

# Operations and Maintenance Budget Fiscal Year 2020-21

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### **Vice Mayor**

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For the Fiscal Year Beginning

**July 1, 2019**

*Christopher P. Morill*

Executive Director

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July 1, 2020

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

Enclosed is the Fiscal Year (FY) 2020-21 Operations and Maintenance Budget for the City of Santa Rosa. FY 2019-20 was a challenging year for the City and its budget. There were multiple unbudgeted events occurring during the year including six Public Safety Power Shutoff (PSPS) events, the Kincadee Fire, the COVID-19 pandemic, and the protests resulting from the murder of George Floyd. Even while processing its own grief, anger, and frustrations Team Santa Rosa has worked hard and creatively to best serve the public and work on priority projects that accomplish the City Council's goals.

This budget is a byproduct of the uncertainty our local economy faces as a result of the COVID-19 pandemic. The shelter-in-place order for Sonoma County deeply affected businesses, restaurants, and tourism and lodging industries within the City. The City Council goal setting process had to be cancelled as public gatherings and meetings were not allowed.

Understanding the shelter-in-place order would have a negative impact on revenues, and that reserves would be needed to address budget shortfalls, staff took immediate measures to minimize expenditure increases and boost reserves. The FY 2020-21 budget is as flat as possible, and temporary cost saving measures were enacted, including a citywide hiring freeze, a review of project funding that could be returned to the General Fund, and the labor negotiation process was paused for six months. In September, staff will return to the City Council with a review of the year-end finances in the General Fund. This review will provide Council the fiscal year-end financial picture (2019-20), and staff will provide an assessment of the impact of the current recession. Staff will then present the Council with options for moving forward toward financial stability.

Despite uncertainties in the local economy and challenges they present, the City remains on the correct path. Fiscal stability is still a primary goal of the City Council, and staff is prioritizing projects to that end. The City continues to address increases in pension liability costs, and is pursuing measures to address sales tax measures that begin to expire in 2025. Rebuilding reserves is a priority, as they were after the 2017 wild fires. The City's revenue portfolio is diverse, with the City not dependent on one major revenue source. For example, while sales tax and transient occupancy tax (TOT) have been greatly affected by the County's shelter-in-place order, property tax is stable. The City also receives sales tax from internet sales, which may offset some of the losses from in-person retail sales. Finally, the City is working with its federal and state partners to receive as much cost reimbursement and grant funding allowed under this emergency.

### **FY 2020-21 Budget Summary**

The City's proposed total expenditure budget is \$436.6 million, decreasing by \$2.3 million, or less than 1 percent from FY 2019-20. Citywide operating budgets increased by \$5.0 million or 1.4 percent, with the largest increases in retirement benefit costs related to CalPERS normal retirement costs and the annual

# City Manager’s Budget Transmittal

unfunded liability payments. The Capital Improvement Program (CIP) saw a reduction of \$7.3 million or 10.5 percent for a total budget of \$62.3 million. This reduction was related to one-time funding of the City’s portion of Tubbs Fire FEMA reimbursable projects in FY 2019-20.

Unfortunately, the City’s projected revenue budget is forecasted to be dramatically affected by the COVID-19 pandemic and the shelter-in-place order. The FY 2020-21 Citywide forecasted revenue is \$398.6M, a decrease of \$22.9 million or 5.4 percent from last fiscal year. With the General Fund and Enterprise funds experiencing the greatest anticipated losses in revenue due to the pandemic. The City expects significant tax revenue loss including sales tax, transient occupancy tax, business tax, and real property transfer tax. As well as service-related revenue decreases in transit revenue, parking revenue, recreation-based revenue, and development and permit revenues.

The City will heavily rely on reserve balances to supplement the forecasted loss of revenue. Over the course of the fiscal year as estimates and changing conditions are settled, the City plans to reassess the budget and take any additional appropriate corrective actions.

## City Council Goals and Priorities

The City Council was forced to cancel its goal setting meetings due to the County shelter-in-place order in response to the pandemic. The Council goals and tiered priorities are carried over to the FY 2020-21 budget and are listed below. 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
<b>Ensure Financial Stability of City Government</b>	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.
<b>Effectively Implement the Recovery and Rebuilding of Santa Rosa.</b>	Santa Rosa emerges as an even stronger, more vibrant, resilient and livable community prepared to achieve its vision of leading the North Bay.
<b>Meet Housing Needs.</b>	Santa Rosa actively supports housing for all, through protection, preservation, and production of housing.
<b>Attain Functional Zero Homelessness</b>	Santa Rosa supports effective strategies that house homeless individuals.
<b>Invest In and Sustain Infrastructure and Transportation</b>	Santa Rosa regularly invests in its transportation, roads, technology, and overall infrastructure to protect and sustain its assets and keep pace with community needs.
<b>Provide for Community Safety, Valued City Services, and Open Government</b>	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.

# City Manager's Budget Transmittal

<b>Foster Neighborhood Partnerships and Strengthen Cultural Assets</b>	Santa Rosa promotes thriving neighborhoods in preserving its heritage and vibrancy of the community.
<b>Promote Environmental Sustainability</b>	Santa Rosa protects and improves the environment through its policies and actions.
<b>Foster a 21<sup>st</sup> Century City and Organization</b>	Santa Rosa leads the North Bay by supporting innovation in service delivery, engaging its employees, and striving for high employee morale.
<b>Foster a Strong Downtown and Overall Economic Development of the Community</b>	In Santa Rosa, a successful downtown is a community-wide economic development engine and cultural center where people live and work.

## Tier 1: Priorities Underway and Receiving the Highest Attention

• Financial Stability
• Recovery & Resilience
• Comprehensive Housing Strategy
• Homelessness
• Implement Climate Action Plan

## Tier 2: Priorities Underway with Attention as Resources Permit

• Create a plan to address Deferred Maintenance throughout the Community
• Explore options for funding the Roseland Library
• Citywide \$15 Minimum Wage measure
• City Charter review
• COLA vs. CPI for Mobile home rent increases
• Promote affordable Childcare, streamlining processes
• Support for the Cannabis Industry

The 2021 goal setting session will mark the Council's first as an entirely districted governing body.

## Budget Process

The City of Santa Rosa maintains a 10-Year Long Range Financial Forecast (LRFF) 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. To provide credibility and confirmation of the City's LRFF, the Finance Department enlisted an outside professional consultant to work with the City staff to develop another forecasting model. In January, the Council was presented with the outlook of the General fund and the City departments were given Guidelines for preparing their budgets. These Guidelines factor in the current condition of the General Fund and the strength of the local economy, providing direction for development of operating budgets. For General Fund operations, the direction for FY 2020-21 was to develop operating budgets with minimal increases from the prior fiscal year.

# City Manager's Budget Transmittal

Over the following months, the COVID-19 pandemic spread to the United States causing statewide and local economic forecasts to be very uncertain. Due to these unprecedented times, the Finance Department again referred to advice from the same consultant and redesigned the LRFF model with the current recessionary conditions. This updated model can be quickly adjusted for the rapidly changing economic conditions for the current fiscal year and future years. During April, the disastrous effects of the pandemic on the City's General Fund financials were presented to the Council. A budget study session was presented in May to the Council outlining the revenue and expenditures budget for all City funds and considerations for budget reductions and replenishment of reserves. The final consideration of the budget is held in June at a public hearing for the adoption.

## **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 Forecast. 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 Acting City's Chief Financial Officer, Alan Alton, and the Budget and Financial Planning team in the Finance Department: Shelley Reilly, Mike Frugoli, Janet Klaven, and Veronica Conner. 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 2019-20 Fiscal Year Budget.

## **Conclusion**

The City will enter FY 2020-21 facing unprecedented financial conditions. Staff expects significantly reduced revenue in General, Enterprise, and Special Revenue funds for the last quarter of 2020, and projects recessionary revenue losses in FY 2020-21, and continuing for future years. Revenue losses will draw from reserves, so reestablishing reserves on a short-term and long-term basis is a top priority. To that end, the City instituted a hiring freeze and returned some project funds to reserves to provide immediate relief. Staff will continue to review options for addressing future revenue tax losses due to expiring sales tax measures, and ways to address looming pension rate increases. The City will review year-end finances with the City Council in September and provide a clearer picture of revenue losses, the status of reserves, and provide options for bringing the budget back in balance.

The City has been taking measures to address the structural imbalance in the General Fund, as it is a primary goal of the City Council. Correcting the General Fund structural deficit and restoring its reserves is a long, disciplined process, and unfortunately the recessionary impacts from the pandemic are significant challenges on the City's road to fiscal stability.

# City Manager's Budget Transmittal

Additionally, staff will face short and long-term challenges to maintain high-level services in light of the pandemic, reduced financial resources necessary to bring in outside assistance for special projects, uncertainty of the depth or timing of the recession, and the prospect of overlapping emergencies due to potential Public Safety Power Shutoffs (PSPS), wildfires, a second wave of the pandemic. Additionally, the City must immediately address the pain, grief and demands for change arising from Mr. Floyd's death.

Our long-term strategy will focus on replacing aging infrastructure, building the City's resiliency for future catastrophic events, and addressing endemic issues, such as the rising costs health care and defined benefit pensions. We will continue to work with our community and our City Council to build a future that allows us to provide exceptional service with limited resources.

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:

- Joint representation in PGE litigations and CPUC proceedings resulting in a proposed \$117.8 million settlement to the City and enhanced wildfire safety protocols
- Adopted the Community Benefit District Enabling Ordinance; formed the Santa Rosa Downtown CBD, and pursuing a second CBD in Railroad Square
- Processed 288 permits for complete loss units to begin rebuild and finalized 613 permits for occupations in Tubbs Fire area; conducted 5,000 inspections monthly
- Responded to multiple Public Safety Power Shutoff ensuring water and sewer service was maintained and the wastewater treatment plant was operational
- Initiated the City's first Active Transportation Corridor
- Purchased the City's first 10 hybrid Police patrol vehicles and converted the Transit fleet to renewable diesel fuel
- Created a Police recruitment team and continued recruiting and hiring diverse staff at all levels within the department
- Created a new Pandemic Response Unit in the Fire department to respond to high risk calls while minimizing potential COVID-19 exposure to the department and community
- Worked with the City's legislative partners to allow for state and federal financial relief to support City services and projects caused by emergency events
- Implemented Adobe Sign to allow for electronic signatures on official city documents

The City is also grateful for the tremendous participation of residents as we develop tools to 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. 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



# 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.

## Summary Financial Information

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

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

## Department Detail

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

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

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

### **Reading Expenditures Tables**

The Expenditures Tables in each department's section include the 2-year's prior actual data, the prior year's adopted budget and the current fiscal year budget as it was adopted by the City Council during the City's annual Budget Hearings in June.

### **Appendix**

This section contains the General Fund reserve policy and other policies of interest, the City's annual Gann (Appropriations) Limit details and the budget resolutions. A Glossary of Terms, related to budgeting in general and the City of Santa Rosa particularly, can be found in this section.

## **BUDGET PRACTICES AND POLICIES**

### **Basis of Accounting**

The budget is developed on a modified accrual basis of accounting, for governmental fund types (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds), adjusted for encumbrance accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount can be determined, and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

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

### **Basis of Budgeting**

Budgets are adopted for all governmental funds, except for certain Special Revenue Funds. All budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) adjusted for the accounting of encumbrances. The budget is legally required to be adopted prior to July 1 for the ensuing year.

The City Manager is authorized to transfer an unlimited amount of appropriations within any fund so long as the total appropriations are not increased. The City Manager is also authorized to transfer up to \$50,000 of appropriations between funds. In addition, the City Manager is authorized to transfer up to \$100,000 of appropriations between funds within one Enterprise activity. Only the City Council has the authority to increase total appropriations, subject to the appropriation limitations set by state law. Budget appropriations lapse at the end of the fiscal year, with the exception of contract commitments and capital improvements, which are carried over until the commitment is met, or the project has been completed.

The legal level of budgetary control is by fund, although budgets are adopted within funds at the department/division level in all operating funds and at the project level in the capital projects funds.

### **Reserve Policies**

The General Fund maintains a reserve policy based on City Council approval. The policy states that the General Fund reserve will be maintained at between 15-17% of expenditures. All other major City funds also have reserve policies that dictate minimum balances. More information on policies can be found in the Appendix.

# Budget Overview

## Introduction

Santa Rosa's Fiscal Year (FY) 2020-21 Operating and Capital Budget is \$436.6 million across all funds and is comprised of \$374.3 million of operational funding and \$62.3 million of capital project funding. This represents a total decrease of \$2.3 million or -0.5% over the FY 2019-20 adopted budget, Operations are increasing by \$5.0 million or 1.4% and the Capital Improvement Program (CIP) is decreasing by \$7.3 million or -10.5%, as shown in the following table.

<b>FUND TYPE</b>	<b>FY 2019-20 ADOPTED BUDGET (in millions)</b>	<b>FY 2020-21 ADOPTED BUDGET (in millions)</b>	<b>\$ Dollar Increase/ (Decrease) (in millions)</b>	<b>% Percent Increase/ (Decrease)</b>
General Fund	\$171.3	\$177.3	\$6.0	3.5%
Enterprise Funds (Operating)	130.0	128.2	-1.8	-1.4%
Enterprise Funds (CIP)	32.2	33.2	1.0	3.1%
Other Funds (CIP)	37.4	29.1	-8.3	-22.2%
Special Revenue Funds	15.3	16.5	1.2	7.8%
Other Funds	5.4	5.2	-0.2	-3.7%
Housing Authority	44.0	44.1	0.1	0.2%
Successor Agency to RDA	3.3	3.0	-0.3	-9.1%
<b>TOTAL</b>	<b>\$438.9</b>	<b>\$436.6</b>	<b>-\$2.3</b>	<b>-0.5%</b>
<b>Operations (net of CIP)</b>	<b>\$369.3</b>	<b>\$374.3</b>	<b>\$5.0</b>	<b>1.4%</b>
<b>CIP only</b>	<b>\$69.6</b>	<b>\$62.3</b>	<b>-\$7.3</b>	<b>-10.5%</b>

## General Fund

The City's General Fund FY 2020-21 projected ending reserve balance is \$1.1 million or less than 1% of expenditures, which is significantly less than the Council Reserve policy target of no less than 15% of expenditures. The FY 2020-21 adopted budget was drastically hurt by the current COVID-19 pandemic and is relying on the existing reserves to balance the projected \$18.1M budget shortfall.

The FY 2020-21 General Fund expenditure budget of \$177.3 million was held virtually flat from the prior fiscal year. Expenditures can be broken down into three broad categories – Salaries and Benefits, Services & Supplies, and Operating Projects. The Salaries and Benefits category represents \$138.9 million or 78% of the total General Fund budget. Services and Supplies account for another \$35.8 million or 20% of the total, with the remaining \$2.6 million or 2% representing operating projects in the General Fund. Changes from the prior fiscal year's adopted budget, by category, are as follows:

**General Fund Salaries and Benefits:** Salaries increased by \$2.2 million or 2.6% and benefits increased by \$2.9 million or 5.9% from the FY 2019-20 adopted budget. The minimal increase in salaries is due to merit increases, position changes and reclassifications of positions. The almost 6% increase in benefits is primarily related to the increase in CalPERS retirement normal cost increases as well as the annual unfunded pension liability payment. After retirement costs, the next largest employee benefit cost is healthcare insurance which only experienced a slight increase of less than 1% from last fiscal year's budget. Overall, the General Fund Full-time Equivalent (FTEs) total decreased by 1.50 FTE positions.

**General Fund Services and Supplies:** Increase of \$2.4 million or 7.2% from the FY 2019-20 adopted budget. The additions in this broad category include increases in Professional Services, Vehicles Expenses and Liability and Property insurance costs. Professional Services increase was mainly driven

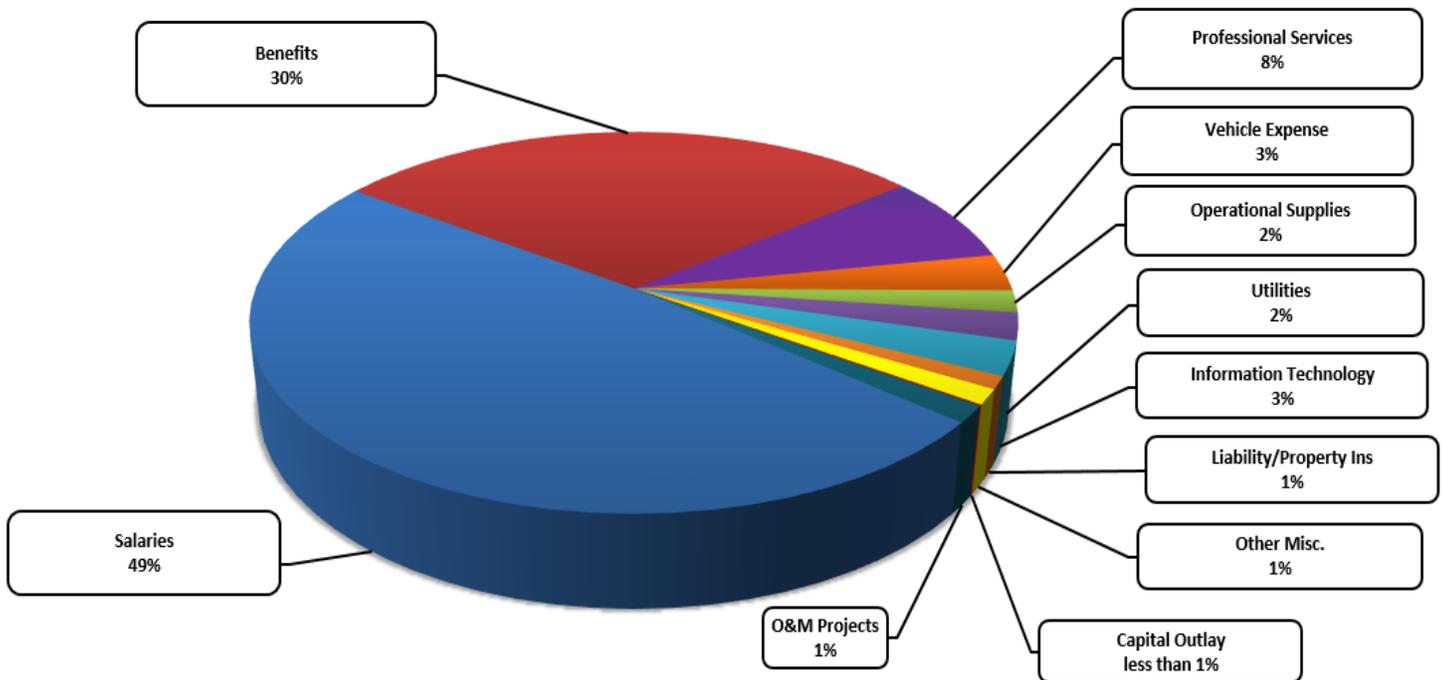
by the November 2020 election costs and the increased cost of the turf and ballfield landscaping costs. Vehicle Expenses increased due to higher garage repair rates and replacement vehicle costs.

General Fund Operating Projects: Decreased by \$1.5 million or -36% from the FY 2019-20 adopted budget. The operating projects vary year over year depending on the individual project timelines. The Fire Resiliency Center project budget was reduced by \$0.8 million, to a total budget of \$0.6 million, due to the majority of the wildfire destroyed homes already permitted and rebuilt. Also, the Police contract project transferred \$0.5 million to salaries in the department.

### FY 2020-21 General Fund Budgeted Expenditures

CATEGORY	EXPENDITURES <i>(in millions)</i>
Salaries	\$86.5
Benefits	52.4
Professional Services	13.4
Vehicle Expense	5.6
Operational Supplies	3.3
Utilities	4.1
Information Technology	5.1
Liability/Property Insurance	1.9
Other Miscellaneous	2.3
Capital Outlay	0.1
O&M Projects	2.6
<b>TOTAL</b>	<b>\$177.3</b>

### FY 2020-21 General Fund Expenditures – % by Category

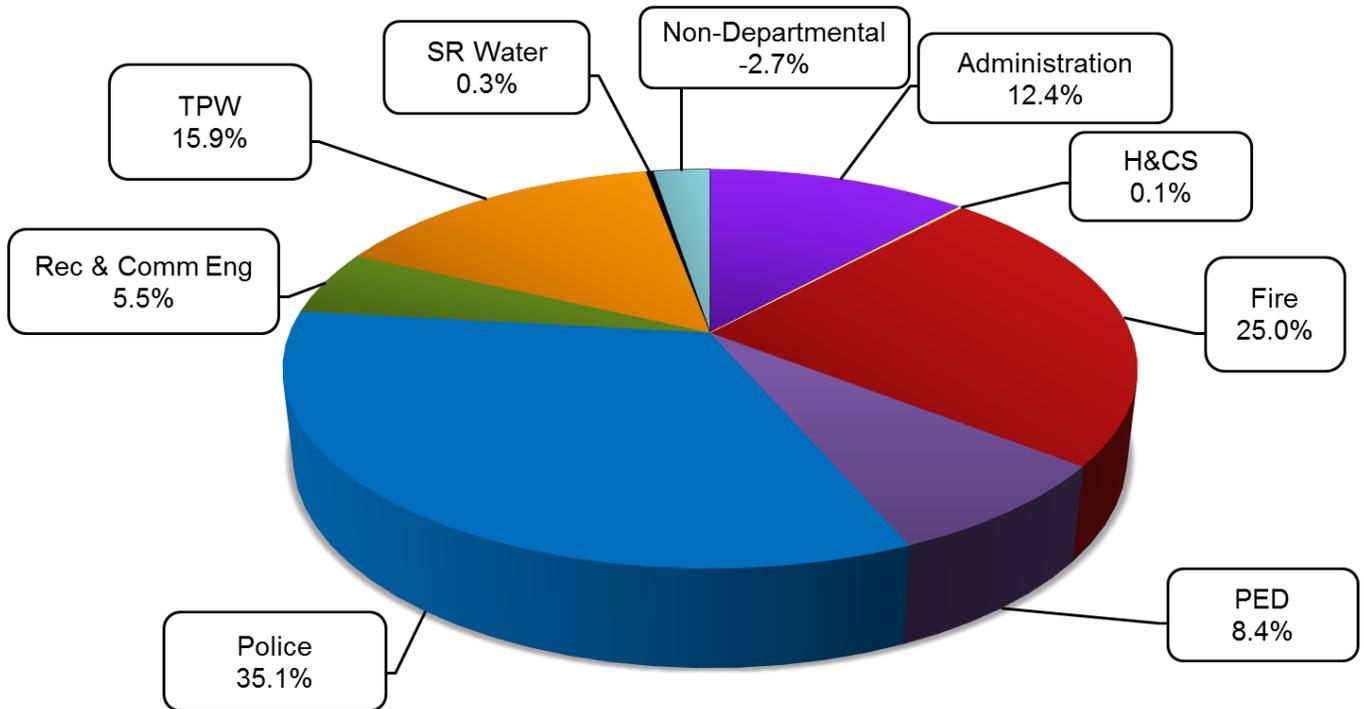


### FY 2020-21 General Fund Budgeted Expenditures

DEPARTMENT	EXPENDITURES <i>(in millions)</i>
Administration*	\$22.0
Housing & Community Services	0.2
Fire	44.2
Planning & Economic Development	14.9
Police	62.2
Recreation & Community Engagement	9.8
Transportation & Public Works	28.2
Water	0.6
Non-Departmental	-4.8
<b>TOTAL</b>	<b>\$177.3</b>

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

### FY 2020-21 General Fund Expenditures – % by Department



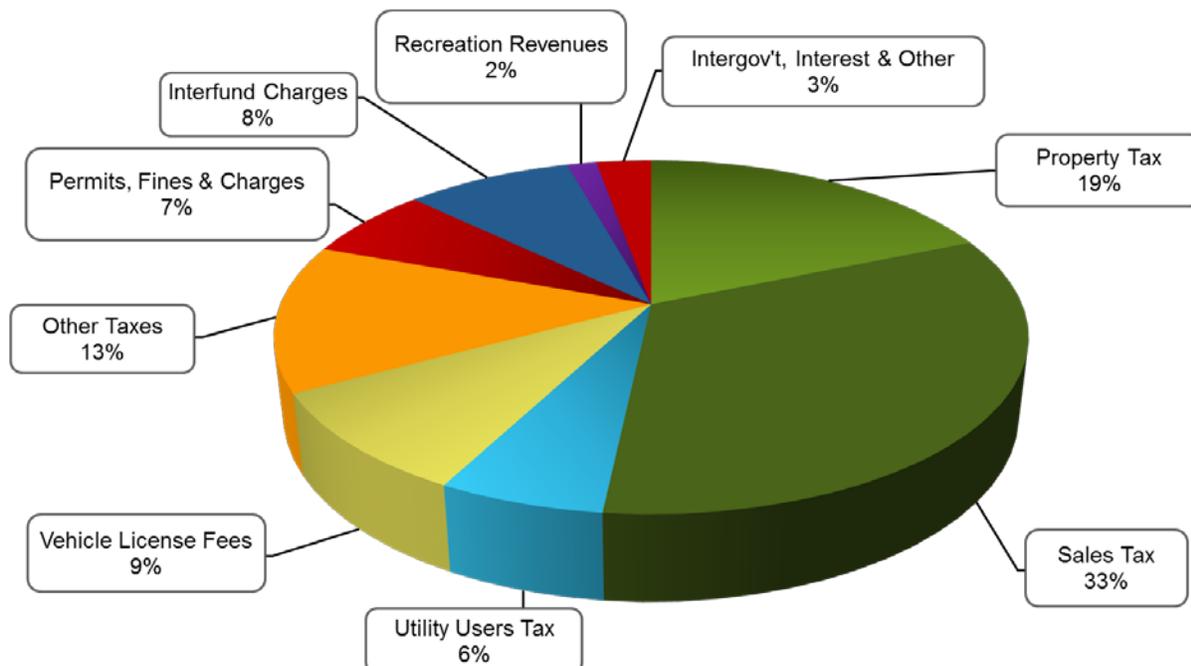
FY 2020-21 General Fund revenues are estimated at \$164.4 million, a decrease of \$14.3 million or 8% over the FY 2019-20 adopted budget. The COVID-19 pandemic is expected to have a dramatic effect on the local economy and many of the City's revenue streams. Sales tax is the largest revenue source for the City's General Fund, accounting for 33% of the total General Fund revenue. Unfortunately, the shelter-in-place order and economic instability is forecasted to lower Sales tax by 15% next fiscal year. The amount amounts to a reduction of \$7.5 million of lost Sales tax revenue. Many other revenues are projected to significantly decrease due to the pandemic including Transient Occupancy tax, Real Property Transfer tax, Business tax, building and development permit, and recreation revenue. In FY 2020-21, Property tax and Vehicles license fees are anticipated to be unaffected by the pandemic due to the nature of collection in arrears. Property tax and vehicles license fee revenues are expected to increase by 5.5% from FY 2019-20 adopted budget.

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

**FY 2020-21 General Fund Budgeted Revenues**

<b>SOURCE</b>	<b>REVENUES (in millions)</b>
Property Tax	\$30.7
Sales Tax	54.3
Utility Users Tax	9.9
Vehicle License Fees	15.4
Other Taxes	22.2
Permits, Fines and Charges	10.8
Interfund Charges	14.0
Recreational Revenue	2.5
Intergovernmental, Interest & Misc.	4.6
<b>TOTAL</b>	<b>\$164.4</b>

**FY 2020-21 General Fund Revenues – % by Source**



## **General Fund Conclusion**

In FY 2020-21, the COVID-19 pandemic is expected to have a disastrous effect on the City's General Fund with a budgeted deficit of \$18.1 million, forcing the use of reserves to balance the budget. This use of reserves has dropped the estimated reserve level to approximately \$1 million by fiscal year end 2020-21, well below the Council mandated policy of 15% of expenditures or \$26.6 million. Currently, the City is taking immediate corrective action including a Citywide hiring freeze, a review of project funding that could be released back to reserves and pausing the labor negotiation process for six months. Over the course of the fiscal year as estimates and changing conditions are clearer, the City plans to reassess the budget and take any additional appropriate corrective actions.

## **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, \$128.2M and \$33.2M respectively. The Water Enterprise Funds (Water, Local Wastewater, and Subregional Wastewater) make up the vast majority, \$137.1M of the \$161.4M total Enterprise funds budgets. The Enterprise Funds FY 2020-21 budget is comprised of the following:

- \$ 0.8 million - Golf Funds
- \$ 5.7 million - Parking Funds
- \$ 15.1 million - Transit Funds
- \$ 2.7 million - Storm Water Funds
- \$ 45.6 million - Water Funds
- \$ 24.4 million - Local Wastewater Funds
- \$ 67.1 million - Subregional Wastewater Funds

## **Special Revenue Funds**

The FY 2020-21 Special Revenue Funds budget of \$16.5 million is comprised of the following:

- \$ 10.4 million - Measure O Funds
- \$ 3.8 million - Homeless Shelter Operations & Mobile Home Rent Stabilization Funds
- \$ 0.5 million - Santa Rosa City Tourism BIA Fund
- \$ 0.3 million – Measure M Fund - Parks
- \$ 0.2 million - Art-in Lieu Fund
- \$ 0.3 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 – All other funds

## **Other Funds**

Total Other Funds FY 2020-21 budget of \$34.3 million includes the Capital Improvement Program Funds with a budget of \$29.1 million, non-enterprise Debt Service Funds with a budget of \$4.8 million, Trust and Agency Funds with a budget of \$0.12 million and the Special Assessment Funds with a budget of \$0.25 million.

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

The Housing Authority's FY 2020-21 budget is \$44.1 million with the majority of the funding for the Housing Choice Voucher Program. The \$3.0 million budget for the Successor Agency to the Redevelopment Agency reflects approved funding agreements and debt service payments, per the Recognized Obligation Payment Schedule (ROPS).

## **Full-Time Equivalent Discussion**

The FY 2020-21 budget has a total staffing count of 1,254.25 Full-Time Equivalents (FTE) across all funds. Staffing levels decreased by 4.50 FTE or 0.4% from last fiscal year's adopted budget. For a more detailed position explanation, see the FTE Staffing Summary under the Summary of Financial Information section.



# Capital Improvement Program (CIP)

The City of Santa Rosa's Capital Improvement Program (CIP) is a planning tool that is intended to evaluate the City's long-range capital needs and prioritize them over the upcoming fiscal year, which comprises the Capital Budget for Council approval.

The construction and maintenance of the City's physical infrastructure is a core responsibility. Despite clearly pressing infrastructure investment needs, ongoing investment in Santa Rosa's infrastructure has taken a backseat to funding the increased costs of delivering programs and services. As a result, the Fiscal Year 2020-21 budget includes only modest funding for the maintenance of the City's vital assets. The Transportation & Public Works and Water Departments currently estimate that the 10-year deferred maintenance backlog is approximately:

- \$715 million for water, wastewater, and subregional infrastructure
- \$400 million for roads and bridges
- \$150 million in facility repairs, replacements and new safety facilities
- \$50 million in recreation and parks (does not include additional facilities, such as pools, community centers or parks)

It is essential for the long-term health of our city that infrastructure needs are addressed, as they substantially affect the livability, economic vitality and quality of services in the community. As previous investments are now reaching the end of their useful lives, there is a growing need to replace, expand, and modernize facilities. Building on the efforts of the last several years and guided by the adopted Council goals, the CIP continues targeted investments to maintain, rehabilitate, and rejuvenate a wide array of public infrastructure to improve system reliability and resiliency, enhance recreational experiences, advance public safety and ensure that Santa Rosa continues to lead the North Bay.

The CIP budget is funded by a variety of sources, including the General Fund, Gas Tax, Federal and State Grant Funds, Capital Facilities Fees, Park Development Impact Fees, and Enterprise Funds. Of these funding sources, the General Fund and Gas Tax can be used on the widest array of projects. Other funding sources, such as Capital Facilities Fees, have specific, legally restricted uses.

Each project proposal is scrutinized from a variety of approaches before it is included in the CIP. Projects are initially identified by department staff using the following criteria:

- (1) input from regulatory agencies associated with proactive or retroactive compliance;
- (2) consistent with the City Council's adopted goals;
- (3) input from the community received at neighborhood meetings during the year;
- (4) input from the City Council on needs that develop or are identified during the year;
- (5) City Council approved master plans, specific plans and specific rehabilitation programs;
- (6) staff-identified projects based on critical need due to safety issues, to comply with new regulations or mandates or as identified through the city's asset management systems based on condition, age and maintenance history.

All projects are first reviewed and prioritized by the responsible operating departments. Each project is scored, ranked, and re-prioritized within the applicable funding source allotments and reviewed again by operating departments to ensure priority and urgent projects are properly categorized. The primary project selection consideration is the maintenance or improvement of City assets to keep facilities and infrastructure functional, safe, and contributing towards the City's long-term goals.

In compliance with the City Charter (Section 28.b), the City Council holds a public hearing during the first quarter of each calendar year to solicit budget priorities from the community. This year, the public hearing was held on February 25, 2020. The input provided by the public was received prior to the scheduled City Council goal setting; however, due to the impacts associated with the COVID-19 pandemic, Council was unable to hold their goal setting meeting. In that regard, the City Council's Goals adopted by resolution on May 7, 2019, remain effective and guided this budget planning effort.

The City Council goals are:

1. Ensure financial stability of City government.
2. Effectively implement the recovery and rebuilding of Santa Rosa.
4. Meet housing needs.
5. Attain functional zero homelessness.
6. Invest in and sustain infrastructure and transportation.
7. Provide for community safety, valued City services and open government.
8. Foster neighborhood partnerships and strengthen cultural assets.
9. Promote environmental sustainability.
10. Foster a 21<sup>st</sup> century city and organization.
11. Foster a strong downtown and overall economic development of the community.

The City Charter also requires that the Community Advisory Board (Section 10.b) review the CIP priorities for each district. In the Summer and Fall of 2019, the CAB solicited public feedback during five community events including at three Wednesday Night Markets and two Neighborfests. Feedback from these events indicated that the top three priorities aside from affordable housing are:

1. Pavement maintenance
2. New bike lanes/facilities
3. Maintain and improve existing park facilities

Prior to initial Council review during the May Budget Study Session, the proposed CIP was reviewed by the Finance Department, City Manager and the Board of Public Utilities as it relates to water, local wastewater and subregional projects. In addition, the CIP budget was reviewed by the Planning Commission for General Plan consistency and an environmental review, prior to final consideration and approval by Council during the budget hearings in June.

In an effort to address critical facility needs, infrastructure, and conservation efforts with the resources available, the CIP for FY 2020-21 includes:

- \$2.2 million in General Fund support for continued ADA improvements per the adopted Transition Plan, streetlight improvements and pavement projects in Roseland per the Annexation Agreement
- \$1.81 million in Capital Facilities Fees to further the construction of new fire stations, maintain stormwater facilities and improve transportation facilities
- \$3.17 million in Park Improvements
- \$120,000 for the Garage 9 lighting project
- \$555,000 to continue Creek and Ecosystem restoration projects
- \$32.8 million for Water, Local sewer and Subregional projects

As in recent years, the FY 2020-21 CIP Budget was developed within the limited financial resources available in considerable coordination with all City departments responsible for capital projects and planning. Development fees, grants, special sales taxes, and enterprise fund revenues are not adequate to fund all of the City’s necessary infrastructure improvements. Staff will continue to pursue grants, but additional funding mechanisms will be needed in the future to adequately fund capital projects and programs contained in the various adopted plans in addition to the ongoing maintenance of existing and future facilities. Playing “catch up” is always a challenge, especially when resources are limited; however, it does not negate our responsibility to maintain our assets, without which we would be unable to deliver programs and services. Regardless of the fiscal challenges, the City remains dedicated to providing a safe, reliable, and efficient public infrastructure that meets the needs of its residents, businesses and visitors, now and in the future.

**Project List by Department**

The table below lists the projects being funded in FY 2020-21. For more information on any of the CIP projects, please refer to the FY 2020-21 Capital Improvement Program budget document. It includes detailed information about each project, information on funding sources, General Plan consistency and Fire Recovery efforts. Copies of the FY 2020-21 CIP document are available online at the Finance Department page on [srcity.org](http://srcity.org).

<b>Project Number / Title</b>	<b>2020 - 21 Request</b>
<b>Department: Finance</b>	
45030 - Garage 9 Lighting	<b>\$120,000</b>
<b>Finance Department Total</b>	<b>\$120,000</b>
<b>Department: Fire Department</b>	
05054 - New Fire Station- South Santa Rosa	<b>\$132,599</b>
05094 - Relocation of Fire Station 8	<b>\$132,599</b>
05096 - Temporary Fire Station 5	<b>\$132,599</b>
<b>Fire Department Total</b>	<b>\$397,797</b>
<b>Department: Police Department</b>	
95860 - Communications System Upgrade	<b>\$1,200,000</b>
<b>Police Department Total</b>	<b>\$1,200,000</b>
<b>Department: SR Water</b>	
54001 - Storm Water Drainage Improvement	<b>\$267,192</b>
54004 - Storm Water Creek Restoration	<b>\$50,000</b>
54009 - Santa Rosa Creek Ecosystem Res	<b>\$25,000</b>
54024 - Lower Colgan Creek Restoration Phase 2	<b>\$250,000</b>
54030 - Colgan Creek Restoration Phase 3	<b>\$30,000</b>
54031 - Storm Drain Master Plan	<b>\$225,000</b>

55371 - Water Master Plan	\$118,000
55420 - W Supply Planning- Urban W Management PI	\$100,000
55511 - Pre-Design – Water	\$170,000
55574 - Water CIP Contingency	\$1,000,000
55606 - R9C Analysis Design Construct	\$640,000
55628 - WMR Albany/Milano	\$600,000
55633 - WMR Lewrosa Way	\$710,000
55641 - WMR Montgomery Mission to Jackson	\$92,000
55681 - WMR East Haven & Eleanor	\$200,000
55717 - WMR Elaine to Melita Rd	\$100,000
55731 - Cobblestone Dr Zone R2-R4 Water Main Connect	\$500,000
55736 - WMR Terra Linda Buena Vista Miraloma	\$1,500,000
55760 - WMR Corby Colgan To Barham Phase 2	\$800,000
55761 - Water Pump Station 2 Modifications	\$300,000
55783 - Rock Creek Matanzas Water Replacement	\$3,760,000
55787 - SR Water Consolidation Project	\$1,000,000
55789 - Controller Radio Upgrades	\$1,800,000
70516 - Sewer Master Plan	\$150,000
70549 - SM Replace: Mendocino Ave Ease	\$250,000
70553 - Warranty Punchlist - Sewer	\$20,000
70590 - Local WW CIP Contingency	\$661,000
70600 - SMR Albany Clmnt Milano Richmond	\$600,000
70654 - SMR Slater-Dexter To Lewis	\$1,640,000
70709 - SMR East Haven And Foothill	\$400,000
70714 - SMR Oakmont Treatment Plant	\$365,000
70737 - Los Alamos TR: Streamside To Elaine	\$5,700,000
70738 - Los Alamos TR: Elaine to Melita	\$400,000
70758 - SMR Terra Linda And Buena Vista	\$264,000
70775 - Robles Trunk Lining Phase I	\$700,000
70778 - SR Creek At Fulton Lining Repair	\$50,000
70796 - Abandon6inSwrPipePetHillRd	\$300,000
70807 - Sonoma Ave Trunk Repair	\$860,000
86523 - Plant Paving Rehabilitation	\$450,000
86578 - Replace Compressors Waste Gas Assessment	\$150,000
86610 - Geysers Pipeline Expansion Joints Evaluation Repair	\$2,330,000
86614 - Dotti Farm Recycle Water Main Imps	\$600,000
86616 - Delta Pond Slope Protection	\$2,500,000
86617 - LTP Mayacamas Pump Station Repairs	\$100,000
86622 - Strategic Asset Management Plan Subregional	\$25,000
86623 - Catastrophic Reserve Study Subregional	\$25,000

86626 - Digester2RoofRepair	\$800,000
86627 - Warranty Punch List Subregional	\$20,000
<b>SR Water Department Total</b>	<b>\$33,597,192</b>

**Department: Transportation and Public Works**

09556 - South Davis Park	\$200,000
09566 - Southwest Community Park	\$1,075,682
09578 - A Place to Play	\$269,172
09587 - Franklin Park Play Area	\$189,457
09632 - Finley Aquatic Center Water Feature	\$269,173
09701 - Roseland Creek Park	\$1,000,000
09708 - ADA Settlement- Facilities Project	\$1,200,000
09768 - Peter Springs Park	\$86,643
09773 - Pearblossom Neighborhood Park	\$80,000
17014 - Slurry Seal Selected Streets	\$650,000
17015 - Sidewalk Program	\$100,000
17016 - Street Overlay - Various Locations	\$2,046,188
17057 - School Ped Safety Projects -Various	\$10,000
17075 - Hearn Avenue at Highway 101 In	\$3,450,000
17116 - Slurry Seal Preparation & Traffic Control	\$341,335
17238 - Pavement Markings - Various Locations	\$225,000
17293 - Cast In-Place SD Repair/Replacement	\$50,000
17341 - Pacific Avenue Reconstruction	\$2,500,000
17379 - Replace Wood Street Light Poles	\$300,000
17381 - Highway 101 Bike/Pedestrian Overpass	\$1,522,335
17444 - Fulton- Guerneville Rd- Piner Widening	\$7,900,000
17450 - Contract Pavement Preventive Maintenance	\$500,000
17474 - Santa Rosa Ave Corridor Plan	\$450,000
17477 - Pre Design Planning CIP	\$150,000
17484 - CIP Traffic Circulation Analysis	\$50,000
17496 - CIP Grant & Environmental Support	\$10,000
17545 - Guerneville Rd Pedestrian Path	\$80,000
17573 - Roseland Pavement Maintenance	\$662,000
17579 - Survey Equipment Replacement	\$25,000
17592 - Road Rule 20A Guerneville Rd- Piner Rd	\$145,000
17613 - B Street High-Traffic Slurry	\$300,000
17626 - Coffey Roadway Irrigation	\$50,000
17627 - Fountaingrove Roadway Irrigation	\$1,650,000
17638 - Stony Point Rd Transportation Corridor	\$150,000
17639 - Hearn Ave Burbank Ave Traffic Signal	\$400,000

54016 - Materials Lab Equip Replacement	<b>\$15,000</b>
54035 - Parker Hill-Paulin Creek Erosion	<b>\$25,000</b>
54036 - 3rd St SD Pump Coupling Replace	<b>\$20,000</b>
<b>Transportation and Public Works Department Total</b>	<b>\$28,146,985</b>

**Total FY CAPITAL BUDGET REQUEST** **\$62,261,974**

**Conclusion**

As in recent years, the FY 2020-21 CIP Budget was developed within the limited financial resources available. Development fees, grants, special sales taxes, and enterprise fund revenues are not adequate to fund all of the necessary infrastructure improvements identified in the City. Staff will continue to pursue grants, but additional funding mechanisms will be needed in the future to adequately fund adopted capital plans and ongoing maintenance of existing and future facilities.

