract obligations and merit increases accounted for \$2M of the rise in salaries. Also contributing is \$150K in overtime authorized with the passing of the comprehensive cannabis ordinance, and two new positions authorized mid-year FY 2017-18 with the Roseland annexation: 1.0 FTE Police Evidence Tech and 1.0 Field and Evidence Tech. \$1.3M of the total increase in benefits came from the Department's share of PERs unfunded liability. Benefits were also affected by a \$484K year over year rise in pension costs, in addition to other increases in various employee benefits. These substantial increases to salaries and benefits will mostly be incurred by the General Fund. Only about \$323K relate to the 19.0 Measure O FTEs, who are funded by a specific sales tax revenue source.

The service and supplies budget for the General Fund was held flat from FY 2017-18 to FY 2018-19 in order to contain controllable costs. Decreases in operational supplies and professional services were made to accommodate other rising administrative costs, IT and vehicle expenses. Measure O also held service and supplies flat as budgeted sales tax revenue is anticipated to only cover the increases in salaries and benefits noted above.

The Police Department's Supplemental Law Enforcement fund decreased expenditures by \$200K from FY 2017-18 to be in line with anticipated FY 2018-19 revenues. This change contributes to the \$215K decrease in the Department's CIP and O&M Projects.

Budget Summary

Expenditures by Program			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$3,662,736	\$7,642,498	\$7,625,639
Field Services	\$26,550,282	\$27,400,825	\$31,311,863
Investigative Services	\$8,844,776	\$9,161,451	\$9,966,867
Technical Services	\$7,131,999	\$7,702,434	\$8,375,081
Support Bureau	\$1,762,272	\$2,042,862	\$2,101,182
Measure O Police	\$3,527,997	\$3,827,915	\$4,151,257
CIP and O&M Projects	\$1,477,834	\$784,438	\$569,223
Total	\$52,957,896	\$58,562,423	\$64,101,112

Expenditures by Category			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$29,293,466	\$30,705,776	\$33,722,700
Benefits	\$16,981,053	\$17,907,797	\$20,720,709
Professional Services	\$1,427,980	\$1,847,031	\$1,629,366
Vehicle Expenses	\$1,861,773	\$1,852,116	\$2,039,862
Utilities	\$102,905	\$99,784	\$99,784
Operational Supplies	\$539,666	\$1,082,677	\$941,702
Information Technology	\$683,677	\$725,417	\$777,709
Liability & Property Insurance	\$19,665	\$22,430	\$25,964
Other Miscellaneous	\$383,961	\$477,814	\$485,814
Indirect Costs	\$115,508	\$104,550	\$120,014
General Fund Administration	\$0	\$2,952,593	\$2,968,265
Capital Outlay	\$70,408	\$0	\$0
CIP and O&M Projects	\$1,477,834	\$784,438	\$569,223
Total	\$52,957,896	\$58,562,423	\$64,101,112

Police

Expenditures by Fund			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$48,458,821	\$53,934,508	\$59,349,855
Measure "O" - Police	\$3,527,997	\$3,827,915	\$4,151,257
Federal Grants	\$37,994	\$0	\$0
Federal Narcotics Asset Forfeiture	\$18,943	\$150,000	\$150,000
State Grants Fund	\$351,670	\$0	\$0
Supplemental Law Enforcement	\$71,868	\$500,000	\$300,000
State Narcotics Asset Forfeiture	\$78,430	\$150,000	\$150,000
Capital Improvement Fund	\$412,173	\$0	\$0
Total	\$52,957,896	\$58,562,423	\$64,101,112

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	258.75	256.75	256.50	264.50	266.50

Performance Measures

The Police Department has developed the following 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.

1. 911 Communication
2. Call Response Times
3. Violent Crimes
4. Property Crimes
5. Arrests
6. Citations
7. DUI Arrests
8. Traffic Collisions
9. Training
10. Body Worn Camera Usage

911 Communications Center

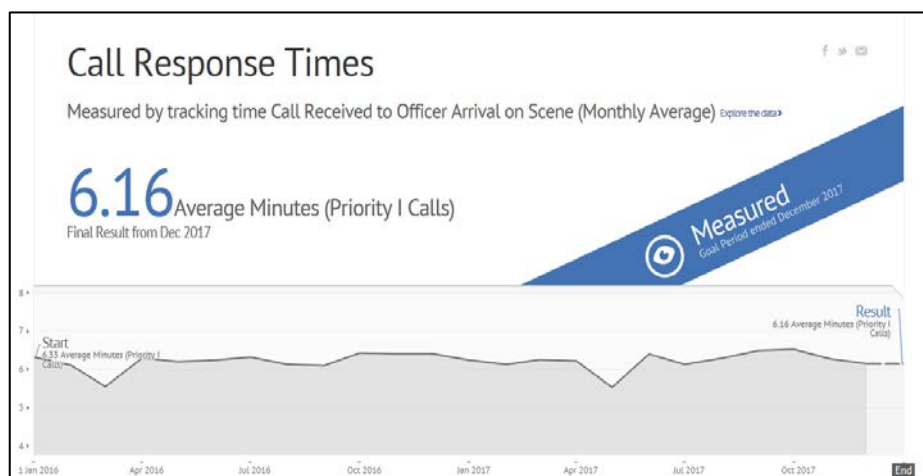
The 911 Communications Center measurable is important for the Police Department as this is the central hub for Police Department activities. Highly trained police dispatchers relay critical information from callers to police officers ensuring they respond as quickly and safely as possible. The 911 Communications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

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



Call Response Times

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 citizens consider an important performance measure from their law enforcement agency. Response time is critical in life threatening situations or in those where the chance of preventing a crime and/or catching a criminal are higher if they arrive on the scene quickly.

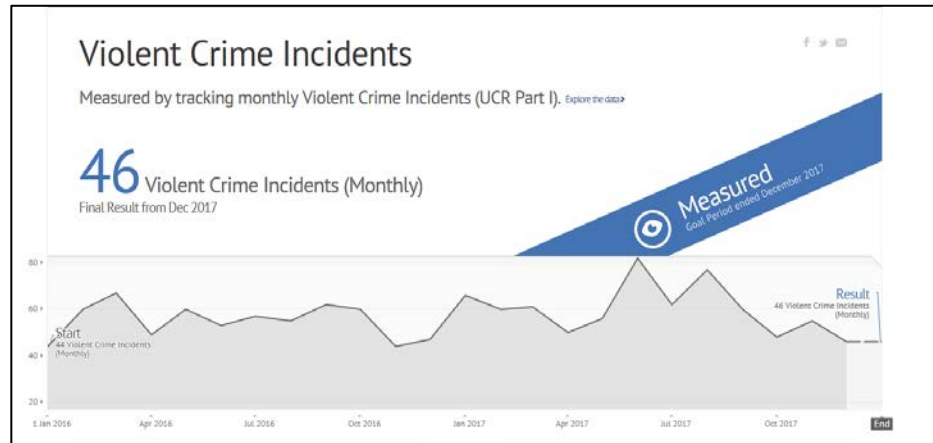


Insight into Call Response Times provides valuable information to the Command staff regarding department staffing and coverage; and the potential need to adjust staffing to better align with safety necessities in the community. Call responses are prioritized according to importance (Priority I, II, III). Calls are evaluated on an ongoing and fluctuating basis by prioritizing the most urgent calls and assessing the resources available to dispatch officers to a scene as efficiently and expeditiously as possible.

Police

Violent Crimes

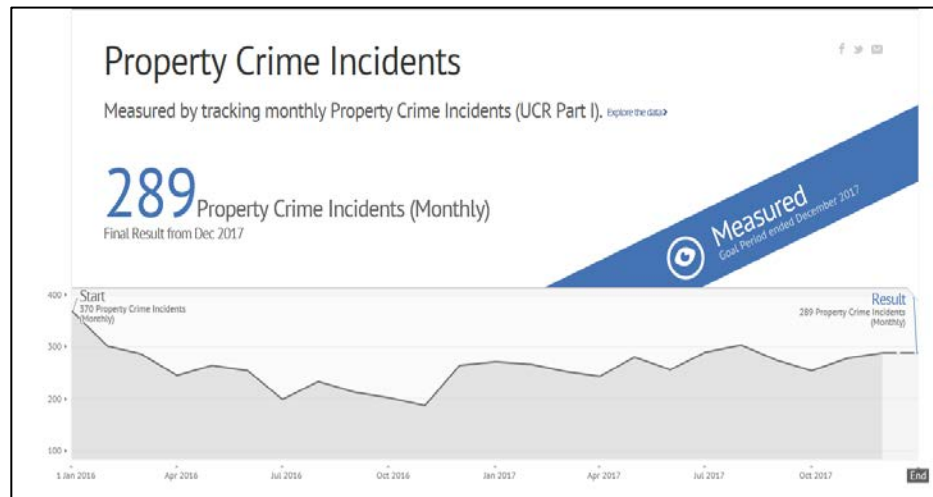
Violent Crimes are an important measurement for the Police Department and the community. With this information trends resulting from crimes of this nature can be observed. Violent Crime figures provide information about the level and risk for crime within our community. Evidence-based crime data will better inform staff of any trends or changes in the crime rate over time.



The Police Department believes it is important 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.

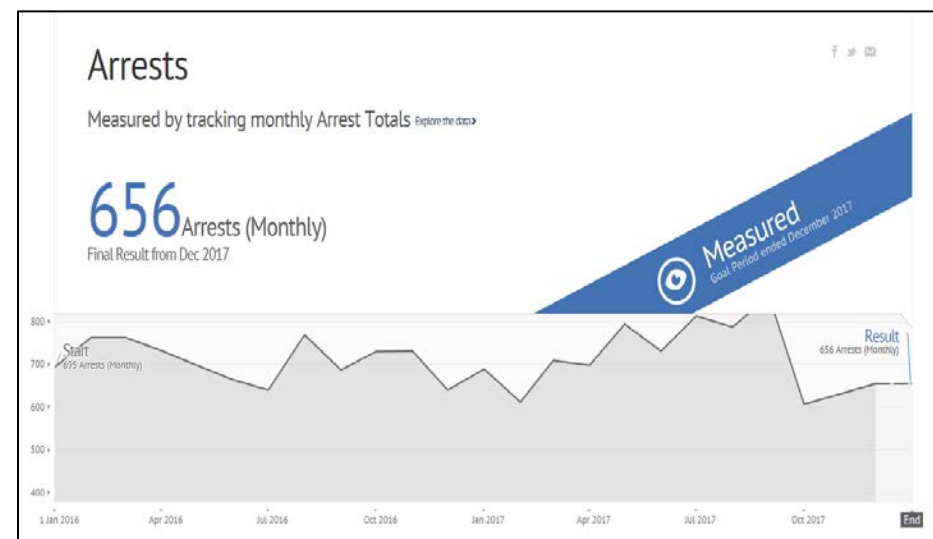
Property Crimes

Measuring the number of property crimes are important to the community and the department to be able to observe local trends resulting from crimes of this nature. Property Crime figures provide information about the level of risk for crime within our community. The Police Department believes it is important to gather and analyze crime statistics to know when crime is increasing or decreasing, to know what types of crimes are becoming problems in specific areas and to better understand those who are prone to be victims of these crimes. Having this data assists the law enforcement team in improving our crime prevention, crime reduction and apprehension of suspects.



