

From: [Tom Schiff](#)
To: [CityCouncilListPublic](#)
Subject: [EXTERNAL] Fwd: Budget & Community Feedback Mailer
Date: Tuesday, June 16, 2026 10:25:44 AM

The below already sent to the city manager.

These are tough and brutal decisions, but they are in the council's hands.

As a point of illustration, my wife is visiting her sister. Their city's sales tax rate is 7.75% and their city is in fine financial shape. The county and city are pushing way beyond the envelope.

It's not a revenue problem. It's a spending problem approved by your predecessors. They should have foreseen the consequences, but they did not.

Thomas E. Schiff
3930 Hansford Court
Santa Rosa, CA 95404
(714) 745-1360

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From: **Tom Schiff** <schiff.tom@gmail.com>
Date: Sun, Jun 14, 2026 at 12:17 PM
Subject: Budget & Community Feedback Mailer
To: <CMOffice@srcity.org>
Cc: Wendy C. Schiff <schiffwendy@gmail.com>

I received the above -- glossy presentation.

Obviously a prep for the plea to raise more revenue through taxes & fees.

You are new and don't have the history of dealing with the City's situation over the past years.

But, here's a reality check on why this falls flat with many residents and me. We've heard it all before.

The City did a nice glossy mailer -- like this one -- a couple of years ago to pitch the increase in business license fees & raise the Transient & Occupancy Tax. The revenue was going to provide for improved road and park maintenance. Then came the actual ballot measure that added the magic words: "..., or for other general funds purposes." And less than 3 months later, the City started disclosure of budget shortfalls.

And that's where the new revenue disappeared to: "other general fund purposes" -- as disclosed in recent articles citing that revenue for reducing what would otherwise be a larger budget shortfall.

Now I also see the pitch for County tax increases to provide maintenance money for parks -- the largest portion of which will go to Santa Rosa. Maybe to cover the diversion of license fee & TOT increase?

Local governments work at identifying what citizens will pay extra for -- to cover expenses that have been normal budget items for years.

Pension reform? You will have to explain that one. If by that, you mean stretching out payments over a longer period to keep the annual contribution lower, it also means paying out that annual contribution for a longer period of time. That means paying even more total dollars, which of course people in the finance business love. It's like replacing that 4 year car loan with a 7 year car loan. It keeps your monthly payment down, but you will payout more \$\$\$ in total and pay more interest. If that is the "pension reform", as I suspect it is, that's no reform at all.

The City has shown NO financial discipline over the last years. That is why the City now claims duress. The City took one-time revenue and grants to create ongoing programs. What did you think would happen when the one-time and grant money ran out? It's "create the program" then see if residents will pay extra to keep them in place after the extra money runs out.

I'll give you another great example. When Chris Rogers was on the counsel and the city suffered a decrease in sales tax revenue from the 2017 Tubbs fire, he proposed a parcel tax for the City's coffers. As I pointed out: if you think the City suffered a revenue decline, take that \$\$\$ shortfall, divide it by the City's portion of the sales tax (I believe 1.125% at that time) and that is the amount of taxable sales loss (forget non-taxable sales) suffered by local merchants. PLUS, there were thousands of residents who just lost their homes, many of whom were struggling to find the funds to rebuild. Yet, Rogers thought it was a great idea to slap all property owners with a parcel tax. His response to me when I pointed this out: "I'll have you know that I have a master's degree in public administration with an emphasis in finance."

Talk about out of touch! Maybe that's why he moved on to state government representation where he can do some real damage.

Your mailer closes with the public safety reduction plea and threatening "cuts to infrastructure maintenance." That same infrastructure maintenance pitch was used to pass the license fee & TOT increase, but was swallowed by general funds purposes?

Yes, the shortfalls are painful. Even brutal. But the City Counsel created this mess by trying to be all things to all people -- just as the County is doing and has done. School budgets are crashing -- for the same reasons. The CA state budget is on the same path. Let's not forget SRJC placing an \$830MM bond on the November ballot -- when their real need and future ask will be for another \$700+MM bond (all while telling me my property taxes will not be affected. Yeah, right.)

While you were not part of creating this mess, you are part of the cleanup. I ran substantial businesses for most of my business career, including through some very turbulent times in business. I always had to face the reality of how to match needs -- not wants -- with the given revenue.

Crying "wolf" in a mailer -- again -- is not the answer. You hire consultants on how to

identify and pave the way for your "increase the revenue" pitch. Save that cost and start looking harder at what must be jettisoned. It has to happen sooner or later. Sooner is better.

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