# City Council Goals

Santa Rosa, located in coastal Northern California, is the largest city between San Francisco and Portland, Oregon. The ideal climate, wine country and redwood location, provides City residents and visitors an unmatched quality of life. The region offers residents, businesses, and visitors distinctive experiences that include a vibrant downtown; breathtaking open space, creeks, and greenbelts; clean air and water; and countless cultural and recreational events all taking place in an ethnically and culturally diverse environment. However, Santa Rosa faces challenges common to many communities of comparable size including traffic congestion, budgetary, service delivery concerns. To address the needs and challenges, the City Council provides policy direction based on a set of goals designed to bring out the best in Santa Rosa.

Annually and early in the calendar year, the City Council and Executive Team meet to establish Council goals and priorities at the City Council Goal Setting Workshops. In 2020, the City Council Goal Setting Workshops did not occur as planned as the City responded to the novel coronavirus (COVID-19) pandemic. For the 2020-21 budget year, the City will use the 10 multi-year goals above, adopted by City Council under resolution RES-2018-025, to prioritize and focus on the best use of City’s resources.

GOAL	ASPIRATION STATEMENT
<b>1. Ensure financial stability of City government.</b>	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.
<b>2. Effectively implement the recovery and rebuilding of Santa Rosa.</b>	Santa Rosa emerges as an even stronger, more vibrant, resilient and livable community prepared to achieve its vision of leading the North Bay.
<b>3. Meet housing needs.</b>	Santa Rosa actively supports housing for all, through protection, preservation and production of housing.
<b>4. Attain functional zero homelessness.</b>	Santa Rosa supports effective strategies that house homeless individuals.
<b>5. Invest in and sustain infrastructure and transportation.</b>	Santa Rosa regularly invests in its transportation, roads, technology and overall infrastructure to protect and sustain its assets and keep pace with community needs.
<b>6. Provide for community safety, valued City services and open government.</b>	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.
<b>7. Foster neighborhood partnerships and strengthen cultural assets.</b>	Santa Rosa promotes thriving neighborhoods in preserving its heritage and vibrancy of the community.
<b>8. Promote environmental sustainability.</b>	Santa Rosa protects and improves the environment through its policies and actions.

**9. Foster a 21<sup>st</sup> 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.

# Measure O Overview

In November 2004, the voters in Santa Rosa passed Measure O, a quarter cent sales tax increase to fund Police, Fire, and Violence Prevention programs. The proceeds from the tax are divided 40%, 40% and 20%, respectively. Because the revenue from this increase is intended to fund specific programs, the increase was considered a “special tax” and as such, had to pass with a 2/3 majority vote. The City began receiving revenue from the tax increase in May of 2005. Revenue generated by the sales tax has averaged \$7.6M annually since its inception. Revenues for FY 2020-21 are budgeted at \$8.4M.

Measure O funding is to be spent according to the Implementation Plan established by the City Council. This plan provides funding for a variety of specific programs benefiting the community, including additional Fire and Police department personnel and equipment, financial contributions for large projects such as a new fire station and a Police communication system upgrade, and funding for youth and violence prevention and intervention programs. The funding provides leadership, coordination and resources to the Santa Rosa Violence Prevention Partnership and continuum of youth and family services that work together toward the prevention and reduction of youth and gang violence in Santa Rosa. It also provides funding for direct services and high-quality youth development programs in high-need areas of Santa Rosa. For more information on Measure O, please visit <http://srcity.org/188/Measure-O-Oversight-Committee>



To ensure the proper use of Measure O funds, a citizen oversight committee was appointed by the City Council. This committee’s mission is to ensure that all revenues received are spent only on permissible uses, which are defined in the ordinance establishing the special tax. In a typical year, 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. However, the citizen oversight committee was unable to meet in the spring of 2020 to review the annual budget due to the coronavirus pandemic and ensuing shelter-in-place restrictions.



The FY 2020-21 Measure O budget provides funding for positions consistent with the uses and purposes outlined in the Implementation Plan. All departments are subject to ongoing labor agreements that negotiate annual salary increases. City-wide benefit and retirement costs also are on the rise in FY 2020-21. Total Measure O authorized positions for FY 2020-21 remained at 38.0 FTE; 10.0 in the Fire department, 19.0 in the Police department and 9.0 in Violence Prevention.

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

**Fire:** In FY 2020-21, Salaries and Benefits budgeted expenditures increased by a combined \$78K, reflecting a rise in Retirement costs of \$60K, as well as small increases Worker's Compensation and Health Insurance. While Administrative Overhead increased \$3.5K year over year, the department held a flat Services and Supplies budget.

**Police:** In FY 2020-21, Salaries and Benefits expenditures went up by \$217K, mostly driven by citywide rising retirement costs, but also including a \$38K increase in Overtime budget to better reflect actual need. A reduction in vehicle costs drove overall Services and Supplies budget to decrease by \$23K, which is offset by a \$3.5K increase in Administrative Overhead.

**Violence Prevention:** FY 2020-21 saw an overall increase in Salaries and Benefits of \$89K, the main driver being an increase in temporary labor costs. Services and Supplies decreased mostly due to lower IT costs in the current year, which are determined as part of a Citywide IT allocation plan. Administrative Overhead budget rose slightly by just \$2K. The Violence Prevention CHOICE Grants Program went up by \$70K in accordance with revenue growth.

<b>FIRE - MEASURE O:</b>	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2020-20 Adopted Budget</b>	<b>Change</b>
Salaries	2,087,494	2,078,392	(9,102)
Benefits	1,087,057	1,174,386	87,329
Services and Supplies	118,144	118,628	484
Administrative Overhead	112,474	116,007	3,533
Total Operating	3,405,169	3,487,413	82,244
Debt Service - Fountaingrove Fire Station	367,727	367,727	-
<b>TOTAL FIRE - MEASURE O</b>	<b>3,772,896</b>	<b>3,855,140</b>	<b>82,244</b>

<b>POLICE - MEASURE O:</b>	<b>FY 2019-20 Revised Budget</b>	<b>FY 2020-20 Adopted Budget</b>	<b>Change</b>
Salaries	2,429,997	2,482,934	52,937
Benefits	1,575,002	1,739,066	164,064
Services and Supplies	174,220	151,672	(22,548)
Administrative Overhead	112,474	116,007	3,533
Total Operating	4,291,693	4,489,679	197,986
CIP - Radio Communications Upgrade	-	-	-
<b>TOTAL POLICE - MEASURE O</b>	<b>4,291,693</b>	<b>4,489,679</b>	<b>197,986</b>

<b>VIOLENCE PREVENTION MEASURE O:</b>	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2020-20 Adopted Budget</b>	<b>Change</b>
Salaries	865,400	947,204	81,804
Benefits	365,559	372,223	6,664
Services and Supplies	173,995	158,434	(15,561)
Grants Program	793,665	863,950	70,285
Administrative Overhead	56,236	58,004	1,768
Total Operating	2,254,855	2,399,815	144,960
<b>TOTAL VIOLENCE PREV - MEASURE O</b>	<b>2,254,855</b>	<b>2,399,815</b>	<b>144,960</b>

<b>TOTAL - ALL MEASURE O FUNDS</b>	<u>10,319,444</u>	<u>10,744,634</u>	<u>425,190</u>
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# Budget Process and Calendar

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

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

During the first quarter of the year, the City Council holds a public hearing to solicit information from Santa Rosa residents on their budget priorities. The input from the public hearing provides Council members and City staff input prior to the Council Goal setting process and the development of the City's budget. The City encourages public participation 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 April and May. Budget and Financial Planning staff prepares a draft budget document that is made available to the public around June 1. The City Council holds public hearings in mid-June and generally adopts the Operations and Maintenance and Capital Improvement Program budgets at the end of the hearings. The final budget document is then printed and distributed.

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

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



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

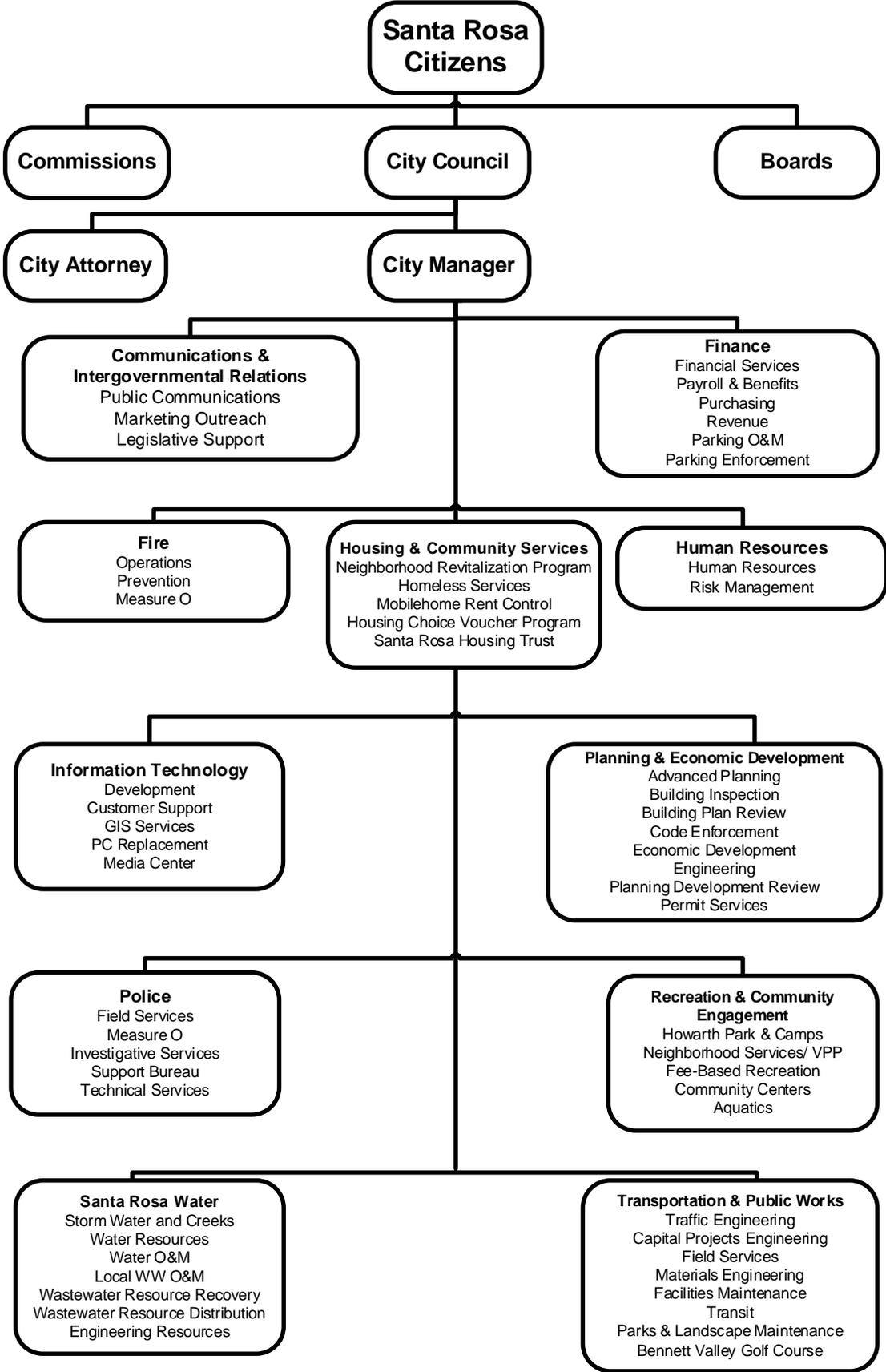
To this end we value:

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

**ORGANIZATIONAL VALUES**



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

Santa Rosa is known as one of the top cycling destinations in the world and has hosted a stage, start or finish of the Amgen Tour of California for eight years. The Amgen Tour attracted large crowds and visitors to the area. The City also hosts Levi's GranFondo, started by former professional cyclist Levi Leipheimer, which benefits local communities and charities.



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

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

## History

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

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

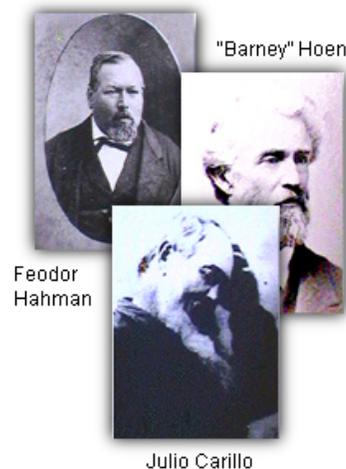
According to popular legend, this area was named Santa Rosa by Father Juan Amorosa. After baptizing a young Native American woman in a stream, he followed the usual custom of naming rivers and creeks for

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

The discovery of gold and California's statehood gradually produced more traffic along the roads past Santa Rosa. Some who originally came seeking gold realized that farming in the rich Santa Rosa valley would bring them even more wealth. An agricultural community soon flourished.

In the early 1850s, other travelers came to Santa Rosa to establish commercial ventures. Three enterprising businessmen, Berthold "Barney" Hoen, Feodor Gustav Hahman, and William Hartman rented the Carrillo Adobe and opened Hoen & Company. Hoen and his partners soon purchased another tract of land a mile downstream which had originally belonged to Julio Carrillo, a son of the Señora. This land was next to a tract still in Julio's ownership. Convincing Julio to join their partnership, they plotted out a town and called it Santa Rosa, offering lots for \$25 each.

Barney Hoen, sensing the political and economic currents, started a campaign in 1854 to bring the county seat to Santa Rosa. He promised that he and others would donate land for the courthouse, and he and Julio Carrillo offered to donate land for a town square. Their promise worked and county residents voted to transfer the county seat from Sonoma to Santa Rosa. Once the vote was in, a mule team was dispatched to physically move the County archives, and the deed was done.



In 1867, the town of just a few hundred residents was granted incorporation by the County Board of Supervisors. The State of California affirmed the incorporation in 1868, and that is considered the year of Santa Rosa's official birth. The next seven years saw Santa Rosa's population increase tenfold.

### Luther Burbank

Luther Burbank was born in Lancaster, Massachusetts on March 7, 1849. He moved to Santa Rosa, California in 1875, where he made his home for more than 50 years. It was here that the famed horticulturalist conducted the plant breeding experiments that brought him world renown. In California, Burbank's birthday is celebrated as Arbor Day, and trees are planted in his memory.

One of Burbank's goals was to manipulate the characteristics of plants, and thereby increase the world's food supply. Burbank developed an improved spineless cactus which could provide forage for livestock in desert regions. During his career, Burbank introduced more than 800 new varieties of plants, including over 200 varieties of fruits, many vegetables, nuts and grains, and hundreds of ornamental flowers.

Burbank was a friend of both Thomas Edison and Henry Ford, and both men visited the Burbank home. It was Burbank's legacy that cast the City of Santa Rosa as the "City Designed for Living" and inspired the annual Rose Parade which celebrates Burbank's memory and showcases the people and talents of the community.

Upon Burbank's death in 1926, he was buried near his greenhouse on the grounds of his home. Burbank's home and gardens are located in downtown Santa Rosa and have been certified as Registered National, State, City, and Horticultural Historical Landmarks.



The museum and grounds, located at Santa Rosa Avenue and Sonoma Avenue in Santa Rosa, offer a delightful way to spend an afternoon and a chance to learn more about Burbank's life. More than an acre of gardens include many of Burbank's unique horticultural contributions. Cactus, walnuts, and fruit trees are living reminders of his handiwork. Many unusual varieties of plants and new horticultural introductions are represented. Several of Burbank's originals thrive there.

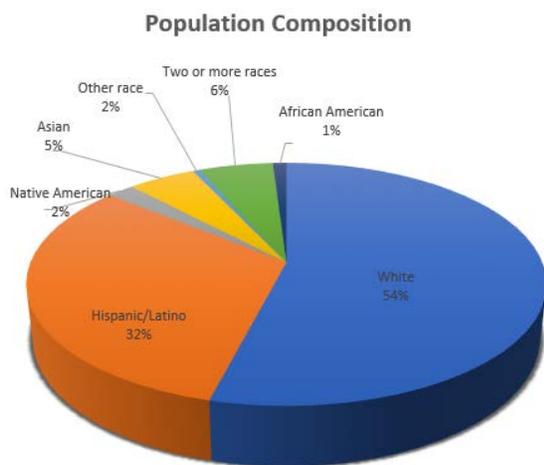
# City Profile and Demographics

## LOCATION

The City of Santa Rosa is located in central Sonoma County, about 55 miles north of San Francisco and 30 miles inland from the Pacific Ocean. Major access to Santa Rosa is from Highways 12 and 101.

## AREA

Santa Rosa contains 41.5 square miles. The City's Urban Growth Boundary includes 45 square miles. Santa Rosa is 167 feet above sea level and we are the 26th largest city in the state.



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

The US Census Bureau estimates the City of Santa Rosa population at 176,753 (2019). The unemployment rate, provided by The U.S. Bureau of Labor Statistics, was 2.9 % (January 2020). The table to the right displays Santa Rosa's major employers.

According to the latest US Census Bureau 2014-2018, there are approximately 2.67 persons per household, the median age is 38.1 and the median household income is \$71,347. The homeownership rate was 53.6% with a median value of \$490,000 for owner-occupied homes. In regard to the education of Santa Rosa residents, the survey states 85.7% are high school graduates and 32.2% have a bachelor's degree or beyond. The gender distribution is 51.6% female and 48.4% male. Approximately 11.5% of the City of Santa Rosa's population lives below poverty level.

<b>Major Employers (2018)</b>	
<b>Employer</b>	<b>Employees</b>
County of Sonoma	3,857
Kaiser Permanente	3,508
Santa Rosa School District	1,658
Santa Rosa Junior College	1,644
St. Joseph Health System	1,640
City of Santa Rosa	1,307
Keysight/Agilent Technologies	1,300
Sutter Medical Center of Santa Rosa	1,050
Medtronic/Arterial Vascular Eng.	1,000
Amy's Kitchen	988
<b>Total</b>	<b>17,952</b>

Source: City of Santa Rosa CAFR; all figures approximate



# All City Funds Schedule

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

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

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

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

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

	GENERAL FUND	ENTERPRISE FUNDS	SPECIAL REVENUE FUNDS	OTHER FUNDS	HOUSING AUTHORITY	SUCCESSOR AGENCY	TOTAL ALL FUNDS
<b>ESTIMATED RESERVES- JUNE 30, 2020</b>	19,200,000	192,520,000	48,100,000	8,900,000	5,990,000	-	274,710,000
<b>REVENUES:</b>							
Property Tax	30,646,100	-	-	-	-	3,047,301	33,693,401
Sales Tax	54,298,000	-	8,373,000	-	-	-	62,671,000
Utility Users Tax	9,857,200	-	-	-	-	-	9,857,200
Other Taxes	37,644,300	-	-	-	-	-	37,644,300
Licenses & Permits	1,680,910	9,023	-	-	-	-	1,689,933
Charges for Services	25,016,610	122,499,846	3,350,464	4,403,487	2,978,488	-	158,248,895
Intergovernmental Revenue	1,870,000	27,527,666	21,239,848	-	32,609,356	-	83,246,870
Fines & Forfeitures	1,336,800	-	400,000	-	10,000	-	1,746,800
Investment Earnings	500,000	1,350,000	72,000	245,000	112,744	-	2,279,744
Contributions from Private Parties	-	-	35,000	-	-	-	35,000
Miscellaneous	1,552,600	692,391	772,700	-	4,483,521	-	7,501,212
<b>TOTAL REVENUES</b>	<b>164,402,520</b>	<b>152,078,926</b>	<b>34,243,012</b>	<b>4,648,487</b>	<b>40,194,109</b>	<b>3,047,301</b>	<b>398,614,355</b>
<b>TRANSFERS IN</b>	<b>2,665,803</b>	<b>48,338,226</b>	<b>7,794,183</b>	<b>30,191,576</b>	<b>286,469</b>	<b>-</b>	<b>89,276,257</b>
<b>TOTAL REV &amp; TRNSFS IN</b>	<b>167,068,323</b>	<b>200,417,152</b>	<b>42,037,195</b>	<b>34,840,063</b>	<b>40,480,578</b>	<b>3,047,301</b>	<b>487,890,612</b>
<b>EXPENDITURES:</b>							
General Government	21,970,006	5,718,347	-	245,000	-	3,047,301	30,980,654 *
Housing & Community Svcs	243,535	-	3,822,547	-	44,124,137	-	48,190,219
Fire	44,167,424	-	3,487,413	397,797	-	-	48,052,634
Planning & Economic Dev.	14,869,750	-	927,569	-	-	-	15,797,319
Police	62,189,366	-	5,089,679	-	-	-	67,279,045
Recreation & Comm Engagemen	9,834,070	-	2,432,019	-	-	-	12,266,089
Transportation & Public Works	28,250,943	16,422,517	470,451	28,240,544	-	-	73,384,455 **
Water	604,210	139,201,383	225,000	572,267	-	-	140,602,860 ***
Non-Departmental	(4,827,872)	-	-	4,840,352	-	-	12,480
<b>TOTAL EXPENDITURES</b>	<b>177,301,432</b>	<b>161,342,247</b>	<b>16,454,678</b>	<b>34,295,960</b>	<b>44,124,137</b>	<b>3,047,301</b>	<b>436,565,755</b>
<b>TRANSFERS OUT</b>	<b>7,866,724</b>	<b>51,894,939</b>	<b>29,481,351</b>	<b>33,243</b>	<b>-</b>	<b>-</b>	<b>89,276,257</b>
<b>TOTAL EXP &amp; TRNSFS OUT</b>	<b>185,168,156</b>	<b>213,237,186</b>	<b>45,936,029</b>	<b>34,329,203</b>	<b>44,124,137</b>	<b>3,047,301</b>	<b>525,842,012</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(18,099,833)</b>	<b>(12,820,034)</b>	<b>(3,898,834)</b>	<b>510,860</b>	<b>(3,643,559)</b>	<b>-</b>	<b>(37,951,400)</b>
<b>ESTIMATED RESERVES- JUNE 30, 2021</b>	<b>1,100,167</b>	<b>179,699,966</b>	<b>44,201,166</b>	<b>9,410,860</b>	<b>2,346,441</b>	<b>-</b>	<b>236,758,600</b>

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

\* Total General Government = \$72,612,471 (includes Insurance Internal Service Fund \$32,796,674 & Information Technology Internal Service Funds \$8,835,143).

\*\* Total Transportation & Public Works = \$86,469,346 (includes Equipment and Repair Replacement Internal Service Fund \$11,929,801 & a portion of internally allocated Administration Fund \$1,155,090).

\*\*\*Total SR Water = \$150,466,449 (includes internally allocated Utilities Administration Fund \$9,863,589).

**Note:** Internal Service Funds are reported on a separate schedule and are not included above. As a result, Transfer In and Transfer Out amounts on this schedule do not equal. With the inclusion of the Internal Service Funds, the transfers balance.

# Enterprise Funds Schedule

Enterprise funds account for City activities that are operated in a manner similar to private enterprises. These funds receive revenues from fees charged to customers. Each enterprise covers its cost of providing service, and generates reserves for various contingencies. Enterprise fund revenues cannot be used for any city purposes not benefiting the enterprise. The City uses enterprise funds to account for the water utility, wastewater utility, parking, municipal transit, storm water, and golf funds.

- **Golf Fund:** Accounts for the revenues and expenditures related to maintaining and operating the public golf course.
- **Parking Fund:** Accounts for the revenues and expenditures associated with the City's over 4,500 parking spaces, five multi-level garages and ten surface parking lots.
- **Municipal Transit Fund:** Accounts for the revenues and expenditures related to providing a public transportation system throughout the City.
- **Storm Water Fund:** Accounts for the revenues and expenditures related to activities designated to improve storm water quality.
- **Water Utility Fund:** Provides water supply planning, water purchase, water quality, storage and distribution, and maintenance, repair and replacement of the City's water system.
- **Local Wastewater Utility Fund:** Provides collection and transportation of wastewater from customers to the subregional treatment plant, and maintenance, repair and replacement of the collection system.
- **Subregional Wastewater Utility Fund:** Provides long-range planning and compliance, current environmental monitoring and compliance, industrial waste pretreatment, treatment, testing, disposal and reclamation of the collected wastewater for Santa Rosa, Rohnert Park, Sebastopol, Cotati, and the South Park County Sanitation District.

	GOLF FUND	PARKING FUND	TRANSIT FUND	STORM WATER FUNDS	WATER FUND	LOCAL WASTEWTR FUND	SUBREG. WASTEWTR FUND	TOTAL ENTERPRISE FUNDS
<b>ESTIMATED RESERVES- JUNE 30, 2020</b>	<b>1,000,000</b>	<b>7,800,000</b>	<b>-</b>	<b>2,500,000</b>	<b>55,920,000</b>	<b>79,300,000</b>	<b>46,000,000</b>	<b>192,520,000</b>
<b>REVENUES:</b>								
Property Tax	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-
Licenses & Permits	-	9,023	-	-	-	-	-	9,023
Charges for Services	242,672	3,097,960	787,140	2,689,574	44,430,000	68,620,000	2,632,500	122,499,846
Intergovernmental Revenue	-	-	9,980,577	85,000	-	617,594	16,844,495	27,527,666
Fines & Forfeitures	-	-	-	-	-	-	-	-
Investment Earnings	-	30,000	-	-	450,000	370,000	500,000	1,350,000
Contributions from Private Parties	-	-	-	-	-	-	-	-
Miscellaneous	131,000	-	60,000	-	108,324	178,067	215,000	692,391
<b>TOTAL REVENUES</b>	<b>373,672</b>	<b>3,136,983</b>	<b>10,827,717</b>	<b>2,774,574</b>	<b>44,988,324</b>	<b>69,785,661</b>	<b>20,191,995</b>	<b>152,078,926</b>
<b>TRANSFERS IN</b>	<b>-</b>	<b>1,236,329</b>	<b>51,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,050,247</b>	<b>48,338,226</b>
<b>TOTAL REV &amp; TRNSFS IN</b>	<b>373,672</b>	<b>4,373,312</b>	<b>10,879,367</b>	<b>2,774,574</b>	<b>44,988,324</b>	<b>69,785,661</b>	<b>67,242,242</b>	<b>200,417,152</b>
<b>EXPENDITURES:</b>								
General Government	-	5,718,347	-	-	-	-	-	5,718,347
Housing & Community Svcs	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Planning & Economic Dev.	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Recreation & Comm Engagement	-	-	-	-	-	-	-	-
Transportation & Public Works	814,124	-	15,066,348	542,045	-	-	-	16,422,517
Water	-	-	-	2,108,364	45,617,140	24,380,997	67,094,882	139,201,383
Non-Departmental	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>814,124</b>	<b>5,718,347</b>	<b>15,066,348</b>	<b>2,650,409</b>	<b>45,617,140</b>	<b>24,380,997</b>	<b>67,094,882</b>	<b>161,342,247</b>
<b>TRANSFERS OUT</b>	<b>-</b>	<b>115,560</b>	<b>-</b>	<b>475,000</b>	<b>2,247,974</b>	<b>49,056,405</b>	<b>-</b>	<b>51,894,939</b>
<b>TOTAL EXP &amp; TRNSFS OUT</b>	<b>814,124</b>	<b>5,833,907</b>	<b>15,066,348</b>	<b>3,125,409</b>	<b>47,865,114</b>	<b>73,437,402</b>	<b>67,094,882</b>	<b>213,237,186</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(440,452)</b>	<b>(1,460,595)</b>	<b>(4,186,981)</b>	<b>(350,835)</b>	<b>(2,876,790)</b>	<b>(3,651,741)</b>	<b>147,360</b>	<b>(12,820,034)</b>
<b>ESTIMATED RESERVES- JUNE 30, 2021</b>	<b>559,548</b>	<b>6,339,405</b>	<b>(4,186,981)</b>	<b>2,149,165</b>	<b>53,043,210</b>	<b>75,648,259</b>	<b>46,147,360</b>	<b>179,699,966</b>

# Internal Service Funds Schedule

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

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

	<b>EQUIPMENT REPAIR &amp; REPLACEMENT FUND</b>	<b>INSURANCE FUND</b>	<b>INFORMATION TECHNOLOGY FUND</b>	<b>TOTAL INTERNAL SERVICE FUNDS</b>
<b>ESTIMATED RESERVES- JUNE 30, 2020</b>	<b>18,200,000</b>	<b>22,400,000</b>	<b>3,000,000</b>	<b>43,600,000</b>
<b>REVENUES:</b>				
Property Tax	-	-	-	-
Sales Tax	-	-	-	-
Utility Users Tax	-	-	-	-
Other Taxes	-	-	400,000	<b>400,000</b>
Licenses & Permits	-	-	-	-
Charges for Services	9,255,000	32,797,567	8,455,083	<b>50,507,650</b>
Intergovernmental Revenue	-	-	-	-
Fines & Forfeitures	-	-	-	-
Investment Earnings	-	-	15,000	<b>15,000</b>
Contributions from Private Parties	-	-	-	-
Miscellaneous	100,000	1,050,001	-	<b>1,150,001</b>
<b>TOTAL REVENUES</b>	<b>9,355,000</b>	<b>33,847,568</b>	<b>8,870,083</b>	<b>52,072,651</b>
<b>TRANSFERS IN</b>	-	-	-	-
<b>TOTAL REV &amp; TRNSFS IN</b>	<b>9,355,000</b>	<b>33,847,568</b>	<b>8,870,083</b>	<b>52,072,651</b>
<b>EXPENDITURES:</b>				
General Government	-	32,796,674	8,835,143	<b>41,631,817</b>
Housing & Community Svcs	-	-	-	-
Fire	-	-	-	-
Planning & Economic Dev.	-	-	-	-
Police	-	-	-	-
Recreation & Comm Engagement	-	-	-	-
Transportation & Public Works	11,929,801	-	-	<b>11,929,801</b>
Water	-	-	-	-
Non-Departmental	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>11,929,801</b>	<b>32,796,674</b>	<b>8,835,143</b>	<b>53,561,618</b>
<b>TRANSFERS OUT</b>	-	-	-	-
<b>TOTAL EXP &amp; TRNSFS OUT</b>	<b>11,929,801</b>	<b>32,796,674</b>	<b>8,835,143</b>	<b>53,561,618</b>
<b>SURPLUS (DEFICIT)</b>	<b>(2,574,801)</b>	<b>1,050,894</b>	<b>34,940</b>	<b>(1,488,967)</b>
<b>ESTIMATED RESERVES- JUNE 30, 2021</b>	<b>15,625,199</b>	<b>23,450,894</b>	<b>3,034,940</b>	<b>42,111,033</b>

# Fund Use by Department

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

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

**Enterprise Funds:**

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

**Special Revenue Funds:**

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

**Internal Service Funds:**

- Equipment Repair and Replacement Funds
- Insurance Fund
- Information Technology Funds

**Housing Authority Funds:**

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

**Successor Agency to the Redevelopment Funds:**

- Debt Service Funds (ROPS)

**Other Funds:**

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



# City Revenues

## General Fund

Description:	2019-20 Approved Budget	2020-21 Proposed Budget	Dollar Change	Percent Change
<b>Tax Revenue Detail</b>				
Property Taxes	\$ 29,062,400	\$ 30,646,100	\$ 1,583,700	5.4%
Sales Taxes	61,824,000	54,298,000	(7,526,000)	-12.2%
Utility Use Taxes	10,481,130	9,857,200	(623,930)	-6.0%
Motor Vehicle License Fees	14,641,700	15,397,000	755,300	5.2%
Franchise Fees	10,062,100	10,594,100	532,000	5.3%
Cannabis Industry Tax	1,300,000	1,800,000	500,000	38.5%
Business Licenses	4,585,440	3,290,000	(1,295,440)	-28.3%
Real Property Transfer Tax	3,876,000	2,713,200	(1,162,800)	-30.0%
Transient Occupancy Tax	5,496,080	3,850,000	(1,646,080)	-30.0%
<b>Total Tax Revenues</b>	<b>\$ 141,328,850</b>	<b>\$ 132,445,600</b>	<b>\$ (8,883,250)</b>	<b>-6.3%</b>
<b>Other Revenue Detail</b>				
Licenses and Permits	\$ 2,142,500	\$ 1,680,910	\$ (461,590)	-21.5%
Charges for Services	29,298,757	25,016,610	(4,282,147)	-14.6%
Intergovernmental Revenue	1,719,010	1,870,000	150,990	8.8%
Fines and Forfeitures	1,705,000	1,336,800	(368,200)	-21.6%
Investment Earnings	500,000	500,000	-	0.0%
Miscellaneous Revenues	1,994,550	1,552,600	(441,950)	-22.2%
<b>Total Other Revenues</b>	<b>\$ 37,359,817</b>	<b>\$ 31,956,920</b>	<b>\$ (5,402,897)</b>	<b>-14.5%</b>
<b>Total General Fund Revenues</b>	<b>\$ 178,688,667</b>	<b>\$ 164,402,520</b>	<b>\$ (14,286,147)</b>	<b>-8.0%</b>

## General Fund

The General fund is facing significant and dramatic reductions in the revenue forecast due to the pandemic. Overall, the FY 2020-21 General fund is forecasted at a total of \$164.4M, an 8% or \$14.3M reduction from FY 2019-20. Most categories of revenue are estimated to be less than last fiscal year with a few exceptions.

Property tax is projected at \$30.6M for FY 2020-21, a \$1.6M or 5.4% increase from the previous fiscal year. Secured property tax is paid in arrears, so this revenue is not initially affected by the pandemic in FY 2020-21. The projected increase is driven by the October 2017 Fire Disaster home rebuilds and new construction.

Sales tax is the largest revenue source for the City and is projected to decrease this fiscal year by 12.2% or about \$7.5M, for a total of \$54.3M. The pandemic and shelter-in-place order is drastically affecting consumer spending which resulted in a 15% forecasted reduction in sales tax. Luckily, some of this revenue reduction was offset by the expected growth in online sales. Included in the total projected Sales tax amount is Measure P (now Measure N), Measure O for Temporary Emergency funding and Proposition 172 proceeds. In November 2016, the voters approved the extension of Measure P/N, the quarter-cent sales tax measure until March 2027. Measure O was approved in November 2018 and is also quarter-cent sales tax measure expiring in March 2025. Prop. 172 sales tax is based on a per-capita allocation.

Utility Users Tax (UUT) is a usage tax on electricity, gas, cable and telecommunications. We expect to see a 6% reduction of these taxes due to the pandemic. In addition, the City has been experiencing reduced revenue in UUT as consumers move away from cable and turn to streaming services. Overall, the revenue forecast for UUT is a reduction of \$624K, for total revenue of \$9.9M.

Motor Vehicle License Fees are projected to increase by \$755K or 5.2% in FY 2020-21. These fees usually fluctuate with the annual assessed property valuation and grow with the property tax trend. Similar to property tax revenues, we don't expect these fees to be affected by the pandemic this fiscal year.

Franchise Fees are forecasted at \$10.6M, an increase of \$532K from the previous fiscal year. Franchise fee revenue for garbage disposal is the largest component of this revenue source at a projected \$7M, almost 66% of the total franchise fee revenues. The other franchise fees for PG&E, cable TV and construction combine for a total of \$3.6M anticipated revenue.

Cannabis Industry Tax revenue is forecasted at \$1.8M next fiscal year, with a growth of \$500K from the prior fiscal year. In FY 2019-20, Cannabis industry tax is higher than budget and we expected this growth to continue into next year.

Business Tax revenue is projected to decrease by \$1.3M or 28% for FY 2020-21 due to the pandemic. Business tax revenue is collected annually based on the prior year's receipts. With the shelter-in-place order in affect for a significant portion of the year, the forecast for this tax was dramatically affected.

Real Property Transfer Tax (RPTT) is projected to also be affected by the pandemic by a loss of 30%. This tax is collected based on the sale of homes in Santa Rosa. With the instability in the economy and the shelter-in-place order, the estimated total loss is \$1.2M, for a total revenue of \$2.7M in FY 2020-21.

Transient Occupancy Tax (TOT) revenue is projected to decrease by \$1.6M or 30% for FY 2020-21. During the shelter-in-place order and future unknown status of the pandemic, tourism has been dramatically reduced in Santa Rosa. Many annual large events and conferences have been canceled which normally would bring people into the City.

License and Permit Revenues are projected to decrease by 21.5% or \$462K, for a total of \$1.7M for FY 2020-21. These revenues are affected by the pandemic as well as a reduction in October 2017 Fire

Disaster rebuild requests. Building permit fees generated from the rebuilding of the homes and businesses destroyed in the October 2017 Fire Disaster decreased over the last year and are expected to continue to decline going forward.

Charges for Services are forecasted at \$25M, a decrease \$4.3M or 14.6% in FY 2020-21. Included in the Charges for Services category are Planning and Economic Development fees of \$3.8M, Interfund charges (the General Fund charging other funds for services) of \$14M and Recreation fees of \$2.5M.

Intergovernmental Revenues are received from grant funds and other government entities. This revenue is expected to increase by 8.8% from last year, totaling \$1.9M. Most of Intergovernmental Revenue is collected from the County of Sonoma for the Roseland Annexation; \$662K is dedicated for spending on road improvements in the Roseland area.

Fines and Forfeitures are expected to decrease by 21.6%. Parking Violation revenue makes up most of this category at \$980K which is affected by the shelter-in-place order. Investment Earnings are projected at \$500K as zero growth is anticipated. Miscellaneous Revenues are budgeted at \$1.6M for FY 2020-21 which is primarily the Wildfire Strike Team reimbursements of \$800K.

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

**Water Fund**

Total revenues for the Water Utility are budgeted at \$45M, a decrease of about \$4M from the prior year. The Water Utility's main source of revenue is rates, which make up 90.5% of the total revenue. The \$4M loss primarily stems from loss of Water rate revenue associated with the COVID-19 economic crisis. While water ratepayers will experience a pass-through rate increase in FY 2020-21, overall usage is expected to go down. Demand fees, known as connection fees charged to new users, are projected to remain flat in FY 2020-21 at \$1.5M.