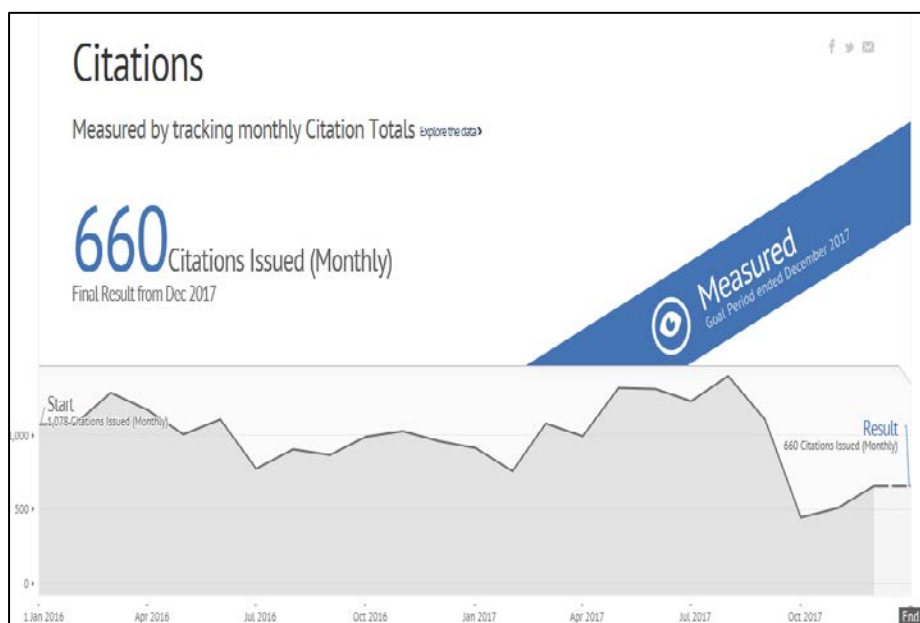
Arrests

These figures are often used for strategic decision-making and operation or tactical purposes. Recent changes in state law may have a dramatic impact on the number of arrests in California communities. The ultimate goal is to use this data to provide information that allows for better decision-making about tactical strategies for addressing crime.



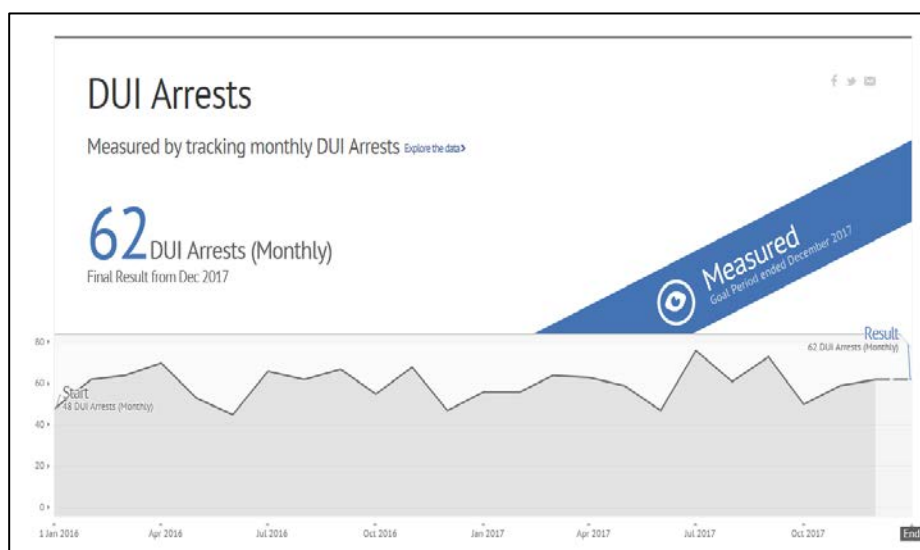
Citations

Citations are an important measurement for the Police Department because both the community and our staff can observe local trends resulting from various violations of the law. As county jail and prison populations have increased over recent years, a movement toward pretrial criminal justice reform has taken root. With community-oriented policing relations in the spotlight and key policy groups recommending the increased use of citations (in lieu of full custodial arrest when appropriate), now is an important time to study the use and impact of the citation policy, to measure its effectiveness in maximizing public safety and minimizing recidivism and to weigh the costs and benefits of citation usage.



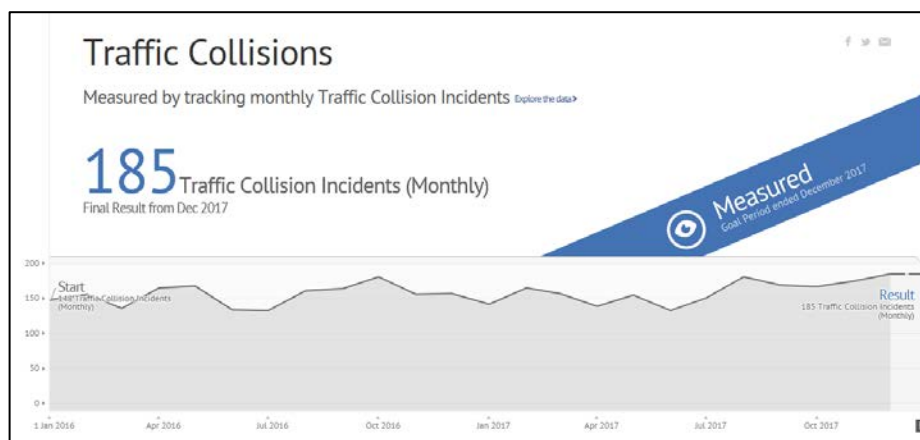
DUI Arrests

DUI arrests are an important measurement to observe local trends resulting from violations. Efforts to reduce DUI figures are extremely critical to the public safety of the community. Approximately one-third of all traffic crash fatalities in the U.S. involve drunk drivers.



Traffic Collisions

Traffic accidents are an important measurement for the department because accidents often lead to damaged property and have the potential for loss of life. The City of Santa Rosa has a responsibility of providing safe traffic options and routes to drive within our community. While the Police Department cannot be expected to reduce traffic accidents alone, we do maintain the responsibility of accurate traffic



Police

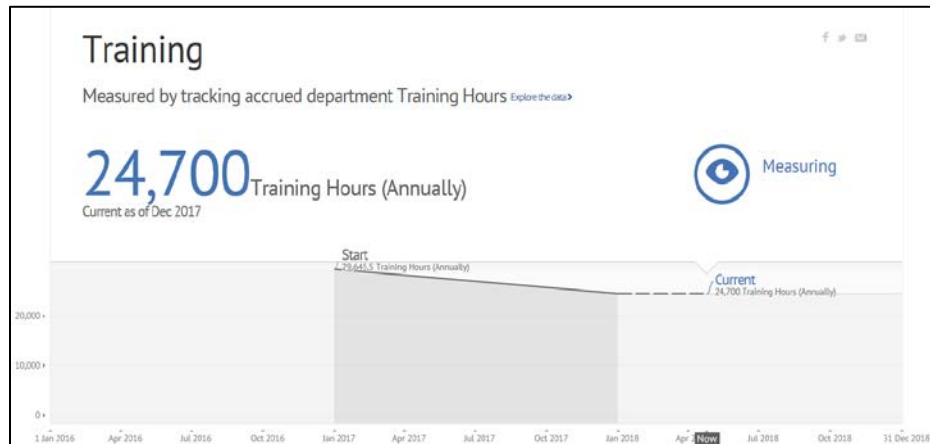
collision investigations in order to identify the cause and design of potential educational and preventative measures to limit the occurrence of traffic accidents.

In analyzing traffic collision data staff is able to study the cause of the accidents and, where warranted, suggest corrective measures at particular locations. Finding and identifying potential solutions in preventing traffic collisions is at the core of the Police Department's mission of providing a safe environment for residents to live, work and play.

Training

The Police Department has an interest in, and responsibility for, the continual growth and development of its personnel. Through a combined effort in the areas of professional training and personal education, an employee can achieve both professional and personal excellence. The

department has placed an emphasis on training to assist employees in achieving their professional goals. Training is provided in three ways: 1) POST and non-POST courses offered outside the department; 2) POST certified in-house training; and 3) In-house training.



The Police Department's mission statement states: *We are committed to making Santa Rosa a safe place to live, work and play.* The Department vision is based in a shared belief that the department will be recognized as the standard of excellence in policing. To this end, we understand that the status quo is not an option; we must constantly be looking at ways to improve. This shared belief and dedication to be recognized as the standard of excellence in policing is why the department goes above and beyond to ensure that our staff has access to in-house training that surpasses State mandates. Balancing traditional training components with a broad focus on working with the community as partners to achieve safety is essential. In addition to training that focuses on technical and tactical aspects of policing, we also value additional education in community policing. Training that addresses culture, diversity, bias and racism, mental illness and mediation improves how staff relate to the community and can help minimize potentially violent or challenging situations.

Body Worn Camera Usage

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

but not limited to: assisting law enforcement personnel in the performance of their duties by obtaining documentary evidence for criminal investigations; providing enhanced accountability for employees and



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

Prior FY 2017-18 Accomplishments

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

-
- | | |
|---|-------------|
| • Took over law enforcement services for Roseland following the annexation. | 6,7 |
| • Utilized a strategic program in partnership with other city departments and community groups to address large homeless encampments. | 6,7 |
| • Implemented an improved body-worn camera system that provides greater efficiency for staff. | 6,9 |
| • Worked with other stakeholders and staff to develop policy and processes for the legalization of cannabis. | 9,10 |
| • Developed a social media program to extend the department's outreach in the community. | 6,9 |
| • Developed a training and testing program for Spanish language hosted within the department | 7 |
| • Staff managed the impacts of the October wildfires, EOC operations, and entry into areas. | 2,6 |

Looking Ahead

In April 2018 a group of six entered the Police Academy, which will start the Police Department's FY 2018-19 off with a continued focus on active recruitment of new staff members. Training and onboarding of new staff will help will alleviate impacts associated with upcoming retirements. The department will also continue to look at its infrastructure needs, including the Public Safety Building and the aging radio system, with a goal toward increasing interoperability with other area agencies. An upcoming update to a staffing study will help determine if the zones, or "beats" in the City will need adjusting, and point to ways we can effectively deploy our officers and other staff to attain maximum efficiency and coverage.

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Recreation & Parks

Mission

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

Department Description

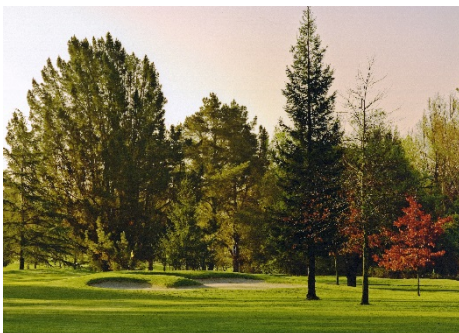
General Administration – The Administration service unit provides central management, administration, and executive oversight for the Department, and includes marketing and outreach functions. The Public Art Program, and City special event permits are also administered in this unit.

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

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



Fee-Based Recreation – The Fee-Based Recreation service unit delivers athletics, camps, and off-site leisure instruction. Wa-Tam, Yu-Chi, Doyle Adventure, and Camp Kennedy for differently abled youth are camps featured in the summer, as are a myriad of other youth programs. T-ball, soccer, basketball and tennis are offered for youths. Adult softball is the largest program in Northern California. Sport field and court permits are administered through this unit.



