

**CITY OF SONOMA  
&  
SUCCESSOR AGENCY**

**DRAFT  
FY 2016-2017**

**OPERATING & CAPITAL BUDGET**



**Laurie Gallian, Mayor  
Madolyn Agrimonti, Mayor Pro-Tem  
David Cook, Councilmember  
Gary Edwards, Councilmember  
Rachel Hundley, Councilmember**

**Carol E. Giovanatto, City Manager**

*Presented June 9, 2016*



**2016 - 2017 OPERATING & CAPITAL BUDGET**  
**CITY MANAGER MESSAGE**

June 9, 2016

To Mayor Gallian and Members of the City Council:

On behalf of the entire City staff, I am pleased to submit the 2016-17 Operating and Capital Budget for the City Council's consideration. This budget includes the resources to accomplish Council Goals while identifying and funding vital services that are important to the community. This budget also reinvests in infrastructure, maintains core public responsibilities and provides employees with the tools and equipment to deliver services to our citizens in the most cost effective way.

The City's Operating and Capital Budget is one of the most important discussions that the Council engages in during the year. The annual budget is a policy document which sets the financial course for the City of Sonoma and defines the service priorities provided to the community. The prudent management of annual revenues and expenses protects the City from engaging in obligations beyond reasonable limits or setting expectations for growth that cannot be sustained. The City has experienced a healthy economy with significant gains in major revenue sources over the past several years. This is mainly due to the recovery from the recession and the vibrant tourism and real estate market. What staff has seen in 2015-16 is the leveling off of the economy which is and should be expected. Therefore, projects for revenue growth have been set conservatively and will need to be monitored closely throughout the year. Sonoma has a built-in economic mediation level which still is at an enviable peak compared to other communities. Still, it is one that needs to be recognized and respected now to assure that should the State and National economists be correct, when the next recession wave hits predicted for in 2018, the City will have maintained its solvent financial position especially considering the significance of economically sensitive revenues such as Transient Occupancy Tax and Sales Tax.

With those thoughts in mind, today's workshop is seen as an opportunity to provide Council with a detailed review of the proposed FY 2016-17 operating and capital budget for the City of Sonoma and Sonoma Successor Agency.

After an introduction by the City Manager and Finance Director, city staff will present proposed budgets for each department. Focus and emphasis will be on accomplishing

Council Goals and maintaining core services vital to the community. The workshop will be conducted in a format similar to the Council Goal-Setting session with an opportunity to engage in question/answer dialog with City Management staff. It is important that Councilmembers fully understand the Budget and its value as well as the relationship of sound expenditure of public funds to the services provided.

For presentation purposes, the specific information for this workshop has been prepared in a non-traditional budget style. Budgets have been grouped by Department Management responsibility and not in numeric account sequence. Each Manager will include an overview of their department workload, challenges, opportunities and accomplishments, followed by a discussion of their recommended budget.

Council's direction through their 2016 - 2017 FISCAL MANAGEMENT Goal is to *Maintain high level fiscal accountability that ensures short and long-term sustainability of City's financial position; provide for effective and efficient management of local taxpayers' dollars; apply prudent internal policies and practices to assure the most cost-effective methods are utilized; be wise with our resources.* To this end, staff proudly presents to you a balanced budget for the City of Sonoma and the Sonoma Successor Agency for FY 2016-17 for all City funds in the amount of \$31,363,836. Every Department Manager and all staff members are to be commended for their hard work and dedication in putting this budget together, most notably Finance Director DeAnna Hilbrants who provided exemplary leadership this year in budget development. Collectively and individually they played an integral part in formulating this budget from research, to recommendations, to reconciliations, to "watching every penny". I hold every member of City staff in high esteem as they are very prudent in spending taxpayer dollars. This is most clearly visible in the fact that several departments have reduced their budgets without a requirement or specific direction to do so. It is because of the efforts of all staff, working together with the City Council as a team, that the City of Sonoma maintains a quality of life and standard of excellence that is experienced by residents, businesses and visitors on a daily basis.

Respectfully submitted,



Carol E. Giovanatto, City Manager

## **EXECUTIVE SUMMARY**

### **Profile of the City of Sonoma**

The City of Sonoma is located in southeastern Sonoma County in the San Francisco Bay area on State Highway 12. The City is about 50 miles northeast of San Francisco and 20 miles southeast of the City of Santa Rosa. Approximately 2.2 square miles in size, the City of Sonoma is a small, historic community of some 10,933 residents. Located in the heart of the Wine Country and surrounded by world-class wineries and scenic vineyards, the mainstays of the local economy are agriculture, tourism, and public services. The City serves as the economic hub of Sonoma Valley.

Originally founded in 1823, the City was incorporated on September 3, 1883 under the general laws of the State of California. The City is a municipal corporation operating as a general law city. The Sonoma City Council consists of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The positions of Mayor and Mayor Pro Tem are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the Council meetings and represents the City on ceremonial occasions.

The City Council serves as the policy board for the municipality. As an elected quasi-Board of Directors, the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of advisory boards, commissions, and committees.

The City of Sonoma operates under a Council-Manager form of government. The City Manager is considered the Chief Executive Officer (CEO) of the City as a municipal corporation. The City provides municipal services that include public safety, public works and parks, community development and community activities. In addition, the City operates a water system and three cemeteries in the form of enterprise activities. This report includes all funds of the City of Sonoma and its blended component unit, the Successor Agency of the Sonoma Community Development Agency, for which the City is financially accountable.

The City Council establishes annual budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

In Sonoma, the total labor force is approximately 8,200. In April, the State Employment Development Department reported that unemployment in Sonoma County is approximately 3.8%. This is the lowest level since 2006.

### **Purpose of the Budget**

The budget is a comprehensive financial plan that articulates the goals and objectives of all City departments for the following year. Department managers prepare budgets and outline goals and objectives for the next year. The budget is also an opportunity to look back and accomplishments in the current fiscal year.

### **Current Financial Condition**

The City survives and thrives on a tourist based economy. The City has seen a vibrant recovery from the recession and economic downturn. As had been anticipated, the continual incline is beginning to reflect a gradual leveling off. This is not without justification as hotel occupancy rates are bumping the 85-90% ranges. While most revenues are anticipated to continue to grow, there is concern at the economic levels about a future recession and the protracted economic recovery. Typically economic recoveries have lasted five years and the current recovery has lasted seven years.

After weathering the recession, the City was significantly impacted by the State's dissolution of redevelopment in 2012. City Council took proactive action and prepared a Transactions and Use Tax measure (Measure J) for the ballot. This was approved by voters and has provided for ongoing capital projects and to continue to maintain desired and critical services to the community. Measure J local tax has performed well for the City resulting in ongoing capital maintenance especially of City streets. This measure expires in June 2017. Therefore, during this budget year, City Council will need to consider replacing this measure on the ballot or consider ongoing cuts to services.