**Local Wastewater Fund**

Total revenues for the Local Wastewater Utility decreased by 4.7% to \$70M in FY 2020-21 due to an expected usage downturn as a result of the COVID-19 economic crisis. Rate revenue comprises 93.4% of the projected revenue for the upcoming year and are budgeted at \$65.2M. Sewer fixed and usage charges are decreasing by 4.9% in FY 2020-21 while wastewater demand fees are expected to remain flat at \$2.5M.

**Subregional Wastewater Fund**

The Subregional Wastewater fund is estimating \$20.2M total revenue for FY 2020-21, a \$696K or 3.6% increase from last fiscal year. A \$200K increase in budgeted revenues for Dumping Charges at Plants as well as a \$300K increase in budgeted Interest Earnings are driving the majority of the year over year change, both of which have been increased to better reflect actual revenues earned. The bulk of Subregional revenue comes from the local partners that use the system and is based on their proportionate share of the costs to run the system. Santa Rosa is the largest user of the system although our share is not included in the total revenue. Rather a transfer of funds is budgeted into the Subregional Wastewater fund. Miscellaneous revenues (such as compost sales, dumping charges, etc.) are collected by the system and are used to offset the partner contributions.

**Golf Course Fund**

Golf Course fund revenues are projected to decrease significantly for a total of \$309K for the FY 2020-21, 42.2% less than the prior year. Golf revenues are mainly comprised of operator fees and restaurant rental revenue, both of which are expected to be affected by COVID-19 related restrictions.

**Parking Fund**

Parking revenues reflect a decrease of 36.2% down to \$3.1M for FY 2020-21. Shorter parking hours and COVID-19 restrictions on essential business operations are expected to impact parking revenue and downtown parking usage. The City operates five parking garages, ten surface lots, on-street metered

parking and time-limited parking spaces for the downtown City center, Railroad Square Parking Meter zone, and six residential parking permit zones.

**Transit Fund**

Transit revenues will decline by \$4.4M, or 28.8%, for a total of \$10.8M in FY 2020-21. \$9.1M, or 84.4% of total Transit revenue is derived from state and federal grant revenue, which accounts for the majority of the year over year revenue losses. With sales and fuel taxes decreasing as a result of the COVID-19 economic crisis, a correlating decrease is expected in grant funds available. Budgeted transit fare revenues from ridership will decrease by 47% to just \$730K in the coming year due to COVID-19 Shelter In Place orders and anticipated tendencies of the population to stay at home.

# Multi-Year Revenue Summary – All Funds

<b>FUND</b>	<b>2016-17 Actual</b>	<b>2017-18 Actual</b>	<b>2018-19 Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Budget</b>
<b>GENERAL FUND REVENUES:</b>					
Property Taxes	26,002,788	27,192,090	30,199,833	29,062,400	30,646,100
Sales Tax	45,892,181	47,798,993	54,881,478	61,824,000	54,298,000
Utility Users Tax	10,628,206	10,688,677	10,257,162	10,481,130	9,857,200
Other Taxes	35,775,970	37,925,969	40,217,940	39,961,320	37,644,300
Licenses and Permits	1,562,458	3,439,182	4,775,178	2,142,500	1,680,910
Charges for Services	26,501,725	36,182,337	32,162,012	29,298,757	25,016,610
Intergovernmental Revenue	1,582,331	3,341,316	5,698,569	1,719,010	1,870,000
Fines and Forfeitures	1,666,706	1,707,565	1,843,599	1,705,000	1,336,800
Investment Earnings	163,814	183,386	2,167,063	500,000	500,000
Contributions from Private Parties	3,333,516	1,274,767	112,124	-	-
Miscellaneous	1,839,183	3,243,621	5,043,443	1,994,550	1,552,600
	<b>154,948,878</b>	<b>172,977,903</b>	<b>187,358,401</b>	<b>178,688,667</b>	<b>164,402,520</b>
<b>ENTERPRISE FUND REVENUES:</b>					
Golf Fund	458,682	604,381	475,815	536,000	373,672
Parking Fund	4,661,199	5,049,078	5,996,006	4,917,425	3,136,983
Transit Fund	14,841,581	10,050,993	17,938,810	15,182,899	10,827,717
Storm Water Funds	2,605,433	2,692,634	2,676,854	2,690,025	2,774,574
Water Fund	49,741,193	46,933,552	59,837,606	48,916,600	44,988,324
Local Wastewater Fund	68,210,217	70,361,007	77,938,687	73,208,492	69,785,661
Subregional Wastewater Fund	131,295,640	18,683,510	38,327,550	19,495,593	20,191,995
<b>TOTAL ENTERPRISE FUND REVENUES</b>	<b>271,813,945</b>	<b>154,375,155</b>	<b>203,191,328</b>	<b>164,947,034</b>	<b>152,078,926</b>
<b>SPECIAL REVENUE FUND REVENUES</b>	<b>29,463,373</b>	<b>32,925,528</b>	<b>30,106,415</b>	<b>29,383,454</b>	<b>34,243,012</b>
<b>OTHER FUNDS REVENUES</b>	<b>17,648,686</b>	<b>9,189,200</b>	<b>26,688,724</b>	<b>4,855,117</b>	<b>4,648,487</b>
<b>HOUSING AUTHORITY REVENUES</b>	<b>37,043,130</b>	<b>31,322,714</b>	<b>35,272,609</b>	<b>40,349,812</b>	<b>40,194,109</b>
<b>SUCCESSOR AGENCY TO THE REDEV. AGENCY</b>	<b>4,772,781</b>	<b>1,659,482</b>	<b>2,354,073</b>	<b>3,286,369</b>	<b>3,047,301</b>
<b>TOTAL REVENUES</b>	<b>515,690,793</b>	<b>402,449,982</b>	<b>484,971,550</b>	<b>421,510,453</b>	<b>398,614,355</b>

**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	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Budget
<b>GENERAL FUND EXPENDITURES:</b>					
City Attorney	2,266,046	2,851,140	3,037,252	3,495,088	3,631,343
City Council	2,010,489	994,187	1,058,809	1,046,137	1,484,091
City Manager	2,091,592	3,398,192	3,925,857	2,780,662	2,230,975
Comms & Intergov Relations	-	-	-	-	1,024,546
Office of Community Engagement	1,181,695	810,420	706,205	-	-
Finance	9,119,026	9,674,688	9,700,102	11,134,517	11,082,303
Human Resources	2,595,578	2,783,259	2,395,561	2,501,001	2,516,748
Subtotal - General Government	19,264,426	20,511,886	20,823,786	20,957,405	21,970,006
Housing & Community Services	1,382,063	1,368,072	1,370,405	1,935,850	243,535
Fire	35,307,383	39,627,489	42,682,752	43,392,340	44,167,424
Planning & Economic Development	9,873,955	15,413,479	20,769,628	13,886,149	14,869,750
Police	48,458,821	56,022,274	55,998,584	59,658,991	62,189,366
Recreation & Community Engagement	12,963,175	14,555,123	14,492,975	10,248,786	9,834,070
Transportation & Public Works	16,805,621	20,461,384	20,144,911	26,932,059	28,250,943
Water	466,796	624,556	722,424	657,966	604,210
Non-Departmental	3,791,707	(4,763,360)	(5,505,981)	(6,415,154)	(4,827,872)
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>148,313,947</b>	<b>163,820,903</b>	<b>171,499,484</b>	<b>171,254,392</b>	<b>177,301,432</b>
<b>ENTERPRISE FUND EXPENDITURES:</b>					
Golf Fund	1,017,627	969,965	1,095,324	656,879	814,124
Parking Fund	5,467,350	7,230,285	6,153,408	6,934,263	5,718,347
Transit Fund	14,720,730	15,241,823	18,471,252	14,629,741	15,066,348
Storm Water Funds	1,841,374	1,919,690	2,044,087	2,618,890	2,650,409
Water Fund	44,724,435	53,881,516	65,991,655	47,189,565	45,617,140
Local Wastewater Fund	20,416,447	30,231,656	23,502,913	24,272,159	24,380,997
Subregional Wastewater Fund	194,477,959	72,864,245	96,682,536	65,925,123	67,094,882
<b>TOTAL ENTERPRISE FUND EXPENDITURES</b>	<b>282,665,922</b>	<b>182,339,180</b>	<b>213,941,175</b>	<b>162,226,620</b>	<b>161,342,247</b>
<b>SPECIAL REVENUE FUND EXPENDITURES</b>	<b>11,206,226</b>	<b>13,046,200</b>	<b>14,778,520</b>	<b>15,292,381</b>	<b>16,454,678</b>
<b>OTHER FUNDS EXPENDITURES:</b>					
Capital Improvement Program (CIP) Fund	25,825,431	25,280,529	16,397,077	37,488,611	29,086,974
Debt Service Funds	13,878,375	4,814,852	23,724,172	4,836,338	4,840,352
Special Assessment Funds	29,031	18,897	26,329	137,997	119,634
Trust Funds	260,946	264,153	363,791	415,000	249,000
<b>TOTAL OTHER FUNDS EXPENDITURES</b>	<b>39,993,783</b>	<b>30,378,431</b>	<b>40,511,369</b>	<b>42,877,946</b>	<b>34,295,960</b>
<b>HOUSING AUTHORITY EXPENDITURES</b>	<b>36,592,745</b>	<b>35,394,508</b>	<b>34,441,127</b>	<b>43,958,436</b>	<b>44,124,137</b>
<b>SUCCESSOR AGENCY TO THE REDEV. AGENC</b>	<b>3,622,448</b>	<b>4,291,529</b>	<b>3,072,104</b>	<b>3,286,369</b>	<b>3,047,301</b>
<b>TOTAL EXPENDITURES</b>	<b>522,395,071</b>	<b>429,270,751</b>	<b>478,243,779</b>	<b>438,896,144</b>	<b>436,565,755</b>

\* 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, 2019

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 \$26,865,000 of debt subject to the limit and a legal debt limit of \$953,335,622, the City is not at risk of exceeding its legal debt limit.

<b><u>Computation of Legal Debt Margin</u></b>	
Assessed Value	\$25,422,283,240
Debt Limit (3.75% of Assessed Value)	\$953,335,622
Less Net Debt Applicable to Limit	(26,865,000)
<b>Legal Debt Margin</b>	<b>\$926,470,622</b>

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

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

<b>Debt Obligations Outstanding as of 6/30/2020</b>	<b><u>Principal Outstanding</u></b>
Wastewater Bonds	\$ 172,137,867
Water Bonds	8,640,000
Golf Course Bonds	3,355,000
Redevelopment Bonds	32,295,000
Courthouse Square Project and Building Acquisition Certificates of Participation	10,440,000
Pension Obligation Bonds	16,425,000
Capital Leases	5,406,192
	<b>\$ 248,699,059</b>

## Annual Debt Service Requirements

		2021	2022	2023	2024	Thereafter	Total
Wastewater Bonds	Principal	15,287,437	15,838,897	15,672,058	12,344,313	112,995,162	172,137,867
	Interest	<u>9,431,313</u>	<u>8,877,778</u>	<u>9,044,493</u>	<u>12,374,113</u>	<u>107,973,763</u>	<u>147,701,459</u>
	Total Debt Service	24,718,750	24,716,675	24,716,550	24,718,426	220,968,925	319,839,326
Water Bonds	Principal	285,000	295,000	310,000	330,000	7,420,000	8,640,000
	Interest	<u>424,875</u>	<u>410,375</u>	<u>395,250</u>	<u>379,250</u>	<u>3,115,250</u>	<u>4,725,000</u>
	Total Debt Service	709,875	705,375	705,250	709,250	10,535,250	13,365,000
Golf Course Bonds	Principal	240,000	250,000	265,000	275,000	2,325,000	3,355,000
	Interest	<u>154,049</u>	<u>142,505</u>	<u>130,361</u>	<u>117,643</u>	<u>412,204</u>	<u>956,763</u>
	Total Debt Service	394,049	392,505	395,361	392,643	2,737,204	4,311,763
Redevelopment Bonds	Principal	1,795,000	1,845,000	1,905,000	1,975,000	24,775,000	32,295,000
	Interest	<u>1,232,101</u>	<u>1,178,638</u>	<u>1,115,661</u>	<u>1,044,314</u>	<u>5,272,329</u>	<u>9,843,043</u>
	Total Debt Service	3,027,101	3,023,638	3,020,661	3,019,314	30,047,329	42,138,043
Courthouse Square Project and Building Acquisition Certificates of Participation	Principal	355,000	365,000	375,000	385,000	8,960,000	10,440,000
	Interest	<u>378,125</u>	<u>367,325</u>	<u>356,225</u>	<u>342,900</u>	<u>3,067,750</u>	<u>4,512,325</u>
	Total Debt Service	733,125	732,325	731,225	727,900	12,027,750	14,952,325
Pension Obligation Bonds	Principal	2,980,000	3,110,000	3,265,000	3,440,000	3,630,000	16,425,000
	Interest	<u>754,250</u>	<u>620,008</u>	<u>468,581</u>	<u>294,090</u>	<u>99,771</u>	<u>2,236,700</u>
	Total Debt Service	3,734,250	3,730,008	3,733,581	3,734,090	3,729,771	18,661,700
Capital Leases	Principal	1,636,377	1,647,725	1,497,657	353,884	270,549	5,406,192
	Interest	<u>45,766</u>	<u>34,419</u>	<u>22,799</u>	<u>13,842</u>	<u>5,246</u>	<u>122,072</u>
	Total Debt Service	1,682,144	1,682,144	1,520,456	367,726	275,795	5,528,264
Citywide	Principal	22,578,815	23,351,622	23,289,714	19,103,197	160,375,711	248,699,059
	Interest	<u>12,420,480</u>	<u>11,631,049</u>	<u>11,533,370</u>	<u>14,566,152</u>	<u>119,946,312</u>	<u>170,097,363</u>
	Total Debt Service	34,999,295	34,982,670	34,823,084	33,669,349	280,322,023	418,796,421

# FTE Staffing Summary

In fiscal year (FY) 2020-21, the City's proposed authorized Full-Time Equivalent (FTE) position count is 1,254.25, a decrease of 4.5 FTEs or -0.4% from last fiscal year's budget. FTE position count by department and detailed additions/eliminations are shown below. In addition to the staffing changes, several positions have been, or are being, evaluated for classification changes. Detailed position classifications and salary ranges by department are available on the City's website at [www.srcity.org](http://www.srcity.org) under Departments/Human Resources/Salaries or through the following link: <http://srcity.org/192/Salaries>.

## Authorized Full-Time Equivalent Position Count

DEPARTMENT	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	change	FY 2020-21
City Attorney	14.90	15.90	16.90	15.90	-	15.90
City Manager	11.00	13.00	14.00	10.00	(2.00)	8.00
Communications & Intergovernmental Relations *	-	-	-	-	7.00	7.00
Community Engagement	7.00	7.00	7.00	-	-	-
Finance	97.35	98.85	102.35	95.85	(2.00)	93.85
Fire	147.75	148.75	149.75	151.00	-	151.00
Housing & Community Services	30.75	33.00	35.50	34.00	(10.00)	24.00
Human Resources	21.00	21.00	21.00	20.00	-	20.00
Information Technology	28.00	29.00	30.00	29.00	-	29.00
Planning & Economic Development	50.00	51.00	63.00	61.00	8.00	69.00
Police	256.50	264.50	266.50	260.50	(0.50)	260.00
Recreation & Community Engagement	74.00	74.00	74.00	44.00	(2.00)	42.00
Transportation & Public Works	277.50	274.50	274.00	290.00	(3.00)	287.00
Water	249.50	253.50	252.50	247.50	-	247.50
<b>Total FTE Positions</b>	<b>1,265.25</b>	<b>1,284.00</b>	<b>1,306.50</b>	<b>1,258.75</b>	<b>(4.50)</b>	<b>1,254.25</b>

\* In FY 2020-21, the Communications & Intergovernmental Relations Office was created to centralize the resources for citywide outreach and communications. Existing staff from the City Manager's Office, Planning & Economic Development, Police, Transportation & Public Works, and Recreation & Community Engagement departments were moved into the newly formed Communications & Intergovernmental Relations Office.

### Detail Full-Time Equivalent Position Change

Dept.	Position Title	FTE
CMO	Associate Right of Way Agent	-1.00
CMO	Communications & Intergovernmental Relations Director	-1.00
<b>City Manager's Office Total</b>		<b>-2.00</b>
CIRO	Communications & Intergovernmental Relations Director	1.00
CIRO	Marketing & Outreach Coordinator	4.00
CIRO	Recreation Specialist	1.00
CIRO	Intergovernmental Relations & Legislative Officer	1.00
<b>Communications &amp; Intergovernmental Relations Office Total</b>		<b>7.00</b>
Finance	Parking Operations Coordinator	-0.50
Finance	Parking Supervisor	-1.00
Finance	Parking Program Coordinator	1.00
Finance	Parking Operations Aide	-1.50
<b>Finance Total</b>		<b>-2.00</b>
HCS	Code Enforcement Officer	-4.00
HCS	Senior Code Enforcement Officer	-2.00
HCS	Economic Development & Housing Technician	-1.00
HCS	Economic Development & Housing Manager	-1.00
HCS	Senior Administrative Assistant	-2.00
<b>Housing &amp; Community Services Total</b>		<b>-10.00</b>
PED	Code Enforcement Officer	4.00
PED	Senior Code Enforcement Officer	2.00
PED	Economic Development & Housing Technician	1.00
PED	Economic Development & Housing Manager	1.00
PED	Senior Administrative Assistant	2.00
PED	Marketing & Outreach Coordinator	-1.00
PED	Department Technology Coordinator	-1.00
<b>Planning &amp; Economic Development Total</b>		<b>8.00</b>
Police	Marketing & Outreach Coordinator	-0.50
<b>Police Department Total</b>		<b>-0.50</b>
R&CE	Marketing & Outreach Coordinator	-1.00
R&CE	Recreation Specialist	-1.00
<b>Recreation &amp; Community Engagement Total</b>		<b>-2.00</b>
TPW	Marketing & Outreach Coordinator	-2.00
TPW	Supervising Engineer	-1.00
TPW	Limited Term Electrician	-1.00
TPW	Active Transportation Planner	1.00
TPW	Associate Land Surveyor	1.00
TPW	Civil Engineering Technician III	-1.00
<b>Transportation &amp; Public Works Total</b>		<b>-3.00</b>
Water	Associate Right of Way Agent	1.00
Water	Senior Buyer	-1.00
<b>Santa Rosa Water Total</b>		<b>0.00</b>

# City Attorney's Office

## Mission

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

## Department Description

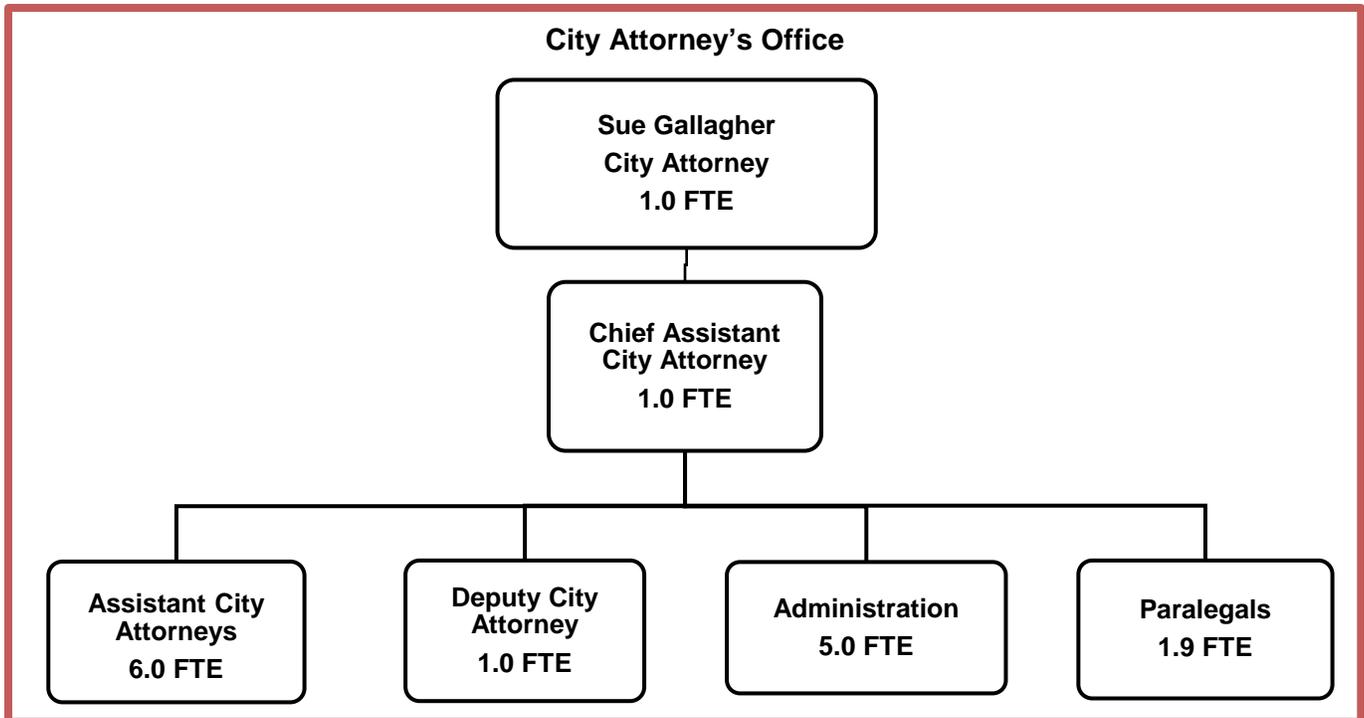
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By City Charter, the City Attorney is appointed by the City Council to serve as the chief legal advisor for the City of Santa Rosa.

The City Attorney's Office (CAO) is responsible for representing the City in legal proceedings and providing comprehensive legal support to the Council, boards, commissions and all City departments. The CAO advises on a wide range of municipal matters, ensuring compliance with federal, state and local laws and regulations. The CAO reviews all City Council, Planning Commission, Housing Authority 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 public safety, emergency services, housing, homelessness, economic development, labor and employment, municipal infrastructure, municipal programming, water supply, water quality, environmental compliance, and public procurement. The CAO assists in drafting and refining proposed legislation and policies; reviews and approves contracts and surety bonds; and prosecutes City Code violations and public nuisances.

The office reviews, evaluates, and recommends disposition of all claims made against the City, and represents the City in litigation, providing full service from initial claim through to final appeal. That representation includes both prosecution of claims on behalf of the City and defense against lawsuits brought by third parties. The litigation practice includes matters involving civil rights, personal injuries, eminent domain, inverse condemnation, environmental violations, land use entitlements, personnel disputes, and allegations of dangerous condition of public property. Litigation includes the defense of ordinances and other administrative actions. The CAO makes recommendations to the Council on the initiation of litigation and the consideration of offers of settlement and other case dispositions.

## FTE by Program



### Strategic Goals and Initiatives for FY 2020-21

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

- Provide advice and legal support during the 2020 coronavirus pandemic and local government response. 2
- Provide advice and legal support as the City continues in its recovery and rebuilding from the impacts of the 2017 and 2019 wildfires. 2
- Provide advice and legal support as the City strengthens its own resiliency and the resiliency of the region. 2
- Provide advice and legal support for the City's transition to financial sustainability. 1
- Provide advice and legal support regarding comprehensive housing policies and programs, including downtown development. 3
- Provide advice and legal support regarding enhanced policies and programs to reduce homelessness, with an ultimate goal of functional zero. 4
- Provide advice and legal support regarding policies and programs to address climate change. 5
- Provide advice and legal support in the adoption and implementation of updated and streamlined procurement policies. 1
- Enhance collaboration with our public entity partners in regional efforts to address housing, homelessness, emergency response, and other areas of regional concern. 2,3,4
- Provide skilled and effective defense of all claims and lawsuits filed against the City of Santa Rosa. 1
- Enforce environmental and consumer protection laws and aggressively pursue violations. 5
- Enforce the City Code with a focus on highest health and safety risks and implement enhanced compliance measures. 3
- Provide advice and legal support in state and federal legislative and regulatory matters. ALL

- Continue to provide professional, timely and effective legal advice to the Council, City Manager, City Departments and City boards and commissions throughout our work.

**ALL**

## Major Budget Changes

The FY 2020-21 City Attorney’s Office (CAO) budget is \$3.6M, an increase of \$136K, or 3.9% over the prior year’s adopted budget. Salaries & Benefits increased by a net \$32K, or 1.0%, primarily due to small raises in CAO personnel. Additionally, there were small increases in retirement and health insurance related benefits. There was an increase of \$105K, or 35.5%, in Services and Supplies mostly due to a new Professional Services contract for \$100K. This contract is to be used for estimated non-tort litigation costs/fees that may arise in FY 2020-21. The Operations & Maintenance (O&M) project remained flat year over year.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Legal Services	\$2,776,937	\$3,037,252	\$3,480,088	\$3,616,343
CIP and O&M Projects	\$74,203	\$0	\$15,000	\$15,000
<b>Total</b>	<b>\$2,851,140</b>	<b>\$3,037,252</b>	<b>\$3,495,088</b>	<b>\$3,631,343</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$1,695,501	\$1,880,092	\$2,123,746	\$2,149,384
Benefits	\$713,304	\$861,116	\$1,060,953	\$1,066,828
Professional Services	\$215,405	\$104,201	\$108,575	\$208,575
Vehicle Expenses	\$132	\$17	\$400	\$400
Utilities	\$1,448	\$1,307	\$2,000	\$1,400
Operational Supplies	\$14,405	\$32,643	\$21,000	\$21,475
Information Technology	\$73,681	\$87,706	\$82,459	\$82,201
Other Miscellaneous	\$63,061	\$70,170	\$80,955	\$86,080
CIP and O&M Projects	\$74,203	\$0	\$15,000	\$15,000
<b>Total</b>	<b>\$2,851,140</b>	<b>\$3,037,252</b>	<b>\$3,495,088</b>	<b>\$3,631,343</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$2,851,140	\$3,037,252	\$3,495,088	\$3,631,343
<b>Total</b>	<b>\$2,851,140</b>	<b>\$3,037,252</b>	<b>\$3,495,088</b>	<b>\$3,631,343</b>

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

Fiscal Year	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Full-Time Equivalent	14.90	15.90	16.90	15.90	15.90

## Performance Measures

The CAO's practice is generally divided between litigation on the one hand, and advice and transactional work on the other. The two divisions track performance separately.

### Litigation Practice

LITIGATION INDICATORS:	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 TO DATE*	FY 2019-20 EST. ***
New Lawsuits Served	15	12	10	13	16
Ongoing Litigation				27**	
Attorney-assigned Claims	43	34	24	43	54
Pitches Motions Defended	3	8	16	21	26
Weapons Administrative Actions	32	21	32	19	24
Animal Complaints		18	12	6	8
* Through 04/17/2020					
** Count from Litigation Report dated 2/11/2020 plus new matters      *** Calculated using % growth					

- CAO estimates at least 3 new lawsuits will be filed by end of FY 2019-20. This is in addition to the ongoing matters filed earlier in the fiscal year and in prior fiscal years. There are 3 cases currently scheduled for trial, although trials may be delayed due to the coronavirus pandemic. CAO handles the vast majority of litigation in-house to minimize outside counsel costs when possible. Ongoing PG&E litigation and regulatory proceedings have continued to require substantial CAO resources this past year, including extensive time commitments by attorneys and paralegals.
- CAO handles actions from claim filing through discovery, trial, appeals and writs.

### Advisory and Transactional Practice

- CAO continues to provide general legal advice and support on a wide range of municipal matters on a daily basis. Due to the variety of mechanisms by which this work flows into the office and is addressed by CAO attorneys, the current tracking system has proven inadequate. The CAO is working with the IT department to develop improved means of measuring the number and nature of requests for legal services, time of response and general performance metrics. The CAO anticipates having a new system in place early in the new fiscal year.
- CAO maintains a clear and effective manual tracking of contract review. The volume of contract review was down from last fiscal year, from 1,202 contracts reviewed in FY 2018/19 to an estimated 943 contracts in FY 2019/20. The average turnaround for all contracts, Professional Service Agreements and funding agreements is currently just under twelve business days. This increase in turnaround from an average of eight days in FY 2018/19 was in large part due to a staffing shortage during a lengthy recruitment. Contracts identified as rush projects are often reviewed and approved

within two days of receipt. The CAO is working with IT and Purchasing to convert to an electronic contract processing system, which is expected to help further streamline legal review.

- CAO continues to provide full in-house legal services for Housing Authority, at far lower cost than previous payments to outside legal counsel.

## **Prior FY 2019-20 Accomplishments**

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

### **Litigation**

- Worked closely with outside counsel to represent the City in PG&E litigation and related proceedings, culminating in a strongly favorable tentative settlement. **1,2**
- Participated in California Public Utilities Commission (CPUC) regulatory proceedings regarding proposed programs, policies and practices for enhanced wildfire safety. **2**
- Represented the City to successful conclusion in numerous litigation actions, in both Federal and State Court, avoiding potentially significant exposure to the City and/or its employees. **1**
- Key litigation cases included:
  - Resolved personal injury claim with allegations of grave injuries arising from alleged dangerous condition of public sidewalk by contribution of less than 10% toward settlement.
  - Resolved Federal litigation pending for 9 years by defeating class action claim with \$5.2 million exposure.
  - Reached collaborative agreement on preliminary injunction addressing homeless encampments. **1**
  - Successfully prosecuted contract and False Claims Act suit with outside counsel to recover almost \$200,000 in reimbursement from wireless carriers who failed to perform as agreed.
  - Successfully prosecuted Transient Occupancy Tax (TOT) suit to recover almost \$100,000 in unpaid TOT.
- Filed and handled, through resolution, all weapons retention matters on behalf of SRPD following confiscation during domestic violence and involuntary psychiatric hold cases.

### **Code Enforcement & Environmental**

- Successfully pursued code enforcement actions, including the remediation of numerous public nuisances and threats to public safety.
- Provided essential support for Code Enforcement, including inspection warrants, receiverships, misdemeanor prosecutions, trials and recovery of costs. **1**

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

- Provided advice and legal support in the City's response to the coronavirus pandemic, including interpretation and implementation of State and local orders, protection of City employees, and ensuring public access to public meetings in compliance with law. **2**
- Provided on-going advice and legal support in the City's continuing recovery from the 2017 and 2019 wildfires. **2**
- Provided ongoing legal support to staff and Council in design and implementation of programs and initiatives to address homelessness, including active participation in the efforts of the Homeless Action Team (HAT) and the Homeless Encampment Assistance Program (HEAP). **4**
- Provided advice and legal support to the City with respect to ADA compliance in public and private facilities.
- Provided ongoing legal support to the Housing Trust and the Housing Authority, including assistance with grants, loans and other funding for affordable housing. **3**

### **Ordinances & Regulations**

- Worked closely with departmental staff to draft, review and revise key housing and development initiatives, including City Code provisions to increase density bonus allowances, enhance Resilient City Development Measures, update regulations for accessory dwelling units, and streamline permit processing. **3**
- Worked closely with departmental staff to draft, review and revise policies to incentivize downtown development, including revisions to the Downtown Station Area Specific Plan, adoption of Objective Design Standards, and legal support for the Renewal Enterprise District.
- Assisted in preparation of triennial Fire and Building Code 2020 update, including All-Electric Reach Ordinance. **3**
- Reviewed and revised stormwater progressive enforcement policies and guidelines. **5**
- Provided legal support for SR Water programs and initiatives, including solicitation and initiation of negotiations for biosolids processing program; negotiation of National Pollution Discharge Elimination System (NPDES) Discharge permit provisions; negotiations regarding the possible siting of a regional organics processing facility on City property; legal guidance on emergency system repairs; and coordination of the efforts of the Sonoma County Water Agency water contractors with respect to the Potter Valley relicensing project to ensure protection of the City's interests. **2,5**
- Provided legal support for all City real estate transactions, including property dispositions, easement acquisitions and vacations, rights of entry, licenses, leases, annexations, appraisals, and related matters. **1**
- Advised staff regarding ongoing discussions and work related to the SE Greenway, and efforts with the partners towards acquisition and future development as park and housing.

### **Citywide Support and Training**

- Reviewed all Council, Planning Commission, Board of Public Utilities, Successor Agency and Housing Authority agenda items and provided legal support at each meeting. **ALL**
- Provided legal advice regarding responses to Public Records Act Requests.
- Provided legal advice regarding compliance with Political Reform Act and California Fair Political Practices Commission (FPPC) regulations, including preparation and submission of formal and informal Advice requests.
- Provided advice and/or representation to City employees subpoenaed to testify in criminal and civil matters.
- Provided training for staff and members of City boards and commissions on the Brown Act, Public Records Act, Fair Political Practices Act and California Environmental Quality Act (CEQA).
- Provided legal advice and support for City's implementation of regulations applicable to the cannabis industry, including criteria and procedures to address overconcentration concerns.
- Provided advice and legal support regarding establishment and management of Downtown Community Benefit District and Railroad Square Community Benefit District.
- Assisted SRPD in initiating Gun Violence Restraining Order process.

## Looking Ahead

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The City Attorney's Office will continue to provide essential legal support to the City Council, City Manager and all City departments in pursuit of the Council's top priorities. The City faces many significant challenges, including addressing the health and financial impacts of the coronavirus pandemic, ensuring our ongoing progress toward recovery and rebuild from wildfires, strengthening our resiliency both within the City and regionally, stabilizing City finances, providing innovation in housing strategies, addressing homelessness in an evolving legal context, evaluating the needs of City facilities, and implementing climate solutions. These challenges will require sophisticated and steady legal services across all City departments.

In much of these efforts, we continue to work toward increased regionalism. We are coordinating more closely with our city legal partners and we continue to try to strengthen collaboration with the County of Sonoma to ensure more effective and efficient communication and common action.

Litigation will continue to absorb much of our resources. In particular, we anticipate that litigation will continue to surround our efforts to address homelessness and that we will continue to be significantly engaged in CPUC proceedings for enhanced wildfire safety.

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



# City Council

## Mission

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

The City Council is the legislative and policy-making body for the City of Santa Rosa. Council Members are elected by voters to serve four-year terms. The Mayor and Vice Mayor are elected by the Council Members. The Mayor serves a two-year term. The Vice Mayor serves a one-year term. The Council makes the appointments of the City Manager and the City Attorney, as well as numerous Board and Commission Members.



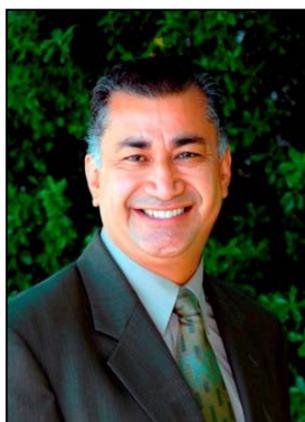
Tom Schwedhelm  
Mayor  
District 6



Victoria Fleming  
Vice Mayor  
District 4



Dick Dowd  
Council Member



Ernesto Olivares  
Council Member



Chris Rogers  
Council Member



John Sawyer  
Council Member  
District 2



Jack Tibbetts  
Council Member

Annually and early in the calendar year, the City Council and Executive Team meet to establish Council goals and priorities at the City Council Goal Setting Workshops. In 2020, the City Council Goal Setting Workshops did not occur as planned as the City responded to the novel coronavirus (COVID-19) pandemic. For the 2020-21 budget year, the City will continue using the 10 multi-year goals in the Council Goal Setting Report adopted by City Council under resolution RES-2018-025 on February 13, 2018.

GOAL	ASPIRATION STATEMENT
<b>1. Ensure financial stability of City government.</b>	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.
<b>2. Effectively implement the recovery and rebuilding of Santa Rosa.</b>	Santa Rosa emerges as an even stronger, more vibrant, resilient and livable community prepared to achieve its vision of leading the North Bay.
<b>3. Meet housing needs.</b>	Santa Rosa actively supports housing for all, through protection, preservation and production of housing.
<b>4. Attain functional zero homelessness.</b>	Santa Rosa supports effective strategies that house homeless individuals.
<b>5. Invest in and sustain infrastructure and transportation.</b>	Santa Rosa regularly invests in its transportation, roads, technology and overall infrastructure to protect and sustain its assets and keep pace with community needs.
<b>6. Provide for community safety, valued City services and open government.</b>	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.
<b>7. Foster neighborhood partnerships and strengthen cultural assets.</b>	Santa Rosa promotes thriving neighborhoods in preserving its heritage and vibrancy of the community.
<b>8. Promote environmental sustainability.</b>	Santa Rosa protects and improves the environment through its policies and actions.
<b>9. Foster a 21<sup>st</sup> century city and organization.</b>	Santa Rosa leads the North Bay by supporting innovation in service delivery, engaging its employees and striving for high employee morale.
<b>10. Foster a strong downtown and overall economic development of the community.</b>	In Santa Rosa, a successful downtown is a community wide economic development engine and cultural center where people live and work.

Additionally, the City Council Community Promotions Committee did not meet as a result of COVID-19. A \$125,000 Community Promotions placeholder was added to City Council's fiscal year (FY) 2020-21 budget. Funding recipients may later be determined at the discretion of the City Council.

## Major Budget Changes

The City Council's FY 2020-21 budget is \$1.5M, an increase of \$438K, or 41.9%, over the prior year's adopted budget. Salaries & Benefits fell by \$35K, or -12.8%, mainly from the decline in health and retirement benefits and the reduction of staff coverage at council meetings. Conversely, Services & Supplies rose by \$473K, or 61.3%, largely within professional services and other miscellaneous. The 2020 ballot includes the election of four City Council District seats and two ballot measures, increasing professional services by more than \$400K. Additionally, the printing of voter guides and other election materials for the general public contributed mainly to the growth in other miscellaneous.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Elections	\$52,745	\$252,890	\$60,000	\$560,000
Administration	\$758,079	\$753,852	\$861,137	\$799,091
Events	\$103,363	\$52,067	\$125,000	\$125,000
CIP and O&M Projects	\$80,000	\$0	\$0	\$0
<b>Total</b>	<b>\$994,187</b>	<b>\$1,058,809</b>	<b>\$1,046,137</b>	<b>\$1,484,091</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$120,625	\$79,420	\$119,240	\$112,000
Benefits	\$120,143	\$116,465	\$155,810	\$127,957
Professional Services	\$462,594	\$568,984	\$462,752	\$842,000
Vehicle Expenses	\$281	\$0	\$0	\$0
Utilities	\$3,269	\$3,519	\$5,300	\$5,300
Operational Supplies	\$8,444	\$12,676	\$9,700	\$9,700
Information Technology	\$93,656	\$98,755	\$146,135	\$164,134
Other Miscellaneous	\$105,175	\$178,990	\$147,200	\$223,000
CIP and O&M Projects	\$80,000	\$0	\$0	\$0
<b>Total</b>	<b>\$994,187</b>	<b>\$1,058,809</b>	<b>\$1,046,137</b>	<b>\$1,484,091</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$994,187	\$1,058,809	\$1,046,137	\$1,484,091
<b>Total</b>	<b>\$994,187</b>	<b>\$1,058,809</b>	<b>\$1,046,137</b>	<b>\$1,484,091</b>

## Performance Measures

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The City Council's service indicators remain relatively the same year after year. In FY 2018-19, the City Council held their annual Council Goals Session and adopted the updated priorities. The City Council held 46 meetings and made 52 appointments to various Boards and Commissions. In addition, the City Council Members all serve on various Boards and Committees.

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

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

**Boards and Commissions:** The City Council Members appoint City residents to positions on various Boards and Commissions. These Boards work with City staff on a variety of issues, provide the Council and citizens with important background information and make decisions based on that information. They are: Art in Public Places Committee, Bicycle and Pedestrian Advisory Board, Board of Building Regulation Appeals, Board of Community Services, Board of Public Utilities, Community Advisory Board, Cultural Heritage Board, Design Review Board, Housing Authority, Measure O Citizen Oversight Committee, Mosquito Vector Control Board, Personnel Board, Planning Commission, Successor Agency Oversight Board, Santa Rosa Tourism Business Improvement Area Advisory Board, and the Waterways Advisory Committee.

## Prior FY 2019-20 Accomplishments

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- Filled Julie Combs' vacancy on Council.
- Approved Caritas Village project.
- Established Community Benefit District.
- Established Minimum Wage Ordinance.
- Approved Zero Waste Master Plan.