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

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

Recreation & Parks

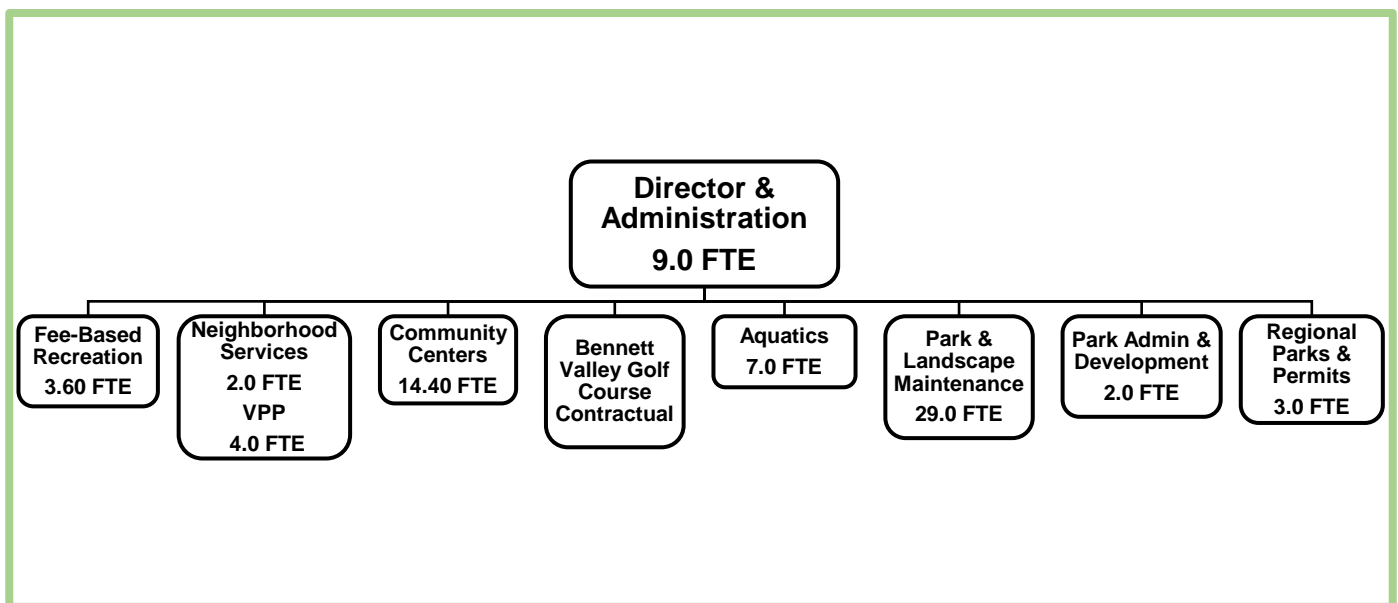
Community Centers – The Community Centers service unit operates, prepares, and rents the City’s community centers (Finley and Steele Lane), senior centers (Person Senior Wing and Bennett Valley), historic buildings (Church of One Tree and De Turk Round Barn), clubhouses (Franklin and Doyle) and four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

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



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

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

- Prepare community-based designs and FEMA grant applications to rebuild City parks properties destroyed or damaged in the Tubbs/Nuns fires:
 - Community Parks: Howarth and Nagasawa 2, 5
 - Neighborhood Parks: Coffey, Rincon Ridge, Fir Ridge, and Francis Nielsen Ranch
 - 41 acres of damaged roadway landscaping and open space lands
- Assist the Parks Foundation fundraising efforts to rebuild burned parks 2, 5
- Prepare construction documents and bid Roseland Creek Community Park pathway project 5

Recreation & Parks

- Evaluate and align organizational structure within the Department's core services and adjust programming and staff resources to enhance the efficiency of services provided 1,9
- Implement Park Signage Replacement project 5
- Initiate the design/bid process for a new Aquatic Water Feature at the Finley Aquatic Center 5
- Coordinate the planning and implementation of a new neighborhood park and lighted synthetic turf soccer fields with the North Village II developer and Piner-Olivet School District 5
- Conduct a cost recovery study to determine the appropriate level of public subsidy for programs and rentals
- Install four automated irrigation controllers to improve water efficiency 5

Major Budget Changes

The FY 2018-19 Recreation & Parks budget is \$22.3M, a \$4.4M or 25% increase from last fiscal year's adopted budget. The General Fund portion of the budget increased by \$990K. The significant changes within the General Fund were salaries and benefits increased by \$303K and \$389K, respectively, primarily due to COLA increases. Also, for the first time in FY 2017-18, the General Fund began charging Administrative costs to Recreations & Parks as well as other non-administrative departments for services. This administrative cost increased by \$408K within the General Fund in FY 2018-19.

The vast majority of the overall Recreation & Parks increase is due to a \$3.3M increase within the Capital Improvement Fund. This increase is primarily due to various park projects throughout the city being funded.

In FY 2017-18, the Measure O Fund budget increased \$64K when compared against FY 2017-18 adopted budget. Similar to General Fund salaries, the increase was primarily due to COLA increases.

The Golf Course Fund budget is \$519K, a decrease of \$64K when compared to the FY 2017-18 adopted budget. This decrease was primarily due to decreased Debt Service interest payments made on lower principal balances. This decrease is also attributable to the Park Development Fees loan being paid off. As an Enterprise fund, the Golf Course fund generates revenue to cover all the expenditures and does not receive any General Fund support.

Recreation & Parks

Budget Summary

Expenditures by Program			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$1,590,485	\$3,005,043	\$3,579,794
Bennett Valley Golf Course	\$504,311	\$488,998	\$454,903
Neighborhood Services	\$1,059,130	\$1,237,066	\$1,324,518
Fee-Based Recreation	\$634,716	\$417,184	\$1,187,327
Parks and Landscape Maintenance	\$5,015,394	\$6,132,207	\$6,324,636
Community Centers	\$2,276,890	\$2,499,487	\$2,365,637
Facilities	\$368,358	\$0	\$0
Aquatics	\$1,444,191	\$1,606,513	\$1,643,033
Park and Administration Development	\$118,695	\$203,260	\$0
Regional Parks & Permits	\$1,055,511	\$1,078,117	\$805,662
CIP and O&M Projects	\$2,917,082	\$1,239,783	\$4,660,180
Total	\$16,984,763	\$17,907,658	\$22,345,690

Expenditures by Category			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Request
Salaries	\$6,331,481	\$6,896,059	\$7,221,484
Benefits	\$2,620,964	\$2,722,981	\$3,138,887
Professional Services	\$1,411,247	\$1,771,543	\$1,739,599
Vehicle Expenses	\$492,959	\$462,412	\$462,362
Utilities	\$1,023,326	\$1,155,295	\$1,149,020
Operational Supplies	\$869,689	\$767,081	\$782,215
Information Technology	\$491,162	\$597,681	\$563,997
Debt Service	\$455,392	\$455,254	\$390,556
Liability/Property Insurance	\$15,481	\$8,564	\$10,682
Other Miscellaneous	\$253,400	\$263,675	\$253,154
Indirect Costs	\$53,386	\$35,665	\$33,307
General Fund Administration	\$0	\$1,426,665	\$1,835,072
Capital Outlay	\$49,194	\$105,000	\$105,175
CIP and O&M Projects	\$2,917,082	\$1,239,783	\$4,660,180
Total	\$16,984,763	\$17,907,658	\$22,345,690

Recreation & Parks

Expenditures by Fund			
Funding Source	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Request
General Fund	\$12,963,175	\$15,377,188	\$16,367,318
Art In-lieu Fee	\$45,696	\$28,567	\$223,343
Measure "O" - Recreation	\$602,317	\$724,582	\$788,917
Change For Kids Fund	\$12,127	\$21,805	\$20,090
Capital Improvement Fund	\$2,730,007	\$1,074,005	\$4,380,180
St. Francis Knolls	\$560	\$4,792	\$4,863
Stony Ranch	\$779	\$11,325	\$11,396
The Orchard at Oakmont	\$17,897	\$30,261	\$27,457
Sandra's Place Tax District	\$515	\$0	\$0
Woodbridge Tax District	\$6,091	\$8,797	\$9,868
North Village I Special Tax District	\$784	\$6,797	\$6,868
Kawana Springs 6 Special Tax District	\$1,383	\$5,984	\$6,126
Bennett Valley Golf Course Operations	\$154,052	\$126,989	\$64,347
Taxable Golf Bond Debt Services	\$129,368	\$129,056	\$129,056
Tax-exempt Golf Bond Debt Services	\$262,780	\$262,953	\$261,500
Railroad Square Maintenance Fund	\$50	\$44,626	\$44,361
Expendable Fund-Interest Allocation	\$4,517	\$12,054	\$0
Expendable Fund-No Interest Allocation	\$52,665	\$37,877	\$0
Total	\$16,984,763	\$17,907,658	\$22,345,690

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	85.15	93.15	74.00	74.00	74.00

Performance Measures

Indicators	FY 2015-16 (actual)	FY 2016-17 (actual)	FY 2017-18 (estimated)
Percentage of cost recovery through usage fees during fiscal year	24%	29%	22%
Number of people attending permitted park events (facility bookings) annually	NA	408,169	410,000
Number of people awarded scholarships annually	NA	419	456
Number of volunteers annually	NA	771	800
Dollar amount of park and ground maintenance expense per capita	\$ 29.32	\$ 30.01	\$30.00
Number of activity registrations	NA	54,130	55,000

Recreation & Parks

Prior FY 2017-18 Accomplishments

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

• Operated Finley Community and Aquatics Center as Primary City Emergency Shelter	6
• Implemented 'PerfectMind' Recreation Management System	9
• First Year Operation – Bayer Neighborhood Park & Gardens	5
• Completed Site Assembly of Roseland Creek Community Park	5
• Opened Olive Grove Apartments Afterschool Program – Burbank Housing Partnership	6
• Renovated Juilliard Park Ponds	7
• Galvin Park – New Tennis Lighting and Electrical System	5
• Opened Bayer Park Farm-to-Table Youth Education	7
• Purchased Howarth Train – ADA Coach Car	7

Looking Ahead

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

The Department needs to closely evaluate its core programs and identify areas where realignment of staff, programs and services will assist in maintaining publicly acceptable service levels as well as a sustainable budget model. Staff will be conducting comprehensive evaluations throughout the year to determine if organizational adjustments should be made.

As a service organization it is critical that the services and programs offered are convenient, available, and affordable based on the needs of the community. To ensure that both the City and community needs are properly addressed, it is critical that the Department routinely evaluate its fee schedule and cost recovery rate to ensure that the services and programs are in alignment with the industry and budgetary needs. The Department will initiate a consultant driven study to evaluate the Department's current fee structure and cost recover rates and compare to other public agencies that offer similar programs as well as local private providers and local agency providers.

Santa Rosa Water

Mission

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

Department Description

Santa Rosa Water (SRW) protects public health by sustaining water resources, infrastructure and the environment. The department protects and maintains the watershed, delivers safe, potable water, cleans and maintains sewer mains, and treats and beneficially reuses wastewater 24/7.

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

There are separate enterprise funds that finance each of these operations, divided into 10 Programs.

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.