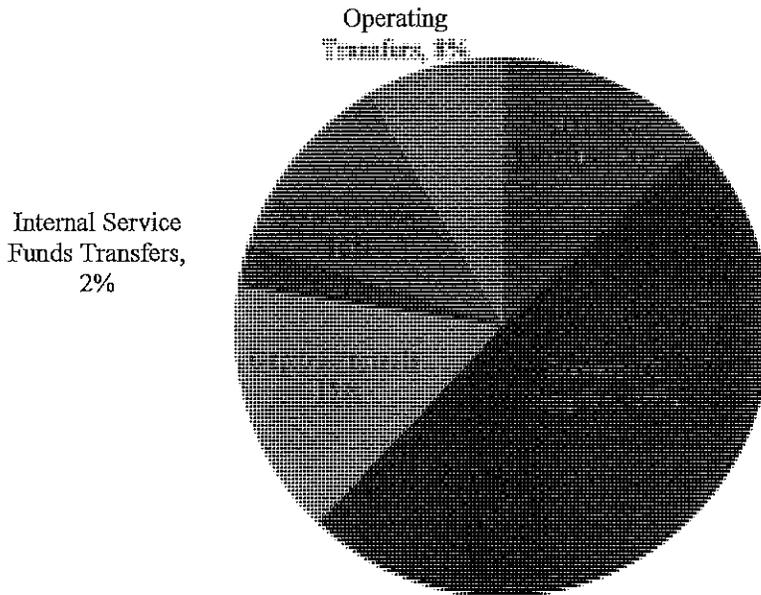
Overall, the City is in sound financial position and the current State of the City is good-to-excellent. This "rating" is attributed to current and past municipal fiscal stewardship by Council and staff who have focused on maintaining a conservative approach to revenue projections, tight budget controls and the on-going review of internal policies and procedures to assure that all work products and tasks gain the highest of efficiencies. The public can be secure that taxpayer assets are managed with the utmost respect and oversight. The addition of a 'stand-alone' Finance Department in 2014-15 has increased this level of professional management and accountability for the use of taxpayer funds. The next transition to be completed in the 2016-17 fiscal year will be to update the City's Reserve Policy in accordance with new Governmental Accounting Standards and to insure that City reserves are properly designated for future municipal needs.

### **Budget Overview:**

The City of Sonoma presents a total balanced City budget for the period July 1, 2016 through June 30, 2017 in the amount of \$31.3 million which is inclusive of all funds. This is a slight decline from Fiscal Year 2015 – 2016 primarily related to completion of several large capital projects in Fiscal Year 2016.

City of Sonoma expenses can be grouped into several broad categories. The largest category of expenses is Services and Supplies. This is primarily a result of contracting police and fire services.

## Expense By Category



### Expenses by Fund:

A breakdown of budget by fund follows:

Fund	2016	2017	Change	% Change
General Fund (100)	16,958,914.00	17,010,423.00	51,509.00	0.3%
Maysonnave (221)	10,430.00	10,430.00	0.00	0.0%
Capital Improvement (301)	100,000.00	60,000.00	-40,000.00	-40.0%
Gas Tax (302)	1,145,103.00	878,947.00	-266,156.00	-23.2%
Successor Agency (391)	3,727,493.00	3,818,008.00	90,515.00	2.4%
CREBS (495)	41,749.00	41,749.00	0.00	0.0%
POB (498)	411,350.00	412,225.00	875.00	0.2%
Cemetery (501)	253,446.00	255,277.00	1,831.00	0.7%
Cemetery Endowment (504)	50,000.00	50,000.00	0.00	0.0%
Water (510)	8,340,367.00	7,945,506.00	-394,861.00	-4.7%
Management Information Systems (601)	254,820.00	324,590.00	69,770.00	27.4%
Vehicle Replacement (603)	247,625.00	232,780.00	-14,845.00	-6.0%
Long Term Building Maintenance (610)	227,471.00	323,900.00	96,429.00	42.4%
<b>TOTAL</b>	<b>31,768,768.00</b>	<b>31,363,835.00</b>	<b>-404,933.00</b>	<b>-1.3%</b>

### Global Changes for 2016-17 Affecting All Budgets

In each of the Departmental Budgets, some general changes have been included based on prior contractual agreements or realignment of costs initiated to better capture the appropriate accounting structure or cost share. Each is briefly discussed as follows:

- **Personnel Salary Increases Per Memorandum of Understandings (MOU):** Agreements for wages and benefits increases incorporated an overall 1.75% salary increase for FY 2016-17 offset by City employees paying an additional .25% towards City retirement. The current MOU expires on June 30, 2017.
- **CalPERS increase:** The City's share of employee retirement rate increased from 9.353% of payroll to 9.558% of payroll. As the result of an accounting change, a fixed annual payment for Unfunded Actuarial Liability (UAL) was moved from each department's budget to the "Transfers to Other Funds" budget. Those changes will be discussed further in that department budget review.
- **Employee Health Insurance:** While many California cities are experiencing significant increases in employee health insurance costs, the City of Sonoma has experienced minimal cost increases for two reasons: (1) a change to REMIF self-insured health plans has kept rates relatively stable and (2) City's contribution to employee health insurance is fixed based on enrolled members (single, couple, family). Therefore, if health insurance rates rise, those increases are not borne by the City. It is also important to note that the City does not offer medical benefits upon retirement therefore it does not have any outstanding liability for former employees. This is an outstanding credit to past administrations which protected the City and future taxpayer obligations.