## Looking Ahead

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

# 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.

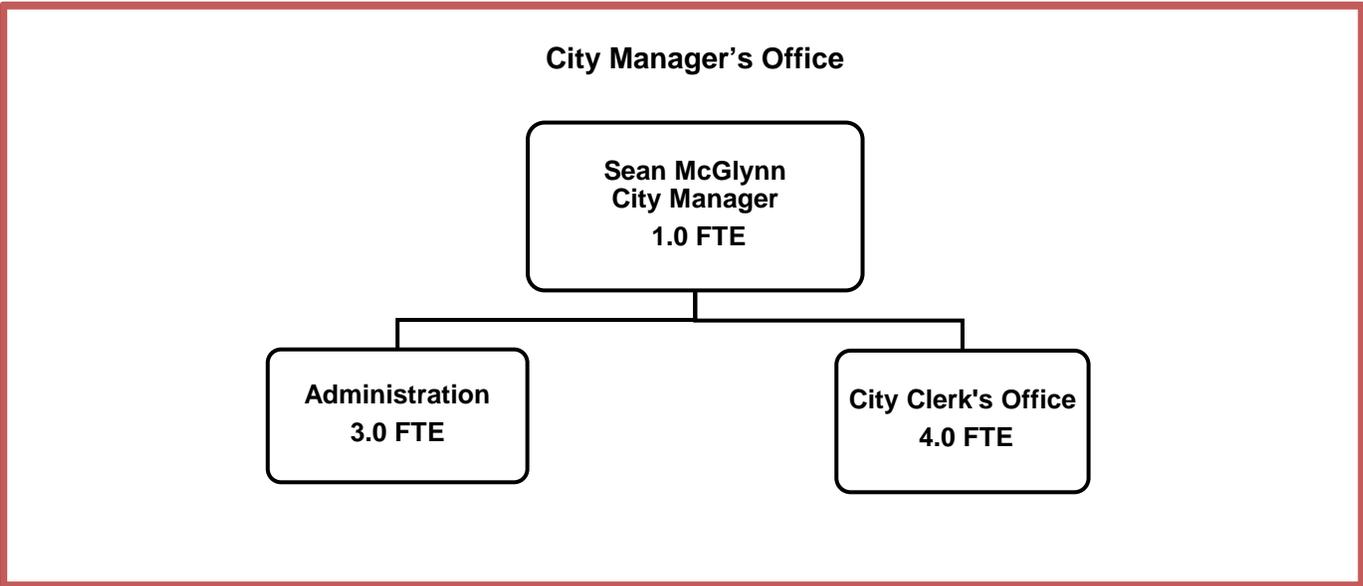
## Department Description

The City Manager's Office is comprised of two programs; Administration and City Clerk's Office.

**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



## Strategic Goals and Initiatives for FY 2020-21

(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 Federal Emergency Management Agency (FEMA) project worksheets. **2**
- Complete the Purchasing process policy review. **1**
- Support effective strategies that house homeless individuals. **3,4,6,7,10**
- Continue in the recovery and rebuilding of Santa Rosa. **2,3,7**
- Chief Financial Officer recruitment. **1,2,6,8**

### 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 and ballot measure elections; provide technical support and guidance to City Council candidates and proponents. **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, 7, 8, 9, 10**
- Assist in the implementation of the recommendations of the Open Government Task Force. **All**

### Major Budget Changes

City Manager's FY 2020-21 budget fell by \$550K, or -19.8%, over the prior year's adopted budget. A large part of the decline occurred within Salaries and Benefits, mainly from the movement of two positions out of the City Manager's Office. 1.0 FTE Associate Right-Of-Way Agent moved to the Water department; and 1.0 FTE Communications & Intergovernmental Relations Officer relocated to the new Communications & Intergovernmental Relations Office created in FY 2020-21. Also, more than a \$100K decline in retirement contributed to the overall \$488K year-over-year decrease within Salaries & Benefits.

Services & Supplies declined by a slight \$32K, or -3.1%, primarily a result of the budget associated and moved with the Communications & Intergovernmental Relations Officer. Moreover, CIP and O&M Projects edged downwards by \$30K, a result of the decline in the PACE Analysis project that, after FY 2019-20, no longer receives an annual \$20K budget. In addition, the \$10K annual budget in the Strategic Planning project moved to Professional Services category beginning in FY 2020-21.

**Budget Summary**

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$3,120,086	\$3,789,307	\$2,610,149	\$2,140,462
Communications	\$0	\$11,673	\$50,000	\$0
City Clerk	\$80,266	\$49,343	\$90,513	\$90,513
CIP and O&M Projects	\$197,840	\$75,534	\$30,000	\$0
<b>Total</b>	<b>\$3,398,192</b>	<b>\$3,925,857</b>	<b>\$2,780,662</b>	<b>\$2,230,975</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$1,103,508	\$1,283,065	\$1,147,581	\$803,554
Benefits	\$468,120	\$569,099	\$580,024	\$435,985
Professional Services	\$1,320,288	\$1,715,589	\$722,500	\$692,500
Vehicle Expenses	\$66	\$192	\$0	\$0
Utilities	\$4,843	\$3,051	\$5,360	\$5,360
Operational Supplies	\$11,879	\$13,165	\$26,500	\$25,500
Information Technology	\$145,278	\$150,214	\$121,800	\$126,179
Other Miscellaneous	\$146,370	\$115,948	\$146,897	\$141,897
CIP and O&M Projects	\$197,840	\$75,534	\$30,000	\$0
<b>Total</b>	<b>\$3,398,192</b>	<b>\$3,925,857</b>	<b>\$2,780,662</b>	<b>\$2,230,975</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$3,398,192	\$3,925,857	\$2,780,662	\$2,230,975
<b>Total</b>	<b>\$3,398,192</b>	<b>\$3,925,857</b>	<b>\$2,780,662</b>	<b>\$2,230,975</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	11.00	13.00	14.00	10.00	8.00

## 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.
- Receive approximately 5,900 phone calls.
- Provide responses to each of the approximate 3,100 e-mails that come in for the City Manager and the City Council.

### City Clerk

	FY 2017-18	FY 2018-19	FY 2019-20
City Council Meetings: Produce, publish, and timely post preliminary and final Council agendas, agenda packets and meeting minutes	188	168	152*
City Council Legislation: Timely and accurately conform, publish, post, and import into Laserfiche all City Council legislation	Resolutions – 252  Ordinances – 25	Resolutions –202  Ordinances –13	Resolutions – 149*  Ordinances – 22*
California Fair Political Practices Commission (FPPC) Filings – Form 700: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	354 filings	398 filings	467 filings
FPPC Filings – Campaign Disclosure Statements: Provide notification of filing deadlines; receive, review, and post filings; seek amendments as needed	Filers – 27  Filings – 57	Filers – 31  Filings – 80	Filers – 25  Filings – 62
Public Records Act Requests: Receive and review written requests, coordinate production of records, prepare responses	Requests – 274	Requests–400 est  378 Actual	Requests – 378*  Requests - 970**
Boards and Commissions: Track and recruit applicants and administer appointments for 12 advisory bodies (86 positions)	Applications – 88  Appointments – 53	Applications – 89  Appointments–47	Applications–31***  Appointments–22***
(*) 1/1-12/31/2018 (**) 1/1-12/31/2019 (***) Fiscal Year-end estimates based on year-to-date actuals			

## **Prior FY 2019-20 Accomplishments**

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

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### **Administration**

- Successfully navigated through two of PG&E's Public Safety Power Shutoff (PSPS) events and the Kincade Fire response. **All**
- Zero waste project. **8,9**
- Start recovery efforts from COVID-19 shutdown. **All**

### **City Clerk**

- Managed the preparation, distribution, and posting of City Council agendas, agenda packets and minutes for 41 City Council meetings. **All**
- Served as filing official for over 467 Statements of Economic Interests for City Council members, advisory body members, and designated staff in compliance with the Political Reform Act.
- Responded in a timely manner to over 1,348 requests for public records in compliance with the Public Records Act.
- Conducted recruitments for vacancies on 12 Boards, Commissions, and Committees; solicited and received 31 applications. **All**
- Managing the codification of resolutions and ordinance, promptly making them available online. **All**

### **Looking Ahead**

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

The City Clerk's Office integrated eComment to the agenda as a public engagement tool for City Council meetings. In addition, staff is exploring options to provide for Spanish translation of closed captioning for City Council meetings.



# Communications & Intergovernmental Relations

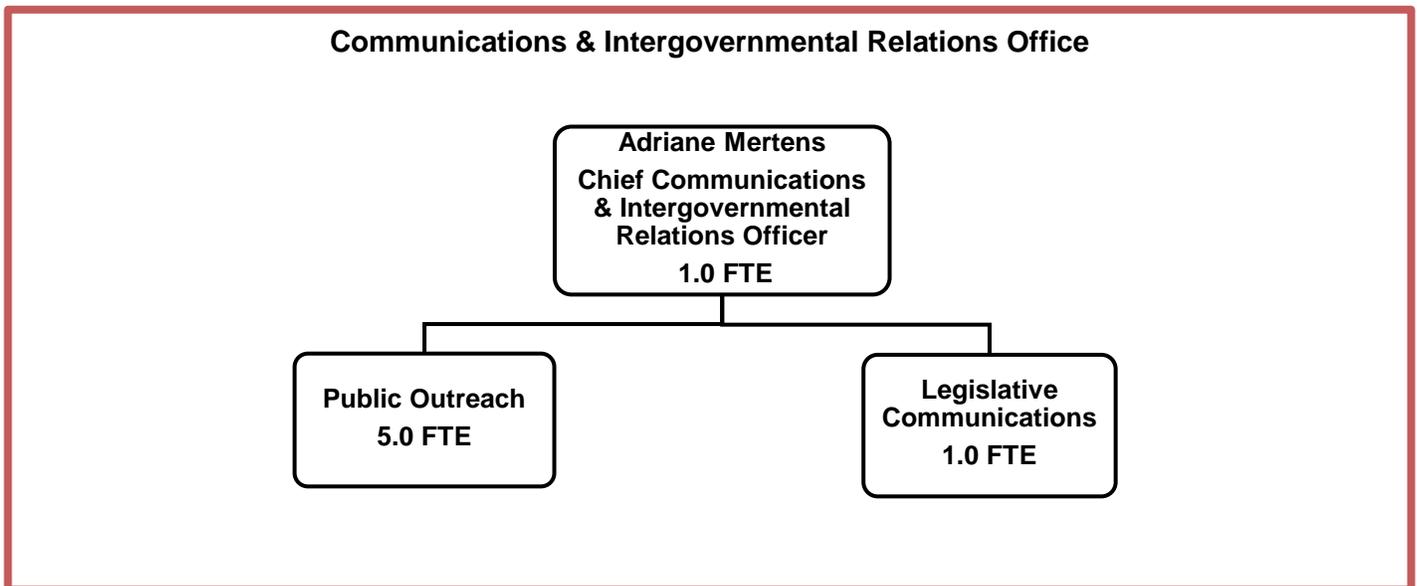
## Mission

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

## Department Description

The Communications & Intergovernmental Relations Office (CIRO) is comprised of one program that works as the centralized point of Citywide and public communications. CIRO is responsible for any statements made to the media and works closely with the City Manager's Office to ensure appropriate and transparent content is being shared. As a forward-facing department, CIRO is also responsible for matters that directly affect the public and maintaining an open government approach to information, especially in times of emergency.

## FTE by Program



## Strategic Goals and Initiatives for FY 2020-21

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

- Continue to manage the City's public information outreach during any future PSPS, wildfire, and COVID-19 incidents. 2, 6
- Continue to work with the City's legislative partners to allow for state and federal financial relief to support City services and projects caused by emergency events. 2, 6
- Continue to manage a public information operation to alert citizens and city staff of important information through social media, emails, and video. 6
- Appropriately develop the communications team with less general fund resources. 1, 6

- Manage routine and mandated communication needs during emergency incidents. 2, 6
- Find new and more effective communication tools in an ever-changing social media landscape. 6

## **Major Budget Changes**

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The Communications & Intergovernmental Relations Office (CIRO) is a new department in the City of Santa Rosa, and mostly consists of existing staff and support costs from other departments that were moved into CIRO at the start of FY 2020-21. CIRO is entirely funded by the General Fund, although some staff time is reimbursed from other departments and alternative funding sources, depending on the work at hand.

The Chief Communications & Intergovernmental Relations Officer was originally part of the City Manager's Office but was moved to the newly created stand-alone department along with \$50K of services and supplies budget.

The Planning & Economic Development department contributed 1.0 FTE Marketing and Outreach Coordinator, whose time is funded by the Homeless Services special revenue fund, the Santa Rosa Tourism BIA special revenue fund, and the Housing Authority. This position also came with \$3K of support costs.

1.0 FTE Marketing and Outreach Coordinator and 1.0 FTE Recreation Specialist from the Recreation & Community Engagement department are also now a part of CIRO. In addition, \$18K of temporary labor budget and over \$128K of support costs, mostly Print Services and Advertising (shown below as "Other Miscellaneous"), were transferred to CIRO from Recreation & Community Engagement.

Transportation & Public Works contributed 1.0 FTE Marketing and Outreach Coordinator as well, who is 75% funded by CIP projects. This position also came with \$3K of support costs.

The Police department previously employed 0.5 FTE Marketing & Outreach Coordinator that was moved to CIRO, however this position was increased to 1.0 FTE in order to better meet the demands of the department. Police also contributed \$31K of designated support costs, mostly consisting of Professional Services and Advertising (shown below as "Other Miscellaneous").

Finally, 1.0 FTE Legislative Analyst was created as a new position classification in FY 2020-21 and added to CIRO and will be funded partially by the Water enterprise funds. This position is anticipated to address the unique legislative research demands of the department that other current classifications are not equipped to execute.

Also, worth noting are 2.0 FTE Marketing and Outreach Coordinators who currently reside in the Water department and are funded by the Water enterprise funds. While these positions will continue to work primarily on projects for Water, they are now under the direction of the Chief Communications & Intergovernmental Relations Officer. Should staff time be needed for projects in the General Fund or other enterprise funds, the Water Enterprise funds will be reimbursed as needed.

## Budget Summary

<b>Expenditures by Program</b>	
	<b>2020 - 21 Budget</b>
Communications & Intergovernmental Relations	\$1,024,546
<b>Total</b>	<b>\$1,024,546</b>

<b>Expenditures by Category</b>	
	<b>2020 - 21 Budget</b>
Salaries	\$543,007
Benefits	\$265,464
Professional Services	\$64,650
Vehicle Expenses	\$300
Utilities	\$900
Operational Supplies	\$14,380
Other Miscellaneous	\$135,845
<b>Total</b>	<b>\$1,024,546</b>

<b>Expenditures by Fund</b>	
	<b>2020 - 21 Budget</b>
<b>Funding Source</b>	
General Fund	\$1,024,546
<b>Total</b>	<b>\$1,024,546</b>

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

<b>Fiscal Year</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	7.00

## **Performance Measures**

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- Managed the City's public information outreach during the PSPS, Kincade Fire, and COVID-19 incidents
- Worked with the City's legislative partners to allow for state and federal financial relief to support City services and projects caused by emergency events
- Developed a public information operation to alert citizens and city staff of important information through social media, emails, and video

## **Looking Ahead**

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With the Communications & Intergovernmental Relations Office still in its infancy, the future offers many opportunities for growth. In the coming years, CIRO hopes to examine current job titles and roles to ensure appropriate staffing for the demands of the department, while also minimizing the burden on the General Fund. With the COVID-19 crisis in full swing and expected wildfire and PSPS events in the future that will place undue demands on the department, staff will be challenged to communicate vital information with resources stretched thin. Finally, in an ever-changing social media landscape, CIRO will continue to seek new and more effective communication tools.

# Finance

## Mission

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

## Department Description

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The Finance Department is responsible for providing a variety of financial and support services to the City organization, as well as the business community and general public. The Department is divided into six program divisions 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 (CAFR), the City's Operations and Maintenance (O&M) Budget, and the City's Capital Improvement Program (CIP) Budget.

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

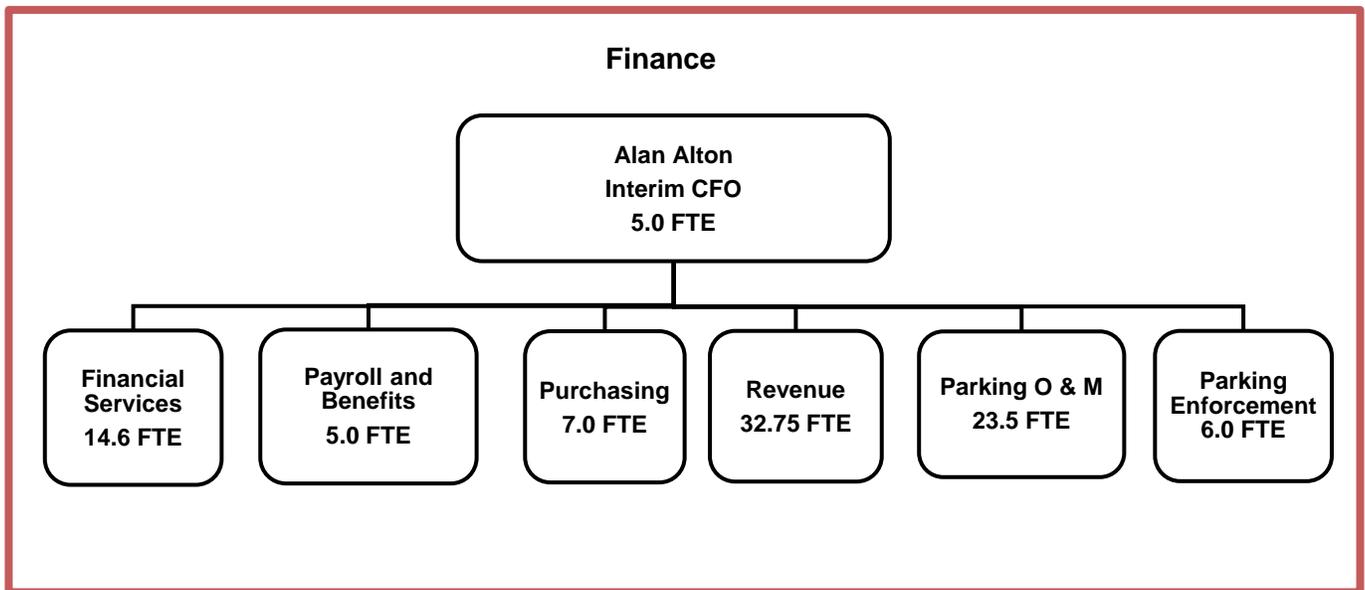
**Revenue** - Includes Water Billing staff and Revenue & Collection staff. Water Billing staff perform monthly meter reads; billing and collection of water and sewer charges; assist customers with excessive water use, and process water payments via various payment methods (in person, by phone or email) with billing, service, and payment questions. The Revenue & Collection staff are responsible for the

collection of various City taxes (Cannabis, Utility Users, Transient Occupancy, Real Property Transfer, Property, Sales and Use) and Business Tax Administration management. The division provides billing and collection of miscellaneous receivables, two business improvement assessment districts, alcohol sales permit fees and franchise fees (gas, electric, cable, solid waste disposal, construction and demolition (C&D) debris box, towing, taxicab fees). It also manages receipted payments for all taxes and money received. Provides collection duties on delinquent accounts and enforcement work on unregistered entities.

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

**Parking Enforcement** - 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 eight Residential Permit zones. Enforcement maximizes parking options for residents, commuters and visitors in a fair, equitable manner that promotes and encourages economic growth.

### FTE by Program



## **Strategic Goals and Initiatives for FY 2020-21**

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

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### **Administration**

- Work with the department to ascertain future staff streamlining including business process reviews
- Lead the efforts to replenish the City's reserves through budget balancing efforts and working with the Federal, State and County government on potential reimbursement

### **Financial Services**

- Develop a budget and long-range financial forecast that is sustainable in this time of uncertainty

### **Payroll and Benefits**

- Expand employee self-service options regarding payroll deductions and deferred compensation transactions
- Identify, evaluate and address procedures to maintain compliance with California Public Employees' Retirement System (CalPERS) reporting regulations
- Increase improvements to the payroll and timekeeping systems to expand ease of use and create efficiencies
- Update and evaluate labor contract language for clarity and uniformity among the various bargaining units
- Implement electronic W-2 reporting
- Continue to work with IT on upgrades to One Solution

### **Purchasing**

- Develop and execute a training platform for communicating updated procurement processes citywide, offering a certification and delegation of procurement authority
- Continue to assess and finalize implementation of updated Purchasing Policy in partnership with the City Attorney
- Assist IT in a successful transition to updated Enterprise Resource Planning System and development of training tools for future staff
- Implement electronic signature model per City Council

### **Revenue**

- Complete installation of Advanced Metering Infrastructure (AMI) project
- Respond to legislation regarding the 'Statewide Low-Income Water Rate Assistance Program' and complete the implementation of the state program in the water billing software
- Release new software available for customers to monitor water usage, provide leak notifications, and provide the City an additional tool for large system planning
- Create audit program for Cannabis Tax and to enhance Transient Occupancy Tax compliance on short term rentals

### **Parking Enforcement**

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

- Implement pay by plate parking meter enforcement using license plate recognition equipment

### **Parking Operations & Maintenance**

- Install new parking access and revenue control system in the five garages
- Replace multi-space parking meters at the end of their useful life with new pay by license plate multi-space meters
- Complete repairs to the 1<sup>st</sup> Street, 5<sup>th</sup> Street, 7<sup>th</sup> Street and D Street garages
- Implement online parking permit account management system utilizing virtual digital permits using license plate numbers as the permit credential
- Complete 1<sup>st</sup> Street garage elevator modernization

### **Major Budget Changes**

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The FY 2020-21 Finance Department budget is about \$17M, a slight decrease of \$1.3M, or 7.1% from the prior year. The Finance Department has two primary funding sources: The General Fund and the Parking District Fund.

The General Fund Finance operations have been held flat with the prior year and budgeted at \$11.1M. Salaries & Benefits increased overall by a modest \$52K, or 1%, as FTE count was held constant. Professional Services decreased in the General Fund programs by \$93K, mostly due to one-time costs in FY 2019-20 in Water Billing Operations for lock box and cash collection services. All other General Fund categories and programs saw no significant changes.

The Parking District Fund budget is \$5.8M in FY 2020-21, a decrease of \$1.2M, or 17.0% over the prior year's budget. Salaries decreased by \$130K mostly due to the elimination of 1.5 FTE vacant Parking Operations Aide, who were responsible for overseeing parking lots in the overnight hours. In exchange for these positions, Parking increased their professional services contract for overnight security, which accounts for \$60K of the increase in the Professional Services budget category. Going back to Parking's staffing changes, another vacant 0.5 FTE Parking Operations Coordinator was also eliminated, a vacant 1.0 FTE Parking Supervisor was converted into 1.0 FTE Parking Coordinator. Although total headcount decreased by 2.0 FTE, Parking Benefits grew a net \$10K, mostly due to rising healthcare costs. Services & Supplies increased overall by \$201K, or 12.1% mainly from an \$82K increase in IT costs and a \$27K increase in Property & Fire Insurance, both of which are not controllable by the department. Most of Parking's year over year \$1.2M variance is driven by a substantial decrease in CIP costs in the current year. Parking anticipates only \$120K in garage lighting work for FY 2020-21 CIP projects, whereas over \$1.1M of garage repairs were budgeted in the prior year.

Finally, the Pooled Investment Fund budgeted a \$40K decrease in Professional Services as Investment Advisory Services banks changed from BNY to US Bank, resulting in lower fees.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$1,567,307	\$1,710,188	\$1,785,362	\$1,789,309
Purchasing	\$945,170	\$984,015	\$1,125,007	\$1,152,255
Financial Services	\$2,256,947	\$2,481,775	\$2,813,083	\$2,773,794
Revenue	\$4,264,540	\$4,263,708	\$5,095,200	\$4,991,676
Payroll and Benefits	\$620,498	\$545,756	\$597,865	\$620,269
Parking Services O&M	\$3,832,374	\$3,702,802	\$4,334,304	\$4,292,151
Parking Enforcement	\$1,033,307	\$998,747	\$1,176,807	\$1,224,066
CIP and O&M Projects	\$1,614,555	\$444,626	\$1,423,152	\$242,130
<b>Total</b>	<b>\$16,134,698</b>	<b>\$15,131,617</b>	<b>\$18,350,780</b>	<b>\$17,085,650</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$6,447,376	\$6,412,890	\$7,226,723	\$7,117,175
Benefits	\$3,271,442	\$3,597,868	\$4,227,790	\$4,269,495
Professional Services	\$2,133,266	\$2,273,181	\$2,838,779	\$2,782,120
Vehicle Expenses	\$175,587	\$176,820	\$204,196	\$201,338
Utilities	\$120,665	\$60,410	\$94,094	\$94,590
Operational Supplies	\$530,808	\$532,707	\$653,398	\$648,692
Information Technology	\$869,447	\$967,554	\$893,720	\$961,239
Liability/Property Insurance	\$94,882	\$82,577	\$74,202	\$101,925
Other Miscellaneous	\$250,958	\$223,418	\$322,825	\$350,674
Indirect Costs	\$625,712	\$322,527	\$335,401	\$316,272
Capital Outlay	\$0	\$37,039	\$56,500	\$0
CIP and O&M Projects	\$1,614,555	\$444,626	\$1,423,152	\$242,130
<b>Total</b>	<b>\$16,134,698</b>	<b>\$15,131,617</b>	<b>\$18,350,780</b>	<b>\$17,085,650</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
General Fund	\$9,674,688	\$9,700,102	\$11,134,517	\$11,082,303
Capital Improvement Fund	\$400	\$57,838	\$0	\$0
Parking District Fund	\$6,245,579	\$5,103,345	\$6,934,263	\$5,758,347
Pooled Investment Fund	\$214,031	\$270,332	\$282,000	\$245,000
<b>Total</b>	<b>\$16,134,698</b>	<b>\$15,131,617</b>	<b>\$18,350,780</b>	<b>\$17,085,650</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	97.35	98.85	102.35	95.85	93.85

### **Performance Measures**

#### **Revenue & Collections**

<b>INDICATORS:</b>	<b>FY 2018-19 Est.</b>	<b>FY 2019-20 Est.</b>
Total Amount Billed	\$28,262,794	\$28,875,095
MuniServices – Business Tax Certificates Issued	14,324	11,918
Invoices Issued	2,936	3,321
Utility Users Tax files	196	222
Alcohol Sales Permit Fee files	427	445
Transient Occupancy Tax files	197	240
City Tourism BIA files	197	240
County Tourism Business Improvement Area (BIA) files	21	19
Franchise Fees	42	34
Calls received	1,512	1,648
Electronic payments received	15	13
Mail (Phone) payments received	8,570	9,399
Counter payments received *	1,610	1,419
Dollar amounts sent to collections	\$314,065	\$419,835

\* 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**

<b>INDICATORS:</b>	<b>FY 2018-19 Est.</b>	<b>FY 2019-20 Est.</b>
Total Amount Billed	\$112,299,802	\$115,390,077
Number of Accounts	50,867	52,085
Water Services **	53,909	52,675
Sewer Services	49,696	48,588
Operations calls initiated and received	57,864	55,008
Collections calls initiated and received	28,152	31,152
Meters read by Meter Specialists	636,480	639,108
Property visits by Meter Specialists ***	35,556	28,572

Electronic payments (includes Integrated Voice Response (IVR) & Automatic Bill Payment (ABP)) received	354,888	378,528
Mail payments received	157,776	146,520
Counter payments (includes drop box) received	43,920	40,128
Electronic users	15,086	117,520
Dollar amounts sent to collections	\$293,645	\$296,844

\*\*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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 Estimate
Number of monthly parking permits issued	25,248	24,399	23,919	20,927
Number of hourly parking garage patrons served	547,952	523,202	553,376	446,386
Number of metered parking transactions	1,922,227	1,985,689	2,036,851	1,573,004
Number of residential parking permits issued	1,465	1,468	1,463	1,658

### Prior FY 2019-20 Accomplishments

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

#### Administration

- In partnership with Ernst & Young (E&Y), managed the Federal Emergency Management Agency reimbursement forms collection and reimbursement effort. Recruited internal Accountant to take on these efforts at the close of E&Y contract 2, 9
- Continued streamline processes and procedures to increase efficiencies while maintaining compliance with Federal and State laws and mandates 1

#### Financial Services

- Implemented a successful transition to a new general banking, custodial bank and credit card processor.

#### Parking Enforcement

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

#### Parking Operations & Maintenance

- Implemented an Employee Preferential Parking permit for West End area workers
- Awarded contract to IPS Group for new "pay by plate" multi-space parking meters
- Awarded contract to Skidata, Inc. for new parking access and revenue control systems in the five public garages
- Offered free garage parking on Small Business Saturday and on weekends between December 7 -29, 2019
- Implemented free parking in all City owned garages on City observed holidays, and free parking on Sundays in the D Street and 5<sup>th</sup> Street garages
- Added two new residential parking permit zones: West End, and Olive Park
- Added portions of Morgan Street and A Street to the Downtown residential parking permit zone

- Implemented a discounted Evening Employee Permit for parking in the five City owned garages
- Completed surveillance camera upgrades at 1<sup>st</sup> and 5<sup>th</sup> Street garages
- Changed parking meter hours to 9 a.m. to 6 p.m.
- Replaced 116 coin-only parking meters with credit card enabled meters

### **Payroll and Benefits**

- Continued to evolve the most recent iteration of OneSolution in collaboration with Information Technology (IT) and Accounts Payable (A/P)
- Implemented new procedure for reporting value of uniforms/boots to CalPERS
- Completed Annual Position Budgeting in new system, One Solution
- Created new extension tracking for various emergency events

### **Purchasing**

- Finalized draft of updated Purchasing Manual and policies for use throughout City in partnership with City Attorney
- Developed FEMA compliant solicitation templates in collaboration with City Attorney for citywide use and provided guidance for use.
- Began City credit card transition with Accounts Payable
- Developed purchasing platform options for citywide use and provided significant cost discounts for services

### **Revenue**

- Successfully installed over 46,000 (89%) Advanced Metering Infrastructure (AMI) meters. Estimate 91% of meters installed by end of FY 2019-20
- Implemented SB998 – Water Shut-Off Process. Created a written policy and procedures to comply with new state bill
- Provided all online customers with bill images of their water bills
- Absorbed billing for annual waste-hauler fee for disposal at Laguna Treatment Plant
- Developed a registration and online payment tool for Cannabis Industry Tax
- Continued to comply with state and local legislation

### **Looking Ahead**

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The Finance Department will continue to pursue and evaluate strategies for streamlining processes and procedures to increase 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 presentation of fiscal impacts. Payroll will continue to modernize and expand employee self-service options including streamlining standard processes. Purchasing will be rolling out its updated Manual and associated City-wide templates in partnership with the City Attorney.

By the end of Fiscal Year 2020-21, Revenue estimates 100 percent of the manual and radio monitored meters will be converted to the new Advanced Metering Infrastructure (AMI). Revenue and Collections will be coordinating the collection of the new Measure O sales tax revenue. Parking will continue with Capital Improvement Program projects aimed at modernizing and further developing systems and technology to benefit the community.

# Fire

## Mission

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

## Department Description

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

**General Administration** - Coordinates the preparation and monitoring of the Department's budget including keeping the Department informed on the current financial results. 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. The Emergency Preparedness team also resides in the Administrative program. They are responsible for planning and coordinating city-wide procedures and preventive measures and guiding the City through emergency operations when needed.



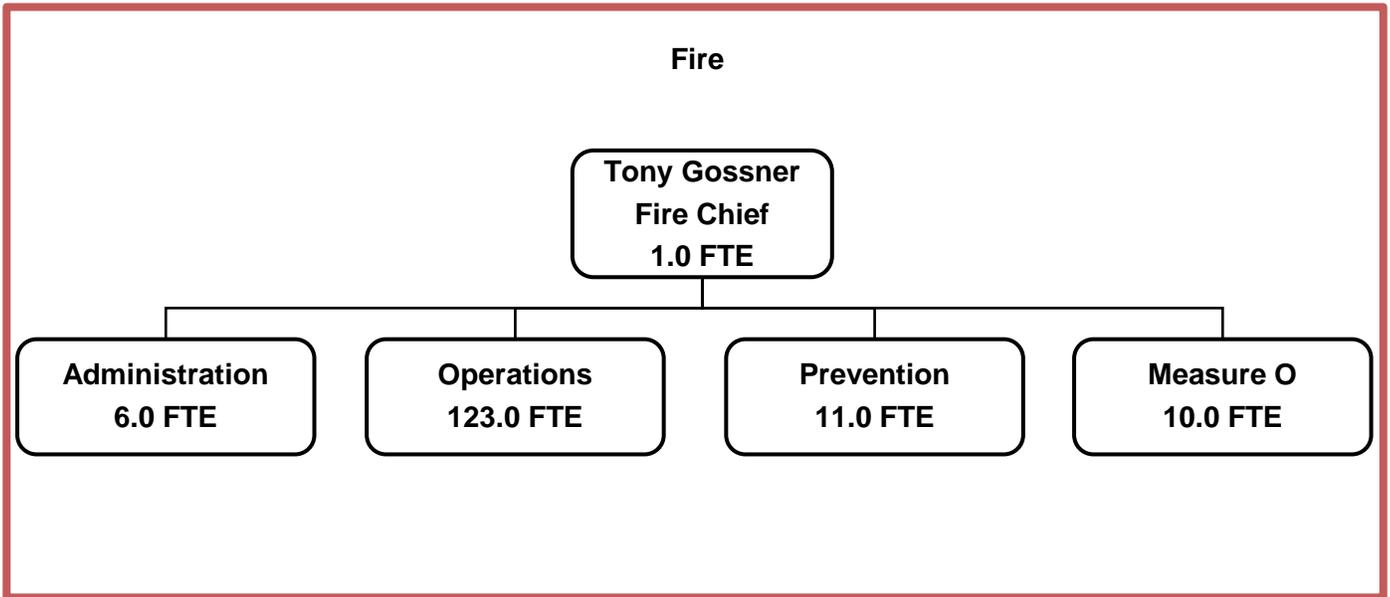
**Fire Prevention** - Prevents and limits the spread of fire and provides life safety through community safety education and the application and enforcement of regulations, codes, and ordinances. The Division administers several programs such as plan review, inspections, fire investigations, Certified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



**Fire Operations** - Responds to and mitigates emergency incidents within the City of Santa Rosa. Major services to the community include: paramedic and emergency medical care, extinguishment of fires, technical rescue, mitigation of the effects from natural disasters and hazardous materials containment. Training and safety programs are provided to all personnel to 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 (25%) for the Emergency Medical Services Battalion Chief and paramedic incentive pay for six additional fire operations staff. Measure O also funds construction of existing and future fire stations and helps purchase necessary fire apparatus for the Department.

### FTE by Program



### Strategic Goals and Initiatives for FY 2020-21

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

- Relocate Fire Stations within the City to improve coverage and rebuild of Fire Station 5. **2,5,6**
- Implement the Strategic Plan and Standards of Coverage. **6**
- Incorporate findings of outside Staffing Study within our department. **6,9**
- Add a second battalion to the Department. **2,6,9**
- Continue work on coordinating Warning and Notification plans with City public safety Agencies and Sonoma County. **2,6,7**
- Continue work on the Recovery Plan, Volunteer and Donations Plans. **2,5,6,7**
- Support City-wide emergency preparedness through training and program analysis. **2,6,7**
- Develop better staffing model and training for City's staff capability to operate emergency shelters. **2,6,7,9**
- Expand the EOC to better position the City to handle future emergencies with adequate staffing and equipment. **5,6,9**
- Develop and implement a vegetation management education and inspection Program for the Wildland-Urban Interface Fire Areas (WUI). **2,6,7**
- Continue to research ways to establish an Apparatus Replacement Fund. **2,5,6**
- Seek grant opportunities to enhance services and provide necessary protection equipment. **1,2,5,6**

## Major Budget Changes

The Fire Department's programs consist of Administration, Prevention, Operations and Measure O (which is funded by its own revenue source.) Overall, Fire's FY 2020-21 budget was mostly held flat, decreasing by just \$183K, or 0.4%.

Within the General Fund, Salaries decreased overall by \$913K or 4.0%. While Fire Department staff salaries did increase year over year in accordance with MOU contracts, the increase was offset by both one-time costs in FY 2019-20 for labor agreements as well as a decrease in Contract Overtime of \$251K. Contract Overtime reflects recent decreases in Strike Team activity which is offset with a corresponding reduction in expected revenue. General Fund Benefits are expected to increase by \$1.1M entirely related to CalPERS increases and unfunded pension liability costs.

Services and Supplies budget will increase by \$196K year over year, or 5.1% due to allowed increases in Fleet maintenance and replacement costs of \$117K, Information Technology increases of \$60K and an increase in the cost of the annual RedCom dispatch contract of \$60K. Other small decreases in various budget categories have offset these rising costs for an overall General Fund budgeted increase of \$775K, or 1.8%. It should be noted that a budgeted lease payment for a Fire Apparatus of \$294K, previously accounted for under the "Other Miscellaneous" budget category, was completed in FY 2019-20. In FY 2020-21 and going forward, this amount will be budgeted in Vehicle Replacement to help establish a replacement fund for future needs. As noted above, Fire's vehicle costs for gasoline, replacement, and repairs did increase by \$117K, excluding this change. Administrative Overhead budget increased by \$441k in FY 2020-21, due to budget increasing in other administrative departments of the City.

FY 2020-21 Measure O funds increased by \$82K, or 2.4%. The majority of this increase is from Benefits, which are expected to increase by \$87K due to increased Retirement costs of \$60K, as well as small increases Worker's Compensation and Health Insurance. A small decrease in Salaries offset the rising benefits costs, as well as a \$3.5K increase in Overhead. Measure O Services and Supplies remained flat.

Finally, O&M and CIP project expenditures are budgeted at \$939K in FY 2020-21, a reduction of \$1.1M, or 53% from the prior year. This year over year decrease is driven by one-time funding in FY 2019-20 for the rebuild of Fire Station 5, which did not require additional funding in FY 2020-21.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$3,667,191	\$4,167,259	\$4,469,910	\$4,953,561
Fire Prevention	\$1,786,483	\$2,389,254	\$2,434,081	\$2,627,608
Operations	\$31,558,713	\$35,363,845	\$35,922,158	\$36,044,954
Measure O Fire	\$3,003,028	\$3,333,860	\$3,405,169	\$3,487,413
CIP and O&M Projects	\$4,395,658	\$2,976,765	\$2,004,679	\$939,098
<b>Total</b>	<b>\$44,411,073</b>	<b>\$48,230,983</b>	<b>\$48,235,997</b>	<b>\$48,052,634</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$21,597,743	\$24,312,884	\$25,011,130	\$24,088,808
Benefits	\$12,489,590	\$14,045,170	\$14,628,742	\$15,833,226
Professional Services	\$1,386,860	\$1,587,937	\$1,496,517	\$1,586,103
Vehicle Expenses	\$842,471	\$1,052,331	\$955,302	\$1,366,790
Utilities	\$36,752	\$36,645	\$36,760	\$37,760
Operational Supplies	\$284,599	\$407,781	\$311,324	\$244,718
Information Technology	\$565,947	\$629,199	\$632,943	\$693,148
Liability/Property Insurance	\$15,437	\$17,942	\$20,111	\$20,697
Other Miscellaneous	\$557,153	\$560,215	\$511,967	\$211,730
Indirect Costs	\$104,550	\$120,014	\$112,474	\$116,007
General Fund Administration	\$2,134,313	\$2,447,151	\$2,474,048	\$2,914,549
Capital Outlay	\$0	\$36,949	\$40,000	\$0
CIP and O&M Projects	\$4,395,658	\$2,976,765	\$2,004,679	\$939,098
<b>Total</b>	<b>\$44,411,073</b>	<b>\$48,230,983</b>	<b>\$48,235,997</b>	<b>\$48,052,634</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$39,627,489	\$42,682,752	\$43,392,340	\$44,167,424
Measure "O" - Fire	\$3,003,028	\$3,333,860	\$3,405,169	\$3,487,413
Federal Grants	\$726,189	\$80,547	\$0	\$0
Capital Improvement Fund	\$1,054,367	\$2,133,824	\$1,438,488	\$397,797
<b>Total</b>	<b>\$44,411,073</b>	<b>\$48,230,983</b>	<b>\$48,235,997</b>	<b>\$48,052,634</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	147.75	148.75	149.75	151.00	151.00

## Performance Measures

Indicators	2017	2018	2019
Budgeted Sworn Personnel	139	139	139
Population	177,938	178,488	175,625
Number of Incidents	27,258	27,897	28,667
Fire Loss	\$6,841,887	\$6,199,807	\$4,639,406
On Scene within 5 Min. (Council goal 90%)	72.97%	72.68%	70.11%
Civilian Fire Fatalities	1	0	0
Full Assignment within 8 minutes	72.29%	51.25%	83.61%
Engine Company Annual Inspections	2,681	3,037	2,700
Fire Prevention Annual Inspections	471	705	835
CUPA Annual Inspections	479	484	441
Construction Inspections	1,058	2,028	2,684
CUPA Construction Inspections	54	26	67
Plan Reviews	1,184	2,653	2,864
CUPA Plan Reviews	64	33	58
Limited Term Permits/Inspections	328	390	337
Fire Prevention Investigations	55	43	40

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

## Prior FY 2019-20 Accomplishments

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

- Hired a Deputy Emergency Preparedness Coordinator and a Community Outreach Specialist to increase the bandwidth in the EOC; also hired three new firefighters and recruited an experienced lateral from another agency to fill some unfilled positions in Operations. **6,7**
- Continued to look at best locations for new/existing fire stations within the City. **2,5**
- Worked with an outside consultant to complete a staffing study to review feasibility of utilizing alternative staffing models and presented the report to Council. **9**
- Introduced a new Pandemic Response Unit to respond to calls involving residents suspected of having the new coronavirus to minimize potential department and community exposure to COVID-19. **6,9**
- Absorbed the Roseland Fire Protection District into the City and received \$3.4M in cash as part of the dissolution for the construction or relocation of Fire Station 8 in Roseland. **1,2,5,6**
- Placed an order for a new Type I Aerial with a cost of \$1.4M. **5**
- Established an ongoing funding source for apparatus replacement by budgeting apparatus lease payments into the replacement fund as they expire. Will also start entering all new apparatus purchases in the City-wide replacement program to build fund balance for future purchases with a 12 year replacement for type 1 engines and 15 year replacement for type 1 ladder trucks. **1,5**

**5**

## Looking Ahead

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### Personnel Needs:

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

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 need for a second battalion was also noted in a 2004 Grand Jury report.