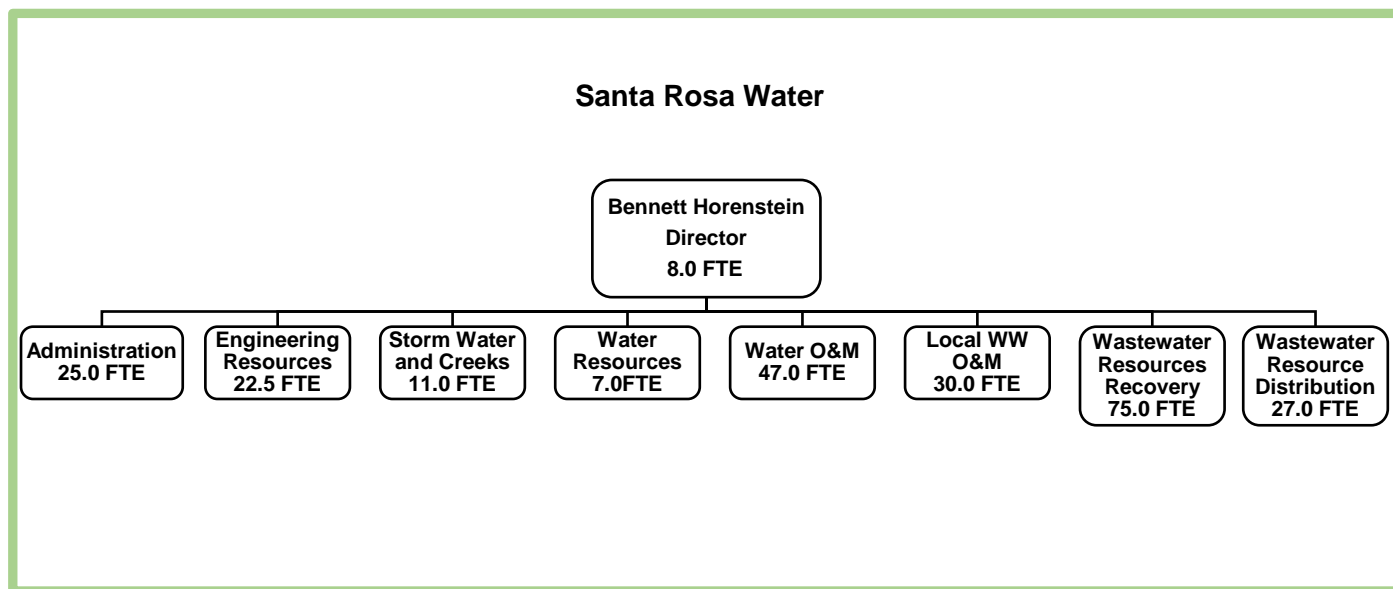
Debt Service – Pays down financing for large, long-lasting debt financed projects.

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

Santa Rosa Water

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

FTE by Program



Strategic Goals and Initiatives for FY 2018-19

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

• Public and environmental health	5/8
• Infrastructure sustainability and improvement	5
• Fiscal responsibility and cost effectiveness	1
• Replacement and repair of assets damaged by fire	2
• Communication, outreach and education (internal and external)	1
• Meet and exceed present and future regulations	8

Major Budget Changes

The Water and Wastewater funds are primarily financed by Santa Rosa Water ratepayer user fees and charges. Water rates approved by the Santa Rosa City Council, including a fixed charge increase of 5% and a wholesale pass-through increase of approximately 1.6% (for a combined increase of 2.3% for the average household), are considered sufficient for the 2018-19 Operations and Maintenance budget. Wastewater rate increases of 3% for both usage and fixed charges are considered sufficient for the 2018-19 Operations and Maintenance budget for both Wastewater and Subregional operations. The October 2017 wildfires and subsequent loss of 3,000 residences has impacted revenues, with losses expected to be 3-5% overall. The planned rate increases noted above for Water and Wastewater will help offset the fire losses. Revenues in total will be sufficient to cover enterprise operations budgeted expenditures, not including projects.

The wildfire disaster in October 2017 has also caused the need to reassign existing CIP funds and expend both Water and Wastewater's reserves to replace and repair damaged infrastructure caused by the fires. The reserves and fund balance will be sufficient until financial disaster relief is provided.

As a whole, the Santa Rosa Water department budget increased from FY 2017-18 to FY 2018-19 by \$44M, or 30%. This sharp increase can be explained by one-time project budgeting, namely a \$33M water main

Santa Rosa Water

replacement project that will repair damage caused by the October 2017 wildfires. Another \$7M diversion project for the Laguna Treatment Plant also contributes to the dramatic uptick in expenditures.

Aside from projects, the budgeted operations of the Water department have remained comparable to FY 2017-18. Staffing changes included the deletion of three vacant positions: 1.0 FTE Electrical Technician and 1.0 FTE Environmental Specialist, both in Wastewater Resource Recovery, and 1.0 FTE Senior Administrative Assistant in Administration. Two new positions were added, 1.0 Deputy Director Engineering Services in Engineering Resources and 1.0 Senior Buyer in Administration. Overall, the position additions and deletions resulted in a negligible change to salaries and benefits costs. Merit increases and cost of living raises contributed to the year over year growth of salary budget. Benefits rose almost \$900K due to PERS unfunded liability and retirement. Other benefits such as healthcare and worker's comp also contributed to the increase in benefits.

Utility Billing also acquired 2.0 FTE Customer Service Representatives with the Roseland Annexation mid-year 2017-18. While Utility Billing is part of the Finance Department, Water saw a subsequent increase in budgeted Utility Billing Services expenditures.

Changes in the Water Department service and supplies budget include a \$2.2M decrease in purchase of water, an outcome of Water's decision to ask Council for additional appropriations if needed during the year instead of budgeting a contingency for FY 2018-19. Operational supplies decreased by \$922K mainly due to one-time purchases of chemicals in FY 2017-18, as well as an effort to appropriate less funds to be more in line with actual spending. Indirect costs for the department increased by \$1.3M, driven by rising administrative salaries and benefits noted above, which are then re-allocated to other programs through department expenditures. Other increases and decreases in service and supply budget categories did not have a significant effect on the Department's FY 2018-19 budget.

The General Fund portion of Water's budget will increase \$258K in FY 2018-19 in an effort to adjust Stormwater's budget to match actual staff time spent on administrative functions as opposed to enterprise fund work. The significant increases in the Water, Wastewater and Subregional funds are all a result of O&M and CIP projects receiving significantly more funding in FY 2018-19 as compared to FY 2017-18. Salaries and benefits also increased in these funds, although not nearly to the extent of projects, and service and supplies had minimal changes by comparison. Projects in the Water funds will increase by \$25M, including \$33M for the water main replacement noted above, which is offset by decreased funding in other projects. Wastewater's O&M and CIP project budget is increasing by \$10M and Subregional's O&M and CIP project budget by \$7M.

The Utilities Administration Fund reorganized in FY 2018-19 to include a new program called Engineering Resources, which will oversee infrastructure planning. This new program is comprised of existing staff from other administrative programs, as well as the 1.0 FTE Deputy Director noted above. Increases to salary and benefits, including the new FTE, contributed to the majority of the \$1M increase in this fund.

Santa Rosa Water

Budget Summary

Expenditures by Program			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Administration	\$5,021,832	\$6,365,545	\$4,109,148
Purchase of Water	\$12,520,618	\$16,271,850	\$14,101,315
Storm Water and Creeks	\$1,704,930	\$2,206,078	\$2,414,246
Water Resources	\$958,208	\$1,237,773	\$1,168,197
Water O&M	\$13,721,594	\$16,560,478	\$17,794,643
Local Wastewater O&M	\$9,573,882	\$11,160,005	\$11,821,874
Wastewater Resource Recovery	\$19,994,555	\$23,418,412	\$24,422,780
Wastewater Resource Distribution	\$6,395,240	\$8,260,652	\$8,225,867
Debt Service	\$143,537,704	\$26,299,446	\$25,853,496
Engineering Resources	\$0	\$0	\$3,300,457
CIP and O&M Projects	\$27,719,681	\$34,311,525	\$76,627,735
Total	\$241,148,244	\$146,091,764	\$189,839,758

Expenditures by Category			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$17,954,455	\$20,446,096	\$21,762,497
Benefits	\$9,414,412	\$10,762,070	\$12,354,418
Professional Services	\$2,370,136	\$3,629,577	\$3,822,549
Utility Billing Services	\$3,875,213	\$4,191,731	\$4,538,186
Vehicle Expenses	\$2,571,907	\$3,280,978	\$3,059,623
Utilities	\$4,940,939	\$5,368,598	\$5,662,007
Purchase of Water	\$12,520,221	\$16,271,850	\$14,101,315
Operational Supplies	\$3,498,409	\$5,519,351	\$4,597,691
Information Technology	\$1,812,359	\$2,075,870	\$2,413,363
Debt Service	\$143,690,952	\$26,717,124	\$26,271,174
Liability & Property Insurance	\$754,440	\$776,798	\$860,619
Other Miscellaneous	\$1,374,020	\$2,143,937	\$2,132,428
Indirect Costs	\$8,616,910	\$10,262,259	\$11,578,653
Capital Outlay	\$34,190	\$334,000	\$57,500
CIP and O&M Projects	\$27,719,681	\$34,311,525	\$76,627,735
Total	\$241,148,244	\$146,091,764	\$189,839,758

Santa Rosa Water

Expenditures by Fund			
	2016 - 2017 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$466,796	\$329,069	\$587,524
Capital Improvement Fund	\$174,581	\$625,226	\$362,032
Stony Ranch	\$161	\$2,000	\$2,000
Woodbridge Tax District	\$700	\$2,000	\$2,000
Kawana Springs 6 Special Tax District	\$161	\$4,000	\$4,000
Kawana Town Center Special Tax	\$0	\$600	\$600
Utilities Administration Fund	\$6,233,441	\$7,869,070	\$8,869,302
Water Utility Operations	\$27,798,437	\$33,171,638	\$32,103,768
Water Capital Fund	\$8,556,278	\$13,320,000	\$38,668,000
2001 WW Bonds - Water Portion	\$178,124	\$0	\$0
2008A Water Bond Debt Service	\$873,776	\$874,494	\$871,694
2008A Water Construction	\$308,507	\$0	\$0
Local Wastewater Utility Fund	\$9,761,428	\$11,866,300	\$12,498,700
Local Wastewater Capital Fund	\$4,400,937	\$11,715,000	\$22,060,000
2008A Local Wastewater Construction	\$539,748	\$0	\$0
Subregional Waste Operations	\$28,210,596	\$34,768,175	\$35,161,214
CEC Loan Debt Service Fund	\$103,048	\$103,127	\$103,127
Subregional Waste Capital	\$3,983,999	\$4,080,000	\$11,739,000
2016 WW Refunding Debt Service	\$9,529,651	\$10,342,775	\$11,724,050
2014 Wastwater Debt Service	\$2,535,120	\$1,025,300	\$1,025,000
2012 WW Refunding Debt Service	\$4,632,096	\$2,522,500	\$2,522,500
2014 Wastwater Construction	\$5,388,137	\$100,831	\$0
2008A Wastewater Debt Service	\$48,168,098	\$0	\$0
2008A Subregional Construction	\$128,812	\$0	\$0
2007A Wastewater Bond Debt	\$15,172,518	\$6,646,250	\$4,837,125
Storm Water Enterprise Fund	\$824,851	\$1,196,506	\$1,054,604
Storm Water -Creek Restoration	\$607,330	\$741,903	\$873,518
2007 Wastewater Bond Construct	\$16,008	\$0	\$0
2002B Subregional WW Debt Service	\$5,161,133	\$4,785,000	\$4,770,000
1998A Subregional WW - Construction	\$31,508	\$0	\$0
1993 WW Refunding Debt Service	\$1,382,913	\$0	\$0
2000 Geysers State Loan Debt	\$55,979,351	\$0	\$0
Total	\$241,148,244	\$146,091,764	\$189,839,758