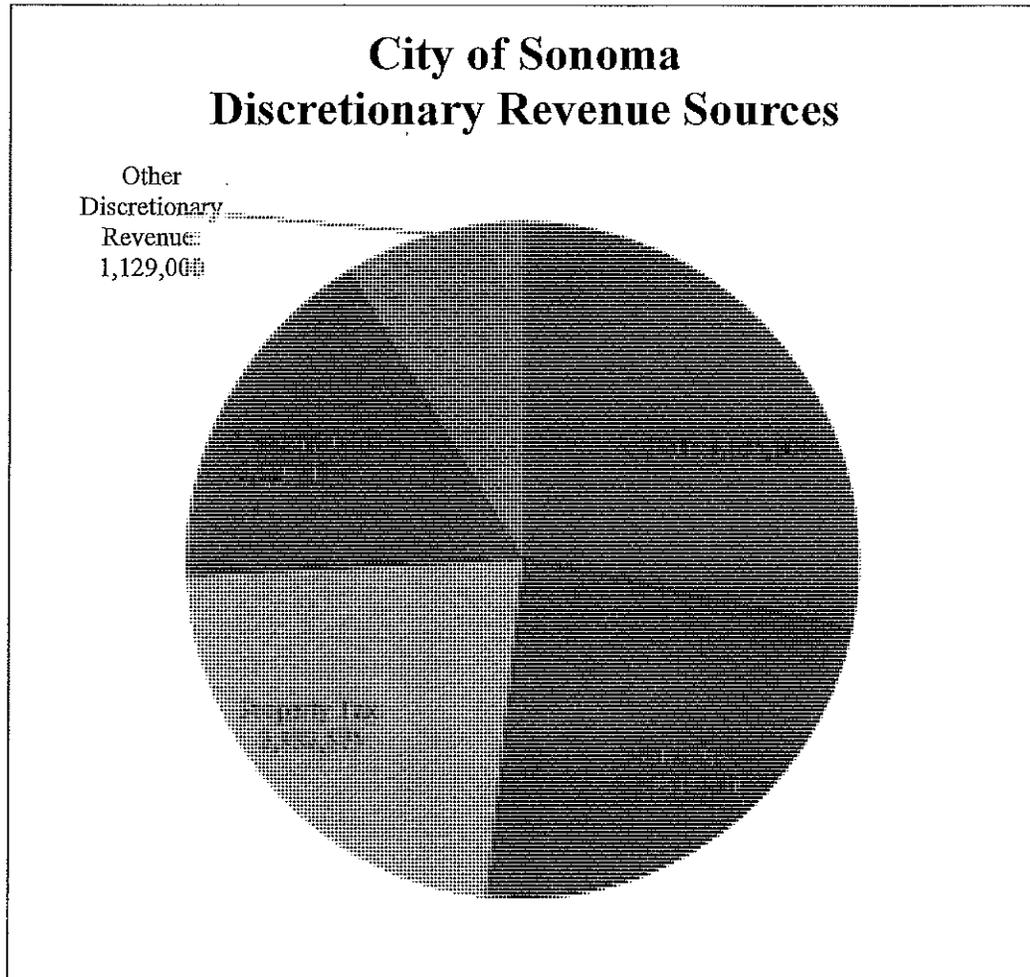
### General Fund Overview

The General Fund is the largest Fund in the City budget with proposed budget for FY 2016-17 at \$17,010,424 an overall decline of 0.3% over the FY 2015-16 budget. The primary source of this decline is reduction in capital projects and associated grants. While this amount represents a fully balanced budget, there are no excess revenues over expenditures. Normal operating increases are anticipated and included. The General Fund provides funding for all direct public services including Administration, Community Development, Public Works and Public Safety. The City of Sonoma continues to experience fiscal stability, based in major part on wise decisions by current and past City Councils and staff to maintain expenditure controls coupled with a solid tax base of three dominant revenue sources – Transient Occupancy Tax (TOT), property tax and sales tax (including Measure J). In conjunction with this stable tax base, the City's budget also includes a local revenue measure to assist with meeting the long-term Goals set by the City Council for a sustainable Sonoma. In October 2012, a majority of the voter-approved Measure J, a City 1/2% sales tax for a period of five years (sun-setting in June 2017). As a "general" tax, Measure J revenue is dedicated to local services in the City of Sonoma. This was the promise to the voters who passed the tax and this is what the proposed budget validates. This fiscal stability has provided continued security in terms of keeping City services intact and expanding where appropriate, to meet the needs of our residents. As directed by the City Council in their 2015-16 Goals, staff will be initiating efforts to begin formulating the election cycle for renewal of Measure J for the November 2016 ballot. As required by State revenue and taxation code, a tax measure must be (other than by Special Election) placed on a ballot of general election during which candidates for local electoral seats are running for office. Parallel to this requirement are the timeframes that the expiration of the Measure J tax measure which will occur mid-point of a regular election cycle. Total tax dollars from Measure J contributing to the sustainability of the public services and Capital Infrastructure upgrades for the citizens of Sonoma is approximately \$2.2 million annually.

The General Fund maintains stable reserve levels in accordance with the City's Reserve Policy and Council Goals. Prudent and effective financial, economic and service planning over many years by Council and staff has resulted in the General Fund being in a very stable condition. Reserve levels for the City's General Fund are presently at approximately 28% of revenues, excluding the Emergency Reserve dedicated as business continuance in the event of a major disaster. This is in line with the Council's Goal of maintaining a Reserve level of 25%. In the coming months, staff anticipates bringing a new Fund Balance Policy in compliance with new Government Accounting Standards Board (GASB) recommendations. This Fund Balance Policy would replace the existing reserve policy.

### General Fund Revenue:

The General Fund supports most City services such as Public Safety, Public Works, Community Activities, Development Services, and Administration. Primary General Fund revenue sources include: Transient Occupancy Tax (TOT), Sales Tax, Measure J, and Property Tax. These revenue sources represent over 80% of discretionary revenue for the City.



Other discretionary revenue includes: Business License Tax, Franchise Tax, Real Property Transfer Tax, and Interest.

The following are excluded from Discretionary Revenue:

- Fees, permit charges, and licenses which are intended to recover costs associated with certain activities and cannot exceed the cost of providing those activities.
- Transfers which are associated with specific activities such as capital projects and debt service.

- Redevelopment Property Tax Trust Fund (RPTTF) Successor Agency Administration reimbursement from the Recognized Obligation Payment Schedule (ROPS)
- Grants which are associated with specific projects.

During the last few years, the City has benefitted from robust property taxes and significant tourism related revenues including Transient Occupancy Tax (TOT) and Sales Tax. During Fiscal Year 2015-2016; staff reported that growth in these revenue sources is declining. The budget for Fiscal Year 2016 – 2017 projects that growth in these revenues will remain flat. Sonoma's largest industry is tied to tourism and as such we measure our revenue stream and economic viability by those "tourism-related dollars" of TOT, Sales Tax, and Measure J. As a result of a continuously growing tourism industry in Sonoma, over 50% of all General Fund revenue comes from these three sources. Tourism is not solely related to overnight visitors (i.e. "heads in beds"). In fact restaurants and food-products are the top sales tax producing category. Tourists are also supporting our local restaurants. Sonoma is fortunate to have these sources to sustain the public services for our residents and keep our business community whole but it is important to recognize that these revenue sources are very sensitive to economic fluctuations. To assure that the City maintains prudent fiscal management of revenue resources, staff is reducing growth predictions in the tourism-related areas.

**Transient Occupancy Tax (TOT):** The City of Sonoma TOT or "hotel tax" is 10%. An additional 2% is collected and remitted to the Tourism Improvement District. The Sonoma Tourism Improvement District was formed to provide a stable source of funding for a sustained marketing program with the goal of increasing occupancy and room revenues at lodging properties in the City of Sonoma. TOT represents 27% of discretionary revenue After growing nearly 10% in Fiscal Years 2014 and 2015; TOT revenue growth appears to be declining. For Fiscal Year 2017, staff projects an increase of 2% in this revenue source. This is also consistent with projects made by the Tourism Improvement District (TID).