#### **Recruitments of new employees and promotions of existing employees:**

The Fire Department will continue to actively recruit and hire exemplary employees as needed to fill vacancies in the Operations, Prevention, and Administrative Bureaus. Specifically, a recruitment of firefighter/paramedic applicants is due to begin whenever the COVID-19 crisis is over to establish a current and certified list of candidates to select for employment as the need arises. This will develop into an urgent need during the next year as multiple retirements within the ranks are expected.

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

## **Project Activity:**

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

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

### **Continue implementation of Lexipol Fire Department policy system:**

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

### **Continue to plan for the relocation and/or construction of new fire stations based on 2017 Standards of Coverage report:**

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

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

The Fire Department will continue to be a proactive stakeholder in developing a new EMS ordinance, the Ambulance Franchise Exclusive Operating Area (EOA) RFP and the REDCOM Regional Dispatch RFP. The EMS ordinance has not been revised since 1991. The current contracts for both the Ambulance EOA and REDCOM Dispatch are set to expire soon. The EMS Ordinance was signed by the Count Board of Supervisors on 11/5/2019. The Department staff has been involved in over 60 meetings with the Local EMS Agency since November 2016 to develop the ordinance. The Fire Department collaborated with other public partners and CalChiefs to delay the RFP process for the ambulance exclusive operating area for three years. The contract between the local ambulance provider and the County is set to expire in July 2022. The Fire Department will explore opportunities and partnerships that will best meet the Mission of the department, is most beneficial to the community, and is the most fiscally responsible.

### *Evaluation and Response*

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

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

## **Equipment Needs:**

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

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

The Department currently has three (3) Type I Ladder Trucks, (2) two that are frontline and staffed daily and one (1) that is kept in a reserve status for use when the frontline equipment is taken out of service for routine maintenance or repairs. We replaced a Type 1 aerial in FY 2019/20 for \$1.4M.

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

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

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

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

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

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

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

# Housing & Community Services

## Mission

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

## Department Description

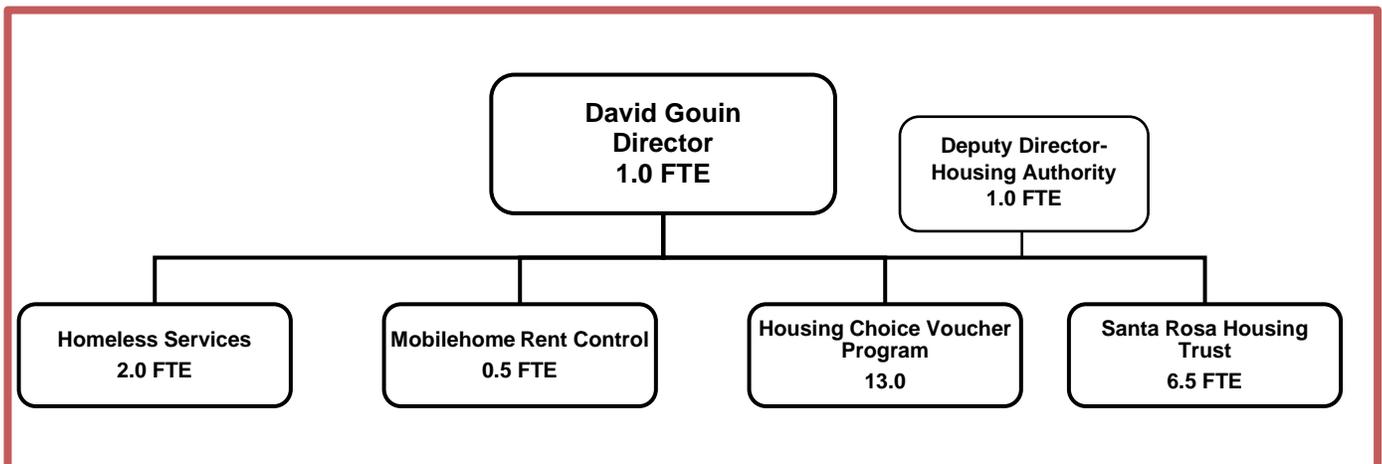
The Housing and Community Services Divisions are part of the larger Community Development and Engagement Portfolio, which also includes Planning and Economic Development Divisions, Recreation, and Community Engagement and the Violence Prevention Partnership. Housing and Community Services (HCS) supports programs in two entities, the City Entity and the Housing Authority. Information regarding the Housing Authority is in its own section.

Under the City Entity, the Homeless Services Division funds programs for homeless residents and the Mobilehome Rent Control Ordinance governs mediation as described below.

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

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

## FTE by Program



## Strategic Goals and Initiatives for FY 2020-21

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

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### Homeless Services

- Administer homeless service 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
- Support City efforts to solve homelessness through continued coordination of services among key City departments, including the Homeless Encampment Assistance (HEAP) Program and Homeless Action Team (HAT), collaboration with the County and service providers, and participation in regional planning efforts through the Continuum of Care (Home Sonoma County). 4

### 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

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In FY 2020-21, the Housing & Community Services (HCS) department underwent a reorganization in which Code Enforcement and the Neighborhood Revitalization Program (NRP) were moved to the Planning and Economic Development department, taking with them \$2M of the HCS annual budget. Other increases in various areas offset this change for an overall decrease in the HCS annual budget of \$1.6M, or -27.6%. In FY 2020-21, HCS anticipates \$4.1M will be needed for the operations of the remaining programs, Homeless Services and the Mobilehome Rent Control Ordinance.

The Code Enforcement and NRP reorganization moved 10.0 FTEs out of HCS, accounting for the vast majority of the combined \$1.4M decrease in Salaries and Benefits. Merit increases and rising retirement costs for the remaining 24.0 FTEs in HCS slightly offset the decrease. Services and Supplies of about \$133K that support Code Enforcement were also removed from the HCS department budget. Specifically, Vehicle costs of \$40K, Information Technology costs of \$48K, and \$45K of Supplies, Professional Services and miscellaneous support costs were moved to Planning & Economic Development. HCS will continue to budget \$193K in the General Fund to fund a Deputy Director that partially oversees the Housing Authority.

The Administrative Hearing Fund, which partially funds Code Enforcement, was also moved to the Planning & Economic Development department.

Apart from the reorganization, HCS saw an uptick of \$468K, or 14.6%, in Homeless Services. The increase in appropriations are largely due to an additional \$330K of staff time being budgeted in Homeless Services for administration. The remaining \$138K can be attributed to \$50 in Grant Writing services, previously not part of the program's operations, rising IT costs and a slight \$35K increase in the Homeless Outreach Services Team contract. By resolution, the Homeless Services fund will receive a 5% increase annually of available Real Property Transfer Tax, which partially offsets the year over year increase in the expenditure budget.

The Mobile Home Rent Control program decreased by \$21K, or -12%, due to an administrative change of allocating less Director time and subsequent allocated costs to the program. Program operations will continue to be funded by adequate revenues.

**Budget Summary**

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Neighborhood Revitalization	\$328,689	\$281,172	\$424,595	\$0
Code Enforcement	\$1,143,681	\$1,237,242	\$1,761,259	\$193,535
Homeless Services	\$2,507,033	\$3,065,832	\$3,208,100	\$3,675,631
Mobile Home Rent Control Ord.	\$40,040	\$29,335	\$167,791	\$146,916
CIP and O&M Projects	\$92,469	\$38,191	\$50,000	\$50,000
<b>Total</b>	<b>\$4,111,912</b>	<b>\$4,651,772</b>	<b>\$5,611,745</b>	<b>\$4,066,082</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$981,560	\$948,396	\$1,433,708	\$554,868
Benefits	\$509,823	\$516,086	\$862,484	\$315,502
Professional Services	\$112,009	\$152,897	\$180,900	\$217,900
Vehicle Expenses	\$21,150	\$25,581	\$39,580	\$0
Utilities	\$6,097	\$5,595	\$7,920	\$2,420
Operational Supplies	\$10,203	\$8,154	\$27,745	\$12,045
Information Technology	\$91,315	\$95,820	\$92,299	\$43,917
Other Miscellaneous	\$15,709	\$28,286	\$45,156	\$22,320
Subrecipient Funding	\$2,102,822	\$2,628,108	\$2,746,781	\$2,781,781
Indirect Costs	\$168,755	\$180,478	\$125,172	\$65,329
Capital Outlay	\$0	\$24,180	\$0	\$0
CIP and O&M Projects	\$92,469	\$38,191	\$50,000	\$50,000
<b>Total</b>	<b>\$4,111,912</b>	<b>\$4,651,772</b>	<b>\$5,611,745</b>	<b>\$4,066,082</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
General Fund	\$1,368,072	\$1,370,405	\$1,935,850	\$243,535
Administrative Hearing Fund	\$195,525	\$183,051	\$300,004	\$0
Homeless Shelter Operations	\$2,508,275	\$3,068,981	\$3,208,100	\$3,675,631
Mobilehome Rent Stabilization	\$40,040	\$29,335	\$167,791	\$146,916
<b>Total</b>	<b>\$4,111,912</b>	<b>\$4,651,772</b>	<b>\$5,611,745</b>	<b>\$4,066,082</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	30.75	33.00	35.50	34.00	24.00

#### Performance Measures

<b>Indicators</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b> <b>Estimates</b>
Number of persons sheltered at the Samuel Jones Hall Homeless Shelter	878	642	849	700
Number of persons exited to housing from Samuel Jones Hall	64	65	54	80
Number of persons sheltered at Family Support Center	492	429	351	400
Number of persons exited to housing from Family Support Center	119	72	113	100
Number of persons served at Homeless Services Center	2,098	1,090	1,712	2,000
Number of households served under the HCA Program (rent and mortgage assistance)	195	190	232	200
Number of persons served under the HOST Program (Homeless Outreach Service Team)	314	698	334	400
Number of showers provided by HOST portable bathroom/shower trailer	3,685	4,000	1,206	2,000
Number of persons placed into safe shelter or housing (temporary or permanent) under HOST	329	300	308	300
Number of mobilehome parks under rent control	15	15	17	17
Number of mobilehome spaces under rent control	1,664	1,582	1,573	1,615

## Prior FY 2019-20 Accomplishments

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

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### Homeless Services

- Administered contracts for the Homeless Services Center (HSC), Samuel L. Jones Hall Homeless Shelter (SJH), Family Support Center (FSC), Homeless Outreach Services Team (HOST), and HCA Family Fund Program; continued support to the Community Homeless Assistance Program (CHAP). HSC, HOST, FSC, and SJH continued to receive additional funding for enhanced programming in alignment with the City's Housing First Strategy, including a Housing First Fund to provide landlord incentives, risk mitigation, and rental assistance. 4
- Continued coordination of the Homeless Encampment Assistance Program (HEAP), a multi-disciplinary team comprised of representatives from City departments and Catholic Charities' Homeless Outreach Services Team (HOST). HEAP's efforts included the resolution of encampments in the downtown area as well as RV and vehicle encampments in residential and commercial districts. HEAP also provided support to the County of Sonoma's resolution of a large-scale encampment along the Joe Rodota Trail. 4
- Continued participation in regional planning efforts through the homeless system of care, Home Sonoma County. 4
- Developed a new Homelessness Solutions Fact Sheet to promote the City's efforts to end homelessness, including its strategy, programs and initiatives, investment, program impacts, as well as data on homelessness in Santa Rosa and the greater Sonoma County. 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

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

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



# Housing Authority

## Mission

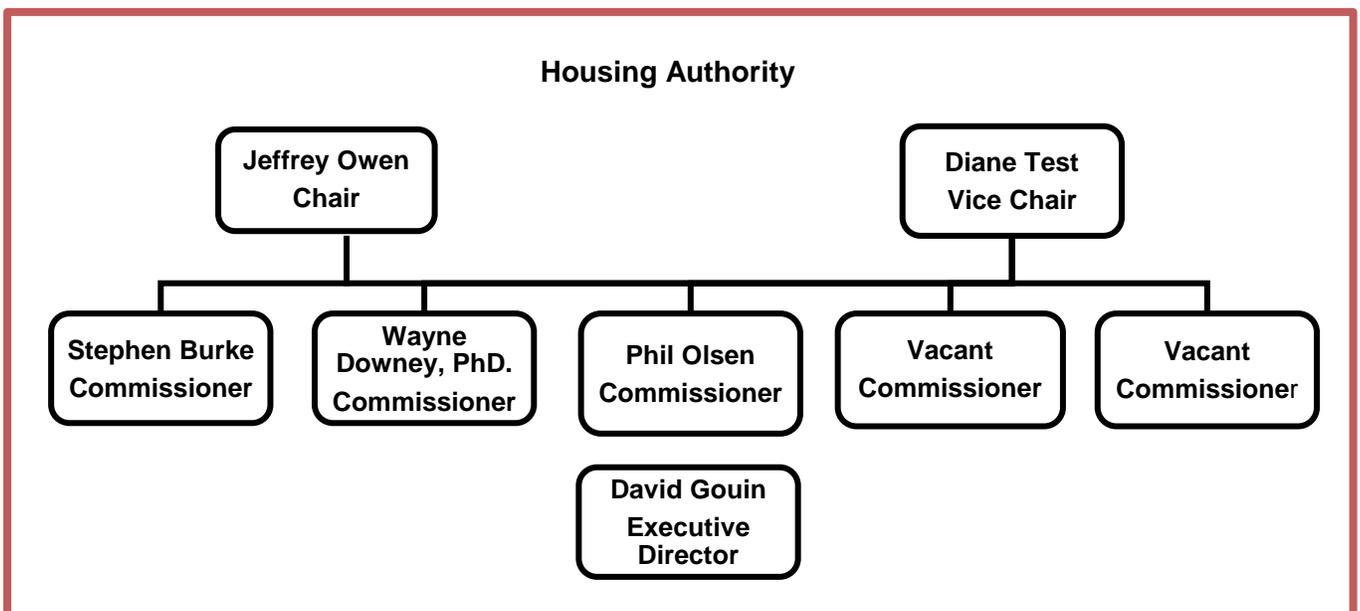
To ensure adequate, decent, safe and sanitary housing for qualified people within Santa Rosa consistent with Federal, State and local law.

## Department Description

The Housing Authority is its own legal entity and supported by staff from the larger Community Development and Engagement Portfolio, which includes Housing and Community Services Divisions, Planning and Economic Development Divisions, Recreation, and Community Engagement and the Violence Prevention Partnership. The Housing Authority Board is appointed by the City Council and meets monthly. Housing and Community Services staff support the Housing Authority's two programs: the Santa Rosa Housing Trust and the Housing Choice Voucher Program. These programs improve the quality and affordability of housing in the City. The primary focus population is very low- and low-income households.

**Santa Rosa Housing Trust (SRHT)** - Manages the City's \$120 million affordable housing loan portfolio, administers Federal and State housing grants, and performs compliance monitoring for over 4,000 units Citywide. These programs maximize and leverage available Federal, State, and local funding to assist in the production of affordable housing programs; conversion, preservation and rehabilitation of affordable housing; and the acquisition, development, and rehabilitation of special needs facilities. 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, and the Family Self-Sufficiency. 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.



## Strategic Goals and Initiatives for FY 2020-21

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

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### Santa Rosa Housing Trust

- Manage the Housing Authority's affordable housing portfolio with an approximate value of \$120 million and compliance monitoring for over 4,000 units. 3
- Solicit, evaluate, originate, and close loans for new affordable housing units, rehabilitation of existing units, or conversion of market rate to affordable housing units. 3
- Pursue additional funding opportunities to further affordable housing in Santa Rosa. 3

### Housing Choice Voucher Program

- Provide rental assistance under the Housing Choice Voucher program to approximately 2,000 families including 424 Veterans under the VASH program, October 2017 fire survivors and over 200 families from other jurisdictions throughout the state and country who are exercising their right to portability under the Voucher program. 3
- Utilize the resources of the voucher program to encourage the development of new affordable housing. 3
- Establish partnerships with regional partners such as neighboring Public Housing Agencies and affordable housing associations to enhance the services of the Housing Choice Voucher program 3
- Respond to the needs of Housing Choice Voucher program participants and the community during and after the COVID-19 crisis 3

### Major Budget Changes

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The Housing Authority budget increased by just \$166K, or 0.4% from FY 2019-20 to FY 2020-21, overall keeping operations comparable to the prior year.

Salaries and Benefits decreased by a combined \$173K due to less staff time being needed for administrative functions. Services and Supplies categories saw various increases and decreases that were adjusted to meet the anticipated needs of the oncoming year. Most notably, Loan Activity in the Housing Trust is increasing by a net \$290K. HOME production will see an uptick of \$1M of loan product due in part to funds from the prior year being made available, which is offset by other decreases in program loan activity.

The Real Property Transfer Tax fund expenditures will decrease by \$433K, or 57.7%, due to an anticipated decrease in Real Property Transfer Tax revenue as a result of the COVID-19 economic crisis.

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

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Admin Housing & Comm Services	\$1,259,134	\$1,386,186	\$1,439,243	\$1,397,323
Housing Choice Vouchers	\$23,627,872	\$26,211,470	\$34,236,728	\$34,240,207
SRHT Portfolio Services & Grant	\$674,552	\$704,254	\$800,565	\$803,706
SRHT Afford Housing Prog & Fin	\$8,883,451	\$5,308,851	\$7,267,761	\$7,454,713
CIP and O&M Projects	\$919,184	\$800,051	\$214,139	\$228,188
<b>Total</b>	<b>\$35,364,193</b>	<b>\$34,410,812</b>	<b>\$43,958,436</b>	<b>\$44,124,137</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$1,608,114	\$1,583,403	\$1,940,273	\$1,816,496
Benefits	\$746,102	\$853,898	\$1,089,429	\$1,040,676
Professional Services	\$62,835	\$165,478	\$159,000	\$165,000
Vehicle Expenses	\$16,873	\$13,010	\$32,005	\$27,140
Utilities	\$4,673	\$3,075	\$8,750	\$7,000
Operational Supplies	\$29,700	\$26,216	\$181,825	\$149,094
Information Technology	\$209,667	\$227,252	\$242,022	\$243,721
Liability & Property Insurance	\$24,631	\$28,505	\$29,792	\$32,938
Other Miscellaneous	\$838,080	\$60,471	\$150,102	\$140,647
Subrecipient Funding	\$442,601	\$464,331	\$460,680	\$470,445
Loan Activity	\$7,203,623	\$4,190,750	\$5,687,227	\$5,977,585
Rental Assistance	\$21,442,021	\$23,956,247	\$31,492,800	\$31,564,800
Indirect Costs	\$1,816,089	\$2,038,125	\$2,270,392	\$2,260,407
CIP and O&M Projects	\$919,184	\$800,051	\$214,139	\$228,188
<b>Total</b>	<b>\$35,364,193</b>	<b>\$34,410,812</b>	<b>\$43,958,436</b>	<b>\$44,124,137</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Housing Operations Fund	\$1,259,134	\$1,386,186	\$1,439,243	\$1,397,323
Operating Reserve Fund	\$1,110,535	\$467,890	\$99,000	\$61,796
Housing Choice Voucher Program	\$23,519,586	\$26,208,704	\$34,236,728	\$34,240,207
1980 Moderate Rehabilitation A	\$108,986	\$9,878	\$0	\$0
Brookwood Property	\$2,602	\$2,864	\$13,103	\$23,967
Community Dvlp Block Grant	\$2,151,990	\$2,597,839	\$1,696,063	\$1,800,314
Rental Rehabilitation Fund	\$0	\$0	\$4,877	\$0
Housing Grant Fund	\$1,459,423	\$435,666	\$437,814	\$563,531
Real Property Transfer Tax Fund	\$289,120	\$388,570	\$751,158	\$317,979
Southwest Low/Mod Housing Fund	\$909,439	\$146,835	\$87,666	\$138,022
Low and Moderate Income Housing	\$432,933	\$153,422	\$411,648	\$157,127
HOME Fund	\$1,004,645	\$1,220,463	\$791,677	\$1,842,669
Mortgage Revenue Bond Fund	\$0	\$0	\$6,400	\$6,010
Housing Compliance Fund	\$214,925	\$223,414	\$349,648	\$331,858
Housing Impact Fee Fund	\$2,450,504	\$886,667	\$3,563,516	\$3,236,930
CalHome Grant MH Loan Program	\$450,371	\$282,414	\$69,895	\$6,404
<b>Total</b>	<b>\$35,364,193</b>	<b>\$34,410,812</b>	<b>\$43,958,436</b>	<b>\$44,124,137</b>

### Performance Measures

<b>Indicators</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20 Estimate</b>
Number of new affordable housing rental and ownership units completed	60	78	34	3
Very Low Income units	0	56	27	0
Low Income units	60	22	7	3
Moderate Income units	0	0	0	0
Number of new affordable rental and ownership housing units in the pipeline	342	196	119	555
Very Low Income units	139	34	68	314
Low Income units	203	108	28	218
Moderate Income Units	N/A	28	23	23
Above Moderate Income Units	N/A	26	0	0
Number of affordable ownership units transferred title	1	5	2	0
Number of owner-occupied affordable housing units rehabilitated or financed	8	9	13	1

Number of investor/developer affordable rental housing units rehabilitated	48	118	0	0
Number of units receiving housing accessibility modifications	1	2	0	3
Number of affordable housing rental units monitored	2,841	2,919	3,076	3,076
Number of owner-occupied housing units monitored	275	262	340	343
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	✓	✓	✓	✓
Number of Housing Choice Voucher Rentals (Vouchers and Port-Ins) (Approximate)	2,000	2,000	2,000	2,000
Total Number of Housing Choice Vouchers- Santa Rosa clients	1,838	1,862	1,877	1,897
Number of HUD-VASH Vouchers	365	389	404	424
Number of landlords participating in program (all figures approximate)	715	695	700	700
Number of Port-In clients (varies monthly, all figures approximate)	200	200	195	220

## **Prior FY 2019-20 Accomplishments**

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

### **Santa Rosa Housing Trust**

- Provided \$3.1 million for Dutton Flats, a 41-unit affordable rental complex that was awarded 9% tax credits and is starting construction in April 2020. 3
- Provided \$690,000 and eight (8) Project Based Section 8 Housing Choice Vouchers to Linda Tunis Senior Apartments, a 26-bedroom/efficiency unit affordable project for seniors. 3
- Provided \$285,000 to Hearn Veterans Village, a 24-bedroom/efficiency unit affordable project for formerly homeless veterans. 3
- Provided \$450,000 for The Cannery, a 114-unit affordable rental complex that is beginning predevelopment. 3
- Committed 8 Project Based Section 8 Housing Choice Vouchers to Sage Commons, a 54-unit permanent supportive housing complex. 3
- Performed affordability compliance on over 3,000 rental units. 3

### **Housing Choice Voucher Program**

- Received additional resources for Veterans under the VASH program, increasing the program size to 424 vouchers. 3
- Provided ongoing rental assistance for approximately 2,000 low-income residents and families residing in Santa Rosa. 3
- Received the Department of Housing and Urban Development's 2020 Veterans Affairs Supportive Housing Program of the Year Award by the HUD Region 9 Public Housing Director's Office. 3
- Received the 2020 Disaster Recovery and Resiliency Award from HUD Region 9 for extraordinary efforts during the Kincade Fire. 3

## **Looking Ahead**

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The Housing Authority and Santa Rosa residents continue to rebound from the October 2017 Tubbs/Adobe wildfire disaster, in which 5% of the City's housing stock was destroyed; the 2019 Kincade fire, in which over a quarter of the City was under evacuation orders for several days; multiple public safety power outages through Fall of 2019; and the COVID-19 crisis in Spring of 2020. Staff will continue to assist Housing Choice Voucher clients and income-qualifying residents through affordable housing initiatives. Additionally, staff will continue working with the California Department of Housing and Community Development to implement the Community Development Block Grant- Disaster Recovery funding to develop affordable housing in Santa Rosa, specifically in response to the 2017 Tubbs/Adobe wildfire disaster.

# 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

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

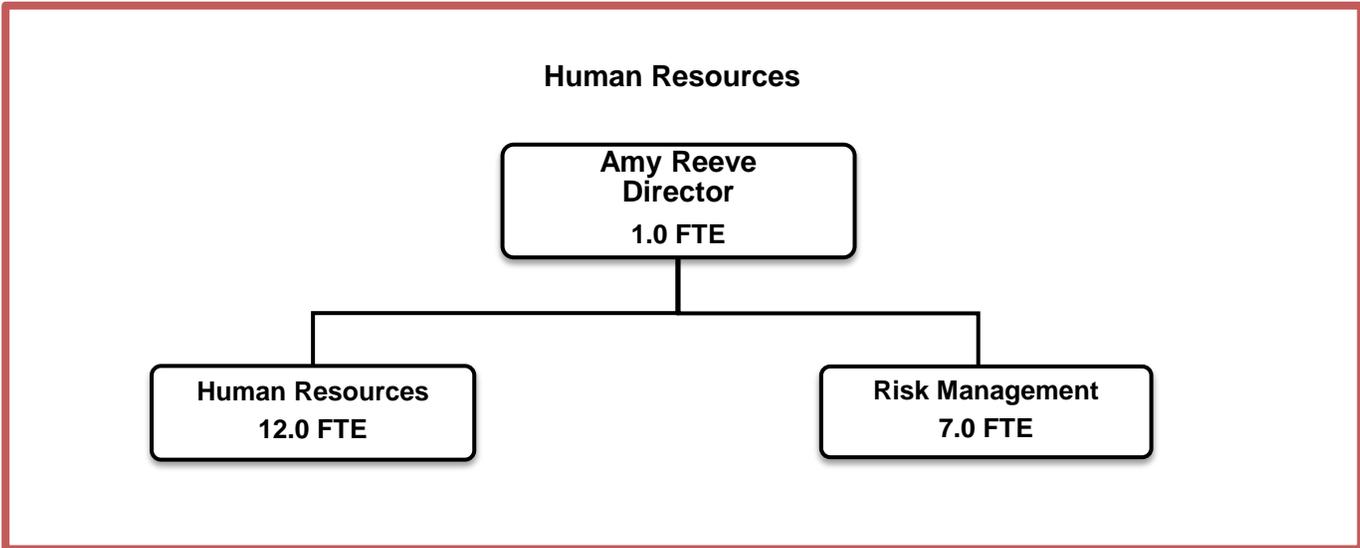
In addition, the Human Resources (HR) Department negotiates comprehensive labor contracts with the City's 17 bargaining units; administers current labor contracts; participates in on-going labor/management problem-solving committees addressing grievances and other significant issues raised during and after negotiations; conducts thorough, responsive investigations into claims of discrimination, harassment or bullying; supports departments in conflict analysis and resolution, restructuring, customer service, and team development; encourages constructive communication; and supports change management and other organizational development efforts, to create and foster an inclusive and engaged workforce.

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

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

Human Resources designs, delivers and administers Citywide benefits, aimed at supporting the long-term health and general welfare of City employees and retirees. Benefits offered include a comprehensive benefits package at very competitive rates. Benefits include low-cost health, life, dental and vision benefits; short-term and long-term disability leaves programs for income protection and employee assistance program for free confidential behavioral health services among other services.

## FTE by Program



### Strategic Goals and Initiatives for FY 2020-21

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

- Continue the implementation of innovative and streamlined HR and Risk Programs to educate and inform staff of available services, benefits, and programs designed to bring value. 9
- Update and implement the Americans with Disabilities Act (ADA) Transition Plan. 6
- Administer a Citywide Safety program to include training, refined policies and procedures. 9
- Research other Risk funding models such as Captive Insurance. 1
- Implement the NEOGOV LEARN product to replace the current OneSolution PD module to improve the participation, management of training that includes virtual delivery for the first time 9
- Implement the NEOGOV ONBOARDING product to provide a more efficient streamlined new employee orientation process. 9
- Implement the NEOGOV PERFORM product to replace the current performance review and workforce development process. 9
- Preparing for contract negotiations with all bargaining units in partnership with Legal. 9
- Preparing policies, correspondence and education surrounding the recent state of emergency and developing a Wellness Work Group to create messaging around Personal Protective Equipment (PPE), working from home and pay codes during times of emergency. 9
- Preparing to launch an employee benefits portal to take benefits administration online so that open enrollment processes and enrollment changes can be accomplished in a virtual environment. 9

## 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 decreased by \$3.1M, or -7.9%, when compared against the FY 2019-20 adopted budget.

In FY 2020-21, the General Fund increased by \$16K, or 0.6%, as FTE count was held constant. Most of the General Fund increase was due to an increase in recruitment expenses to attract a more diverse workforce.

As an internal service fund, the Risk Management fund is charged out to all other City departments through benefit costs. In FY 2020-21, the Risk Management fund decreased by \$3.1M, or -8.5%, over prior fiscal year. The majority of this overall decrease within the fund is due to lower Insurance Premiums and Claims costs. Health Insurance Claims and Premium Costs decreased by \$4.0M, or -17.2%, primarily due to prior year corrections. This decrease in Health Insurance was partially offset by an increase of \$253K, or 5.7%, in Worker's Compensation predominately due to Worker's Compensation claims cost increases. There was also an increase of \$356K, or 14.6%, in Liability Insurance due to bad claim years. Lastly, there was an increase of \$226K, or 67.3%, in Property and Fire Insurance due to the recent California Wildfires, such as the Tubbs and Kincaid fires.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$2,751,329	\$2,395,561	\$2,501,001	\$2,516,748
Risk Management	\$31,061,597	\$30,105,513	\$35,857,753	\$32,796,674
CIP and O&M Projects	\$31,930	\$0	\$0	\$0
<b>Total</b>	<b>\$33,844,856</b>	<b>\$32,501,074</b>	<b>\$38,358,754</b>	<b>\$35,313,422</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$1,871,746	\$1,635,255	\$1,944,790	\$1,930,940
Benefits	\$744,207	\$750,898	\$977,089	\$977,934
Professional Services	\$1,690,290	\$1,029,856	\$721,388	\$785,063
Vehicle Expenses	\$638	\$77	\$0	\$0
Utilities	\$4,043	\$2,700	\$1,900	\$1,900
Operational Supplies	\$23,756	\$21,782	\$27,000	\$27,000
Information Technology	\$199,808	\$210,988	\$164,131	\$174,837
Other Miscellaneous	\$145,501	\$92,209	\$95,374	\$120,374
Insurance Premiums & Claims	\$28,915,792	\$28,445,372	\$34,142,360	\$30,975,888
Indirect Costs	\$217,145	\$311,937	\$284,722	\$319,486
CIP and O&M Projects	\$31,930	\$0	\$0	\$0
<b>Total</b>	<b>\$33,844,856</b>	<b>\$32,501,074</b>	<b>\$38,358,754</b>	<b>\$35,313,422</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$2,783,259	\$2,395,561	\$2,501,001	\$2,516,748
Risk Management Fund	\$31,061,597	\$30,105,513	\$35,857,753	\$32,796,674
<b>Total</b>	<b>\$33,844,856</b>	<b>\$32,501,074</b>	<b>\$38,358,754</b>	<b>\$35,313,422</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	21.00	21.00	21.00	20.00	20.00

**Performance Measures**

<b>INDICATORS</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20*</b>
Number of Positions	1,170	1,214	1,197	1,175	1,187
Applications Received	5,504	3,764	4,790	3,853	3,846
Recruitments Conducted	114	105	117	109	95
New Hires	119	118	88	102	110
Separations	115	79	107	116	120
Turnover Rate	10.16%	9.72%	7.35%	8.68%	9.27%
Training Sessions Held	67	69	58	82	127
Job/Class Studies	19	16	21	14	18

\*Estimated

## Prior FY 2019-20 Accomplishments

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

- 
- Assisted staff and departments and Council with department reorganizations, conflict resolution and staff development. 9
  - Created and implemented a new recruitment campaign and marketing strategy, with updated branding 9
  - Received an ICMA Talent Award for Recruitment/Attraction after launching a newly branded recruitment campaign and brochure. 9
  - Accomplished the new training standards under SB1343 on the Prevention of Workplace Harassment including Elected Officials and a new requirement for Non-supervisory employees 9
  - Launched Police online (SROIIE) Supervisors report of injury or illness exposure. 9
  - Worked with Fire and Police on proactive/preventative mental health treatment program 9
  - Started the new Department of Justice online clearinghouse for drug & alcohol testing. 9
  - Worked with Kaiser in the amending of the annual and pre-placement examination contract. 9
  - Worked with Fire Department in adding several new annual exam components to satisfy the Urban Search and Rescue (USAR) Task Force requirements, and standardized new testing components for regular exams. These new components were included in the amended contract with Kaiser. 9
  - Conducted large-scale (Downtown complex) evacuation drill and after-action report 9
  - Created safety information and training materials including: Heat Illness Prevention Plan (updated to reflect changes in regulation), Safe Sharps Handling flyer, self-guided online Heat Illness Prevention Plan training in collaboration with Water Department (e-learning), High Heat Prevention Checklist Wildfire Smoke Exposure Procedures in response to Emergency Cal/OSHA regulation, Poison Oak flyer, Emergency Action Plan (EAP) site-specific template, updates to Ergonomic Evaluation Checklist. 9
  - Performed ergonomic screenings and chair fittings to ensure procurement of appropriate equipment for individuals, reducing the risk of ergonomic injuries from improper fitting or adjusted seating. 9
  - Completed revision of Citywide Injury and Illness Prevention Program (IIPP) to Executive committee for review/approval. Included requirement for mandatory Department Safety Coordinator in each Department to act as single point of contact. 9
  - Updated Human Resources Department Continuity of Operations Plan (COOP) 9
  - Wrote Emergency Operations Center (EOC) Training Requirements Policy in response to Sonoma Fires After Action Report to support Emergency Manager. 9
  - Negotiated cost savings on City benefit plans for Long Term Disability (LTD), Short Term Disability (STD) and Life Insurance, using the savings to enhance the Employee Assistance Program (EAP) and add a mental health app for public safety staff. 1
  - Negotiated a savings in outside legal support for labor negotiations, utilizing in-house expertise in Human Resources and Legal to support the labor negotiations with all bargaining units. 1

## Looking Ahead

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

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

Human Resources will work proactively to provide a high level of understanding of benefits offered and create awareness and appreciation of new and existing benefits. We will collaborate with employees, retirees and others to ensure selected benefits programs and services are responsive to their needs.

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

# Information Technology

## Mission

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

## Department Description

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Information Technology (IT) operates as an internal service fund, meaning that the Department charges other City departments for services provided. The rates for the services are based on cost recovery. Costs include City personnel costs, costs for outside maintenance and professional support of City computer equipment and 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 in addition to Administration:

**Administration** - Provides the overall strategy and administration for the Department, including network and data security, Smart City initiatives, performance measures, and oversight of the City's website: [srcity.org](http://srcity.org).

**Development** - Provides strategy, leadership, analysis, and hands-on services for building new software systems and implementing large-scale Citywide software migration programs, while providing software application development, project management, and software application support services. The division supports, enhances, and maintains over 75 in-house developed systems used by departments throughout the City; and also provides support for over 25 third party enterprise applications, including the core Finance/Human Resources/Payroll system, the central Permitting and Inspections system, and the Water Billing/Customer Information System. The Development division also develops and maintains dozens of electronic interfaces between internal and external systems, migrates aging code to current technologies, and converts data for new migrations. The division is also responsible for system architecture definition, database design, application configuration, workflow development, and custom report writing for the various supported systems.

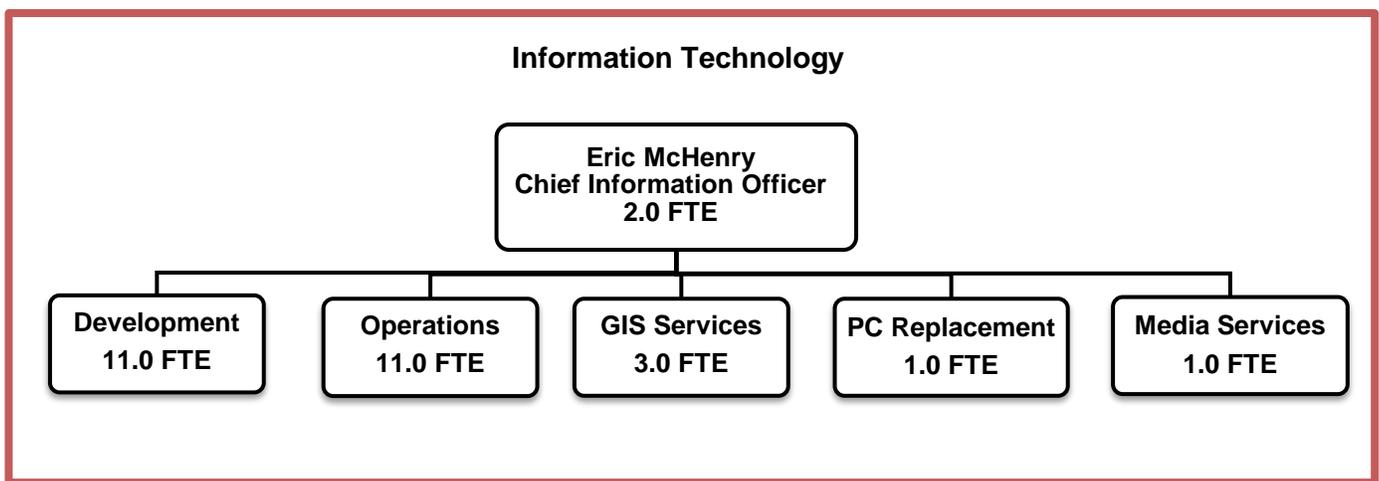
**Operations** - Provides the strategy and operations management of the core City data, storage, and telecommunication systems. The division also provides "Help Desk" support for all City employees (currently over 1,800 desktop units). The Help Desk is available to employees Monday through Friday, and 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.

**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 2020-21

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

- Implement technology improvements impacting permitting and inspections, including electronic plan review and extending online capabilities and remote inspections.
- Implement update to the core Finance / Human Resources / Payroll system.
- Improve City’s Emergency Operations technology infrastructure, technical processes, and software applications.
- Implement technology improvements for Human Resources initiatives, including onboarding, performance evaluations, and learning management.
- Migrate remaining soon-to-be obsolete Silverlight-based technologies to current HTML-5 technologies.
- Implement the Cityworks Asset Management system for all departments except Water.
- Implement the new public reporting system (MySantaRosa) and integrate it with the new Cityworks system.
- Complete 3D mapping of the downtown area for the GIS system.
- Continue to expand the availability of data on the City’s Open Data Portal.
- Implement Cybersecurity training for all employees.
- Modernize conference rooms across City facilities.
- Implement two-factor authentication for Microsoft Office 365.
- Upgrade intranet site to SharePoint cloud.