Santa Rosa Water

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	239.50	243.50	249.50	253.50	252.50

Performance Measures

Regional Water Reuse*	2015	2016	2017
Billion gallons wastewater treated	5.7	6.6	7.4
Treated wastewater recycled	100%	100%	84%
Biosolids reused	100%	100%	100%
Environmental compliance inspections - grease related food industries	601	521	619
Number of people attending Treatment Plant educational tours	2,526	2,435	3,151
Laguna Lab annual proficiency acceptance rating	100%	98.8%	98.3%
Water Supply, Distribution and Quality*			
Miles of water main in system	619	619	620
Million gallons of water purchased	4,999	5,119	5,404
Million gallons metered water delivered	5,015	5,128	5,426
Million gallons water produced from well	390	400	426.6
Unaccounted for water	6.05%	6.92%	6.48%
Water Main repairs	20	17	11
Local Wastewater Collection*			
Miles of sewer main in system	590.0	589.7	591.0
Miles of sewer lines flushed	199.8	201.5	204.3
Miles of sewer lines rodded	8.2	6.8	7.9
CCTV inspection of sewer main miles	84.5	74.0	102.8
Sewer Main repairs	42	78	44
Sewer laterals repair/replace	56	55	24
Engineering**			
Number of water and/or sewer connection permits issued	371	45	147
Miles of water line replaced	1.14	6.2	0.36
System replaced	0.18%	1.1%	0.06%
Miles of sewer main replaced	0.86	6.47	0.66
System replaced	0.15%	1.1%	0.11%
Water CIP projects completed	10	16	4
Wastewater CIP projects completed	13	16	7
Laguna Treatment Plant CIP projects completed	3	2	3
Storm Water and Creeks Section **			
Educational creek related activities with youth	199	184	260

Santa Rosa Water

Volunteer creek cleanups	82	57	87
Cubic yards of debris removed from creeks	840	1,258	1,083
Illicit spill discharges responded to by SW Team	104	81	74
*Calendar Year figures			
**Fiscal Year figures			

Prior FY 2017-18 Accomplishments

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

- Staff served in the City's EOC and department DOC during the October fires to ensure facilities were kept as operational as possible to maintain water and sewer service. Staff continues to work on fire-related issues, including coordination with multiple City departments to protect the storm drain system and watersheds and installation of protective measures around more than 1,400 storm drain inlet structures within the burn scar areas, and coordination with regulators, industry experts and our customers to investigate a benzene contamination issue in an isolated portion of the Fountaingrove area. **2**
- During the first year of High Strength Waste Receiving Station operations, staff issued discharge permits, received and processed 5.1 million gallons (MG) of high strength waste from 1,607 trucks, coordinated billing that totaled \$1.4 million and generated 3,473,340 additional kWh of electricity worth \$382,000. **1**
- Managed an NPDES-compliant discharge of approximately 1.2 billion gallons (BG) of highly treated Title 22 compliant water from both Delta and Meadow Lane complexes.
- The Sewerman pollution prevention campaign received the California Association of Sanitation Agencies (CASA) Outreach Award.
- The Laguna Environmental Laboratory (LEL), an ELAP-certified laboratory (Environmental Laboratory Accreditation Program), demonstrated its proficiency by passing with a 98.3% score on 476 analytes. This is an annual requirement and tests involved water quality, wastewater, soils and hazardous waste sampling.
- Water-Use Efficiency staff, in collaboration with Storm Water & Creeks, completed and received approval on the plans and specifications for the grant-funded City Hall Sustainable Education Garden. Santa Rosa City Council unanimously approved a motion to award and authorized a construction contract for \$1,315,875.65 to Siri Grading and Paving. The project is now complete. **7**
8
- Since July 1, 2017, Water Engineering Staff reviewed 220 building permits for Water-related comments, created 157 Water permits, processed 143 meter requests, completed 20 plan checks, completed 63 WELO inspections and completed 525 inspections. Completed inspections are 50% more so far this fiscal year than all of the prior year. Many of these permits were for housing starts. **1**
- Successfully applied for a Proposition 1 grant to help fund an examination of Freeway Well and the area around it to more fully characterize the groundwater contamination problem, better understand the lithology and deep aquifer hydrology and provide additional groundwater sampling and data analysis to develop alternatives for groundwater cleanup and/or groundwater protection. **1**
5
8
- Published the Final Subregional Energy Optimization Plan (EOP) which prioritizes projects for further investigation and implementation, memorializes projects already started or completed and describes projects the department will not pursue, and why. **8**
- Selected Azteca's Cityworks Enterprise Asset Management System to replace the existing Hansen 7 software which will assist with making better business decisions, work tracking, asset lifecycle maintenance and cost-efficient purchases. The software will also make disaster recovery and FEMA reporting more efficient **5**
- Storm Water & Creeks staff abated 100 active homeless camps and 166 abandoned camps along waterways in coordination with Catholic Charities and the Police Department to reduce trash and **8**

Santa Rosa Water

pollutants from entering waterways. Staff also provided inspection services for the clean-up of the Farmers Lane Extension Encampment.

- The Creek Stewardship Program, including City staff, volunteers, youth corps and the County Probation Department, removed 680 cubic yards of trash from waterways and the storm drain system. 8
- Water-Use Efficiency staff completed four Sustained Reduction Rebates for Santa Rosa Water Commercial, Industrial and Institutional customers, including Amy's Kitchen, Sonoma County Fairgrounds, Sunset Linen and Suntrek Tours.
- Water Resources staff worked with stakeholders and policymakers from nine different agencies in the Santa Rosa Plain to establish the Santa Rosa Plain Groundwater Sustainability Agency (SRP GSA) in compliance with the 2014 Sustainable Groundwater Management Act, participated on the Advisory Committee to the SRP GSA and on the staff work group to support the Interim Administrator. 8
- Energy & Sustainability staff coordinated the City's 8th annual Earth Day On Stage festival. Over 4,000 attendees, 61 community volunteers, 58 earth- and eco-friendly booths, 11 City booths and approximately 26 sponsors, totaling over \$10,000 in sponsorships and in-kind services, made possible a day of fun activities, live performing arts, great food and inspiring exhibits that raised environmental awareness. 10
- The Take it From the TAP! program has reached more than 3,000 students in over 15 schools, after-school programs and summer camps in Santa Rosa since the beginning of fiscal year 2017/18 and each student received a reusable water bottle. Additionally, with the TAP! Hydration Station's presence at many local events, including Earth Day and the St. Patrick's Day 5K Run, community members have received over 4,500 reusable bottles. 6
9
- Well production at the Farmers Lane Well Treatment Plant was 411.73 million gallons (MG) in fiscal year 2016-17. The facility operated for 208 days with a daily average production of 1.98 million gallons per day (MGD).
- As part of the effort to reduce sanitary sewer overflows (SSO's), Local Operations crews cleaned a total of 244 miles of the wastewater collection system. This breaks down to 201 miles of zone cleaned as part of the five-year cleaning program that includes all mains ranging from 6" all the way up to 36" in diameter, along with 8.64 miles that are rodded to clean and 43 miles as part of the repetitive maintenance programs that are on monthly, quarterly, six-month and yearly schedules. 5

Looking Ahead

Infrastructure and Financial Planning and Prioritization – The City, as the rest of the country, has realized the growing need to invest more in aging infrastructure. Santa Rosa Water has been conducting studies on the water and wastewater systems as well as the Subregional reuse treatment plant to determine the extent of replacement/improvement needs for the assets in each system. Through these and continuing studies, Santa Rosa Water will prioritize and plan through a new division created from a reorganization of the existing department. The new division, Engineering Resources, will be focused on infrastructure planning and prioritization.

A long-range financial plan will be developed to determine the most cost-effective way to fund the infrastructure needs as well as maintain the financial stability of the department. The long-range plan will be created with a 10-year look at all aspects of the organization to develop rate plans, revenues and pay as you go and debt financing scenarios for capital improvement programs. The financial plan will be developed with the ability to manipulate various factors to determine the effects of rate modifications, debt service, funding and revenue increases on financial stability.

Regulatory Permit Renewals for the Laguna Wastewater Treatment Plant – The Laguna Wastewater Treatment Plant and Water Reclamation System (LTP) anticipates the renewal of two significant regulatory

Santa Rosa Water

permits during the next budget year. The LTP National Pollutant Discharge Elimination System (NPDES) Discharge Permit (LTP Permit) renewal application is due August 2018. Staff has reviewed existing permit terms and conditions and will pursue increased operational flexibility for the next term. In addition, an alternative compliance strategy to the existing “No Net Loading of Phosphorus” permit requirement is being sought. 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 requirement. The NOP 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.

The LTP’s Title V Air Quality Permit is also in the process of renewal. As LTP energy systems have grown in complexity, there has been a commensurate increase in air quality requirements. The Title V permit renewal application seeks to enhance maintenance and operation provisions for emissions abatement devices. Long-term cost impacts associated with the permit renewal cannot yet be determined.

Rebuilding (Water Contamination Issue) – On October 8th and 9th, 2017, the Tubbs wildfire burned through large portions of the northern part of the City of Santa Rosa destroying approximately 3,000 residential and commercial structures. The burned areas, including the Fountaingrove neighborhood, were mandatorily evacuated until the beginning of November. On November 8th, Santa Rosa Water received a taste and odor complaint from one of the residents in the burned area of Fountaingrove. In response, Santa Rosa Water staff took water samples and found contaminants including benzene, a volatile organic compound (VOC) that was never before detected in Santa Rosa’s water system. Benzene was detected at levels above the allowable regulatory limit. Working with our State regulator, Santa Rosa Water immediately isolated the contaminated area and issued a water quality advisory for the contaminated area.

Working with our regulators, the State Water Resources Control Board Division of Drinking Water and the Environmental Protection Agency, national experts and a forensic chemist conducted a very methodical investigation, and it has been concluded that the fire caused the contamination. The contamination is from a combination of thermal degradation (i.e., melting, burning, and pyrolysis) of plastic pipes and/or entry of ash, soot, and other debris into the City’s water system during the fire. These contaminants were then back-siphoned into the water system where they were absorbed into and/or adsorbed onto components of the water infrastructure, such as pipes and gaskets.

As Santa Rosa Water deepened the investigation to include all of the burned areas, isolated contamination of water services to destroyed properties has been found in some locations outside of the water quality advisory area. The isolated contamination outside of the advisory area is different than the findings in the water quality advisory area as the contamination has been limited to water service lines and has not been found in the mains.

Resolving the contamination is of vital importance to the community and the rebuild effort. Santa Rosa Water staff is working closely with Capital Projects Engineering, national experts, our regulators, and the Federal Emergency Management Agency (FEMA) to identify the most expedient option for replacing the entire infrastructure within the water quality advisory area. Outside of the advisory area, Santa Rosa Water staff is replacing water services to eliminate the contamination.

