

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: ALAN ALTON, CHIEF FINANCIAL OFFICER, FINANCE
DEPARTMENT
SUBJECT: REVIEW OF FISCAL YEAR 2025-26 OPERATIONS AND
MAINTENANCE BUDGET AND CAPITAL IMPROVEMENT
PROGRAM BUDGET

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

It is recommended by the City Manager and Finance Department that the City Council hold a Study Session intended to provide City Council the opportunity to receive information and ask questions related to the City's overall financial stability and the proposed Fiscal Year (FY) 2025-26 Operations and Maintenance Budget and the Capital Improvement Program budget. This item is provided for Council's information, and no action is required.

EXECUTIVE SUMMARY

In this Study Session, staff will present City Council with an overview of the funding requests for FY 2025-26, as well as perspectives as to overall funding considerations. The Study Session is held in advance of the Budget Hearings in June to provide the opportunity for City Council to ask questions, provide direction, and gain a full understanding of the budget and resulting financial implications for the City ahead of formal budget adoption in June.

BACKGROUND

The City's budget process began in January. The City held a public hearing on budget priorities on January 28, 2025, to solicit community input for proposed considerations. This was followed by a City Council goal-setting meeting on February 19, 2025. City departments completed the entry of their proposed budgets, and those submissions have been reviewed by the City Manager, Chief Financial Officer, and budget staff.

PRIOR CITY COUNCIL REVIEW

The Finance department held a Study Session on April 15, 2025, to review proposed budget reductions with Council. Feedback and guidance received at the April Study Session have been included in the current budget numbers and presentation.

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ANALYSIS

During the Study Session, the City Council will receive an overview of the City's financial condition and an overview of the City's proposed Operations and Maintenance budget. With the General Fund facing a substantial deficit, the focus of this presentation will be on proposed reductions to City operations. The presentation will conclude with the City's proposed Capital Improvement Program budget.

The City Council may ask questions and provide direction to staff.

FISCAL IMPACT

The study session does not create a fiscal impact for the organization.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

None.

PRESENTERS

Alan Alton, Chief Financial Officer
Veronica Conner, Budget and Financial Analysis Manager