## Major Budget Changes

The Information Technology's FY 2020-21 budget is \$8.8M, an increase of \$454K, or 5.4%, over the prior year's adopted budget. Salaries & Benefits remained relatively flat, growing 3.8%. Besides the usual merit increases, the most significant change was a Technology Application Specialist (TAS), who in FY 2020-21, returns to IT and charges 100% of staff time internally within the department. Previously, the TAS was on a temporary assignment in another City department and charged 100% of staff time to that department's budget during the tenure. Additionally, the PC Replacement Program receives less salary and benefit reimbursement for programming services and management, adding to the rise in this category.

Services & Supplies grew by \$248K, or 10.8%, primarily as a result of an increase in enterprise application software within professional services. Additional modules were added to the human resources software, NEOGOV, which will benefit and support Citywide recruitment and staff development efforts. Also, in addition to normal annual contract increases, a rise in Microsoft Office 365 licenses, as well as costs towards added security measures, occurred. O&M Projects experienced a slight 1.8% increase that is on trend within the PC Purchases project, which replaces aged computer equipment Citywide.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
I.T. Administration	\$462,174	\$500,467	\$846,589	\$855,425
I.T. Development	\$2,956,844	\$3,072,656	\$3,025,669	\$3,441,452
I.T. Customer Support	\$2,709,363	\$2,594,733	\$2,548,768	\$2,576,922
I.T. GIS Services	\$323,568	\$464,538	\$506,367	\$517,175
I.T. Media Services	\$160,668	\$200,155	\$220,038	\$228,142
I.T. PC Replacement Program	\$140,785	\$147,037	\$191,568	\$154,738
CIP and O&M Projects	\$1,402,941	\$1,283,965	\$1,042,235	\$1,061,289
<b>Total</b>	<b>\$8,156,343</b>	<b>\$8,263,551</b>	<b>\$8,381,234</b>	<b>\$8,835,143</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$2,904,165	\$2,970,260	\$3,074,351	\$3,162,161
Benefits	\$1,279,707	\$1,446,108	\$1,619,270	\$1,711,032
Professional Services	\$1,754,195	\$1,775,702	\$1,797,846	\$2,043,025
Vehicle Expenses	\$11,600	\$14,392	\$19,050	\$19,050
Utilities	\$274,457	\$237,107	\$261,733	\$264,733
Operational Supplies	\$69,848	\$61,262	\$74,700	\$72,260
Information Technology	\$27,589	\$32,792	\$36,822	\$31,648
Liability/Property Insurance	\$28,021	\$35,949	\$41,840	\$44,911
Other Miscellaneous	\$71,231	\$68,100	\$59,544	\$63,484
Indirect Costs	\$332,589	\$337,914	\$353,843	\$361,550
CIP and O&M Projects	\$1,402,941	\$1,283,965	\$1,042,235	\$1,061,289
<b>Total</b>	<b>\$8,156,343</b>	<b>\$8,263,551</b>	<b>\$8,381,234</b>	<b>\$8,835,143</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Information Technology	\$7,410,557	\$7,699,541	\$7,762,431	\$8,234,116
Technology Replacement	\$745,786	\$564,010	\$618,803	\$601,027
<b>Total</b>	<b>\$8,156,343</b>	<b>\$8,263,551</b>	<b>\$8,381,234</b>	<b>\$8,835,143</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	28.00	29.00	30.00	29.00	29.00

## **Prior FY 2019-20 Accomplishments**

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

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- Completed significant update to the City's Permitting and Inspection system.
- Developed and deployed Citywide internal service request tracking system.
- Migrated aging soon-to-be non-supported technologies to current technologies and platforms.
- Flew aerial photography of the City for the GIS system.
- Overhauled GIS web mapping system to make it more stable and streamlined.
- Implemented new Online GIS system for the Emergency Operations Center.
- Increased the number of staff using the online GIS system by 220%.
- Completed backups to Azure cloud for more efficient disaster recovery ability.
- Consolidated data centers from two to one.
- Implemented Adobe Sign.
- Upgraded UFO training room's audio visual system.

## **Looking Ahead**

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FY 2020-21 will be a challenging budget year as departments struggle to offer their critical services in the most cost-effective manner, in addition to offering delivery of more online, remote and innovative methods. This involves new and additional options for public meetings, remote and mobile permitting, more options for remote/at-home working, collaborative meeting environments, etc.

The COVID-19 pandemic has pushed the boundaries of what can (and should) be done from mobile, distributed teams, and at-home environments. The IT Department will be focusing on expanding and strengthening the critical systems that support remote access, collaborative file sharing when off-premise, video and audio conferencing, etc.



# 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, property, fire, and earthquake insurance.

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

**General Fund Administration Cost Plan** - This is the overhead distribution of administrative costs within the General Fund to the non-administrative departments: Planning and Economic Development, Fire, Police, Transportation & Public Works, and Recreation & Community Engagement 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, 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 changing departmental operating needs during the year.
- Costs related to employee retirements and voluntary terminations for all General Fund operating departments have been centrally budgeted. These amounts are transferred to the appropriate General Fund department to cover the expenses related to employee retirements and voluntary terminations as they occur. Also includes CalPERS cost of retired employees who are over the IRS payout limit.
- Unspent Appropriations (turnback) are budgeted as a credit here as a holding place to reflect unspent budget amounts that occur each year. Actual turnback will be recognized in department budgets rather than in the Non-departmental budget.
- The Non-Program Actual expenditures reflected in prior years include any CalPERS unfunded liability payments made. These amounts are budgeted in the benefits sections of other departments, so corresponding budgeted amounts will not appear in Non-Departmental.

**Debt Service** - The Debt Service Program includes all general debt service expenditures, including debt service for pension obligation bonds, fire station capital lease payments and the Courthouse Square Capital Lease. This does not include debt service associated with the enterprise funds or other funds, such as debt service for the Water, Local Wastewater and Subregional Wastewater Funds, the Parking

Fund, the Golf Course Fund, and the Successor Agency to the Redevelopment Agency. Such expenses are reflected separately in their appropriate funds.

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

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
Animal Shelter	\$1,770,008	\$1,936,562	\$2,207,000	\$2,207,000
County Admin Fee	\$314,005	\$307,768	\$300,000	\$310,000
Citywide General Fund Insurance	\$1,480,114	\$2,221,749	\$1,790,511	\$1,915,252
Sonoma Co Transportation Authority	\$103,864	\$104,631	\$105,000	\$110,000
General Fund Administration	-\$9,017,456	-\$10,312,624	-\$11,137,665	-\$12,245,124
Non-Program	\$13,613	\$18,911,685	\$115,000	\$2,615,000
Debt Service	\$4,814,852	\$4,812,487	\$4,836,338	\$4,840,352
Contract Services	\$0	\$0	\$0	\$260,000
CIP and O&M Projects	\$572,492	\$235,933	\$205,000	\$0
<b>Total</b>	<b>\$51,492</b>	<b>\$18,218,191</b>	<b>-\$1,578,816</b>	<b>\$12,480</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
Salaries	\$0	\$0	\$50,000	\$2,550,000
Benefits	\$0	\$0	\$15,000	\$15,000
Professional Services	\$2,216,625	\$2,599,033	\$2,664,750	\$2,942,250
Debt Service	\$4,799,717	\$4,799,915	\$4,833,588	\$4,835,102
Liability & Property Insurance	\$1,480,114	\$1,984,249	\$1,790,511	\$1,915,252
Other Miscellaneous	\$0	\$18,911,685	\$0	\$0
General Fund Administration	-\$9,017,456	-\$10,312,624	-\$11,137,665	-\$12,245,124
CIP and O&M Projects	\$572,492	\$235,933	\$205,000	\$0
<b>Total</b>	<b>\$51,492</b>	<b>\$18,218,191</b>	<b>-\$1,578,816</b>	<b>\$12,480</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
General Fund	-\$4,763,360	-\$5,505,981	-\$6,415,154	-\$4,827,872
2013 Pension Obligation (Refund)	\$3,708,850	\$22,616,623	\$3,733,736	\$3,735,750
Fire Station Capital Lease	\$367,727	\$367,727	\$367,727	\$367,727
COPs/Courthouse Square Capital Lease	\$738,275	\$739,822	\$734,875	\$736,875
<b>Total</b>	<b>\$51,492</b>	<b>\$18,218,191</b>	<b>-\$1,578,816</b>	<b>\$12,480</b>

### **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 2020-21 Non-Departmental budget increased in total by \$1.6MK compared to FY 2019-20. The largest driver of this change relates to an increase of \$2.5M in Non-Program Salaries, which accounts for a combination of anticipated retirement payouts, salary increases and hiring changes. This increase is offset by a decrease of \$1.1M in General Fund Administration, which distributes administrative costs within the General Fund to non-administrative departments including Planning & Economic Development, Fire, Police, Public Works and Recreation & Community Engagement. General Fund expenditures increased overall mostly due to personnel costs, primarily rising retirement costs. As a result, the credit for General Fund Administration also grew by 10%, or \$1.1M, which translates as a decrease in the Non-Departmental expenditure budget. Also, worth noting is an increase of \$125K in Citywide rates for the General Fund's portion of liability, fire and earthquake insurance. Contract Services, which was reported as "CIP & O&M Projects" in prior years, also saw a total increase of \$55K between the City's Revenue Audit contract (\$40K increase) and the City's annual LAFCO payment to the County of Sonoma.

It should be noted that in addition to the LAFCO payment and Revenue Audit contract, 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.



# Planning & Economic Development

## Mission

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

## Department Description

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The Planning & Economic Development Divisions are part of the larger Community Development and Engagement Portfolio, which also includes the Housing and Community Services programs, Recreation, and Community Engagement and the Violence Prevention Partnership.

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

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

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

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

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

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

**Economic Development** - Works on business and workforce attraction, retention and expansion efforts and initiatives, including joint ventures, downtown development deals and data/trend analysis affecting economic growth; programs the Santa Rosa Tourism Business Improvement Area funds to reinforce the city's unique destination brand; manages the City's public art program; manages permits related to special events, select mobile vending, busking, and banners.

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

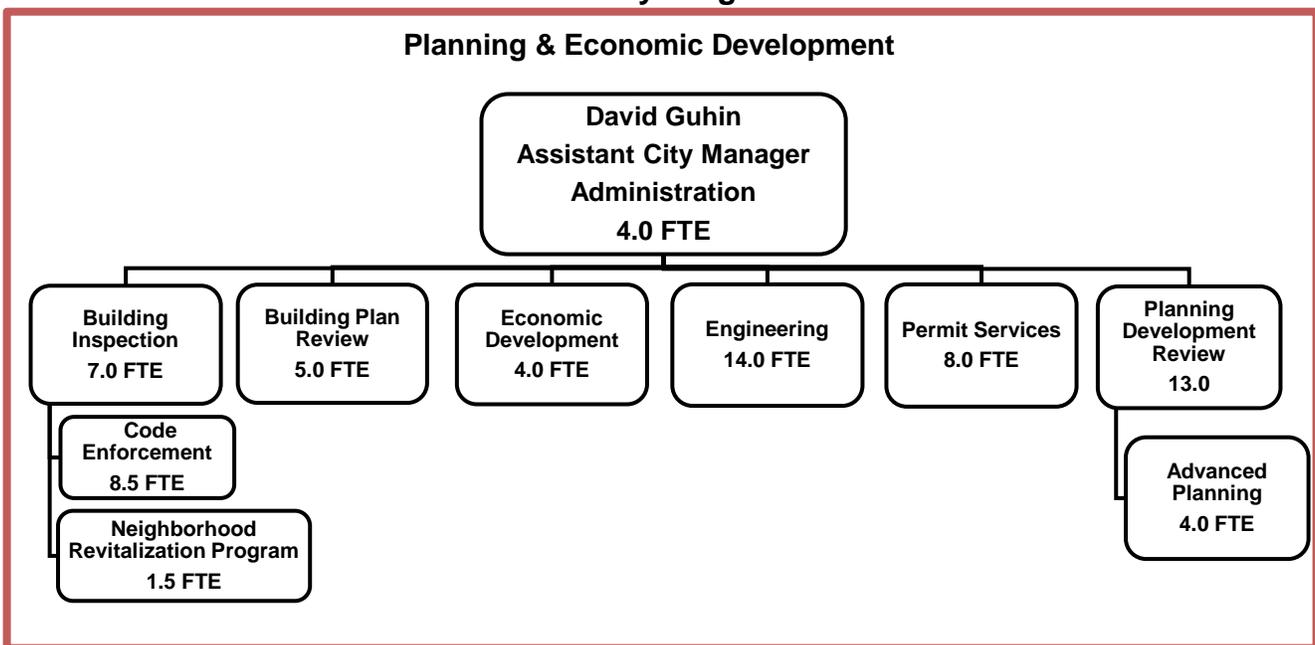
**Neighborhood Revitalization Program** - Collaborates to improve living conditions in focus neighborhoods by responding with solutions and that involve all neighborhood stakeholders, primarily building and fire safety inspections.

**Permit Services** - Assists with and processes all applications for planning, building and encroachment permits while coordinating with all reviewing agencies on projects, provides information and clarification to the public regarding zoning and building codes, as well as City processes. Assigns addresses for all new development. Fee calculations and assessments, department revenue and Impact/Demand Fees are received through the department.

**Planning Development Review** - Accepts and processes new entitlement applications; provides 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.

### FTE by Program



### Strategic Goals and Initiatives for FY 2020-21

(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 businesses lost in the 2017 Tubbs Fire. 2, 3, 9
- Execute a request for proposal for the purchase of software, policy development, training, and implementation of Electronic Plan Review for all divisions, reducing environmental waste and promoting efficiency and automation in processes. 9
- Develop and implement a dynamic online permitting guide that will assist the public with determining the appropriate permitting process for a specific project. 2, 3, 6, 9
- Develop programs that allows for the full acceptance and issuance of digital permits for certain dry utility encroachment permits. 9
- Increase transparency through the development of interactive maps that provide information and public records associated with development projects. 9

- Implement an expedited permit review process for priority downtown housing projects. 1, 3, 9, 10
- Implement combined review process for infill development to review public improvement plans and building construction plans simultaneously. 1, 3, 9, 10
- 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, including public outreach, scoping, and selection of consultant to assist with the update and associated Environmental Impact Report. 5, 6, 7, 9, 10
- Update City policy and regulations as required to comply with recent state laws associated with housing. 1, 9, 10
- Continue to prioritize and promote the inclusion of affordable housing in housing development projects. 3
- Reduced the turnaround times associated with the review of public improvement plans and subdivision maps. 3, 9
- Pursue new partnerships for development opportunity sites in downtown Santa Rosa. 1, 9, 10
- Address development readiness opportunities for greater density and land potency in the downtown core. 3, 9, 10
- Update the Economic Development strategic action plan, including special sections on Roseland and the downtown areas. 1, 7, 9, 10
- Conduct technical analysis for a potential public-private partnership specific to a new local government center and new uses for the current City Hall site. 1, 7, 9, 10
- Address policy and practice update needs for the Public Art Program and the special event permitting program. 1, 7, 9, 10
- Focus on using citation, administrative hearing, and receivership process to gain compliance on outstanding Code Enforcement cases. 6, 7
- Create outreach program to educate residents about code enforcement and gain compliance with newer ordinances regarding cannabis cultivation, smoking, and garage conversions. 6
- Determine new neighborhood to perform code and fire inspections with the most substandard housing issues, blight and police calls in the Roseland annexation area. 6

## **Major Budget Changes**

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The Planning & Economic Development (PED) budget is \$15.8M, an increase of \$1.1M or 7.2% over the adopted FY 2019-20 budget. In FY 2020-21, the Neighborhood Revitalization Program (NRP) and Code Enforcement moved from the Housing & Community Services Department (HCS), adding \$1.6M to PED's budget (\$301K from Administrative Hearing Special Revenue Fund and \$1.3M from the General Fund). The transfer of the NRP, and Code Enforcement programs makes up a significant portion of the total department overall increase.

Salaries and Benefits increased by \$1.5M, or 17%, when compared against FY 2020-21 adopted budget. This increase in Salaries was \$918K, or 15.9%. This Salary increase was predominately due to the addition of 10.0 FTEs from the Code Enforcement program moving to PED, which resulted in \$856K of new salaries. This increase was partially offset by 1.0 FTE Department Technology Coordinator position moving to the IT Department and 1.0 FTE Marketing and Outreach Coordinator moving to the Communications and Intergovernmental Relations Department. There was also an increase in Benefits of \$594K, or 19.1%, which is predominately due to the addition of Code Enforcement to PED.

Service and Supplies increased by \$495K, or 29.5%. Professional Services increased by \$95K, or 30.4%; \$78K was mainly due to Administrative Hearing Officer contracts moving to PED in FY 2020-

21, and the rental costs of the Juilliard Park stage. Vehicle Expenses increased by \$42K, or 56.3%, due to \$24K increase in vehicle replacement and a \$15K increase in vehicle maintenance in Code Enforcement. Operational Supplies increased by \$15K, or 18.9%, due to the supplies related to Code Enforcement and the Neighborhood Revitalization Program. The Other Miscellaneous category increased by \$52K, or 13.4%, due to a \$29K increase in Print Services for printed materials needed for boards and commissions. Other Miscellaneous also had \$5K and \$15K increases in Copier Services and Conference & Training, respectively, mostly due to Code Enforcement and the Neighborhood Revitalization Program moving from Housing and Community Services to PED. The rest of the Service and Supplies increase in the General Fund is due to an increase in Information Technology costs of \$288K.

The Operations & Maintenance (O&M) Projects netted a 1.1M decrease. This decrease was predominately due to a \$780K decrease in the Fire Recovery project. Mid-year 2019-20, Council approved a 3.0M amendment to the contract. \$2.4M was appropriated in FY 2019-20, and the remaining \$620K balance is budgeted in FY 2020-21. There was also a decrease of \$77K in the CD Technology Project due to lower related revenue. The public art project decreased by \$244K due to anticipated expenditures for this project being less than prior years. The Courthouse Square Art project increased by \$100K, funded by art fund reserves. Lastly, the Santa Rosa Tourism Business Improvement Area project decreased by \$60K due to lower revenue estimates.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$2,409,908	\$3,116,084	\$3,424,942	\$3,857,932
Permit Services	\$801,339	\$907,900	\$1,015,939	\$1,035,253
Building Plan Review	\$1,475,638	\$1,460,253	\$1,066,926	\$1,070,957
Building Inspection	\$763,424	\$853,518	\$1,091,145	\$1,026,826
Planning Development Review	\$2,070,928	\$2,219,994	\$2,096,269	\$2,092,968
Advance Planning	\$460,859	\$495,813	\$554,135	\$523,682
Engineering	\$2,673,777	\$3,139,557	\$2,546,747	\$2,580,230
Economic Development	\$497,334	\$628,711	\$605,938	\$720,258
Code Enforcement	\$0	\$0	\$0	\$1,072,545
Administrative Hearing Fund	\$0	\$0	\$0	\$301,176
Neighborhood Revitalization Program	\$0	\$0	\$0	\$261,911
CIP and O&M Projects	\$4,922,597	\$9,176,723	\$2,333,201	\$1,253,581
<b>Total</b>	<b>\$16,075,804</b>	<b>\$21,998,553</b>	<b>\$14,735,242</b>	<b>\$15,797,319</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$4,811,568	\$5,563,860	\$5,782,097	\$6,700,562
Benefits	\$2,136,455	\$2,673,402	\$3,113,756	\$3,707,344
Professional Services	\$2,040,993	\$1,669,024	\$313,619	\$408,944
Vehicle Expenses	\$42,174	\$54,755	\$75,035	\$117,310
Utilities	\$22,730	\$22,336	\$23,260	\$24,800
Operational Supplies	\$64,099	\$68,487	\$81,940	\$97,390
Information Technology	\$680,122	\$770,873	\$790,310	\$1,078,135
Other Miscellaneous	\$200,544	\$347,662	\$389,386	\$441,482
Indirect Costs	\$0	\$0	\$0	\$2,677
General Fund Administration	\$1,098,751	\$1,651,431	\$1,832,638	\$1,965,094
Capital Outlay	\$55,771	\$0	\$0	\$0
CIP and O&M Projects	\$4,922,597	\$9,176,723	\$2,333,201	\$1,253,581
<b>Total</b>	<b>\$16,075,804</b>	<b>\$21,998,553</b>	<b>\$14,735,242</b>	<b>\$15,797,319</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$15,413,479	\$20,769,628	\$13,886,149	\$14,869,750
Art In-lieu Fund	\$0	\$85,409	\$344,593	\$181,393
Santa Rosa Tourism BIA Fund	\$624,234	\$739,350	\$504,500	\$445,000
Administrative Hearing Fund	\$0	\$0	\$0	\$301,176
Economic Development Fund	\$1,294	\$57,449	\$0	\$0
State Grants Fund	\$0	\$345,245	\$0	\$0
Capital Improvement Fund	\$36,797	\$1,472	\$0	\$0
<b>Total</b>	<b>\$16,075,804</b>	<b>\$21,998,553</b>	<b>\$14,735,242</b>	<b>\$15,797,319</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	50.00	51.00	63.00	61.00	69.00

## Performance Measures

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- 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. 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
- 90% 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
- Business Tax Certificates issued / number of new businesses. 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. 2, 6, 10
- Number and type of special event permits. 10
- Public Art measurements: number of items in collection, current projects, people engaged with process. 10
- 100% of Priority 1- Life, Health and Safety code enforcement complaints investigated within 24 hours. 6
- Total code enforcement cases closed. 6
- Number of units inspected in NRP neighborhoods. 6
- Number of violations in NRP neighborhoods. 6

## Prior FY 2019-20 Accomplishments

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

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- Completed the following Housing Initiatives: State compliance updates for accessory dwelling units, day care and supportive housing and adopted objective design standards for by right housing. 3
- Conducted weekly interdepartmental team meetings to set plan review priorities and the construction of affordable housing. 3
- Kicked off the General Plan Update with the preparation of a Community Involvement Plan and integration of Kaiser's Healthy Communities grant. 1, 3, 5, 6, 7, 8
- Publication of the Draft Downtown Plan Update and Draft Environmental Impact Report for public review. 10
- Continued the operation of a plan check and inspection program for the rebuild area, resulting in 5-day review time for most permit types and a 24-hour response to inspection requests. 1, 2, 3, 10
- Processed permits for 288 units that experienced a complete loss due to the 2017 Tubbs Fire. Finalized permits for 613 units allowing individuals to occupy their new home. 1, 2, 3, 10

- Conducted an average of 5,000 inspections per month on fire rebuild permits. 1, 2, 3
- Engineering processed 1,400 Encroachment Permits, an increase of 23% from 2018. 1, 3, 10
- Engineering reviewed and approved 10 sets of improvement plans resulting in the development of 407 single-family units and 104 multi-family units (511 total units). 1, 3, 9, 10
- Closed 1,531 Code Enforcement cases. 6
- Processed 8,360 Building Permits, a reduction of 5% from 2018. This includes the additional permits processed for rebuild efforts; 177 Single Family Units and 37 Multifamily units completed construction outside the fire areas. 1, 2, 3
- Received 90 Accessory Dwelling Unit permit applications (34 in fire areas and 56 in other areas). 3, 9
- Received applications for a total of 1,687 dwelling units in 2019 – many late in the year. 3
- Adopted the 2019 California Building Codes, including an All-Electric Reach Code. 6
- Adopted the Community Benefit District Enabling Ordinance; formed the Santa Rosa Downtown Community Benefit District; and pursuing a second benefit district in Railroad Square. 1, 3, 7, 9, 10
- Integrated the Public Art Program and Special Event Permit Program into PED. 7, 10
- Continued to review and update plan record database for all building files, including rolled plans, and ship files to offsite storage. 9

## Looking Ahead

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The Planning & Economic Development Department continues to adjust to the fluctuating economy and rebuild effort resulting from the fire disaster in fall 2017, compounded by the 2019 Kincade fire, in which over a quarter of the City was under evacuation orders; multiple public safety power outages through Fall of 2019; and the COVID-19 crisis in Spring of 2020, which closed all but essential businesses and required residents to shelter-in-place. Before the COVID-19 crisis, permit activity and development were at record highs. To address the fluctuations in development in conjunction with the numerous disasters, PED has balanced the use of existing staff and professional contractors 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. Identifying and allocating revenue generated by the increased permit activity and using it to bring on consultant support will be a continued model for how to manage the workload, keep projects moving forward and address the ongoing demands for service.

PED addresses a number of the City Council's priorities. As permitting and building from the fire disaster decrease, the department will continue to prioritize affordable and market-rate housing permits and land use to meet City Council and regional housing goals. Business recovery post-COVID-19 crisis and Downtown economic development efforts will be a top priority to make up for lost revenue and support the City's businesses. In addition to assisting residents and businesses rebound from the COVID-19 crisis, staff is focused on a timely update to the Santa Rosa General Plan. This multi-year process will provide a Citywide look at long-range housing policy, economic development, infrastructure, circulation and climate initiatives, to name a few. PED will continue to take steps towards a paperless operation, including digitizing records, and reviewing plans electronically.

The Code Enforcement and Neighborhood Revitalization Programs will continue to be integrated into the Building Division. Code Enforcement will continue to address complaints related to cannabis in residential and commercial areas and will focus on gaining compliance on older cases through the administrative hearing and receivership processes. Code Enforcement will also work closely with the City Attorney's Office to determine additional compliance methods, such as fines and penalties. The Neighborhood Revitalization Program will determine the neighborhood with the most substandard housing issues, blight and police calls in the Roseland annexation area and will focus on code and fire inspections in that area.



# Police

## Mission

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

## Department Description

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The Police Department is responsible for safeguarding lives and property, the preservation of constitutional rights, and the maintenance of the quality of life to promote safe and secure neighborhoods for 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 are the eight teams that perform patrol 365 days a year, 24 hours a day. Field Services also includes the Traffic Bureau comprised of Motorcycle Officers and Accident Investigators, Field and Evidence Technicians, Community Service Officers, Special Weapons and Tactics (SWAT) team, Hostage Negotiation Team, Mobile Field Force, Canine Team, and the Downtown Enforcement Team.

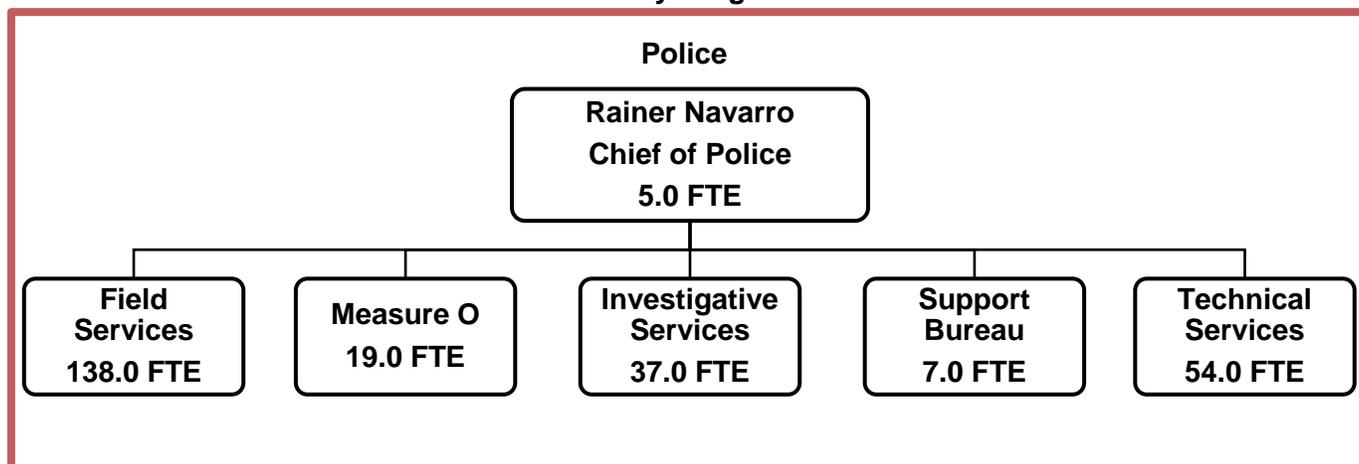
**Investigative Services** – Detective units of the department include: Domestic Violence and Sexual Assault, Narcotics, Property Crimes, Violent Crimes, and Gangs. The Investigative Services Bureau is supported by the Forensic Team that is responsible for higher-level processing and analysis of evidence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

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

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

**Measure O** – Funding and staff for a total of 19 positions: 17 Field Services positions that consist of 1 Lieutenant, 1 Sergeant, 7 Officers, 5 School Resource 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.

## FTE by Program



### Strategic Goals and Initiatives for FY 2020-21

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

- Complete efforts to create a modernized interoperable radio system. 5
- Continue efforts to explore and develop technologies to increase department efficiencies. 6
- Enhance community engagement and transparency.
- Create a thriving internship program. 6,7,9
- Continue efforts to address the homeless crisis.
- Continue to develop the incident management team to operate in crisis situations and long term-emergencies by completing the dedicated Department Operations Center (DOC) and providing advanced training.
- Continue recruitment strategies to fill multiple vacant positions.

### Major Budget Changes

The Police Department's budget is comprised of two primary funding sources, the General Fund and the Measure O Fund. The total FY 2020-21 budget is \$67.3M, an increase of \$1.5M over the prior year's adopted budget.

The department is funded largely by the General Fund, which in FY 2020-21 totals \$62.2M, and makes up more than 90% of the budget. Of the \$2.5M rise in the General Fund, most of the increase occurred within Salaries & Benefits. Even with a \$71K decline from the movement of a 0.5 FTE Marketing & Outreach Coordinator to the new Communications & Intergovernmental Relations Office, this was more than offset by a \$500K increase in contract overtime as a result of budget moving from the O&M Project, Police Contract Services. Additionally, retirement added a significant \$1.7M growth to the benefits category largely from the increase in CalPERS unfunded liability. Services & Supplies remained relatively flat, growing a slight 1.9% overall. While there were increases in Vehicle Expenses, Information Technology, and Professional Services from rate increases, it was partially offset by the decline of Services & Supplies budget moving with the Marketing & Outreach Coordinator to the new Communications & Intergovernmental Relations Office.

Meanwhile, the Measure O increased by \$198K to total \$4.5M in FY 2020-21. Like the General Fund, retirement made up a large portion of the growth, rising more than \$140K. The other major increase occurred within overtime, expanding \$34K to be on trend with past years' actuals.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$7,303,991	\$7,336,185	\$9,131,855	\$8,929,607
Field Services	\$26,824,952	\$30,325,729	\$30,857,953	\$33,605,293
Investigative Services	\$9,441,038	\$8,436,205	\$8,796,508	\$9,440,318
Technical Services	\$7,299,430	\$7,907,725	\$8,655,793	\$8,673,963
Support Bureau	\$1,917,681	\$1,911,030	\$1,962,459	\$1,785,762
Measure O Police	\$3,445,566	\$3,892,331	\$4,291,693	\$4,489,679
CIP and O&M Projects	\$3,932,098	\$2,184,367	\$2,054,423	\$354,423
<b>Total</b>	<b>\$60,164,756</b>	<b>\$61,993,572</b>	<b>\$65,750,684</b>	<b>\$67,279,045</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$30,146,241	\$31,403,354	\$33,235,080	\$33,784,125
Benefits	\$17,305,076	\$19,428,928	\$20,642,171	\$22,737,668
Professional Services	\$1,582,161	\$1,706,361	\$1,859,526	\$1,911,256
Vehicle Expenses	\$2,183,320	\$2,021,131	\$2,116,640	\$2,165,418
Utilities	\$117,698	\$137,817	\$99,784	\$123,332
Operational Supplies	\$726,269	\$790,737	\$942,089	\$899,374
Information Technology	\$725,417	\$777,709	\$726,692	\$780,761
Liability & Property Insurance	\$22,430	\$25,964	\$26,092	\$29,655
Other Miscellaneous	\$366,890	\$411,936	\$445,220	\$389,200
Indirect Costs	\$104,563	\$120,014	\$112,474	\$116,007
General Fund Administration	\$2,952,593	\$2,968,265	\$3,490,493	\$3,987,826
Capital Outlay	\$0	\$16,989	\$0	\$0
CIP and O&M Projects	\$3,932,098	\$2,184,367	\$2,054,423	\$354,423
<b>Total</b>	<b>\$60,164,756</b>	<b>\$61,993,572</b>	<b>\$65,750,684</b>	<b>\$67,279,045</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$56,022,274	\$55,998,584	\$59,658,991	\$62,189,366
Measure "O" - Police	\$3,445,566	\$3,892,331	\$4,291,693	\$4,489,679
Federal Grants	\$10,373	\$81,842	\$0	\$0
Federal Narcotics Asset Forfeiture	\$52,066	\$15,619	\$150,000	\$150,000
State Grants Fund	\$365,322	\$338,271	\$0	\$0
Supplemental Law Enforcement	\$218,558	\$250,098	\$300,000	\$300,000
State Narcotics Asset Forfeiture	\$49,869	\$84,523	\$150,000	\$150,000
Capital Improvement Fund	\$728	\$1,332,304	\$1,200,000	\$0
<b>Total</b>	<b>\$60,164,756</b>	<b>\$61,993,572</b>	<b>\$65,750,684</b>	<b>\$67,279,045</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	256.50	264.50	266.50	260.50	260.00

### **Performance Measures**

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

#### **911 Communications Center**

The 911 Communications Center fielded 255,244 calls for service in 2019, down 2% from 2018; 911 calls increased by 6%. These calls amounted to 137,686 calls for service for field personnel. Monitoring the number of calls received and dispatched by our 911 Communications Center is especially important for the Police Department as these figures assist in guiding our operational staffing plan. The number of calls received directly correlates to the number of police dispatchers that are necessary while the number of calls for service created directly correlates to how many officers we need on patrol at any given time. The 911 Communications Center measure is a significant indicator of the Police Department's workload and staffing requirements.

#### **Call Response Times**

Call Response Times is 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 crime 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 an officer to a scene as efficiently and expeditiously as possible.

Response to Priority I calls increased by 6% over 2018, rising from 6 minutes and 26 seconds to 6 minutes 48 seconds. Response to Priority II calls increased by 1% over last year, rising from 12 minutes 23 seconds to 12 minutes 33 seconds. Response to Priority III saw a decrease of 2% over last year, from 26 minutes and 16 seconds to 25 minutes and 38 seconds.

**Homeless Related Calls**

The Police Department works collaboratively with homeless outreach organizations, as well as other departments, in the City of Santa Rosa to address homeless related issues. There were 1,938 homeless related calls for service in 2019, an increase of 8% over 2018 and 19% over 2017.

**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 essential to monitor these statistics; 1) to know when crime is increasing or decreasing; 2) to know what types of crimes are becoming problematic and in what specific areas; 3) to better understand those who are prone to be victims/perpetrators.

In 2019, an average of 72 violent crimes took place per month, an increase over the prior year’s average of 68 per month.

**Property Crimes**

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

**Arrests**

These figures are used in strategic decision-making and operation or tactical purposes. The ultimate goal is to use this data to provide information that allows for better decision-making about tactical strategies for addressing crime.

The number of adults arrested in 2019 was 8,788, an increase of 4% over the previous year. However, juvenile arrests decreased by 6%, resulting in 305 arrests for the year.

**Prior FY 2019-20 Accomplishments**

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

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• Completed Phase 1 of the Radio Infrastructure Upgrade Project.	5,6,9
• Identified funding and began Phase 2 of the Radio Infrastructure Upgrade Project.	5,6,9
• Created a recruitment team and continued recruiting and hiring a diverse staff at all levels within the department.	6,9
• Purchased first hybrid patrol vehicles for test program.	5,6,8
• Supported the response to the Kincade Fire.	5,6
• In compliance with Senate Bill 1421 and Assembly Bill 748, created a transparency website to provide public records.	6
• Supported response of and created procedures to respond to the Coronavirus Crisis to maintain public and employee safety.	6

## **Looking Ahead**

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The Police Department's most significant challenges ahead are in infrastructure and technology. The current building has several extensive repairs and updates that are required and is no longer meeting the needs of the department. There is insufficient parking for both personal and city vehicles, the heating ventilating and air conditioning (HVAC) system is unreliable, and the backup generator does not power the entire building. The department is continuously training our personnel, and an on-site training center is needed to reduce staff time and costs to the department.

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

The Police Department took several steps in the last fiscal year to increase the efficiency and effectiveness of our recruiting program. Although we increased the number of new hires to fill several vacant police officer positions, we have been unable to recruit enough qualified candidates to fill all positions. In the coming year, we will continue to face multiple factors that makes recruiting qualified police officers and dispatchers challenging. With normal attrition and medical retirements, the department will face several additional vacancies during this budget year. The recruiting team will continue to put its available resources toward recruiting and hiring qualified candidates and will continue to find innovative and effective ways to promote the department and the city as a great place to live and work.

# Recreation & Community Engagement

## Mission

The Recreation & Community Engagement Department creates community through partnerships and programs.

## Department Description

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**General Administration** - The Administration service unit provides central management, administration, and executive oversight for the Division, and includes oversight of hiring for 350 annual temporary employees and management of the Recreation enterprise software. General Administration also operates the Empowered Communities Collaborative (ECC) which is responsible for supporting and organizing civic engagement opportunities with residents of Santa Rosa, including connecting community members and various groups with their local government.

**Neighborhood Services** - The Neighborhood Services service unit provides youth development and recreational programming for underserved, low-income youth and families. Using the General Fund and augmented by a share of the proceeds from a Transaction and Use Tax, Donations and a \$10 participant fee, staff provide beneficial programs, services, and sites where young people can enjoy recreational and social activities without fear of gangs, drugs and other negative influences. Programs include academic after school enrichment activities, summer camps, family events, field trips and a variety of sports at schools and other locations. The Neighborhood Services service unit also operates the Violence Prevention Partnership (The Partnership) which is a collaborative effort of over 50 organizations, including private citizens, government, local community-based organizations, schools, parents, the faith community, and local law enforcement focused on reducing violence through creating safe and healthy neighborhoods through collective impact, integrated youth development programs, and community partnership efforts.

