

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MARASKESHIA SMITH, CITY MANAGER
SUBJECT: APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH
RAFTELIS FINANCIAL CONSULTANTS, INC., FOR AN
OPERATIONAL AND STAFFING ASSESSMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The City Manager's Office recommends that the Council, by resolution, approve the Professional Services Agreement with Raftelis Financial Consultants, Inc., a North Carolina corporation, for the purpose of conducting an Organization and Staffing Assessment for the City of Santa Rosa, for a total amount not to exceed \$144,550, and authorize the City Manager to make non-substantive changes to the Agreement, subject to approval by the City Attorney, and execute the Agreement. This item is requesting appropriations for one-time funding.

EXECUTIVE SUMMARY

The approval of this resolution to the Agreement with Raftelis Financial Consultants, Inc. in the amount of \$144,550 allows a team of highly experienced consultants to conduct an organizational and staffing assessment of three key departments within the City, culminating in a comprehensive report including recommendations to areas of improvement.

GOAL

This item supports Council Goal #1 - Achieve and Maintain Budgeting Excellence and Fiscal Stability by implementing long lasting solutions that ensure the City's structure, resources, and staffing levels are effectively aligned with both current and anticipated service demands for the City.

BACKGROUND/PRIOR COUNCIL REVIEW

On February 19th, 2025, City Council conducted a goal setting workshop with the purpose to build alignment around the City Council's vision for the upcoming fiscal year. During this first phase of the City's Strategic Planning Project, the Council developed

goals and objectives to inform the City's budget development process and provide a roadmap for organizational success. (25-0117)

Amid financial constraints and growing expectations for public services, the City of Santa Rosa identified the need to better align its resources with community priorities and long-term fiscal goals. On March 25th, 2025 a Request for Proposal (RFP) for an Organizational and Staffing Assessment was disseminated and closed April 11th, 2025.

The City received four proposals in response to the RFP and were evaluated based on following criteria:

1. Understanding of City's needs, goals, budgetary challenges, and scope of the assessment.
2. Methodology and approach to innovation.
3. Expertise in organizational assessments, operational efficiency, and local government.
4. Stakeholder engagement strategy.
5. Change management approach to support implementation and drive communication.
6. Reporting, deliverables, and project management.
7. Cost effectiveness and value.

To further explore the City's financial outlook and potential service reductions, Council held study sessions on April 15 and May 6–7, 2025. (25-0272, 25-0299)

On June 3rd, 2025, Council adopted the final report of City Council Strategic Priorities 2025-27 identified during the workshop held on February 19th, 2025. (25-0319)

Shortly after, on June 17, 2025, Council formally requested an agenda item to consider hiring an external consultant to conduct departmental efficiency assessments. (25-0090) That same day, the FY 2025–26 Operations and Maintenance Budget and Capital Improvement Program Budget were adopted. (25-0429)

ANALYSIS

In response to a constrained financial outlook coupled with increasing operational demands, The City of Santa Rosa requires a forward-looking and comprehensive assessment of its staffing and resource deployment to ensure its operations remain sustainable and responsive to community needs.

After a thoughtful evaluation and selection process, Raftelis Financial Consultants, Inc is recommended for the contract agreement. Their proposal stood out for its depth, clarity, and proven methodology centered around their "6 R's" framework:

- Responsibilities - Alignment with the City's mission, legal mandates, and community expectations
- Resources - Evaluation of staffing, funding, technology, and infrastructure.

- Requirements - Review of policies, procedures, and regulatory frameworks
- Results - The outcomes and performance metrics of City services.
- Recommendations - Actionable improvements based on data and stakeholder input
- Roadmap - A phased implementation plan with priorities and milestones

The Raftelis Financial Consultants, Inc team includes seasoned professionals with direct experience in municipal operations, including former city managers, department directors, and consultants who have led hundreds successful transformation efforts for local governments. The team's expertise includes strategic planning, budgeting, workforce optimization, land use and permitting, public engagement, and performance management, and aims to align operational priorities with fiscal realities and community needs. Their proposal paid particular attention to developing an understanding of the City's organizational culture, talent, and employee experience. This people-centered approach emphasizes the Consultant's understanding that the assessment must be done with a focus on the impact to the people within our organization as well as to the services they provide.

Raftelis Financial Consultants, Inc will initially focus their efforts on three departments: Planning and Economic Development, Housing and Community Services, and Transportation and Public Works. These departments were selected due to recent department restructuring and their alignment with City Council's priorities to invest in the City's infrastructure, promote economic development, and foster a safe, healthy, and inclusive community.

The City will have the option to expand the assessment to other departments including the City Attorney's Office, Santa Rosa Water, and Information Technology for an additional fee of \$122,750.

The project will span four phases over a six-month period. The key activities of the project will be to:

- Conduct one-on-one interviews with department leaders, frontline staff, City Councilmembers, and community partners.
- Use both quantitative data and qualitative methods, Raftelis Financial Consultants, Inc will evaluate whether departments are currently meeting service-level goals, identify where there are performance gaps, resource limitations, or process inefficiencies.
- Develop a comprehensive report of recommendations accompanied by a clear roadmap for successful implementation and change management.

FISCAL IMPACT

Funds for this one-time expense are included in the Fiscal Year 2025-26 adopted

budget within the General Fund

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 recommended action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – RFP for Organization and Staffing Assessment
- Resolution/Exhibit A - Professional Services Agreement, Raftelis Financial Consultants, Inc.

PRESENTER(S)

Luke Faser, Administrative Analyst – City Manager’s Office