

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: ALAN ALTON, CHIEF FINANCIAL OFFICER,
FINANCE DEPARTMENT
SUBJECT: PUBLIC HEARING ON ADOPTION OF THE CITY OF SANTA
ROSA FY 2025-26 OPERATIONS AND MAINTENANCE BUDGET
AND CAPITAL IMPROVEMENT PROGRAM BUDGET

AGENDA ACTION: PUBLIC HEARING

RECOMMENDATION

It is recommended by the City Manager and the Finance Department that the Council:

- 1) hold a Public Hearing to consider the Fiscal Year (FY) 2025-26 Operations and Maintenance Budget and the FY 2025-26 Capital Improvement Program (CIP) Budget;
- 2) by six separate resolutions, adopt the City FY 2025-26 Operations and Maintenance Budget and FY 2025-26 Capital Improvement Program Budget; and 3) by resolution, amend the Police, Fire and Violence Prevention Partnership Public Safety and Prevention Transaction and Use Tax Implementation Plan (formerly Measure O) to adjust for Fiscal Year 2025-26 budget and forecasted budget amounts for all Public Safety and Prevention (PSAP) and programs.

EXECUTIVE SUMMARY

The City Council will hold a public hearing to consider the FY 2025-26 Operations and Maintenance Budget and the FY 2025-26 Capital Improvement Program (CIP) Budget. Staff will provide an overview of the Operations and Maintenance Budget and the CIP Budget with information on any changes that have been included since the Study Session in May.

BACKGROUND

The City Charter specifies numerous actions to take, leading to the City Council adopting a budget prior to the last day of June each fiscal year. City staff published a summary of the current year budget (FY 2024-25) on December 5, 2024; held a budget priorities public hearing on January 28, 2025; held a budget study session on potential reductions on April 15, 2025 and another comprehensive budget study session on May 6-7, 2025; published a budget summary and public hearing notice on June 2, 2025; and, made copies of the proposed budget available to the public on the City's website at www.srcity.org on June 3, 2025.

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PRIOR CITY COUNCIL REVIEW

The City Council received study session presentations on the proposed budget on April 15 and May 6-7, 2025, including a summary of the Public Safety and Prevention (PSAP) Tax Implementation Plan annual budget. The Council has amended the Implementation Plan multiple times since the initial plan was adopted in 2004.

ANALYSIS

At the April 15 study session, City staff presented an overview of the City's General Fund financial condition and proposed budget reductions that could be acted on to reduce the operating deficit. At the May 6-7 study session, staff returned with revised reductions that took into account feedback and direction received in April. The May 6-7 study session also provided an overview of the City's proposed Operations and Maintenance budget including information on each department's requests and the proposed CIP budget.

At the budget public hearing, the City Council will consider adopting the City's proposed FY 2025-26 Operations and Maintenance Budget and proposed FY 2025-26 Capital Improvement Budget. Staff will present an overview of any proposed changes from the preliminary Budget presented in the May study session. Final proposed staffing changes, including additions and deletions, are set forth in the attached presentation, budget documents and resolutions.

The PSAP program budgets for Police, Fire, and Violence Presentation are contained within the proposed FY 2025-26 Operations and Maintenance budget. The Implementation Plan for these programs outlines expenditures, including salaries, benefits, operational costs, and specific program line items. These costs are reflective of the Fiscal Year 2025-26 budget. On May 1, 2025, staff presented the Implementation Plan to the PSAP Citizen Oversight Committee. The Committee reviewed and approved the proposed budget for all programs and recommended the Implementation Plan be forwarded to the City Council for approval with a vote of 3-0-2-1, with Committee Members Atkinson and Bailey absent, and Committee Member Holmes recused.

While there are no substantive program changes to the Implementation Plan, the Plan changes each year to align with that year's operational budget. Pursuant to Santa Rosa City Code section 3-26.120(F), any changes to the Implementation Plan must be approved by the City Council, with passage requiring a minimum of six affirmative votes.

FISCAL IMPACT

Adoption of the Operations and Maintenance Budget and the Capital Improvement Budget provides the funding for City operations and CIP for FY 2025-26.

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The Public Safety and Prevention Tax (formerly Measure O) Implementation Plan details revenues and expenditures from the special tax and has no fiscal impact to the General Fund. All adjustments required to reflect Fiscal Year 2025-26 budget have been included in the proposed Fiscal Year 2025-26 Operations and Maintenance budget, and future year forecasts are for informational purposes.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed 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 proposed 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

The proposed changes to the Public Safety and Prevention Implementation Plan were reviewed by the PSAP Oversight Committee on May 1, 2025. The PSAP Oversight Committee recommends the Council by Resolution amend the Implementation Plan.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 - Proposed FY 2025-26 Operations and Maintenance Budget
- Attachment 2 - Proposed FY 2025-26 Capital Improvement Program Budget
- Resolutions (6) – Budget Adoption:
 - Resolution – Homeless Services Program budget
 - Resolution – Parks and Recreation Department budget
 - Resolution – Full-Time Equivalent Staffing Parks & Recreation Changes
 - Resolution – Primary/Exhibit A – to Primary Resolution Master Professional Services Agreement Resolution – Full-Time Equivalent Staffing Changes
 - Resolution – Storm Water Assessment
- Resolution – Public Safety and Prevention Implementation Plan/Exhibit A – to Resolution Public Safety and Prevention Implementation
- Public Hearing Notice

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PRESENTERS

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