**Sales Tax and Measure J:**

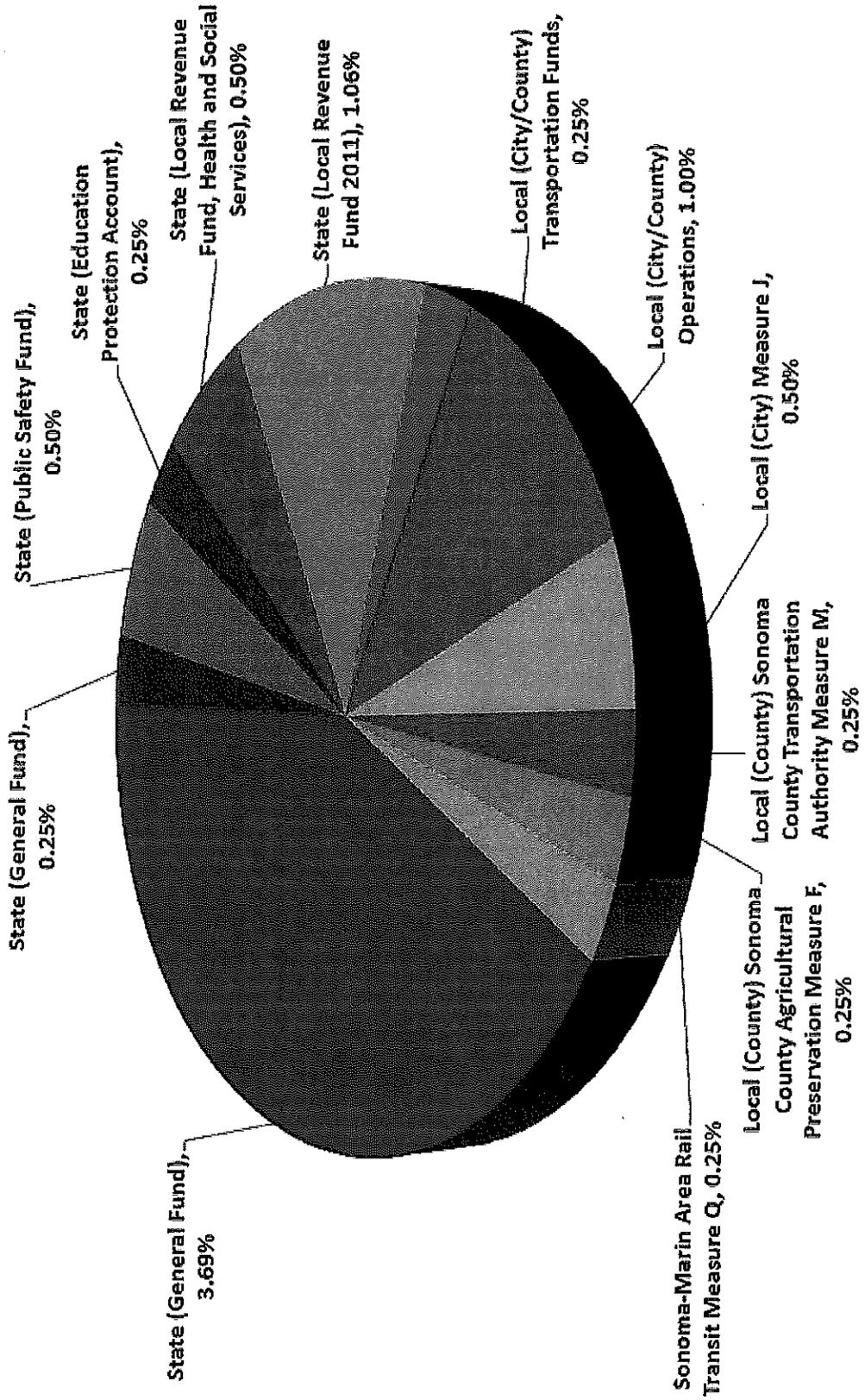
The sales tax rate in the City of Sonoma is 8.75%. The City generally receives 1% of as local sales tax and 0.5% from the Measure J Transactions and Use Tax. In addition, the City receives 6% of Public Safety Sales Tax collected in the County. Use of this revenue is restricted to public safety purposes.

The largest performing economic sector for sales tax is food products especially restaurants and markets. Staff again exercises caution as these sectors are very economically sensitive.

In Fiscal Year 2014 and 2015, sales tax grew 4% per year. For Fiscal Year 2016, sales tax growth is projected at 1%. Measure J is anticipated to decline over 5% from 2015. While Sales Tax is forecasted to grow 3% in 2017, Measure J is forecasted to decline in 2017. As noted previously, the Measure J Transactions and Use Tax is scheduled to expire in June 2017.

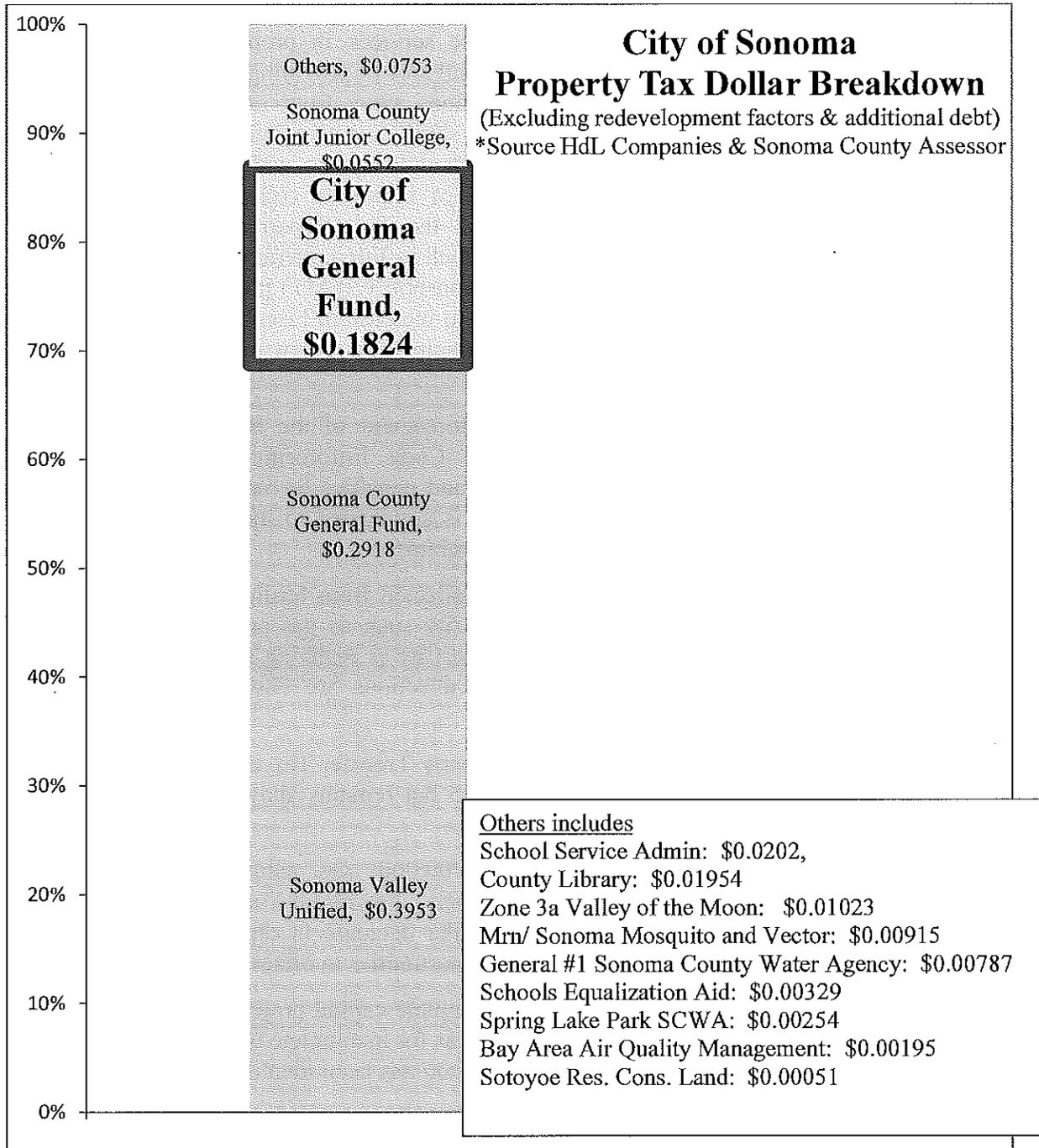
Sales tax revenues are collected by the State and allocated as follows:

# City of Sonoma: Breakdown of Current Sales Tax Rate



**Property Tax:**

The City of Sonoma receives approximately 18 cents of every property tax dollar remitted. The largest portion of property tax dollars is remitted to local school districts with the next largest portion submitted to Sonoma County. The chart on the following page is a general breakdown of sharing for property tax funds for City of Sonoma properties.