GSA – The Sustainable Groundwater Management Act (SGMA) required some groundwater basins, including the Santa Rosa Plain basin, to form Groundwater Sustainability Agencies (GSAs) by June 30, 2017. GSAs are required to sustainably manage the groundwater basin and develop a groundwater management plan. In the Santa Rosa Plain basin, 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 the Santa Rosa Plain GSA to comply with SGMA.

SGMA requires that Groundwater Sustainability Plans (GSP) be developed and submitted to the State by January 31, 2022 and that groundwater basins achieve sustainability by January 2042. During its initial

Santa Rosa Water

year, the Santa Rosa Plain GSA has been focused on developing the structure and organization of the GSA, as well as pursuing grants for assistance with developing the GSP. In addition, the Santa Rosa Plain GSA is focusing on funding. The GSA is a self-funded agency, with the initial funding for the first two years coming from each of the member agencies of the GSA. The GSA is working with a rate consultant to explore options for rates and fees to provide funding for the GSA after the first two years. Adopting a rate and/or fee will be one of the top priorities of the GSA in FY2018/19.

Total Maximum Daily Load Impacts on NPDES Permit Requirements –

A Total Maximum Daily Load (TMDL) is a regulatory term in the Clean Water Act describing a “water quality clean-up” plan for restoring polluted waters. TMDLs generally include pollution prevention/reduction plans referred to as Action Plans and identify the maximum amount of a pollutant that a body of water can receive while still meeting water quality standards. The North Coast Regional Water Quality Control Board is currently developing two TMDLs with potentially significant impacts to the LTP NPDES Discharge Permit and the City NPDES Storm Water Permit (SW Permit). These include the Russian River Pathogen Indicator Bacteria TMDL (Pathogen TMDL) and the Laguna de Santa Rosa TMDL for Nutrients (Nutrients TMDL).

The Russian River watershed is impaired for sediment, temperature and pathogen indicator bacteria. Monitoring from the river and its tributary creeks reflects widespread contamination with bacteria and other indicators of human waste. In August 2017, a draft Action Plan for the Pathogen TMDL was issued for public comment. The proposed plan identified Recycled Water Holding Ponds as proposed bacteria sources which represents potentially significant and far-reaching implications on the City’s recycled water program. In a written response to the draft Action Plan, the City expressed concern about the lack of monitoring data related to pathogens in recycled water storage ponds and asked the RWB to phase the proposed Action Plan to first address the major known contributors of pathogens in the watershed (on-site waste treatment (septic) systems along the Russian River) and allow additional monitoring of recycled water storage ponds. The Action Plan would be modified as monitoring data determined appropriate. Long-term associated cost implications to the City’s recycled water program may be significant.

The Pathogen TMDL may also impact the SW Permit which currently requires implementation of a *Pathogens in Storm Water Runoff* Special Study that will inventory, monitor, investigate and, ultimately, determine cost-effective, appropriate actions needed to reduce pathogens in storm water runoff within the City. Cost implications cannot be determined until additional water quality monitoring data is collected.

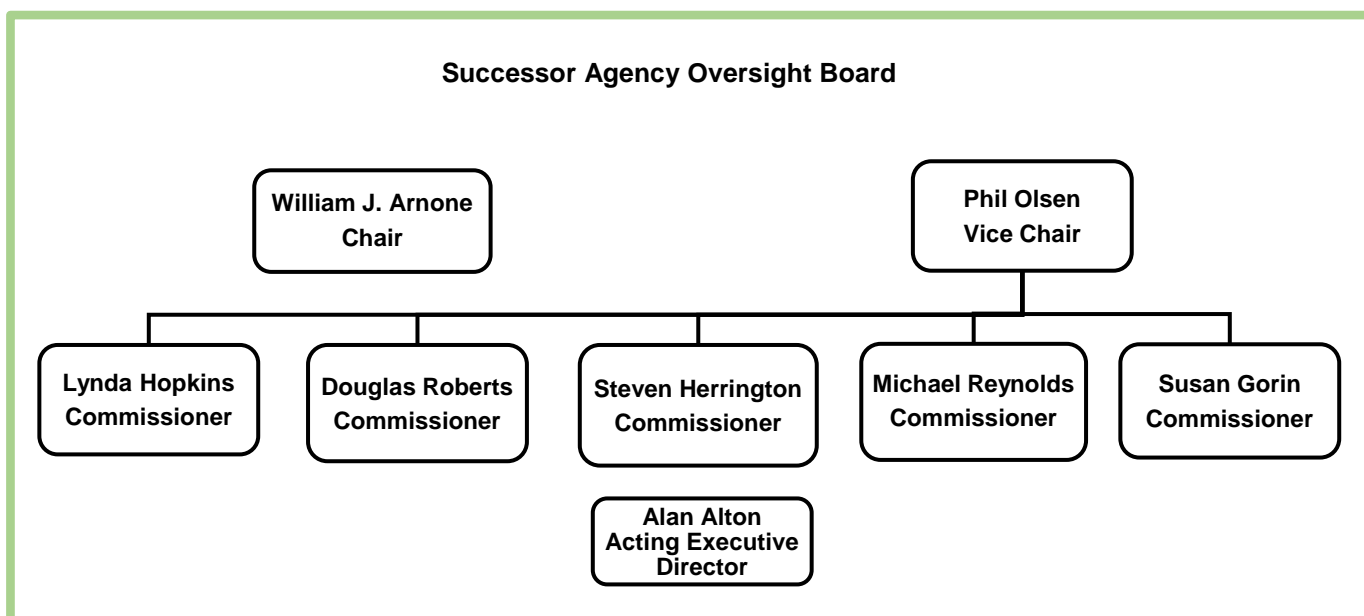
The second TMDL under development is the Nutrient TMDL. The Laguna de Santa Rosa watershed is impaired for phosphorus, dissolved oxygen, temperature, mercury and sediment. Regional Water Board staff have been studying impaired water quality conditions in the Laguna and working on the TMDL for decades. Santa Rosa Water continues to offer support for development of the TMDL to ensure scientific rigor in establishing long-term regulatory requirements and justify long-term ratepayer expenditures. Under the existing LTP Permit and likely until the TMDL is completed, LTP discharges are prohibited to add any phosphorus to the Laguna. This discharge limitation is perhaps the most restrictive and difficult to achieve phosphorous limit in California and ranks as one of the most stringent in the nation. Compliance with this provision currently relies on a three-fold strategy: 1) reducing discharges through implementation of an extensive recycled water reuse program, 2) reducing the amount of phosphorus in LTP effluent, and 3) implementation of the Nutrient Offset Program which offsets the amount of phosphorus discharged by the LTP through reducing a comparable amount of phosphorus elsewhere in the watershed. The Nutrient Offset Program relies on a risk-based forecast which calculates the amount of credits needed, essentially leaving the City vulnerable to non-compliance if severe weather or other unforeseen conditions dictate higher than predicted annual discharges with higher than anticipated phosphorus offset needs. Considering the severity of nutrient impairment within the Laguna watershed, the cost implications with existing and future phosphorus requirements is expected to be significant.

Nutrient TMDL cost implications to the SW Permit requirements are currently not known.

Successor Agency to the Former Redevelopment Agency

Description

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



Strategic Goals and Initiatives for FY 2018-19

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

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

Major Budget Changes

The FY 2018-19 Successor Agency budget is \$3.3M, a decrease of (\$793K), or -19.4%, over the prior year's adopted budget. The primary change occurred in Service and Supplies within Debt Service (down \$793K) for the Brownsfield Loan (ROPS).

Successor Agency to the Former Redevelopment Agency

Budget Summary

Expenditures by Program			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$3,622,448	\$4,088,901	\$3,295,762
Total	\$3,622,448	\$4,088,901	\$3,295,762

Expenditures by Category			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Professional Services	\$37,122	\$254,600	\$254,850
Debt Service	\$3,577,330	\$3,834,301	\$3,040,912
Liability/Property Insurance	\$7,996	\$0	\$0
Total	\$3,622,448	\$4,088,901	\$3,295,762

Expenditures by Fund			
Funding Source	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
SA RDA Oblig Retirement Fund	\$3,622,448	\$4,088,901	\$3,295,762
Total	\$3,622,448	\$4,088,901	\$3,295,762

Prior FY 2017-18 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

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

Traffic Engineering – Comprised of three sections: Traffic is responsible for planning street signs, striping, and signal timing throughout the City's 540 miles of streets. Its goal is to provide an effective and efficient facility for transportation, regardless of the mode: pedestrian, bicycle, or vehicle. The Traffic Engineering Division provides the staff support for the Bicycle and Pedestrian Advisory Board; Electrical Maintenance maintains traffic signals, street lights, and electrical systems in City-owned facilities; and Materials Engineering.



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

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 Facilities Maintenance.

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



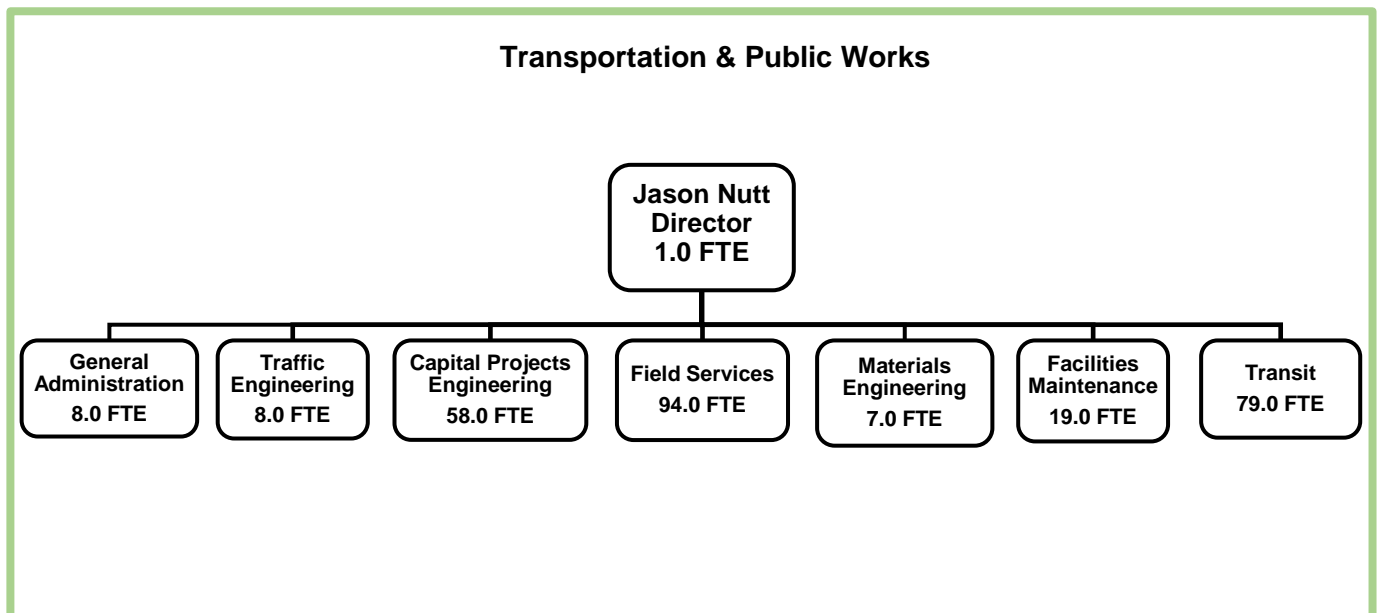
Capital Projects Engineering – Responsible for design and construction of projects to rehabilitate, upgrade and expand the City's infrastructure. Engineering and technical staff in this division are committed to enhancing water, sewer and drainage systems, transportation networks, parks and other City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

Transportation & Public Works

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 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 2018-19

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

Pavement Preservation

- The replacement value of the city's pavement is about \$1 billion. To keep that asset in good repair, we should be spending about \$18 million dollars annually. Instead the City typically spends about \$4.5 million annually. We are falling behind \$13.5 million per year. 5
- Leverage Senate Bill 1 funding from the State to produce more pavement projects. 5

Field Services

- Further develop and implement capital replacement and building maintenance programs. 5
- Create Maintenance and Planning Service Agreements for all City facilities. 5,9
- Staff and execute street and storm drain maintenance programs for the Roseland Annexation. 5
- Assist Asset Management staff with implementation of new city-wide CMMS (Cityworks). 9
- Continue to refine and measure benchmark core service and delivery models. 9

Outside Funding

- Maximize use of outside revenue sources to maintain an active Capital Improvement Program (CIP) and address infrastructure needs by securing grant revenues equaling 61% of the budgeted Public Works Department CIP.