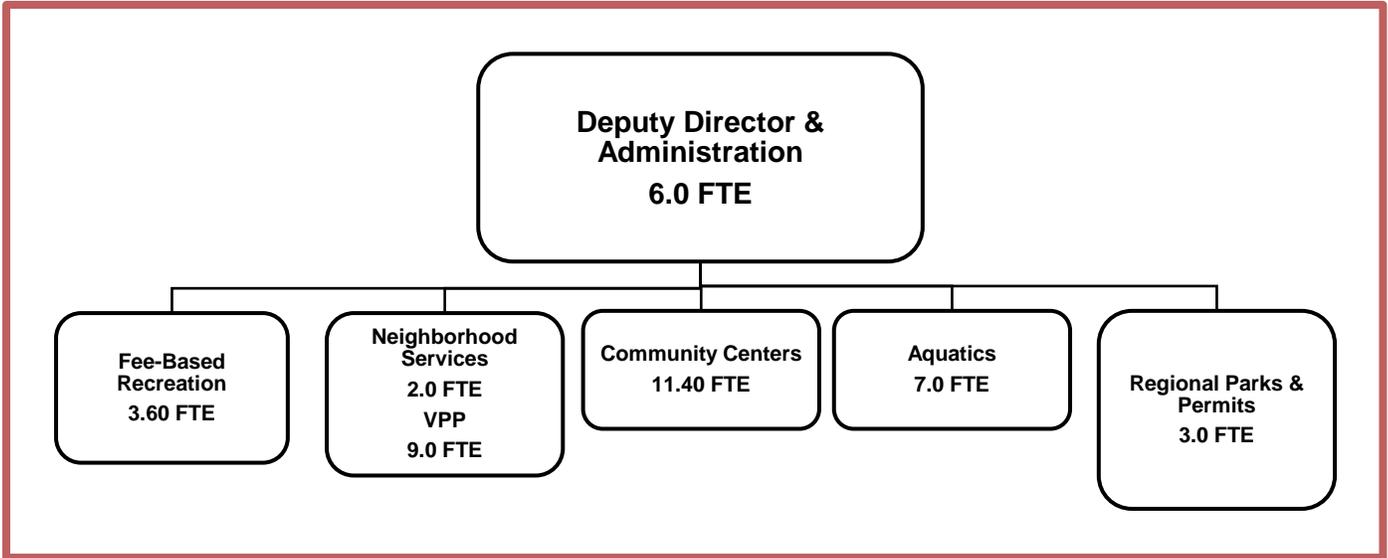
**Fee-Based Recreation** – The Fee-Based Recreation service unit delivers athletics, camps, community center programs and off-site leisure instruction. Wa-Tam, Yu-Chi, Doyle Adventure, Camp Tiny Tots, and Sports Clinics are featured in the summer. Baseball, soccer, basketball and tennis programs are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

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

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

**Regional Parks & Permits** – The 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.

## FTE by Program



### Strategic Goals and Initiatives for FY 2020-21

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

- Expand the park host program to additional community parks. 5
- Complete design of a new splash pad pool feature at Finley Aquatics Center. 5
- Partner with local sports clubs and the Parks Foundation to fundraise for construction of all-weather fields. 5
- Construct an accessible pathway at Howarth Park from the Train Station to the lower gazebo. 5
- Implement and evaluate the Neighborfest Program in 6 Santa Rosa neighborhoods, focusing on neighborhood resiliency and emergency preparedness. 2, 6,7
- Work with the Community Advisory Board (CAB) to implement the CAB's Strategic Plan and support the administration of the CAB Grant Program. 2, 6,7
- Develop a City-wide community engagement framework to provide subject matter guidance and leadership to City staff and elected officials that develop strategies and opportunities to civically engage residents. 6, 7, 2, 3, 4, 5, 10
- Continue to develop and implement innovative opportunities for community members to learn about, discuss, and meaningfully participate in the decision-making processes on community issues in the city. 6,7
- Implement strategies to strengthen collaborative efforts in alignment with The Partnership's 2017-22 Strategic Plan, the Community Safety Scorecard, the Measure O (2004) Community Helping Our Indispensable Children Excel (CHOICE) Grant Programs, and the Board of State & Community Corrections (BSCC) Grant Program. 6,7
- Continue to manage and implement an evaluation system for the Measure O (2004) CHOICE Grant Programs and the Board of State and Community Corrections, including the services delivered by grantees and the Neighborhood Services Program. 6
- Continue to manage and implement the Guiding People Successfully (GPS) referral component for high-risk youth and vulnerable families, including the facilitation of the 6,7

Multi-Disciplinary Assessment and Referral Team (MDART), which facilitates intense case reviews, shared data-tracking, and referrals.

- Continue to host the annual Violence Prevention Awareness Series, a monthly series of community engagement events, as well as other engagement opportunities, which include special events, trainings, and presentations. **6,7**
- Support the overall mission and vision of the Community Engagement Division. **6, 7, 2, 3, 4, 5, 10**

## **Major Budget Changes**

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The FY 2020-21 Recreation & Community Engagement budget is \$12.3M; a \$372K or -2.9% decrease from the prior fiscal year's adopted budget. The main contributors to the department's overall decrease was due to Recreation's Community Promotions & Publicity division moving to the Communications & Intergovernmental Relations Department.

Salaries and Benefits decreased by \$110K, or -1.5%, when compared against FY 2019-20 adopted budget. Salaries increased by a net \$34K, or 0.7%. The salary increase was partially due to a \$293K increase in recreation's temporary workers wages. This increase in temporary wages was the result of the City of Santa Rosa approving a raise in minimum wage, more than a year ahead of the State's minimum wage schedule, to \$15 an hour. This was offset by a \$158K decrease to Salaries, due to moving 1.0 FTE Recreation Specialist & 1.0 FTE Marketing Outreach Coordinator to the Communications & Intergovernmental Relations Department. Additionally, the reclassification of a Recreation Director to a Deputy Director, resulted in a \$54K decrease to Salaries. Salaries also decreased due to \$36K less overtime being budgeted for Violence Prevention. Benefits decreased by \$144K, or -7.1%. primarily due to FTE changes and Director reclass described above resulting in less benefits. Benefits have an overall decrease, while Salaries have an overall increase due to there being an increase in temporary non-benefited wages.

Service and Supplies remained relatively flat with a slight decrease of \$58K, or -1.9%. A \$126K decrease in Services and Supplies was the result of moving the Community Promotions and Publicity division to the Communications & Intergovernmental Relations Department. This decrease was partially offset by a \$50K increase in Professional Services for a CHOICE Grant program evaluator within Measure O.

The CIP and O&M project decreased by a net \$30K. There was a \$90K decline in cash donations for various recreation projects and a \$35K decrease in the Community Advisory Board grant. Partially offsetting these decreases is a \$125K increase in the Sonoma County Probation grant to fund a Community Outreach Specialist.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
General Administration	\$3,011,142	\$3,125,017	\$3,467,958	\$2,921,255
Neighborhood Services	\$1,016,629	\$1,138,180	\$2,827,081	\$3,009,960
Fee-Based Recreation	\$1,042,694	\$1,108,277	\$1,213,049	\$1,287,999
Community Centers	\$2,141,469	\$2,170,878	\$2,319,819	\$2,121,008
Aquatics	\$1,555,730	\$1,596,013	\$1,676,479	\$1,795,704
Regional Parks & Permits	\$638,044	\$657,598	\$789,428	\$815,163
Parks and Landscape Maintenance	\$5,419,603	\$5,267,730	\$0	\$0
Bennett Valley Golf Course	\$489,814	\$479,362	\$0	\$0
Facilities Maintenance	\$19,803	\$0	\$0	\$0
CIP and O&M Projects	\$2,341,307	\$1,157,285	\$344,562	\$315,000
<b>Total</b>	<b>\$17,676,235</b>	<b>\$16,700,340</b>	<b>\$12,638,376</b>	<b>\$12,266,089</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
Salaries	\$6,249,307	\$5,932,615	\$5,217,700	\$5,251,721
Benefits	\$2,597,612	\$2,653,807	\$2,014,452	\$1,870,694
Professional Services	\$1,449,263	\$1,606,790	\$1,586,837	\$1,646,420
Vehicle Expenses	\$466,610	\$426,687	\$83,920	\$80,740
Utilities	\$1,115,944	\$1,035,960	\$13,605	\$12,085
Operational Supplies	\$658,369	\$680,862	\$584,049	\$573,100
Information Technology	\$597,681	\$563,997	\$536,282	\$539,306
Debt Service	\$455,520	\$450,422	\$0	\$0
Liability/Property Insurance	\$8,564	\$10,682	\$9,161	\$10,004
Other Miscellaneous	\$232,870	\$238,535	\$217,795	\$112,194
Subrecipient Funding	\$0	\$0	\$55,000	\$55,000
Indirect Costs	\$35,665	\$33,307	\$56,236	\$58,004
General Fund Administration	\$1,426,665	\$1,835,072	\$1,918,777	\$1,741,821
Capital Outlay	\$0	\$74,319	\$0	\$0
CIP and O&M Projects	\$2,382,165	\$1,157,285	\$344,562	\$315,000
<b>Total</b>	<b>\$17,676,235</b>	<b>\$16,700,340</b>	<b>\$12,638,376</b>	<b>\$12,266,089</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$14,555,123	\$14,492,975	\$10,248,786	\$9,834,070
Measure "O" Fund	\$644,098	\$670,850	\$2,254,855	\$2,399,815
Change For Kids Fund	\$15,200	\$31,883	\$44,735	\$32,204
Capital Improvement Fund	\$1,824,289	\$630,916	\$0	\$0
Art In-lieu Fee	\$55,911	\$0	\$0	\$0
State Grant Funds	\$0	\$104,237	\$0	\$0
St. Francis Knolls	\$394	\$565	\$0	\$0
Stony Ranch	\$726	\$1,062	\$0	\$0
The Orchard at Oakmont	\$9,076	\$13,728	\$0	\$0
Sandra's Place Tax District	\$0	\$509	\$0	\$0
Woodbridge Tax District	\$3,700	\$3,223	\$0	\$0
North Village I Special Tax District	\$624	\$3,269	\$0	\$0
Kawana Springs 6 Special Tax District	\$454	\$764	\$0	\$0
Bennett Valley Golf Course Operations	\$124,243	\$265,723	\$0	\$0
Taxable Golf Bond Debt Services	\$130,834	\$127,298	\$0	\$0
Tax-exempt Golf Bond Debt Services	\$261,441	\$259,879	\$0	\$0
Railroad Square Maintenance Fund	\$1,974	\$2,783	\$0	\$0
Expendable Fund-Interest Allocation	\$6,003	\$0	\$0	\$0
Expendable Fund-No Interest Allocation	\$42,145	\$90,676	\$90,000	\$0
<b>Total</b>	<b>\$17,676,235</b>	<b>\$16,700,340</b>	<b>\$12,638,376</b>	<b>\$12,266,089</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	74.00	74.00	74.00	44.00	42.00

### **Performance Measures**

<b>Indicators</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20 Estimates</b>
Percentage of cost recovery through usage fees during fiscal year	29%	27%	20%
Number of people attending permitted park events (facility bookings) annually	408,169	410,000	435,900
Number of people awarded scholarships annually	419	456	91
Number of volunteers annually	771	800	675
Number of activity registrations*	54,130	55,000	131,632

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

<b>Indicators</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20 Estimates</b>
Number of Community Advisory Board grants awarded	14	9	0	6
Number of Measure O (2004) CHOICE Grants awarded	12	9	9	11
Amount awarded in Measure O (2004) CHOICE grants to local non-profits and organizations that align with the Partnership's Strategic Plan and Community Safety Scorecard	\$615,965	\$736,700	\$736,700	\$840,000
Number of Measure O (2004) CHOICE Mini-Grants awarded	8	2	11	11
Amount awarded in Measure O (2004) CHOICE Mini-Grants to local non-profits and organizations that align with the Partnership's Strategic Plan and Community Safety Scorecard	\$30,000	\$6,000	\$47,428	\$50,000
Number of VPP Policy Team meetings	5	4	5	5
Number of VPP Operational Team meetings	10	10	10	10
Number of VPP Multi-Disciplinary Assessment and Referral Team meetings	12	8	11	11
Number of Guiding People Successfully referrals and evaluations	139	61	60	60

### **Prior FY 2019-20 Accomplishments**

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

- Installed new principle boiler/heater at the Finley Aquatics Center. **5,6**
- Renovated the Howarth Park Carousel. **5,6**
- Completed Americans with Disabilities Act (ADA) pathway at Howarth Park from the Train Station to the lower gazebo. **5,6**
- Upgraded the Finley Community Center – Person Auditorium Audio Visual (AV) system and hearing aide loop. **5,6**
- All Recreation staff completed Red Cross shelter management training. **6,9**
- Added a new After School Site at Burbank Housing's Grays Meadow facility. **6,7**
- Opened Youth Services Sites in Roseland and Coddington neighborhoods. **6,7**
- Replaced the flooring at the Finley Community Center. **5,6**
- Operated Finley Community Center as an emergency shelter during the 2019 Kincade Fire. **6**
- Operated Finley Community Center as a warming center during the PG&E Public Safety Power Shutoffs (PSPS) blackouts. **6**
- Implemented the Neighborfest Pilot Program in Summer 2019, engaging 1,145 Santa Rosa residents in eight neighborhoods to build social cohesion through resiliency and emergency preparedness. The Pilot also engaged 57 community organizations to participate in all eight events. **2, 7**

- Implemented the Community Advisory Board (CAB) 5-Year Strategic Roadmap, completing a robust neighborhood and community groups list; a recruitment process and materials for City Council and CAB; and initiating the planning process for the Civic Engagement Academy. **6, 7**
- Worked collaboratively with a multi-disciplinary team to plan and conduct three informational community meetings on rebuilding and safety for the Fountaingrove and Hidden Valley neighborhoods. **2, 6, 7**
- Awarded six Santa Rosa neighborhoods CAB Community Improvement Grants to implement Neighborfest in Summer and Fall 2020, totaling \$22,334. **2, 6, 7**
- Assisted City departments with planning and implementing community engagement strategies, including: Planning and Economic Development Downtown Specific Plan and General Plan Update community engagement plan; Santa Rosa Police Department community meeting series with the Chief of Police; Parks Division Measure M community meeting series; and Parks Division Roseland Creek Community Park Master Plan community meeting. **2, 3, 5, 6, 7, 10**
- Invested \$840,000 in ten organizations to impact the areas of school readiness, student engagement & truancy prevention, workforce development, and street outreach, mediation and intervention services to support high-risk families, underserved populations, and increase civic engagement through the Measure O (2004) CHOICE Cycle X Grant Program. **6, 7**
- Invested \$50,000 in eleven organizations to impact the areas of school readiness, student engagement & truancy prevention, workforce development, and street outreach, mediation and intervention services to support high-risk families, underserved populations, and increase civic engagement through the Measure O (2004) CHOICE Mini-Grant Program. **6, 7**
- In collaboration with the CHOICE Grant Program Evaluator, developed and produced a comprehensive final report for the first year of the CHOICE Cycle IX Grant Program. **6, 7**
- Identified external funding sources to continue the Guiding People Successfully (GPS) referral component to provide wraparound case management and coordination to high-risk youth and families. **6**
  - Sonoma County Probation, September 1, 2020 – June 30, 2021
- Referred 60 youth and families to Guiding People Successfully (GPS) Multi-Disciplinary Assessment and Referral Team for intense case review and wraparound coordination with CHOICE Cycle X-funded agencies and various sectors of law enforcement. **6, 7**
- Launched the 1st Annual Violence Prevention Awareness Series, a series of 12 community engagement events and trainings to educate our community and highlight partner organizations on strategies in creating a healthy and resilient community. **6, 7**

## Looking Ahead

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The Recreation Division will be shifting operations to enable safe programs and public interactions while accessing the City's recreation resources based on Sonoma County Public Health guidelines.

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 necessary to routinely evaluate the Recreation fee schedule and cost recovery rate to ensure that the services and programs are in alignment with the industry and budgetary needs. The Recreation Division will work with the Finance Department to evaluate a consultant driven study on the Department's current fee structure and cost recovery rates.

Building off the momentum of the Neighborfest Pilot Program, the Community Engagement Division continues to partner with the Community Advisory Board (CAB) to fund the Neighborfest Program on an annual basis. In addition, staff will work with the CAB to implement additional activities from their 5-Year Strategic Roadmap, including a civic engagement academy, an onboarding and mentoring program for new CAB members, and engaging neighborhood groups throughout Santa Rosa. In addition to ongoing work with the CAB, Community Engagement staff will continue to improve systems of community engagement for the organization and will complete a community engagement toolkit and training program for all City staff. Staff will also continue to look for ways in which recommendations from the former Open Government Task Force can be implemented, either through the CAB or through partnerships with the community.

In the midst of a current community-wide recovery of COVID-19, the Partnership will continue to collaborate with internal task force groups, partner organizations, and local government to assess how to best serve our community's gaps and needs, in particular to vulnerable populations.

Continue to administer and evaluate the CHOICE Cycle X Grant Program, consisting of ten organizations that align with the Community Safety Scorecard and the 2017-22 Strategic Plan for a two-year cycle beginning January 1, 2020 through December 31, 2021.

The Partnership will also be closing out an external agreement with Sonoma County Probation (through August 2020) that funds the Guiding People Successfully (GPS) referral component, and will renew a contract with Probation extending the GPS component through June 2021, to ensure multi-disciplinary referrals and wrap around services continue to high-risk and vulnerable populations.

The Partnership also plans to update the Community Safety Scorecard (2016) in FY 2020-21 and will continue researching the community's needs in FY 2020/21 to ensure we are aligning the eventual Scorecard update with current trends and initiatives, in addition to the tracking and enhancements of outcomes, to further impact City of Santa Rosa residents.

Staff will analyze budgetary implications and assess the current and future staffing structure of the Partnership, to determine how each staffing position aligns with the vision/mission while considering fiscal impact and projections of the Measure O Implementation Plan.

# Santa Rosa Water

## Mission

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

## Department Description

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

The City of Santa Rosa delivers 6 billion gallons of potable water to nearly 53,000 customer accounts, operates a recycled water system for agricultural and urban irrigation and commercial processes, collects wastewater from over 49,000 customer accounts, and operates the Regional Water Reuse System which beneficially reuses over 6 billion gallons of tertiary treated wastewater and 34 thousand tons of biosolids annually. SRW also manages the Storm Water and Creeks section which works closely with other sections in the department to safeguard water sources and protect the urban watershed with over 100 miles of creeks.

There are separate enterprise funds that finance each of these operations.

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

**Engineering Resources** - Focuses on proactive asset management, infrastructure needs and long-range planning, development coordination and review, and Capital Improvement Program Development for the Water, Sewer, and Regional Systems.

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

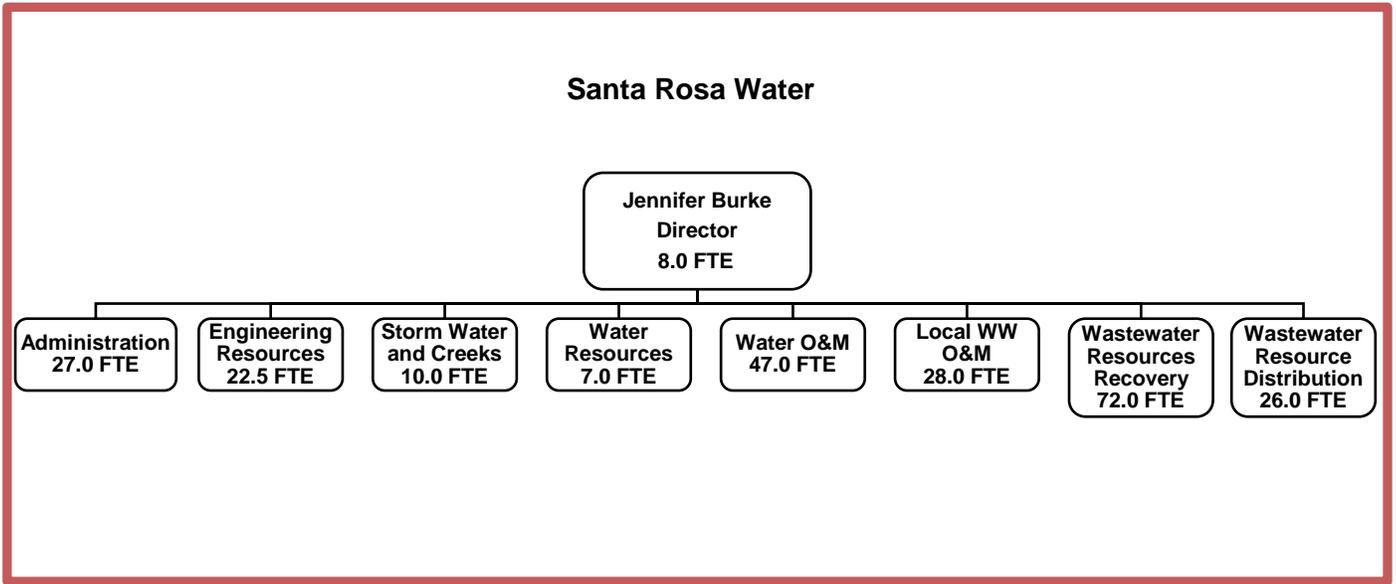
**Storm Water and Creeks** - Makes Santa Rosa a better place by enhancing creek health through restoration and community involvement, providing biological and engineering services, and managing storm water runoff to preserve and restore water quality and minimize flooding.

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

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

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

## FTE by Program



### Strategic Goals and Initiatives for FY 2020-21

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

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Public and environmental health</li> <li>• Infrastructure sustainability and improvement</li> <li>• Fiscal responsibility and cost effectiveness</li> <li>• Replacement and repair of assets damaged by fire</li> <li>• Communication, outreach and education (internal and external)</li> <li>• Meet and exceed present and future regulations</li> </ul> | <p><b>5, 8</b></p> <p><b>5</b></p> <p><b>1</b></p> <p><b>2</b></p> <p><b>1</b></p> <p><b>8</b></p> |
|---|--|

### Major Budget Changes

The Water department’s FY 2020-21 budget remains decidedly comparable to FY 2019-20. An overall department budget decrease of \$859K, or just 0.6%, can be mostly attributed to less funding being budgeted to CIP projects as compared to the prior year. Otherwise, the Water department’s operations plan for very few budgetary changes in FY 2020-21.

While overall Department FTE count remains flat at 247.5 FTEs, staffing changes did occur. As part of a new Home Org called “Real Estate Services” within the Engineering Resources program, 1.0 FTE Associate Right-of-Way Agent was moved from the City Manager’s Office into the Water Department to work with existing Real Estate staff. Offsetting this increase is the elimination of 1.0 FTE vacant Senior Buyer in the Administration division. Overall Salaries costs decreased by \$278K, or 1.3% due to an increase in staff time charged to CIP projects as well as less anticipated retirement payouts in FY 2020-21. With headcount remaining flat, the Water department’s benefits increased by just \$202K, or 1.6%.

The Water department’s services and supplies saw few significant changes. Purchase of Water rose by \$773K, or 5.3%, reflecting the estimated increase in cost from the Sonoma County Water Agency. A decrease of \$342K, or 6.0%, is estimated in Utilities costs due to lower anticipated consumption of both electricity and gas as compared to FY 2019-20. Worth noting is an increase of 24.6% in the Liability/

Property insurance budget category. Citywide costs of Fire & Earthquake insurance increased in FY 2020-21, and this \$212K increase accounts for the Water department's portion of the premium. Finally, a decrease of 86.4%, or \$127K is budgeted in capital outlay due to the one-time purchase of a generator in the prior year.

Utility Billing is part of the Finance Department but is funded by Water. The Utility Billing Services budget category decreases by \$117K, or 2.5%. One-time costs in the prior year for cash handling and armored car services caused the FY 2019-20 budget to be comparatively high. Otherwise, Utility Billing saw no significant changes.

The General Fund portion of Water's budget is decreasing by 8%, or \$54K, which reflects an increase of staff time that will be devoted to work in the Storm Water enterprise fund. Storm Water is also budgeting a Storm Drain Master Plan project using Capital Facilities Fees, which accounts for the \$225K increase in the Capital Facilities Fee fund.

The Capital Improvement Fund is decreasing by \$809K, or 60% in FY 2020-21. Several large projects in the prior year caused the FY 2019-20 budget to run unusually high, and the upcoming year will see expenditures to return to expected levels. Similarly, the Water Capital fund is budgeting \$1.4M less in capital projects in FY 2020-21, as a result of normal project timelines and resources. The Wastewater Capital fund is holding a flat budget compared to the prior year, and the Subregional Capital fund is budgeting a \$1M, or 16.7% increase, mostly driven by a Geysers Pipeline repair project. While some of Water's many debt service funds will fluctuate in budgeted costs, the total change in debt service budget for FY 2020-21 is insignificant.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18</b>	<b>2018 - 19</b>	<b>2019 - 20</b>	<b>2020 - 21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
Administration	\$5,652,555	\$4,016,882	\$5,214,289	\$5,211,820
Purchase of Water	\$14,854,251	\$14,768,139	\$14,728,616	\$15,501,140
Storm Water and Creeks	\$1,876,262	\$2,177,006	\$2,535,281	\$2,612,649
Water Resources	\$893,055	\$851,062	\$1,042,505	\$1,083,825
Water O&M	\$14,245,476	\$14,546,340	\$18,577,818	\$18,113,144
Local Wastewater O&M	\$9,927,774	\$9,831,887	\$12,114,326	\$12,115,764
Wastewater Resource Recovery	\$20,220,548	\$22,066,462	\$24,929,980	\$24,736,386
Wastewater Resource Distribution	\$6,695,364	\$6,888,824	\$8,560,196	\$8,582,813
Debt Service	\$26,955,339	\$24,429,714	\$25,480,114	\$25,428,625
Engineering Resources	\$0	\$2,477,058	\$3,352,722	\$3,349,444
CIP and O&M Projects	\$34,339,891	\$28,635,737	\$34,789,215	\$33,730,839
<b>Total</b>	<b>\$135,660,515</b>	<b>\$130,689,111</b>	<b>\$151,325,062</b>	<b>\$150,466,449</b>

## Expenditures by Category

	2017 - 18 Actual	2018 - 19 Actual	2019 - 20 Budget	2020 - 21 Budget
Salaries	\$18,352,990	\$19,252,551	\$22,068,806	\$21,790,411
Benefits	\$9,841,041	\$11,060,131	\$13,055,969	\$13,258,259
Professional Services	\$2,744,057	\$2,933,661	\$4,001,855	\$4,080,912
Utility Billing Services	\$4,090,493	\$3,855,806	\$4,662,107	\$4,544,784
Vehicle Expenses	\$2,671,643	\$2,493,927	\$3,548,493	\$3,545,689
Utilities	\$7,724,682	\$4,793,502	\$5,753,711	\$5,411,477
Purchase Water	\$11,689,871	\$14,768,139	\$14,728,616	\$15,501,140
Operational Supplies	\$3,046,691	\$3,517,394	\$4,861,381	\$5,045,001
Information Technology	\$2,075,870	\$2,413,363	\$2,231,010	\$2,329,733
Debt Service	\$27,354,453	\$24,829,078	\$25,897,792	\$25,846,303
Liab & Property Insurance	\$777,676	\$860,619	\$862,792	\$1,074,674
Other Miscellaneous	\$1,469,293	\$1,144,922	\$2,057,007	\$2,001,103
Indirect Costs	\$9,362,219	\$10,002,044	\$12,659,308	\$12,286,124
Capital Outlay	\$119,645	\$128,237	\$147,000	\$20,000
CIP and O&M Projects	\$34,339,891	\$28,635,737	\$34,789,215	\$33,730,839
<b>Total</b>	<b>\$135,660,515</b>	<b>\$130,689,111</b>	<b>\$151,325,062</b>	<b>\$150,466,449</b>

## Expenditures by Fund

Funding Source	2017 - 18 Actual	2018 - 19 Actual	2019 - 20 Budget	2020 - 21 Budget
General Fund	\$624,556	\$722,424	\$657,966	\$604,210
Capital Facilities Fee Fund	\$0	\$721	\$0	\$225,000
Capital Improvement Fund	\$1,617,036	\$408,785	\$1,350,918	\$542,192
Stony Ranch	\$703	\$238	\$2,000	\$2,000
Woodbridge Tax District	\$3,107	\$2,589	\$28,269	\$7,500
Kawana Springs 6 Special Tax District	\$113	\$238	\$15,077	\$15,077
Kawana Town Ctr Special Tax District	\$0	\$144	\$5,498	\$5,498
Utilities Administration Fund	\$6,780,520	\$7,477,194	\$9,798,016	\$9,863,589
Water Utility Operations	\$31,389,083	\$29,793,843	\$33,480,815	\$33,817,265
Water Capital Fund	\$11,587,012	\$15,455,496	\$12,500,000	\$11,090,000
2001 WW Bonds - Water Portion	\$769,931	\$0	\$500,000	\$0
2008A Water Bond Debt Service	\$871,634	\$0	\$0	\$0
2008A Water Construction	\$318	\$0	\$0	\$0
2018 Water Bond Debt Service	\$0	\$395,896	\$708,750	\$709,875
Local Wastewater Utility Fund	\$10,312,471	\$9,884,170	\$12,222,159	\$12,234,997
Local Wastewater Capital Fund	\$13,697,368	\$7,168,682	\$12,000,000	\$12,096,000
2008A Local Wastewater Construction	\$59	\$0	\$0	\$0
Local Wastewater Demand Fee	\$0	\$74,380	\$50,000	\$50,000
Subregional Waste Operations	\$28,494,083	\$30,737,742	\$35,153,759	\$35,376,132
CEC Loan Debt Service Fund	\$103,045	\$103,042	\$51,563	\$0
Subregional Waste Capital	\$1,006,076	\$2,280,063	\$6,000,000	\$7,000,000
2018 WW Refunding Debt Service	\$0	\$610,555	\$3,197,875	\$3,198,375
2016 WW Refunding Debt Service	\$8,915,834	\$10,254,190	\$13,223,050	\$13,246,250
2014 Wastwater Debt Service	\$881,392	\$879,317	\$1,026,375	\$1,021,625
2012 WW Refunding Debt Service	\$2,253,982	\$2,253,982	\$2,522,500	\$2,522,500
2014 Wastwater Construction	\$713,999	\$659,280	\$0	\$0
2008A Subregional Construction	\$148,198	\$37,720	\$0	\$0
2007A Wastewater Bond Debt	\$6,661,457	\$0	\$0	\$0
Storm Water Enterprise Fund	\$751,284	\$821,214	\$1,046,368	\$1,119,861
Storm Water Creek Restoration	\$809,259	\$734,127	\$1,034,103	\$988,503
2007 Wastewater Bond Construction	\$0	\$298	\$0	\$0
2002B Subregional WW Debt Service	\$7,267,995	\$9,932,732	\$4,750,001	\$4,730,000
2001B Subregional Construction	\$0	\$49	\$0	\$0
<b>Total</b>	<b>\$135,660,515</b>	<b>\$130,689,111</b>	<b>\$151,325,062</b>	<b>\$150,466,449</b>

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

Fiscal Year	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Full-Time Equivalent	249.50	253.50	252.50	247.50	247.50

## Performance Measures

<b>Regional Water Reuse*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Billion gallons wastewater treated	7.4	6.6	7.5
Treated wastewater recycled	84%	100%	93%
Biosolids reused	100%	100%	100%
Environmental compliance inspections - grease related food industries	619	585	596
Number of people attending Treatment Plant educational tours	3,151	1,514	1,373
Laguna Lab annual proficiency acceptance rating	98.3%	98.0%	98.0%
<b>Water Supply, Distribution and Quality*</b>			
Miles of water main in system	620	623	624
Million gallons of water purchased	5,404	5,764	5,594
Million gallons metered water delivered	5,426	5,330	5,382
Million gallons water produced from well	426.6	0	217.0
Unaccounted for water	6.48%	7.07%	7.04%
Water Main repairs	11	15	21
<b>Local Wastewater Collection*</b>			
Miles of sewer main in system	591.0	593.6	595.1
Miles of sewer lines flushed	204.3	178.1	289.2
Miles of sewer lines rodded	7.9	5.2	4.4
CCTV inspection of sewer main miles	102.8	93.3	91.2
Sewer Main repairs	44	27	118
Sewer laterals repair/replace	24	19	36
<b>Engineering*</b>			
Number of water and/or sewer connection permits issued	595	559	156
Miles of water line replaced	1.82	3.34	2.75
System replaced (%)	0.05%	0.13%	0.05%
Miles of sewer main replaced	1.42	5.23	3.74
System replaced (%)	0.00%	0.30%	0.22%
Water CIP projects completed	3	4	6
Wastewater CIP projects completed	2	7	6
Laguna Treatment Plant CIP projects completed	2	2	2
<b>Storm Water and Creeks Section **</b>			
Educational creek related activities with youth	265	347	294
Volunteer creek cleanups	87	105	126
Cubic yards of debris removed from creeks	1,083	1,037	1,184

Illicit spill discharges responded to by SW Team	74	75	108
*Calendar Year figures			
**Fiscal Year figures			

### Prior FY 2019-20 Accomplishments

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

- Responded to multiple Public Safety Power Shutoff (PSPS) events, ensuring that water and sewer service was maintained, and the wastewater treatment plant was operational. Water Department staff implemented their Department Operations Center and kept standby power up and running throughout the duration of each PSPS. 5, 6
- Achieved an outstanding Sanitary Sewer Overflow (SSO) record with only two SSO's in 2019 – both of which were caused by an unprecedented rain event. 5, 6, 8
- Completed the 5-year Sewer System Management Plan (SSMP) recertification.
- Successfully managed significantly above average recycled water storage levels as a result of the Kincade Fire. In October 2019, the Kincade fire burned up to and around all three Geysers pump stations on Pine Flat Road, causing the Geysers pipeline to be shut down. After the area was determined to be safe, staff inspected and cleaned the electrical and mechanical equipment at three pump stations and worked closely with CalPine to have power restored and resume pumping recycled water to the Geysers steam fields. 2, 5, 7, 8
- Delivered 6 billion gallons of recycled water to Agriculture and Urban use communities (1.7 billion gallons) and the Geysers Recharge Project (4.3 billion gallons). 5, 7, 8
- The Laguna Treatment Plant produced 34,354 wet tons of biosolids, with 7,562 wet tons used in Water Smart Compost production, 18,140 wet tons applied to farmlands as fertilizer and soil amendment, 1,477 wet tons delivered to a private processor for other beneficial re-use, and 3,272 wet tons delivered to Redwood Landfill to be used as alternative daily cover. 7, 8
- Completed the Digester Gas Conditioning Improvement Project to more effectively use the Bio-Gas produced by the Laguna Treatment Plant. In conjunction with the installation of the Selective Catalytic Reduction, three of the four Combined Heat and Power Engine Generators can now run simultaneously to reduce the reliance on purchased electricity. 5, 8
- The Laguna Treatment Plant received 16 million gallons of high-strength waste in 3,612 deliveries, generating \$679,000 in tipping fees and producing \$472,000 in electrical generation. 1, 8
- Coordinated the Creek Stewardship Program, a partnership with Sonoma Water, that continues to raise the community's awareness of creeks and improve water quality. Activities included removal of 1,184 cubic yards of trash and debris from waterways and the storm drain system, hosting 383 community creek presentations, engaging 10,272 residents who volunteered 9,940 service hours, and staff participation in the City-wide Homeless Encampment Assistance Program (HEAP) committee to minimize water quality issues associated with people living along creeks. 7, 8
- The Take it From the Tap! program reached 8,715 students in schools, after-school programs and summer camps in Santa Rosa teaching children about choosing local tap water as their drink of choice. Public water bottle filling stations were installed at Howarth Park, a Place to Play and the Courthouse Square to further encourage the use of local tap water and promote environmental sustainability. Additionally, the Hydration Station attended many events providing education about our water systems to thousands of Santa Rosa residents. 7, 10
- Continued a targeted water quality sampling program in consultation with the California Division of Drinking Water to protect the customers in the fire-impacted neighborhood of Fountaingrove. After the restoration of water quality to the fire impacted neighborhood of Fountaingrove in October 2018, results have continued to come back as non-detect for contaminants of concern. Staff also successfully addressed ongoing challenges with debris in sewer lines as a result of re-building. 2

- Provided customer service related to re-establishing water service for customers in the fire-impacted area, including processing 1,045 meter requests related to re-establishing water service, reviewing building permits (related to ADU's), reviewing and issuing Encroachment Permits and performing inspections for Encroachment Permits in the same area. 2, 5, 6
- Reviewed 402 building permits and processed 347 new water meter requests related to new development. 3
- Completed the required Water Supply Assessment as well as water and wastewater infrastructure studies for the Downtown Station Area Specific Plan Update. 3, 10
- Water Use Efficiency provided a sustained reduction rebate of \$101,629 to Amy's Kitchen, Inc. for their investment in a large water efficiency upgrade project at their Northpoint Parkway facility. Average monthly water savings for the project is currently tracking at over one million gallons per month. 6, 7, 8
- Hosted six water-use efficiency workshops on topics including how to identify and fix indoor leaks, improve irrigation efficiency, select low water use plants, and implement sustainable landscaping best practices. 8
- Continued working with Woolpert as the implementation partner and license manager for the Cityworks Enterprise Asset Management System software obtained to replace our existing Hansen 7 software. The new software will make for better business decisions, work tracking, asset lifecycle maintenance and cost-efficient purchases. This software will make disaster recovery and FEMA reporting more efficient. 5
- Engaged and worked with consultants to prepare the 2020 Sanitary Sewer System Master Plan Update, a Water System Reliability Study, a Water Distribution System Likelihood of Failure Study, 2020 Catastrophic Reserve Study. 5
- Successfully completed and submitted the Water Risk and Resiliency Assessment to comply with America's Water Infrastructure Act of 2018. 5
- Worked closely with the City Attorney's Office and Planning and Economic Development Department to create new payment plan options for Downtown development. 10
- Staff handled 1,782 customer service calls as they relate to water and local wastewater, including 640 by after-hours personnel and 103 by Weekend Operations on Saturday and Sundays.
- Continued to support Environmental Crimes investigation and District Attorney that resulted in a settlement with a developer to clean up illegal discharges into local waterways 8

## Looking Ahead

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**Financial Planning** - Due to the COVID19 pandemic and the resulting shelter in place orders, SRW will analyze and determine the most efficient and effective responses to the financial impacts including changes in water use, revenue decreases, billing and delinquency rates and additional expenditures related to the emergency. Staff will also be closely following any Federal or State legislation that could provide relief to the rate payers as well as reviewing possible changes to the H2O program to determine how SRW may be able to provide assistance to those financially affected by the pandemic.

Due to regulatory requirements related to the ultraviolet disinfection system located at the Laguna Wastewater Treatment Plant, SRW will need to replace the system. Funding for this project will require a bond sale and securing this funding will be a priority.

The last rate increase included in the approved 5-year rate schedule goes into effect July 1, 2020. SRW will be working on a new rate schedule based on operating and infrastructure needs. Staff will be working closely with both the Budget Subcommittee of the Board of Public Utilities (BPU) and the full BPU on the development of a rate schedule.

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

The City utilizes asset management programs to manage assets proactively and budget accordingly. The City utilizes an enterprise asset management software product to inventory assets and manage maintenance on citywide infrastructure including the water distribution, collection, and reuse systems; parks and recreation facilities; streets, street lights, and signs; and parking facilities. The City's existing asset management software has reached the end of its software lifecycle and SRW is leading the effort to implement a replacement system, Cityworks.

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

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

SGMA requires that Groundwater Sustainability Plans (GSPs) be developed and submitted to the State by January 31, 2022 and that groundwater basins achieve sustainability by January 2042. The SRP GSA will continue to focus on drafting the GSP as well as developing a long-term funding mechanism for the implementation of the GSP. The SRP GSA is a self-funded agency, with the initial two years of funding coming from each of the member agencies of the SRP GSA, and the subsequent three years of funding provided by an adopted a fee structure (through 2021/22) while the GSP is being developed. If needed, the fee structure may be amended in the future to ensure GSP implementation.

**2020 Urban Water Management Plan Update** - The Urban Water Management Planning Act requires that urban water suppliers providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually prepare and adopt Urban Water Management Plans (UWMPs) that report, describe, and evaluate water deliveries and uses, water supply sources, efficient water uses, and demand management measures. Urban water suppliers are also required to assess current demands and supplies over a 20-year planning horizon and develop water shortage contingency plans with requisite drought response actions.

UWMPs are required to be prepared every five years and are due following years ending in 0 and 5 (due July 1, 2021). Work to compile the summary data and analysis necessary for incorporation into the 2020 UWMP has begun and significant effort to draft the plan, incorporate public process, and approve and submit the plan will be undertaken in FY 2020-21.

**Regulatory Permit Renewal for the Laguna Wastewater Treatment Plant** - The Laguna Wastewater Treatment Plant and Water Reclamation System (LTP) is reviewing the draft LTP National Pollutant Discharge Elimination System (NPDES) Permit (LTP Permit). This draft has some provisions that are more stringent and costly compared to the current permit. Staff are negotiating the conditions of an alternative compliance strategy to the existing "No Net Loading of Phosphorus" permit requirement. 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. Compliance certainty may come at a greater cost than what was spent in the previous term for phosphorus limit compliance. This is in contrast

to the NOP which is based on forecasting the amount of credits needed to offset phosphorus discharges based on statistical data related to weather and historic discharges, therein providing regulatory uncertainty. Long-term cost impacts associated with the permit renewal cannot yet be determined, but estimates are that costs for phosphorus alone could be \$1.0-2.5 million more over the permit term, depending on the Regional Board's willingness to respond to the City's requested permit changes.