Based on information received from the Sonoma County Assessor and historical trends, property tax is projected to increase 3.5% for Fiscal Year 2016-2017.

**Other Revenue Sources:**

- Users Fees, Licenses, Permits, Fines, Forfeitures, Rent: While the primary mission of government is to satisfy community needs, many City services solely benefit specific individuals or businesses. It is the City's policy that the public at large should not subsidize activities of private interest through general tax revenues. The City has therefore established user fees to ensure that those who use proprietary services pay for those services in proportion to the benefit received. Fees that do not recover the full cost of providing the service result in a General Fund subsidy which shifts funds away from other critical and high priority programs that may not have similar cost recovery options. Council adopted the most recent annual fee schedule update with an effective date of January 2016. Primarily as a result of improved collections of Emergency Medical Services (EMS) Charges and the Fire Departments participation in additional revenue recovery programs such as Intergovernmental Transfers (IGT) and the Ground Emergency Medical Transport (GEMT) program, revenues from fees are related sources are anticipated to increase in Fiscal Year 2017. Fees are typically reviewed annually and staff anticipates a review in before the end of the calendar year.
- Business License Tax: Improved enforcement of the Business License Tax, including engagement of the City's Code Enforcement Officer and City Prosecutor, has resulted in collections and penalties for unpaid licenses in prior years. Business License Tax revenue is anticipated to increase in 2017 due to continuing these strong enforcement programs.
- Franchise Tax: Franchise Taxes are collected from businesses that are granted franchises to provide services in the City such as gas and electric, cable TV, telephone, and garbage collection. The City is realizing strong performance in this revenue item but cautions that collections are based on fluctuations in commodity prices and economic issues.
- Real Property Transfer Tax: Real Property Transfer Tax is forecasted to decline in 2016 from actual collections in 2015 but remains above budget. Therefore, staff projects small increase in 2017.
- Other Revenues: In 2016, over \$400,000 was anticipated in grant and reimbursement revenue for capital projects. For Fiscal Year 2017, only \$70,000 in anticipated. This is offset by a similar decrease in capital project expenses. Staff continues to seek out new grant opportunities to offset the cost of projects.
- Prior Year Roll Forward: Due to incomplete capital projects budgeted in Fiscal Year 2016 and unearned revenues (such as for incomplete building permit activity that has been paid by applicants), \$600,000 has been identified as available funds to roll forward into Fiscal Year 2017.

## **General Fund Expenses:**

The General Fund budget includes:

- Administration: City Council, City Clerk, City Manager, Finance, City Attorney, Successor Agency Administration, Non-Departmental
- Public Safety: Police and Fire
- Development Services: Planning & Building
- Public Works and Capital Projects
- Community Activities
- Transfers: This “department” comprises all funding from the General Fund which supports other operations of the City [referred to as “Transfers to Other Funds”].

The General Fund is the supporting fund for both the Gas Tax and Cemetery Funds each of which historically have not have sufficient annual revenues to balance expenditures. Both funds remain in deficit fund balance positions but have been sustained by the General Fund since the Council adopted the budget policy in 2012 to contain the deficits until a long-term financing plan can be established. This year, for the first time since 2002, the Cemetery Fund will not require a transfer from the General Fund to balance. (The deficit from prior years remains but will not grow.)

The following recommended budget includes a general fund that is in balance without the use of City reserves. The expenditures within the General Fund [as well as other Funds within the Budget] reflect the Council Goals and Priorities for 2017.

## **Other Funds Overview**

### **SPECIAL REVENUE FUND - Gas Tax Special Revenue Fund:**

The Gas Tax Fund is designated as a Special Revenue Fund which is dedicated for specific purposes/projects and their uses are legally restricted. The revenues are earmarked for direct program costs and project expenditures. The City Gas Tax Fund accounts for all street-related expenditures including personnel, street sweeping, engineering, pavement and sidewalk maintenance and capital infrastructure projects. Gas Tax revenues are derived from fuel surcharge taxes. Uses of these funds are strictly regulated by the State Board of Equalization to be utilized solely for travel way purposes. The Gas Tax Fund must maintain a “Maintenance of Effort” (MOE) level to be eligible to receive grants and State funding. The City accounts for all street general maintenance costs through the Gas Tax Fund to maintain its MOE level. This fund has slowly become non self-sustaining as the State has lowered the funding level of Gas Tax and shifted other street-related dollars. In addition, Gas Tax revenues have been impacted by lower gas prices. Since approximately 2010, the General Fund has continued to transfer funds to sustain this fund. The Governors initial proposed budgeted anticipated some additional highway maintenance funding but, as of the date of publication of this budget, no new funds have been identified. In FY 2016-17 the total transfer from the General Fund is \$401,805.

## **ENTERPRISE FUNDS- Cemetery & Water**

The City maintains two Enterprise Funds (Water and Cemetery). By Governmental Accounting definition, Enterprise Funds are *“to account for operations that are financed and operated in a manner similar to private business enterprise-where the intent of the governing body is that the costs of providing goods or services are financed or recovered primarily through user charges.”*

### **Water Fund:**

The Water Fund is an Enterprise Fund and is therefore funded through user fees as required by Governmental Accounting Standards. This was ratified through the adoption of the 2014 Water Rate Study and Rate Plan update in compliance with Proposition 218.

The Water Utility provides for the maintenance and operation of the City's water distribution system. Water supplied to Sonoma customers is wholesale-purchased through an agreement with the Sonoma County Water Agency augmented in part by City wells. The FY 2016-17 Budget was developed based on the adopted 2014 Water rate structure and operational model including the change in the tiered rates for both residential and commercial customers. In 2016, Council adopted a pass-through increase due to the greater-than-anticipated increase on wholesale water costs from the Sonoma County Water Agency. Continued focus in water conservation education, monitoring and maintenance efforts is forefront in this year's budget. Shifting duties and responsibilities and participation in Countywide promotions to raise public awareness is a constant. The Water Conservation line item includes \$100,000 in funding for conservation and rebate programs. The City has engaged the major tourism establishments to assure that they are distributing the water conservation message to their guests. This budget also includes funding to continue evaluating recycled water project and groundwater management program.

### **Cemetery Fund:**

The Cemetery Fund accounts for maintenance and operation of the Mountain, Valley, and Veterans' cemeteries. Operational revenues are generated through site sales, burial costs, and miscellaneous lettering charges. Expenditures from the funds result from activities related to burials, maintenance of existing plots and landscaping, brush clearing, weed abatement, litter, and utilities. The Cemetery Fund remains in a serious cash deficit position of approximately \$1.6 million. Because of the nature of this long-term deficit (Cash), the General Fund became the provider of operational cash from the years that the Cemetery was in a declining fiscal position. The City has not ignored this deficit and has worked diligently to address possible solutions including previously convening a Cemetery sub-committee to review operations and potential to privatize the operations [including sale of the Cemetery property]. During the past two fiscal years, the City's General Fund has added additional operational support to the Cemetery fund by transferring an annual amount generally in excess of \$100,000 each year to sustain the fund and not increase the existing deficit.