Transportation & Public Works

Total Public Works CIP	Grant %
FY 2017-18 \$12,255,330	61%
FY 2016-17 \$13,592,932	24%
FY 2015-16 \$ 6,962,075	48%

Transit

- Continue to move Transit Division towards a sustainable capital and operating budget and funding model.
- Participate in the Sonoma County Transit Integration and Efficiency Study to identify opportunities for improved customer service and efficiency through coordination.
- Monitor, analyze, and make changes as needed to optimize the new fixed-route Transit system.
- Identify options for incorporating alternatives to fixed-route Transit services, such as Transportation Network Companies and real-time demand response service models, in order to improve mobility and efficiency.
- Develop and promote additional Transit pass products for institutions and employers.
- Identify actions and resources necessary to support electrification of the Transit fleet.

Major Budget Changes

The Transportation & Public Works Department has four primary funding sources: the General Fund, the Transit Enterprise Funds, the Capital Improvement Fund, and the Equipment Repair and Replacement Internal Service Funds. The FY 2018-19 department budget is \$66.5M, up \$6.6M, or 11.0%, over the prior year's adopted budget.

The General Fund budget is \$21.3M, an increase of \$1.6M, or 7.9%, over the prior year's adopted budget. The largest increase occurred in Salaries and Benefits, adding \$1.4M, or 12.6%, over the year. 4.0 FTEs (1.0 FTE Senior Maintenance Worker and 3.0 FTE Skilled Maintenance Workers) were added for the Roseland Annexation at Mid-Year, a reclass of 1.0 FTE Assistant Engineer to 1.0 FTE Associate Civil Engineer, and the transfer of 1.0 FTE GIS Analyst to the IT department contributed to the net growth in Salaries and Benefits. Additionally, a 3% cost-of-living adjustment (COLA) was approved Mid-Year FY 2017-18 and for FY 2018-19. Other predominant budget changes are new support costs in relation to Roseland Annexation, which added \$364K in Streets Surface Repair and \$116K in Capital Outlay vehicles.

A growth of \$1.4M, or 11.2%, occurred in the Equipment Repair and Replacement Funds to fund a budget total of \$13.4M in FY 2018-19. While COLA increases were accounted for, Salaries and Benefits experienced a reduction of 3.5 FTEs (0.5 FTE vacant Equip Service Worker and 3.0 FTE vacant Equipment Mechanics II) in Fleet Services, netting to a slightly lower increase in this category. Service and Supplies grew by \$174K, or 5.8%, mainly due to Vehicle Expenses for vehicle maintenance parts and labor and towards a savings account to fund the replacement of City fleet vehicles and equipment (up \$150K). Capital Outlay rose by 936K to replace vehicles in the City's fleet.

The Transit Enterprise Funds FY 2018-19 budget is \$13.4M, declining (\$793K), or -5.6%, over the FY 2017-18 budget. Salaries and Benefits increased \$571K, or 7.1%, mainly due to the COLA increases. Services and Supplies declined (\$1.0M), or -20.5%. While reductions occurred in Transportation Purchases (down \$50K) and Vehicle Expenses (down \$225K), a large part of the decline is Transit's plan to have anticipated unspent funds of (\$848K) through cost reduction measures. Moreover, CIP & O&M projects declined by (\$438K) as no projects are planned in FY 2018-19.

Transportation & Public Works

The Capital Improvement Fund increased by \$4.2M, or 34.6%, to a budget total of \$16.5M in FY 2018-19. The main reason for the increase is in large part from SB1 funds (The Road Repair and Accountability Act of 2017), which added \$2.9M to projects in FY 2018-19 for the Pacific Avenue Reconstruction and SMART Hearn Multi-Use Crossing. Additionally, \$662K in annual street funding was received by the County of Sonoma for paving and road work in the Roseland Annexation area. This \$662K in annual street funding will continue for a total of ten years from the County.

Budget Summary

Expenditures by Program			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Administration	\$1,151,758	\$1,197,283	\$1,340,415
Traffic	\$1,212,101	\$1,407,688	\$1,504,198
Engineering Development Services	\$417	\$0	\$0
Capital Projects Engineering	\$3,322,177	\$2,799,487	\$3,104,081
Field Services	\$15,790,366	\$22,393,106	\$24,904,063
Materials Engineering	\$470,432	\$563,798	\$655,580
Transit	\$12,658,102	\$13,764,890	\$13,409,701
Facilities	\$3,513,678	\$3,992,231	\$4,044,273
CIP and O&M Projects	\$23,889,183	\$13,790,589	\$17,511,768
Total	\$62,008,214	\$59,909,072	\$66,474,079

Expenditures by Category			
	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
Salaries	\$14,249,079	\$14,866,063	\$15,976,464
Benefits	\$7,844,045	\$8,410,466	\$9,595,970
Professional Services	\$1,234,464	\$1,240,078	\$1,290,459
Vehicle Expenses	\$3,974,610	\$4,652,945	\$4,667,621
Utilities	\$2,251,555	\$2,672,647	\$2,653,147
Operational Supplies	\$2,742,151	\$3,168,644	\$3,231,669
Information Technology	\$987,653	\$1,040,304	\$1,095,050
Liability/Property Insurance	\$341,802	\$370,192	\$357,262
Other Miscellaneous	\$440,844	\$544,740	-\$264,327
Transportation Purchase	\$1,162,989	\$1,402,374	\$1,352,760
Indirect Costs	\$1,724,824	\$1,770,496	\$1,969,631
General Fund Administration	\$0	\$1,405,134	\$1,410,705
Capital Outlay	\$1,165,015	\$4,574,400	\$5,625,900
CIP and O&M Projects	\$23,889,183	\$13,790,589	\$17,511,768
Total	\$62,008,214	\$59,909,072	\$66,474,079

Transportation & Public Works

Expenditures by Fund			
Funding Source	2016-17 Actual	2017 - 2018 Budget	2018 - 2019 Budget
General Fund	\$16,805,621	\$19,715,881	\$21,280,987
Transit - Special Revenue Funds	\$176,996	\$248,109	\$244,556
Capital Improvement Fund	\$21,687,390	\$12,255,330	\$16,497,809
Utilities Administration Fund	\$1,264,946	\$908,902	\$1,071,732
Municipal Transit Fund	\$11,393,985	\$12,199,666	\$11,889,584
Transit Capital Fund	\$456,910	\$438,090	\$0
Paratransit Operations	\$1,264,117	\$1,565,224	\$1,520,117
Storm Water Enterprise Fund	\$406,857	\$507,148	\$541,893
Equipment Repair	\$5,541,491	\$6,205,903	\$6,456,546
Equipment Replacement Fund	\$3,009,901	\$5,864,819	\$6,970,855
Total	\$62,008,214	\$59,909,072	\$66,474,079

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

Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Full-Time Equivalent	275.50	270.50	277.50	274.50	274.00

Performance Measures

INDICATORS:	FY 2015-16	FY 2016-17	FY 2017-18
Grant Revenues Secured	\$3.3M	\$3.2M	\$7.5M
Travel Time Along 5 Major Arterial Streets (PM Peak)			
College/West College Ave Cleveland Avenue to 4 th Street	3:22	3:18	3:28
Guerneville Road/Steele Lane Range Avenue to Illinois Street/County Center Drive	2:17	2:01	1:53
Mendocino Ave College Ave to Steele Lane	3:40	3:55	4:21
Santa Rosa Avenue Baker Overcrossing to Yolanda Ave	2:21	2:31	2:22
Stony Point Road West College Avenue to Hearn Avenue	6:38	6:18	9:50*
Capital Projects Engineering	2015	2016	2017
Total Construction Project Expenditures	\$19.4M	\$25.0M	\$15.0M
% CIP Projects completed within 5% of baseline budget	35%	69%	87%
Average construction contingency spent on CIP projects	7.9%	2.5%	10.8%
CIP Projects completed within 2 mo. of baseline schedule	100	88%	87%
Overall satisfaction with construction projects (new)	N/A	88%	87%
Transit	2015	2016	2017
Routes meeting new system productivity standards	N/A	N/A	2

Transportation & Public Works

Average systemwide on-time performance of 90%	86	85	86
Paratransit passengers/hour equal or greater than 2.4	2.45	2.45	2.43
Fleet Services			
<i>Mechanic productivity</i> : goal 1500 hours/mechanic/year; actual 1479 hours			
<i>Vehicle Downtime</i> : goal under 5%; actual 4.2%			
<i>Preventive Maintenance (PM's) Performed On-time</i> : goal 90%; actual 81%			
<i>Scheduled versus Non-Scheduled Repairs</i> : goal (60% or higher) versus (40% or lower); actual 65%/35%			
<i>Annual Parts Inventory Turn (annual sales/inventory value)</i> : goal 4-6; actual 3			
<i>Parts Fill Rate</i> : goal 90% within 24 hours; actual 96.9%			

*Stony Point Rd south of Sebastopol under construction

Prior FY 2017-18 Accomplishments

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

-
- All approximately 12,000 cobra head street lights have been retrofitted; changing focus to retrofit decorative lights now. 5,8
 - Lead the public infrastructure recovery associated with the fire disaster. 2,5
 - Reorganized the Electrical and Facilities Maintenance sections to better-align with the TPW organizational structure and service delivery. 9
 - Facilitated the expansion of Sam Jones Hall to include 40 additional beds. 4
 - Completed a Service Agreement for the downtown City Hall campus. 5
 - Adapted to the TPW Director's assignment as Director of Recreation and Parks Department. 1
 - Completed a citywide facilities/building assessment study. 5
 - Met the mandated Measure M Maintenance of Effort (MOE) spending target to ensure \$1.2 million in annual grant funding. 1,5
 - Secured consultant and proceeding with updating the Bicycle and Pedestrian Master Plan. 5
 - City Hall Demonstration Garden and Low Impact Development LID retrofit. 5,8
 - Parking Garage #5 repairs. 5
 - Significant street and paving projects completed in FY 2017-18 include: 5
 - Contract and City Pavement Preventative Maintenance. 5
 - Annual Slurry Seal 2017. 5
 - Bridge Repair – Deck Treatment. 5
 - Neighborhoods Streets Initiative and Roseland Street Overlay. 5
 - Public health and safety is protected through upgrades to local sewer and water systems for fire protection, reliable drinking water and well-functioning sewer lines. Neighborhood and business area infrastructure upgrades (sewer, water, paving and some drainage and pedestrian improvements) completed in FY 2017-18 include: 5
 - Emergency Storm Drain Repair – Melbrook Way. 5
 - Water Pump Station #3 Modifications. 5
 - Emergency Sewer Lateral Plugging – Skyfarm and Hansford Court. 2
 - Emergency Storm Drain Replacement – 3680 Banbury Court and 3710 Newbury Court. 2
 - Emergency Storm Drain Repair – Hansford Court and Shelter Glen Way. 2
 - Emergency Storm Drain Repair – Giorno Court, Darlington Court, Crown Hill Drive and 2

Transportation & Public Works

Horizon View at Royal Manor.