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

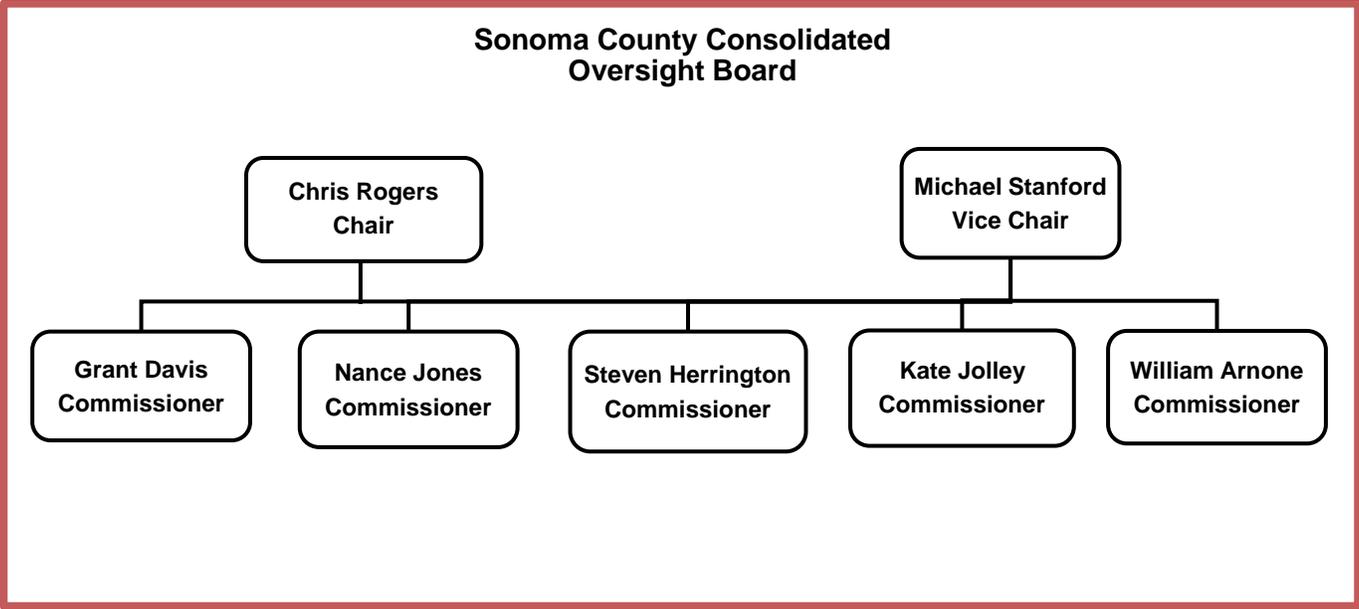
# Successor Agency to the Former Redevelopment Agency

## Description

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

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



## Strategic Goals and Initiatives for FY 2020-21

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

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

## Major Budget Changes

The FY 2020-21 Successor Agency budget is \$3.1M, falling \$240K, or 7%, over the prior year's adopted budget. The decline is primarily due to a reduction in administrative support costs and lower scheduled payments for the redevelopment bond.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$3,874,067	\$3,072,104	\$3,286,369	\$3,047,301
CIP and O&M Projects	\$417,462	\$0	\$0	\$0
<b>Total</b>	<b>\$4,291,529</b>	<b>\$3,072,104</b>	<b>\$3,286,369</b>	<b>\$3,047,301</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Professional Services	\$39,767	\$31,192	\$253,000	\$20,200
Debt Service	\$3,834,300	\$3,040,912	\$3,033,369	\$3,027,101
CIP and O&M Projects	\$417,462	\$0	\$0	\$0
<b>Total</b>	<b>\$4,291,529</b>	<b>\$3,072,104</b>	<b>\$3,286,369</b>	<b>\$3,047,301</b>

<b>Expenditures by Fund</b>				
<b>Funding Source</b>	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
SA RDA Bond Proceeds Retained	\$417,462	\$0	\$0	\$0
SA RDA Oblig Retirement Fund	\$3,874,067	\$3,072,104	\$3,286,369	\$3,047,301
<b>Total</b>	<b>\$4,291,529</b>	<b>\$3,072,104</b>	<b>\$3,286,369</b>	<b>\$3,047,301</b>

## Prior FY 2019-20 Accomplishments

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

- Complied with the requirements of ABx1 26, AB1484 and SB 107 to dissolve the Santa Rosa Redevelopment Agency as of February 1, 2012. Prepared all required Recognized Obligation Payment Schedules (ROPS).

# Transportation & Public Works

## Mission

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

## Department Description

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

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

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

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

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

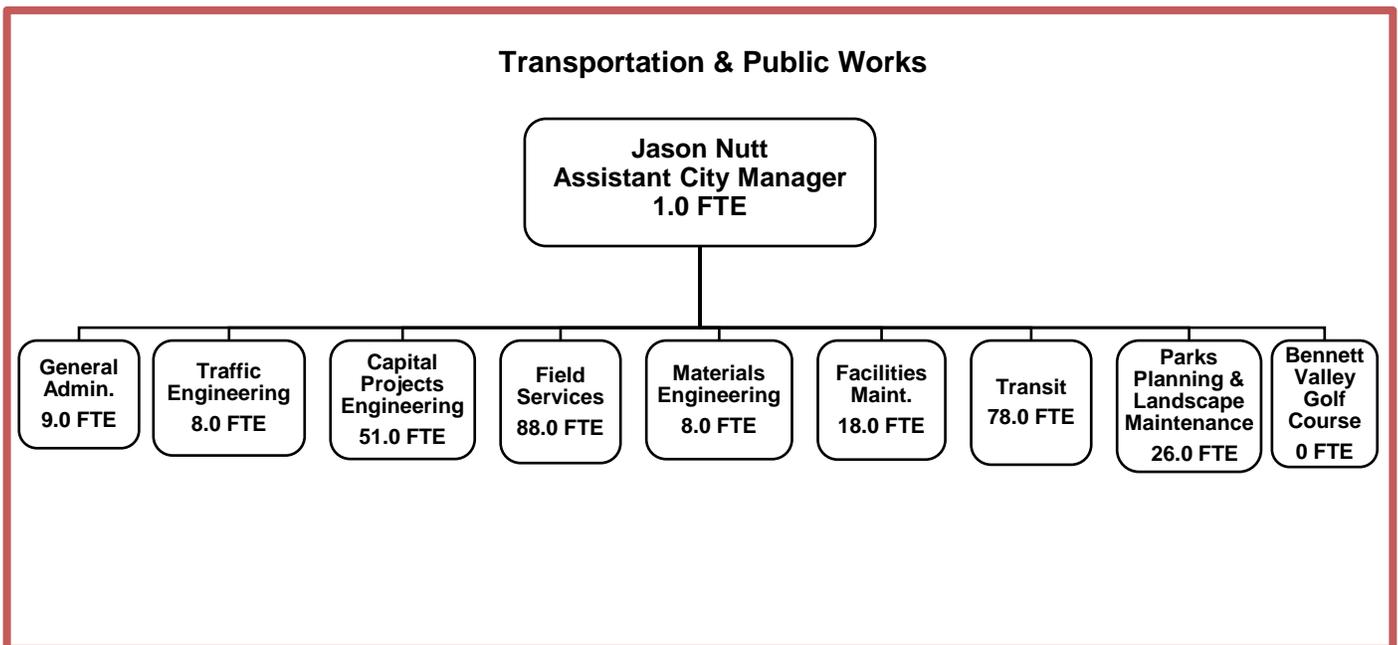
**Field Services** – Comprised of three sections: Fleet Services maintains and replaces the City's fleet vehicles and equipment; Street Maintenance maintains most street assets including pavement, sidewalk, curb and gutter, storm drain system, creeks, ditches, pedestrian ramps, signs, and markings; and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

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

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

**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.

**FTE by Program**



**Strategic Goals and Initiatives for FY 2020-21**

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

- Invest in and maintain City-owned road, park, facility, electrical and mechanical infrastructure to regional, state, federal and industry standards. **2,5,7**
- Operate an efficient public transit system. **1,4,8,10**
- Maximize grants and other outside funds. **1,2,5**
- Manage, track, and acquire property, leases and easements. **5,10**
- Support Climate Action by reducing impacts from City operations. **1,5,8,10**
- Develop a highly skilled and motivated team. **9**

## Major Budget Changes

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The Transportation & Public Works' (TPW) budget is funded by four major sources: The General Fund, The Capital Improvement Fund, The Transit Enterprise Funds, and The Equipment Repair and Replacement Internal Service Funds. The total FY 2020-21 budget is \$86.5M, a decrease of \$4.7M, or -5.1%, over the prior year's adopted budget.

The General Fund makes up one-third of the department's budget, increasing \$1.3M over the year, to a total \$28.3M. Salaries & Benefits grew a slight \$91K. While a reduction occurred in staff positions, particularly by the movement of a 1.0 FTE Marketing and Outreach Coordinator to the new Communications & Intergovernmental Relations Office and the elimination of a 1.0 FTE vacant Limited Term Electrician, this did not surpass the increase in the Salaries budget from staff charging significantly fewer hours out to projects. More than a \$800K increase arose in Services & Supplies primarily from the recent landscape maintenance mowing contract within Parks & Landscape Maintenance, adding more than \$500K to professional services. Moreover, the General Fund Administration, which is a distribution of administrative costs to non-administrative departments, expanded by more than \$200K over the year. A new O&M project was added to the department, namely the Real Estate Projects PW affiliated with the Right-Of-Way Agent in the Water Department, increased the project category by \$200K.

Like the General Fund, the Capital Improvement Fund contributes one-third to the department's overall budget. Over the year, the fund declined by a net \$5.4M, ending with a total proposed budget of \$28.1M for FY 2020-21. Although large increases were seen across a number of CIP projects, notably the Fulton Road Guerneville Road Piner Road Widening (+\$7.1M), Hearn Avenue at Highway 101 Rebuild and Widening (+\$3.5M), and Pacific Avenue Reconstruction (+\$2.3M) projects, significant declines occurred in other projects including the Sonoma Avenue Pavement Rehabilitation (-\$3.5M), Infrastructure (-\$3.0M), Parks Amenities Capital Replacement (-\$1.9M), and Hoen Avenue Embankment Washout Repair (-\$1.3M) projects. In addition, a major cut arose with projects tied to the recovery efforts of the 2017 Tubbs Fire, which in FY 2019-20 Council appropriated a total \$6.0M to TPW. However, in FY 2020-21, these projects did not receive appropriations.

The Equipment Repair and Replacement Internal Service Funds declined by \$1.5M, or -11%. Salaries & Benefits remained relatively flat, growing 1.2% over the year. Services & Supplies fell by \$154K, mainly from the more than \$200K reduction in operational supplies for vehicle/equipment parts, tires, and supplies which in the past year have been trending down in cost. A recent software upgrade, the Fleet Management System, enhances Fleet Services' ability to better measure the replacement criteria of the City's fleet based on age, usage, and historical maintenance records. Despite this enhancement, the prior year's budget included the costly replacement of multiple sewer cleaning trucks and electrical service trucks totaling \$1.4M, and mainly contributed to the \$1.2M decline in capital outlay in FY 2020-21.

The Transit Enterprise Fund budget is \$15.1M, an increase of \$437K, or 3.0%, over the FY 2019-20 adopted budget. Salaries & Benefits increased by \$220K, or 2.4%. Even with the movement of Transit's 1.0 FTE vacant Marketing & Outreach Coordinator to the new Communications & Intergovernmental Relations Office, the upticks from overtime, holiday overtime, merit, and other associated salary and benefit increases more than offset the decline. The main driver of the \$183K rise in Services & Supplies was largely from increases in transportation contracts. Paratransit and the Oakmont Shuttle expand CityBus services by offering curbside transportation services to individuals who have a disability, health related condition, or find it difficult to independently use regular bus services.

## Budget Summary

<b>Expenditures by Program</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Administration	\$1,228,252	\$1,262,084	\$1,517,604	\$1,598,124
Traffic Engineering	\$1,242,992	\$1,331,116	\$1,449,971	\$1,556,299
Capital Projects Engineering	\$3,849,371	\$3,424,690	\$2,646,883	\$2,678,073
Field Services	\$18,161,494	\$19,060,549	\$24,799,230	\$23,312,764
Materials Engineering	\$515,195	\$515,807	\$669,010	\$819,416
Transit	\$12,504,406	\$13,625,797	\$14,629,741	\$15,066,348
Facilities Maintenance	\$3,871,172	\$4,206,541	\$4,386,318	\$4,633,172
Parks Planning & Landscape Maintenance	\$0	\$0	\$6,044,364	\$6,795,590
Bennett Valley Golf Course	\$0	\$0	\$521,879	\$525,884
CIP and O&M Projects	\$23,196,582	\$15,203,037	\$34,458,346	\$29,483,676
<b>Total</b>	<b>\$64,569,464</b>	<b>\$58,629,621</b>	<b>\$91,123,346</b>	<b>\$86,469,346</b>

<b>Expenditures by Category</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
Salaries	\$14,639,236	\$14,899,416	\$17,758,237	\$18,031,750
Benefits	\$8,763,210	\$9,302,086	\$11,207,153	\$11,289,883
Professional Services	\$1,075,503	\$1,616,154	\$2,308,814	\$3,265,102
Vehicle Expenses	\$3,828,012	\$3,949,647	\$5,028,259	\$5,036,534
Utilities	\$2,316,728	\$2,405,314	\$3,772,972	\$3,940,556
Operational Supplies	\$2,361,320	\$2,734,812	\$3,250,902	\$2,881,610
Information Technology	\$1,040,304	\$1,095,050	\$1,089,639	\$1,166,125
Debt Service	\$0	\$0	\$458,345	\$457,291
Liability/Property Insurance	\$370,192	\$357,262	\$350,747	\$418,992
Other Miscellaneous	\$480,116	\$535,359	\$610,982	\$655,978
Transportation Purchase	\$1,151,898	\$1,247,705	\$1,368,200	\$1,517,000
Indirect Costs	\$1,770,496	\$1,969,631	\$1,920,866	\$1,805,290
General Fund Administration	\$1,405,134	\$1,410,705	\$1,421,709	\$1,635,834
Capital Outlay	\$2,170,733	\$1,903,443	\$6,118,175	\$4,883,725
CIP and O&M Projects	\$23,196,582	\$15,203,037	\$34,458,346	\$29,483,676
<b>Total</b>	<b>\$64,569,464</b>	<b>\$58,629,621</b>	<b>\$91,123,346</b>	<b>\$86,469,346</b>

<b>Expenditures by Fund</b>				
	<b>2017 - 18 Actual</b>	<b>2018 - 19 Actual</b>	<b>2019 - 20 Budget</b>	<b>2020 - 21 Budget</b>
General Fund	\$20,461,384	\$20,144,911	\$26,932,059	\$28,250,943
Capital Facilities Fee Fund	\$0	\$17,907	\$0	\$0
Transit - Special Revenue Funds	\$184,522	\$213,518	\$170,941	\$170,451
Measure M - Parks 2019	\$0	\$0	\$0	\$300,000
Capital Improvement Fund	\$20,746,912	\$11,831,938	\$33,499,205	\$28,146,985
St. Francis Knolls	\$0	\$0	\$1,744	\$2,001
Stony Ranch	\$0	\$0	\$5,035	\$5,292
The Orchard at Oakmont	\$0	\$0	\$48,134	\$48,503
Sandra's Place Tax District	\$0	\$0	\$4,670	\$5,431
Woodbridge Tax District	\$0	\$0	\$11,523	\$11,780
North Village   Special Tax District	\$0	\$0	\$9,699	\$9,956
Kawana Springs 6 Special Tax District	\$0	\$0	\$6,348	\$6,596
Utilities Administration Fund	\$1,340,232	\$1,075,006	\$1,163,385	\$1,155,090
Municipal Transit Fund	\$11,295,711	\$12,243,273	\$13,102,644	\$13,381,449
Transit Capital Fund	\$113,906	\$2,243,325	\$0	\$0
Paratransit Operations Fund	\$1,294,950	\$1,382,524	\$1,527,097	\$1,684,899
Bennett Valley Golf Course Operations	\$0	\$0	\$261,776	\$420,075
Taxable Golf Bond Debt Service	\$0	\$0	\$130,384	\$131,440
Tax-exempt Golf Bond Debt Service	\$0	\$0	\$264,719	\$262,609
Storm Water Enterprise Fund	\$355,107	\$484,325	\$538,419	\$542,045
Equipment Repair Fund	\$5,481,982	\$5,844,576	\$5,984,482	\$6,101,380
Equipment Replacement Fund	\$3,294,758	\$3,148,318	\$7,418,082	\$5,828,421
Railroad Square Maintenance Fund	\$0	\$0	\$43,000	\$4,000
<b>Total</b>	<b>\$64,569,464</b>	<b>\$58,629,621</b>	<b>\$91,123,346</b>	<b>\$86,469,346</b>

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

<b>Fiscal Year</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Full-Time Equivalent</b>	277.50	274.50	274.00	290.00	287.00

## Performance Measures

<b>INDICATORS:</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Grant Revenues Secured	\$7.5M	\$5.4M	\$5.8M
<b>Travel Time Along 5 Major Arterial Streets (PM Peak)</b>			
College/West College Avenue Cleveland Avenue to 4 <sup>th</sup> Street	3:28	3:31	Measures Suspended
Guerneville Road/Steele Lane Range Avenue to Illinois Street/County Center Drive	1:53	2:14	Suspended
Mendocino Avenue College Ave to Steele Lane	4:21	3:01	Suspended
Santa Rosa Avenue Baker Overcrossing to Yolanda Avenue	2:22	2:54	Suspended
Stony Point Road West College Avenue to Hearn Avenue	9:50*	8:17	Suspended

\*Stony Point Road south of Sebastopol under construction.

<b>Capital Projects Engineering</b>	<b>2017*</b>	<b>2018*</b>	<b>2019*</b>
Total Construction Project Expenditures	\$15.0M	\$14.5M	\$18.4M
% CIP Projects completed within 5% of baseline budget	87%	76%	Suspended
Average construction contingency spent on CIP projects	10.8%	4.9%	6.7%
CIP Projects completed within 2 mo. of baseline schedule	87%	82%	Suspended
Overall satisfaction with construction projects (new)	87%	79%	82%

<b>Transit</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Routes meeting new system productivity standards	2	2	3
Average systemwide on-time performance of 90%	86%	86%	88%
Paratransit passengers/hour equal or greater than 2.4	2.43	2.42	2.21

<b>Fleet Services</b>	<b>2017*</b>	<b>2018*</b>	<b>2019*</b>
Mechanic productivity: goal 1,500 hours/mechanic/year	1,479	1,515	1,596
Vehicle Downtime: goal under 5%	4.2%	2.0%	4.2%
Preventive Maintenance Performed On-time: goal 90%	81%	81%	71%
Scheduled versus Non-Scheduled Repairs: goal (60% or higher) versus (40% or lower)	65%/35%	67%/33%	68%/32%
Annual Parts Inventory Turn (annual sales/inventory value): goal 4-6	3.0	3.1	3.5
Parts Fill Rate: goal 90% within 24 hours	96.9%	93.6%	91.2%

\* Calendar Year

<b>Parks &amp; Landscape Maintenance</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20 Estimates</b>
Dollar amount of park and ground maintenance expense per capita	\$30.00	\$31.00	\$31.00

## Prior FY 2019-20 Accomplishments

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

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- Completed Vehicle Telematics Pilot Program. 5,6,9
- Added Automotive Service Excellence (ASE) Certification requirement to Mechanic Job Classifications. 5,9
- Added 10 Hybrid Police Patrol Vehicles to Fleet. 5,8,9
- Converted Transit Fleet to Renewable Diesel Fuel. 5,8,9
- Disposed of 20+ “Ghost” vehicles in Fleet. 1,5
- Fleet is now sharing 1 FTE Administrative Assistant with Administration, reducing overhead for both sections. 1,6
- Initiated the City’s First Active Transportation Corridor – Stony Point Road – W. 3rd Street to Sebastopol Road (First Phase Project from Bike and Pedestrian Master Plan 2018). 5,8
- Created a team to begin developing the Vehicle Miles Travelled (VMT) policy and guidelines to meet the California Environmental Quality Act (CEQA) requirement by July 1, 2020. 5,8
- Using the approved Bicycle and Pedestrian Master Plan as a guide, began evaluation of top priority corridor for pedestrian and bicycle enhancements. 5,6
- Completed the conversion of 95% of our High-Pressure Sodium streetlight fixtures to energy efficient light-emitting diode (LED). 5,8
- Retrofit, replaced and rewired hundreds of fixtures in Fountaingrove relating to those lost in the Tubbs Fire. 2,5,8
- Certified signal technicians to install and splice fiber optics to migrate our traffic signal communications network from copper to fiber. 5,9
- Maintained and operated over two hundred traffic signals and communication equipment to provide efficient movement of services and goods throughout our community. 5,9
- Designed and installed 1,200 lineal feet of concrete sidewalk at Howarth Park to meet Americans with Disabilities Act (ADA) requirements. 5,6
- Constructed sidewalk and pathway on San Miguel to close pedestrian gaps for routes to school. 5,6
- Saved substantial funds by refinishing the Finley auditorium floors and replacing most of the overall flooring in the remaining Finley complex with our talented construction crew. 5
- Provided construction support for special projects in Police, Fire, Council Chambers, Santa Rosa Water, Planning and Economic Development, City Attorney, and Parks. 1,5
- Responded to over 300 traffic inquiries that resulted in 207 written work orders for field crews. 6
- Managed nearly 30 contracts with specialized vendors to certify fire alarm systems, elevators, conduct janitorial services, provide HVAC maintenance, and security to name a few. 5
- Maintained 108 buildings that are in various stages of their useful life. 5
- Continued to develop and collaborate with the University of California Pavement Research Center and University of Nevada, Reno a database of tests with our Asphalt Mixture Performance Tester (one of 16 nationwide) to help engineers throughout the nation more efficiently design hot mix asphalt. 5,9
- Conducted 2,706 field and laboratory tests on aggregate, asphalt and concrete to monitor and ensure quality and compliance of materials. 5
- Supported PED with Traffic Engineering services on 68 development projects. 3,5,10
- Facilities responded to 2,329 internal customer requests and preventative maintenance work orders. 5
- Met the mandated Measure M Maintenance of Effort (MOE) Streets spending target to ensure receipt of \$1.2 million in annual grant funding. 1,5
- Filled 4,774 potholes. 5,7

- Removed 1,040 cubic yards of debris from the public right-of-way. 5,8
- The Parks department re-organized and merged with Transportation & Public Works. 1,5,6
- Implementing the re-instatement of a tree maintenance crew within the Parks section. 5
- Removed over 4,150 graffiti tags. 6,7
- Finalized a new park landscaping contract with Coast Landscape. 5,6
- Parks and Street collaborated to remove burned trees and shrubs within the Tubbs burn scar. 2,5,6
- Council approval of Kawana Springs Master Plan and environmental declaration. Master Plan includes major amenities such as playgrounds, trails, pedestrian bridge, community garden, basketball, picnicking, table tennis, sand volleyball, Bocce courts, dog park, bicycle pump track, and protection of natural resources. 5
- Council approval of Coffey Park Master Plan and environmental declaration. Master Plan includes major amenities such as playgrounds, dog park, picnicking, fitness stations along looped trail, pollinator garden, table tennis, community corner, and art. 5
- Council approval of A Place to Play Master Plan amendment including a Water Department emergency water well site at the southwest corner of the park, basketball and picnicking. 5
- Design of Howarth Park fence surrounding train to comply with requirements for fencing heights surrounding amusements. This fence style will be used throughout the park to enhance the legacy of the park. 5
- Implementation of the Parks for All Measure – Measure M. Council approval of short and long-term use strategy. Measure M is a voter approved tax measure estimated to provide the City of Santa Rosa \$1.9 million annually. 1,5
- Updating of all parks digital assets in preparation of moving to City Works. 9
- Council approval of Roadway Landscaping design project to recover just over 13 acres of roadway landscaping and associated infrastructure damaged in the 2017 wildfires. Working with community members within Coffey Park and Fountaingrove Parkway to ensure community interests are included in the design. 2,5,7
- Provide 118 development plan reviews for development impacts related to parks, and potential for future park acquisition and development. 9
- CityBus ridership increased 2.5% in FY 2018-19 and is up 4% year-over-year in FY 2019-20 through March 1, when controlling for the impact of the Kincade Fire. 5,8
- Ridership on CityBus fare-free programs (e.g. SRJC students, Paratransit registrants, veterans) is up 19% year-over-year in FY 2019-20 through March 1. 5,8
- Ten of CityBus' 14 fixed routes are exceeding 20 passengers/hour on average, with high-frequency routes averaging 30-35 passengers/hour. 5,8
- Completed multi-operator needs assessment for transit fleet electrification in partnership with Sonoma Clean Power to guide zero emissions fleet transition. 5,8
- Completed Sonoma County Transit Integration and Efficiency Study with partner bus operators and moving into implementation phase. 5,8,9
- Public health and safety were 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 2019-20 include:
  - Mendocino Ave and McConnell Ave Intersection Pedestrian Improvements 2,5
  - Franklin Avenue Pedestrian Path
  - Roseland Pavement Maintenance
  - Temporary Fire Station 5, 3480 Parker Hill Road
  - Removal of Fire-Damaged Hazardous Street Trees
  - Donahue, Decker, Boyce & Petaluma Hill Sewer and Water Main Improvements
  - Cooper Drive Slope Stabilization and Drainage Improvements

- Laguna Treatment Plant Primary Influent Pump Drive Replacement
- Mohawk Lift Station and Forcemain Realignment - Phase II

## Looking Ahead

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Fleet Services Section will be working toward implementing a Vehicle Telematics System that can report data relevant to FEMA reporting, the upcoming CityWorks application, and emergency operations. Fleet is also testing Hybrid vehicles in our Police Fleet, anticipating the purchase of another 10 units in FY 2020-21 which will bring our total Hybrids to 25% of the Police Fleet and supporting the Climate Action Plan by reducing fuel consumption. We intend to begin providing only Renewable Diesel Fuel (R99) at the MSCN fuel site, further reducing vehicle emissions.

Facilities Maintenance Section presented results and recommendations from the citywide building assessment and Council budgeted \$3 million to invest in strategic facility upgrades. Facilities is working on a plan to target energy efficient projects to reduce maintenance costs and lower the City of Santa Rosa's carbon footprint. Ongoing maintenance and remodeling will also continue at the other 100+ city-owned facilities.

Electrical Section is working with Capital Projects to acquire and install approximately 150 traffic signal battery back-up units that will aide in keeping signals operational during emergency evacuations and public safety power shutoff (PSPS) events. The Electrical shop is also moving forward to outfit signals with reflective boarders at locations that consistently lose power during the PSPS events. Additionally, Electrical is moving to complete the retrofit of the remaining streetlights to LED and work to convert our deteriorating wood poles to metal.

Traffic Engineering Section continues to focus on providing efficient movement of goods and services as well as providing infrastructure for all modes of transportation: vehicles, bicycles, and pedestrians.

Street Maintenance and Parks Maintenance sections will be challenged to address the current Maintenance Worker vacancy rate (approaching 25%). The Street Maintenance section will face challenges meeting the required Maintenance of Effort (MOE) target. This is due to operations being suspended as a result of the shelter in place order relating to the COVID-19 virus. Once operations resume, work will continue towards meeting the Measure M (MOE) and SB1 targets, and city-wide maintenance activities which are continuing to increase because of homeless related clean-up activities.

Park Planning will begin the implementation of Parks for All (Measure M) spending based on Board of Community Services and City Council direction. A unique focus will be to develop a policy related to Community Garden management within Parks based on department guidelines.

Implementation of additional playground replacements citywide based on highest need for replacement. New technologies in park design and staff preference for updates will lead to a significant update to the park detail standard for planting of trees near pavement and irrigation to meet water efficiency landscape ordinance (WELO) requirements and new drinking fountain and park signage standards.

Capital Projects Engineering (CPE) is on track to process approximately \$55 million worth of construction projects over the next year. Significant projects include the Geysers Pipeline Expansion Joints Replacement project, R7Road Access Stabilization and the Station 2 Emergency Generator Replacement. CPE will also continue to play a major role in the fire disaster recovery as we work to rebuild approximately \$6 million worth of damaged or destroyed public infrastructure, including the reconstruction of Coffey Park, replacing streetlights and rebuilding two sewer lift stations in Fountaingrove.

Transit Division operations and budget have been significantly impacted by the COVID-19 pandemic, with impacts anticipated to extend into FY 2020-21. Transit Division staff will continue to participate in regional, state, and federal processes to understand and respond to these ongoing challenges to ensure continuity of the CityBus and Santa Rosa Paratransit systems. Prior to the significant impacts on ridership from the pandemic, CityBus was in a two-year upward trend in ridership, with particularly strong ridership growth within existing fare-free programs. Transit Division staff will complete a Short-Range Transit Plan update to further optimize services and pursue additional partnerships for fare-free transit access to support this positive ridership trend.

# Policies

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

## **CONTINGENCY RESERVE POLICIES**

### **General Fund**

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

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

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

### **Equipment Repair Fund**

The Equipment Repair Fund is an internal service fund that provides funding for the repair of City-Owned vehicles by the City Garage. An annual labor rate is established in order to recoup costs. This policy was established to provide an adequate contingency reserve for the purpose of maximizing rate stabilization.

The reserve is set at 5% of the annual budget. This can be established as a multi-year plan with the review and approval of the Finance Department. If the contingency reserve level is below 3%, a plan will be established to increase the reserve. Reserves in excess of the minimum reserve shall be designated for future expenditures or reductions in rates.

### **Storm Water Utility Fund**

The Storm Water Enterprise Funds provide for compliance with the National Pollutant Discharge Elimination System (NPDES) requirements as well as creek restoration efforts. The reserve provides funding for economic and catastrophic contingencies.

The reserve is maintained at a level consistent with that established for the City's General Fund, currently 15% to 17% of annual expenditures. If the reserve level is below 15%, a plan will be established to increase the reserve to a minimum of 15% during the upcoming budget process. Reserves of over 17% will be designated for future expenditures or reductions in rates.

### **Insurance Internal Service Fund**

The Insurance Internal Service Fund charges City departments for the costs of providing employee benefits and Liability, Property, Fire, and Earthquake insurance. The reserve was established to cover unanticipated claims.

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

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

A reserve for Employee Benefit Insurance claims on self-insured City benefit plans should be set at a level that allows for at least three months run out of claims to be paid, as well as a reserve equal to 7% of annual claims. Currently, the City maintains a self-insured Dental and Vision Plan. The City also participated in two self-insured health plans through a joint power authority (JPA). However, reserves are held by the JPA, so funds equal to one month's premium are sufficient for potential premium adjustments.

A reserve for Workers Compensation claims should be maintained at a level at least equal to the discounted expected value of reserves determined by the annual actuarial valuation. Recommended reserves for workers compensation included development of known claims as well as IBNR claims. A 50% (expected) level is deemed adequate due to the extended period of time in which claims will be paid out.

A reserve for property insurance claims deductible payments, equal to two deductibles, should be maintained.

#### **Information Technology Internal Service Fund**

The Information Technology Internal Service Fund provides funding for the deployment, support, and maintenance of City-wide computer networks, communications infrastructure (phone/data) and City-wide software applications. This reserve will provide funds for Rate Stabilization, and large, unplanned expenditures. The contingency reserve is set at 10% of annual expenditures.

#### **Parking Reserve Fund**

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

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

#### **Bennett Valley Municipal Golf Course Reserve Fund**

The Bennett Valley Municipal Golf Course Enterprise Fund provides for maintenance, supervision, and improvements at the Bennett Valley Municipal Golf Course. The reserve is to provide adequate funds to insure ongoing operation of Bennett Valley Municipal Golf Course, for annual repayment of debt, to accrue funds for certain improvements, for rate stabilization, and for unexpected project expenditures.

A contingency reserve for the Bennett Valley Municipal Golf Course shall be maintained at a level of between six and eight months' operating expenditures. In addition, \$200,000 will be kept in reserve for emergency expenditures.

If, following an annual review, the level is below six months' operating expenditures, plus \$200,000 emergency funds, a plan will be identified to increase the reserves to that amount. If the level is above eight months' operating expenditures, plus \$200,000 emergency funds, the excess funds will be designated for a facility operating program(s) or a capital project(s).

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

The City of Santa Rosa's water and wastewater enterprises and the Santa Rosa Subregional Water Reuse System enterprise provide a safe and economical water supply and wastewater collection for the City of Santa Rosa and wastewater treatment, as well as disposal, reclamation, industrial waste inspection, and laboratory services to all of the Subregional partners.

Maintaining adequate reserves provides flexibility to respond to fluctuations in revenues and costs as well as short-term emergencies. Adequate reserves directly affect a utility's bond rating and ultimately its ability to borrow money at lower interest rates. This policy establishes the intended use of the various reserves and the desired level of reserves.

### **Discretionary Reserves**

The operating reserves will have a target balance of 15% of annual budgeted operation and maintenance expenses in each utility to provide working capital, as well as funds for unanticipated expenditures or revenue shortfalls, and for minor emergencies. In addition, the utility may plan for the use of up to 50% of the minimum target reserve with each biennial rate update process, so long as the operating reserve is shown to return to the target minimum balance within a five-year planning period.

### **Capital Replacement Reserves**

The target level for capital replacement reserves is \$2,000,000 each for the water and local wastewater enterprises and \$1,000,000 for the Subregional Water Reuse System enterprise.

### **Catastrophic Reserves**

Catastrophic reserves, intended to protect against the potential financial risk to each utility associated with a major earthquake or other catastrophic event, will have a target balance of \$4,400,000 for the water enterprise; \$5,200,000 for the local wastewater enterprise, \$1,300,000 for the Subregional Water Reuse enterprise, and an additional \$1,250,000 specifically for the Geysers Recharge portion of the Subregional enterprise. A new Subregional User Agency Reserve was established in 2013 to enhance Subregional liquidity and provide a user-funded reserve as a security for debt service payments. This reserve is set at 20% of the annual debt service amount.

### **Rate Stabilization Reserves**

Debt rate stabilization reserves are intended to mitigate the gradual increase in rates needed to support long-term debt obligations. The reserve can also be used annually in the net revenue calculation for determining debt service coverage. Debt rate stabilization reserve levels will be determined as part of the utility's long-term financing plan.

Operating Rate Stabilization Reserves will be utilized during the biennial rate setting analysis to offset the need for rate increases and, in the case of the water utility, will help smooth volatility caused by weather trends and the irrigation efficiency tiered rate. Operating Rate Stabilization Reserves will fluctuate as revenues and expenses exceed or fall short of projections. A surplus of revenue over expenses in any operating year will be added to the Operating Rate Stabilization Reserve; a deficit in any operating year will be mitigated to the extent possible by the Operating Rate Stabilization Reserve.

### **Designated or Restricted Reserves**

Designated (or restricted) reserves are set by external requirements and restraints of creditors, grantor contributors, or law. The water, local wastewater, and Subregional Water Reuse System will maintain such reserves as required by bond covenants, state revolving loan contracts, or other requirements as needed.

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

### **Debt Management and Disclosure Policy**

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

This policy provides direction for City staff on management, ethical conduct and conflicts of interest, and integration into the City’s Capital Improvement Program. The consideration of debt financing will occur when public policy, equity and economic efficiency favor it over cash funding. The policy specifies standards to use as guides when considering debt financing including credit risk, long term capital projects, debt financing mechanisms, ongoing debt administration and internal controls and rebate policy and system.

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

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

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

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

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

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

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

# Gann (Appropriations) Limit

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

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

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

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

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

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

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

***Multiplied by either***

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

***Or***

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

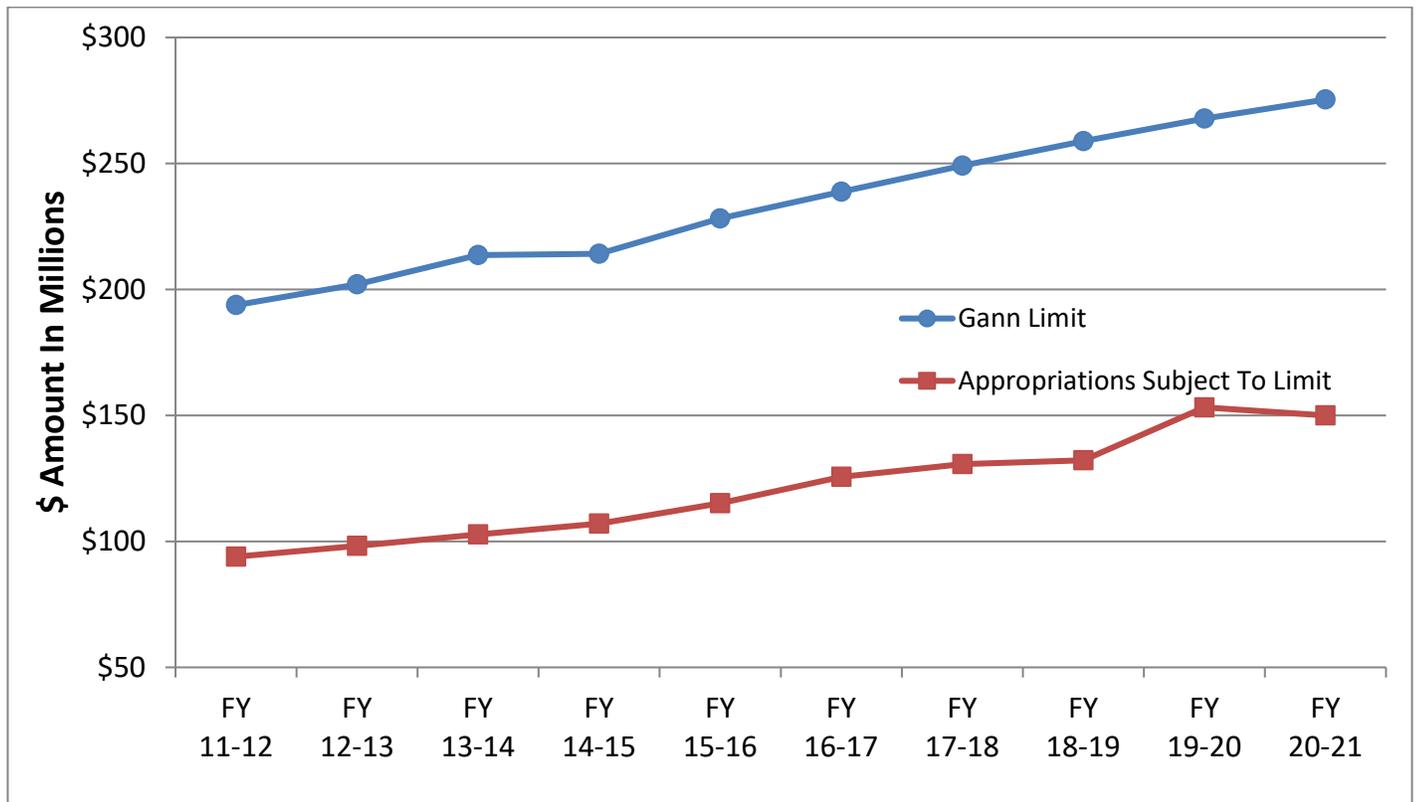
The resultant rate multiplied by the previous appropriation limit equals the new appropriation limit. Both the California per capita personal income price factor and the population percentage change factors are provided by the State Department of Finance to local jurisdictions each year. Population percentage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

In May 2020, 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 2020-21 is:

- The change in the California per Capita Income for FY 2020-21 is 3.73%.
- The percent population increase of the City of Santa Rosa from Jan. 1, 2019 to Jan. 1, 2020 is -0.89%.

$$\frac{3.73 + 100.00}{100.00} \times \frac{-0.89 + 100.00}{100.00} = 1.0281$$

Applying the year's factor of 1.0281 to last year's restated limit of \$267,851,244, the Gann limit for FY 2020-21 is \$275,369,000. With appropriations subject to the limitation totaling approximately \$149,979,000, 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Customer Information System (CIS):** Automated customer management software which provides customer support, account management, billing and collections for water and wastewater services, used by the City's Utility Billing staff. The CIS system was implemented in FY 2009-10.

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

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

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

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

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

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

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

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

**Expenditure:** The actual spending of governmental funds.

**Fair Political Practices Commission (FPPC):** A bi-partisan independent commission whose mission is to promote the integrity of representative state and local government in California through fair, impartial interpretation and enforcement of political campaign, lobbying, and conflict of interest laws.

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

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

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

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

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

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

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

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

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

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

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

and promoting them through education, training, leadership.

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

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

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

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

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

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

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

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

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

serves the cities of Santa Rosa, Rohnert Park, Sebastopol, and Cotati.

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

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

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

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

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

**Measure “O” Temporary Emergency Funding:** A quarter cent general sales tax measure passed by Santa Rosa voters in 2018, of which proceeds are used to provide temporary emergency funding to protect vital City services. The measure is effective April 2019 and expires after six years.

**Measure “P”:** A quarter cent general sales tax measure passed by Santa Rosa voters in 2010. In 2016, the measure was renamed Measure N and extended for 8 years. The measure was originally effective April 2011 and will expire on March 31, 2027.

**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.

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

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

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

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

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

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

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

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

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

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

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

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

**Sonoma County Energy Independence Program (SCEIP):** A program that provides low interest loans to citizens and businesses wishing to make energy improvements to homes or properties.

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

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

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

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

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

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

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

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