After a number of years with a growing deficit, in 2012 the Council adopted a policy to transfer funds (from General Fund revenue) to the Cemetery fund so that a balanced budget is adopted each year. While this has not removed the deficit, it has prevented the

deficit from growing larger. In 2016, for the first time since 2002, the Cemetery fund is in balance without the need for a general fund transfer. Again, this does not reduce the prior year deficit but does prevent further growth of the existing deficit. Staff will be addressing a process to begin a repayment or write-down of the deficit from the Cemetery Fund to the General Fund in FY 2016-17.

### **SPECIAL FUND**

#### **Successor Agency to the Former Community Development Agency**

**Successor Agency:** The Successor Agency provides for receipt of RDA Property Tax Trust Fund (RPTTF) funds and payment of former Community Development Agency expenses approved by the State Department of Finance.

### **INTERNAL SERVICE FUNDS**

The City uses Internal Services Funds to provide options to:

- Develop reserves for large purchases such as vehicles (Vehicle Replacement Fund) or large building maintenance activities (Long Term Building Maintenance Fund). This avoids large fluctuations due to large asset purchases or significant repairs.
- Finance and Account for activities provided to all City Departments (Insurance Fund and Benefits Fund)

(The Management Information Systems Fund includes both of the above activity types)

### **OTHER MINOR FUNDS**

#### **Minor Funds:**

Secondary minor funds and Internal Service Funds are self-balancing through interfund transfers. This includes: Maysonnave (221), Capital Improvement Fund (301), Debt Services Funds [CREBS (495) and Pension Obligation Bond (498)] and Cemetery Endowment (504)

## **Other Actions**

### **Capital Improvement Plan**

The City's Capital Improvement Plan [CIP] has become an integral component of the City's Budget process. In prior years, the CIP was adopted after the budget process and was not viewed within the context of the budget. Beginning in FY 2013-14, staff initiated presenting the CIP as a companion document with the proposed budget to reflect the on-going workload of Capital Projects. With the restructuring of the Public Works Director position to include the City Engineer responsibilities, this is a key focus of the budget. The projects recommended for completion have been included in the proposed 2016-17 Budget.

## **CONCLUSION**

The City of Sonoma is a leader in providing a high quality of life for its residents and businesses and it supports a community where people can live, work, and play. These efforts are guided and enhanced through the proposed FY 2016-17 Operating and Capital Budget. Sound budgeting practices allow the City to maintain our streets and roads, keep our Parks beautiful, contribute to local non-profit services and provide public safety and emergency medical services. This budget addresses the need to continue to focus on sustainability of our water system and conservation, evaluate housing policies and downtown design. It is reflective of the leadership of the Council set through the adoption of the 2016-17 Council Goals and provides the work plan for the stellar staff of the City who will carry forth and complete the ideals reflected in this budget.

## **BUDGET WORKSHOP AGENDA**

1. Overview of the Proposed Budget – City Manager / Finance Director
2. Presentation of the General Fund Revenue Budget – Finance Director
3. Presentation of consolidated expenditure Budgets – Department Managers
  - i. City Council - City Clerk - City Manager
  - ii. Finance – Legal - Community Activities - Non-Departmental
  - iii. Successor Agency Administration / Successor Agency (RPTTF – ROPS)
  - iv. Transfers to Other Funds – Debt Service
  - v. Police
  - vi. Fire
  - vii. Planning
  - viii. Building-MIS-Vehicle Replacement-LTBM
  - ix. Public Works Admin & Parks – Maysonnave - Streets / Capital - Gas Tax  
– Cemetery – Water -
4. Review of the Capital Improvement Budget [as a component of the FY 2016-17 Budget]
5. Dialog between staff and Council to ask additional questions about any information covered in the overview or in the written budget.
6. Council deliberations on outstanding budget items
7. Open Public Comment.
8. Discussion/direction from Council on proposed budget including additional changes; schedule for Public Hearing and adoption on June 27, 2016.

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
30010 TAXES - SECURED	2,992,220	3,096,948	3,250,000
30011 TAXES - UNSECURED	90,000	93,150	104,000
30012 RPTTF DISTRIBUTIONS	0	0	100,000
30014 TAXES - SUPPLEMENTAL	80,000	60,000	60,075
30015 TAXES - HOPTR	26,000	26,000	25,500
30016 COUNTY COLLECTION FEE	-25,800	-26,703	-24,000
30017 ERAF (STATE TRSFR)	-1,265,000	-1,309,275	-1,420,000
30020 SALES TAXES - SAFETY	116,000	116,000	120,000
30021 SALES AND USE TAXES	2,790,460	2,960,824	3,035,977
30023 VLF SWAP	789,600	817,236	937,000
30028 SA ADMIN COST ALLOWANCE	250,000	250,000	250,000
30029 MEASURE J-LOCAL SALES TA	2,158,600	2,292,845	2,210,288
30030 TRANSIENT OCCUPANCY TAX	3,416,400	3,587,220	3,675,000
30031 FRANCHISE TAXES	434,000	434,000	450,000
30040 BUSINESS LICENSE	340,000	375,000	425,114
30060 PROPERTY TRANS TAX	125,000	125,000	130,000
<b>3001 TAXES</b>	<b>12,317,480</b>	<b>12,898,245</b>	<b>13,328,954</b>
30102 ZONING FEES	32,000	37,500	75,000
30104 SALES OF PUBLICATIONS	500	500	350
30105 MICROGRAPHICS FEES	10,000	10,000	12,500
30108 STRONG MOTION FEES (CITY	390	500	200
30112 BUILDING PLAN CHECK FEE	140,000	120,000	155,000
30113 PLANNING PLAN CHECK FEE	1,600	0	0
30114 ENGINEER PLAN CHECK FEE	30,000	20,000	5,000
30115 BUILDING INSPECTION/PROC	180,000	200,000	200,000
30117 ENGINEERING INSPECTION/P	2,000	0	0
30118 PLANNING FEES	5,500	0	0
30119 TRAINING FEES	8,000	7,000	7,375
30125 NEWSRACK FEES	140	150	250
<b>3010 FEES</b>	<b>410,130</b>	<b>395,650</b>	<b>455,675</b>
30201 ANIMAL LICENSE	11,000	11,000	12,800
30203 ENCROACHMENT	45,000	30,000	40,000
30206 TOBACCO RETAILER LICENSE	0	4,110	4,000
<b>3020 LICENSES &amp; PERMITS</b>	<b>56,000</b>	<b>45,110</b>	<b>56,800</b>
30301 PARKING FINES	45,000	30,000	46,000
30302 CRIMINAL FINES	2,000	0	0
30303 VEHICLE CODE FINES	28,000	35,000	38,650
30307 CHP - SONOMA	1,000	0	0
30308 SONOMA P/C 33%	300	0	0
30310 TRAFFIC VIOLATOR SCHOOL	4,600	0	0
<b>3030 FINES &amp; FORFEITURES</b>	<b>80,900</b>	<b>65,000</b>	<b>84,650</b>
30600 INTEREST INCOME	30,000	10,000	11,000
30701 RENTAL INCOME	65,000	60,000	62,000
30702 PARK RESERVATION	40,000	43,340	57,175
30703 MOBILE HOME PARK ADM	9,500	9,500	9,960
<b>3060 INTEREST &amp; RENTS</b>	<b>145,500</b>	<b>122,840</b>	<b>140,135</b>
31109 CHASE STREET BRIDGE	660,220	95,000	70,000
31110 OBAG GRANT	273,534	273,534	0
<b>3100 STATE REVENUES</b>	<b>988,754</b>	<b>368,534</b>	<b>70,000</b>
31405 VOM FINANCE AGMT	21,000	21,000	21,000
31502 POLICE SERVICES	36,000	36,000	30,486
31507 STREET SWEEPING	9,052	9,052	9,052
31509 TID 1% ADMIN	15,000	7,205	7,350
31510 PUBLIC WORKS INSPECTIONS	40,000	0	10,745
<b>3110 CHARGES FOR SERVICES</b>	<b>139,052</b>	<b>96,407</b>	<b>78,633</b>
33001 BILLINGS - EMS (ADJUSTME	1,330,000	1,355,000	1,549,235
33002 FIREMED MEMBERSHIP	30,000	30,000	35,000
<b>3300 EMS</b>	<b>1,360,000</b>	<b>1,385,000</b>	<b>1,584,235</b>
35004 REIMBURSEMENT AGMTS	17,500	130,000	0
35007 YOUTH/FAMILY SVS GRANT	32,500	32,500	32,500
35021 PG&E SOLAR REBATES	26,500	26,500	28,000