▪ Emergency Storm Drain Repair – Lyon Court, Heathfield Place, Graystone Place and Dennis Lane.	2
▪ Farmers Lane Well Facility Pump Replacement.	5
▪ Farmers Lane Well Facility Rehabilitation.	5
• The Water Reuse System recycles wastewater from homes and businesses for beneficial reuse. Water Reuse System upgrades completed in FY 2017-18 include:	5
▪ Geysers Pipeline Stabilization – Eastside Road.	5
• Capital Projects for Bicyclists and Pedestrians completed in FY 2017-18 include:	5
▪ West Third Street bike lanes between Imwalle Gardens and Santa Rosa Creek.	5
▪ West Third Street bike lanes and sidewalk enhancements between B St and Morgan Street.	5
▪ 2016 Pavement Marking and Montecito Blvd Bike Enhancements.	5
▪ Pavement Markings 2017.	5
▪ Downtown Santa Rosa Streetscape.	5,10

Looking Ahead

The Streets Section of the Field Services Division will continue to balance their efforts between the Measure M MOE required to secure \$1.2M in annual grant funds, cost-effective reimbursement projects for the City such as trench patching and pedestrian ramps, and regular maintenance activities which now include the annexed Roseland area. Quickly securing additional staff and equipment will be a top priority.

Fleet Services will reduce staff by 3.5 FTE before the end of FY 2017-18. Two Mechanic and 0.5 Service Worker positions have been held vacant long-term. A third Mechanic position (recently vacated) is being eliminated after creating efficiencies with Transit staff to address their budget reductions. To sustain adequate coverage with reduced staff size (and after studying Sunday repair history), Fleet Services is eliminating the current Sunday shift. Any loss in Sunday productivity will be offset by assigning additional staff to the early Monday morning shift and/or, when necessary, Call-Back on Sunday.

The citywide facilities assessment will be the basis for the Facilities Section mission and work plan moving forward. The section will recommend and seek approval for specific capital and building maintenance programs, develop Service Agreements for all City facilities, identify buildings and structures that the City should consider divesting from or demolishing, and renew its commitment to reducing a long list of existing ADA-related improvements.

All three sections of the Field Services Division will be heavily involved with the citywide maintenance management system migration from Hansen to Cityworks.

Traffic Engineering in conjunction with the Traffic Signal shop are reviewing and determining a new traffic signal controller and system software to control the traffic signals. This software and controller will have future capabilities to electronically talk to vehicles as technology moves forward.

Capital projects will play a major role in the fire disaster recovery as we work to rebuild approximately \$100 million worth of damaged or destroyed public infrastructure. Significant projects include the replacement of the Fountaingrove area water system, Fire Station 5, sewer lift stations, street lights, the Coffey Park neighborhood park.

Transit continues to make progress in addressing its structural deficit through reductions in expenses throughout the Division. The passage of SB1 has resulted in an infusion of additional state funding to

Transportation & Public Works

support Transit operations in FY 2018-19; however, this funding source is currently subject to repeal effort. The Tubbs fire had a significant impact on CityBus ridership in the fall of 2017, and while system-wide ridership has largely recovered, the loss of residences and commercial enterprises in Coffey Park, along Hopper Avenue, and in the Fountaingrove neighborhood has resulted in ongoing reductions in ridership on two routes. The Transit Division continues to make minor adjustments to the new fixed-route system, and will prepare proposals for more significant adjustments based on system performance in FY 2018-19. The Division will also evaluate fare policy changes in the coming year, including a potential fare increase.

In addition, the department will continue to evaluate our performance measures and implement efficiencies as needed.

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

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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.

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Affordable Housing Policy

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

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

The annual amount to be designated shall be a figure arrived at by multiplying 25% times the estimated amount of Real Property Transfer Tax projected to be received by the City in that fiscal year.

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

Community Promotions Funding Policy

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

Debt Management and Disclosure Policy

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

This policy provides direction for City staff on management, ethical conduct and conflicts of interest, and integration into the City's Capital Improvement Program. The consideration of debt financing will occur when public policy, equity and economic efficiency 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.

Policies

In regard to market relationships, the City's Chief Financial Officer (CFO) is responsible for maintaining relationships with ratings agencies such as Moody's, Standard & Poor's, Fitch, and investors. In addition to general communication, the CFO will meet with credit analysts at least once per fiscal year and prior to each competitive or negotiated sale, offer conference calls with agency analysts regarding the planned sale. The CFO is responsible for including comments received from ratings agencies or investors in the City's Comprehensive Annual Financial Report to Council, with recommendations addressing any weaknesses. The City will remain in compliance of Rule 15C2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bond holders in a timely manner and the CFO will ensure timely filing with each Nationally Recognized Municipal Securities Information Repository and State Repository. The CFO will ensure that bond proceeds and investments are tracked in a manner that facilitates accurate, complete calculation and timely rebate payments if necessary. The City may issue bonds on behalf of another public entity, as long as the City is isolated from all risks and the conduit findings achieve a rating at least equal to the City's ratings or that a credit enhancement is obtained. Finally, the City will charge an administrative fee equal to direct costs to reimburse its administrative costs incurred in debt issuance and ongoing reporting costs.

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

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

Gann (Appropriations) Limit

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

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

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

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

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

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

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

Multiplied by either

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

Or

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

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

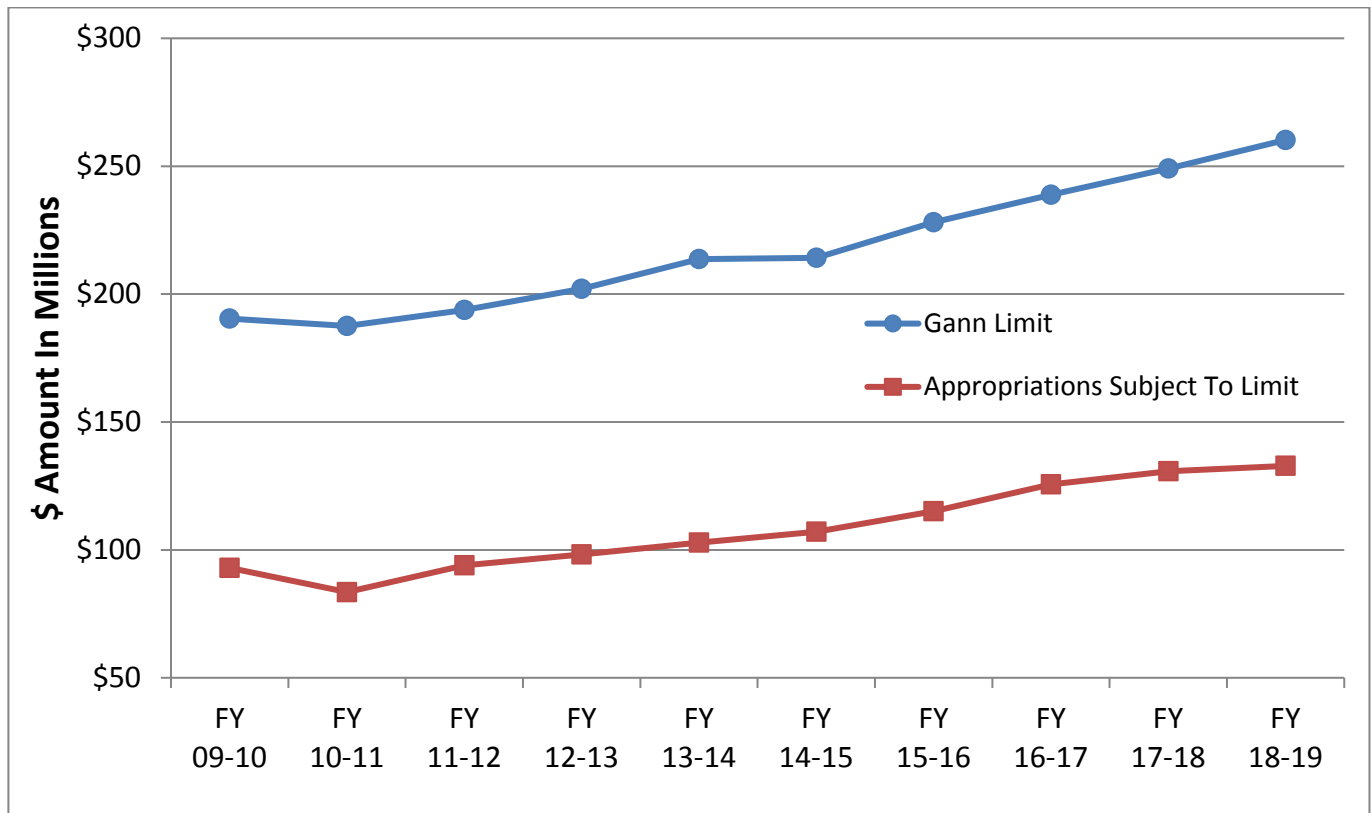
Gann (Appropriations) Limit

In May 2018, 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 2018-19 is:

- The change in the California per Capita Income for FY 2018-19 is 3.67%.
- The percent population increase of the City of Santa Rosa from Jan. 1, 2017 to Jan. 1, 2018 is 0.78%.

$$\frac{3.67 + 100.00}{100.00} \times \frac{0.78 + 100.00}{100.00} = 1.0448$$

Applying the year's factor of 1.0448 to last year's limit of \$249,110,000, the Gann limit for FY 2018-19 is \$260,270,000. With appropriations subject to the limitation totaling approximately \$132,826,000, the City of Santa Rosa is not at risk of exceeding the Gann limit.



Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary

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

Capital Improvement Program (CIP): The five-year financial plan for improving asset and integrating debt service and capital assets maintenance, adopted in a separate budget document and updated every year.

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

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

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

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

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

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

Customer Information System (CIS): Automated customer management software which provides customer support, account management, billing and collections for water and wastewater services, used by the City's Utility

Billing staff. The CIS system was implemented in FY 2009-10.

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

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

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

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

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

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

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

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

Expenditure: The actual spending of governmental funds.

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grant: Contributions or gifts of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity, or facility.

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

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

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

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

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

Glossary

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

Laguna Treatment Plant (LTP): The wastewater treatment plant operated by the City of Santa Rosa that treats wastewater from homes, businesses, and industry located within the Santa Rosa Subregional Water Reuse System, which serves the cities of Santa Rosa, Rohnert Park, Sebastopol, and Cotati.

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

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

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

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

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

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

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

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

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

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

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

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

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

Operating Budget: Annual appropriation of funds for ongoing program costs, including salaries and benefits, services, and supplies. This is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled.

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

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

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Fund: A revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, or for major capital projects) that are legally restricted to expenditures for specified purposes.

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

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

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

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