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
31202 STATE GASOLINE TAX - 210	44,923	36,614	38,130
31203 STATE GASOLINE TAX - 210	63,349	84,367	94,823
31204 STATE GASOLINE TAX - 210	10,200	3,000	3,000
<b>3120 CAPITAL PROJECTS</b>	<b>170,029</b>	<b>185,690</b>	<b>204,237</b>
32001 WATER SALES AND SVC	4,000,000	4,250,000	4,250,000
32002 NEW SERVICE FEES	27,000	27,000	27,000
32003 LATE FEES & SHUT-OFF NOT	20,000	15,000	25,000
32004 FRONT-FOOTAGE FEES	0	0	5,000
32005 CONNECTION FEES	112,000	25,000	25,000
32009 PRIOR YEAR	0	0	3,000
32010 OTHER - WATER REVENUES	7,500	5,000	1,000
<b>3200 WATER</b>	<b>4,166,500</b>	<b>4,322,000</b>	<b>4,336,000</b>
33001 BILLINGS - EMS (ADJUSTME	1,330,000	1,355,000	1,549,235
33002 FIREMED MEMBERSHIP	30,000	30,000	35,000
<b>3300 EMS</b>	<b>1,360,000</b>	<b>1,385,000</b>	<b>1,584,235</b>
34001 SALES & SERVICES	102,300	102,300	105,000
34020 OTHER CEMETERY REVENUES	60,000	60,000	64,599
<b>3400 CEMETERY</b>	<b>162,300</b>	<b>162,300</b>	<b>169,599</b>
35004 REIMBURSEMENT AGMTS	17,500	130,000	0
35007 YOUTH/FAMILY SVS GRANT	32,500	32,500	32,500
35021 PG&E SOLAR REBATES	26,500	26,500	28,000
36102 PRIOR YEAR ROLL-FORWARD	0	682,000	600,000
36104 PROCEEDS FROM ISSUANCE O	0	250,000	0
37201 TRANSFER FROM RESERVES	2,947,086	3,912,726	3,621,672
<b>3500 MISCELLANEOUS</b>	<b>3,023,586</b>	<b>5,033,726</b>	<b>4,282,172</b>
37200 TRANSFER IN	3,687,068	4,008,443	2,378,834
<b>3700 TRANSFERS</b>	<b>3,687,068</b>	<b>4,008,443</b>	<b>2,378,834</b>
<b>30000 TOTAL REVENUE</b>	<b>31,437,961</b>	<b>33,352,479</b>	<b>31,363,836</b>
110 REGULAR EMPLOYEES	2,581,724	2,763,099	2,885,972
112 COLA FY 14-15	61,311	-6,589	0
120 TEMPORARY/PART-TIME	215,007	186,793	172,465
130 OVERTIME	16,000	13,000	27,000
<b>100E SALARY &amp; WAGES</b>	<b>2,874,042</b>	<b>2,956,303</b>	<b>3,085,437</b>
290 EMPLOYEE BENEFITS	1,090,924	1,070,559	935,055
291 WORKERS COMP	130,205	141,385	150,001
<b>200E EMPLOYEE BENEFITS</b>	<b>1,221,130</b>	<b>1,211,944</b>	<b>1,085,056</b>
309 CODE ENFORCEMENT	0	0	62,400
310 LEGAL	380,000	407,000	412,040
311 ACCOUNTING/AUDIT	63,500	53,000	49,685
312 RECRUITMENT	0	0	2,500
313 CONSULTING	294,240	238,240	236,340
314 ENGINEERING	81,000	81,000	81,000
321 ELECTIONS	15,000	0	32,000
350 PROFESSIONAL/TECHNICAL	233,600	387,100	662,100
352 SHERIFF'S CONTRACT	3,993,545	4,127,975	4,277,431
353 WATER CONSERVATION	100,000	100,000	100,000
354 - SVFRA CONTRACT FIRE CONT	4,705,188	4,836,634	4,881,110
<b>300E PROFESSIONAL SERVICES</b>	<b>9,866,073</b>	<b>10,230,949</b>	<b>10,796,606</b>
401 UTILITIES	278,180	315,680	316,900
403 CUSTODIAL (Inc. Supplies)	31,700	38,620	40,120
404 REPAIR & MAINTENANCE	773,435	506,650	576,370
405 RENTAL/LEASE - LAND & BUIL	81,000	83,250	105,316
406 RENTAL/LEASE-EQUIPMENT	33,917	38,117	38,000
407 CONTRACT SERVICES	2,189,565	2,234,454	2,108,994
408 COMMUNITY FUND	164,000	187,984	194,385
420 OTHER PROPERTY SVS	37,000	40,000	39,255
<b>400E PROPERTY SERVICES</b>	<b>3,588,797</b>	<b>3,444,755</b>	<b>3,419,340</b>
451 INSURANCE PREMIUMS	212,718	192,718	0
452 COMMUNICATIONS	57,450	84,000	78,450
453 ADVERTISING	10,500	10,500	10,000
454 PRINTING & BINDING	14,800	41,250	46,050

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
700E INTERNAL SERVICE & CAPITA	2,611,042	2,361,382	1,730,537
900 OPER. TRANSFERS-OUT	692,145	939,860	1,115,902
903 TRSF IN REIMB VEHICLE PUR	-255,900	-89,500	0
<b>900E TRANSFERS</b>	<b>436,245</b>	<b>850,360</b>	<b>1,115,902</b>
<b>40000 TOTAL EXPENSE</b>	<b>16,406,214</b>	<b>16,826,752</b>	<b>17,010,424</b>
NET REVENUE VS EXPENDITURE	0	0	0

**CITY OF SONOMA**

**FY 2016-2017 OPERATING BUDGET NARRATIVE**

*City Council Department (100-41001)*

*Carol E. Giovanatto, City Manager*

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**DESCRIPTION:**

The City Council is the elected body that oversees all municipal operations. The City Council provides policy leadership and acts as the legislative arm of City government. The five members of the City Council are elected at large and serve overlapping four year terms. This overlapping ensures that there are experienced councilmembers guiding the City at all times. The City Council serves as the Successor Agency to the Dissolved Sonoma Community Development Agency.

Each member of the City Council is provided a salary in accordance with State law. In addition, Councilmembers are eligible for full health, dental, and vision care coverage for Councilmembers and their dependents.

The Council meets the first and third Mondays of each month at 6:00 p.m. in the Community Meeting Room. Councilmembers also participate in local, regional, and statewide meetings and activities.

**COUNCIL GOALS:**

**TO PROVIDE SOUND MUNICIPAL LEADERSHIP IN A MANNER THAT EXEMPLIFIES SONOMA'S HISTORIC CHARACTER WHILE ENSURING LONGTERM VIABILITY, RESILIENCY AND SUSTAINABILITY**

The City Council held a Goal Setting Workshop on May 23, 2016 and established a set of goals that will be included in the 2016 -2017 budget and work plan and provide overall guidance for the City Manager and staff.

Those goals are included in this budget document and include seven key areas: • City Character • Fiscal Management • Housing • Infrastructure • Policy and Leadership • Public Service and Community Resources • Water

**RECOMMENDED BUDGET MODIFICATIONS:**

The City Council budget includes a recommended increase of \$47,839 (53%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salary & Benefits	\$37,396	Increase due to changes in Council member benefit elections	
Services & Supplies	\$10,010	Transfer of Alcalde budget from non-departmental. City Council Goal Activities such as vision and commission training. Increase in membership costs.	City Character / Policy & Leadership
Internal Service Fund Transfer	\$433	Increase in Management Information System Costs	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
120 TEMPORARY/PART-TIME	18,000	18,000	18,000
100E SALARY & WAGES	18,000	18,000	18,000
290 EMPLOYEE BENEFITS	81,276	33,560	70,956
200E EMPLOYEE BENEFITS	81,276	33,560	70,956
350 PROFESSIONAL/TECHNICAL	500	500	500
300E PROFESSIONAL SERVICES	500	500	500
405 RENTAL/LEASE - LAND & BUIL	0	0	500
400E PROPERTY SERVICES	0	0	500
455 TRAVEL	3,000	3,000	1,200
456 MEMBERSHIPS	16,970	18,950	22,680
457 TRAINING/CONFERENCES	4,500	4,500	14,300
480 OTHER SERVICES	4,000	4,000	6,000
450E OPERATIONS	28,470	30,450	44,180
501 GENERAL SUPPLIES	1,500	1,500	1,000
506 FOOD	1,200	1,200	500
510 DEPARTMENT EXPENSE	6,000	4,020	1,000
500E SUPPLIES	8,700	6,720	2,500
770 MIS REPLACEMENT TRANSFER	2,214	1,088	1,521
700E INTERNAL SERVICE & CAPITA	2,214	1,088	1,521
40000 TOTAL EXPENSE	139,160	90,318	138,157
NET REVENUE VS EXPENDITURE	-139,160	-84,818	-138,157

## CITY OF SONOMA

### FY 2016-2017 OPERATING BUDGET NARRATIVE

*City Clerk Department (100-41002)*

*Gay Johann, Assistant City Manager / City Clerk*

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#### **DESCRIPTION:**

The City Clerk department consists of the Assistant City Manager (ACM) /City Clerk and a Part Time Administrative Assistant. The City Clerk department provides executive and administrative support to the City Council as a whole, to individual Councilmembers, and to the City Manager. The City Clerk's mission is to be a steward and protector of democratic processes, such as elections, and access to official records, as well as to comply with federal, state and local statutes. The department supports the City Council in its goals of innovation, transparency and fairness while promoting community participation and awareness.

The City Clerk is responsible for facilitating the business proceedings of the City Council, and fulfilling legal requirements as set forth in City Codes and State law. The Office of the City Clerk conducts all City elections and administers campaign and financial disclosure laws.

#### **CHALLENGES:**

Meeting the deadlines associated with production of the City Council agenda packets and associated public noticing to ensure compliance with State law while at the same time keeping up with the routine functions of the office.

#### **DEPARTMENT GOALS:**

The City Clerk's Department, which serves as the information nucleus of the City and its departments, is dedicated to providing the highest level of professional service to the citizens of Sonoma. The City Clerk's main goal is to provide these services expeditiously while ensuring compliance with all California Statutes and City Ordinances.

#### **ABOVE BASE BUDGET ITEMS (One-time expenses):**

The City Clerk budget includes a recommended increase of \$47,176 (29.5%). As detailed below, these increase primarily reflect one-time costs.

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	82,963	92,531	99,660
112 COLA FY 14-15	2,273	0	0
120 TEMPORARY/PART-TIME	14,451	14,105	15,193
130 OVERTIME	0	0	10,000
<b>100E SALARY &amp; WAGES</b>	<b>99,687</b>	<b>105,917</b>	<b>124,853</b>
290 EMPLOYEE BENEFITS	26,056	30,697	25,184
291 WORKERS COMP	4,566	5,072	5,667
<b>200E EMPLOYEE BENEFITS</b>	<b>30,622</b>	<b>35,998</b>	<b>30,851</b>
312 RECRUITMENT	0	0	2,500
321 ELECTIONS	15,000	0	32,000
350 PROFESSIONAL/TECHNICAL	3,000	3,500	3,500
<b>300E PROFESSIONAL SERVICES</b>	<b>18,000</b>	<b>3,500</b>	<b>38,000</b>
453 ADVERTISING	2,000	2,000	2,000
455 TRAVEL	50	50	50
456 MEMBERSHIPS	1,172	1,172	235
457 TRAINING/CONFERENCES	3,500	3,500	2,500
<b>450E OPERATIONS</b>	<b>6,722</b>	<b>6,722</b>	<b>4,785</b>
501 GENERAL SUPPLIES	2,000	2,000	2,000
<b>500E SUPPLIES</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
770 MIS REPLACEMENT TRANSFER	1,789	1,603	1,970
780 INSURANCE TRANSFER	4,806	4,358	4,815
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>6,595</b>	<b>5,961</b>	<b>6,785</b>
<b>40000 TOTAL EXPENSE</b>	<b>163,626</b>	<b>160,098</b>	<b>207,274</b>
NET REVENUE VS EXPENDITURE	-163,626	-160,098	-207,274

## CITY OF SONOMA

### FY 2016-17 OPERATING BUDGET NARRATIVE

*City Manager Department (100-41003)*

*Carol E. Giovanatto, City Manager*

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#### **DESCRIPTION:**

The City Manager Department Budget encompasses two core functional areas of the budget: City Manager and Administrative Services/Human Resources.

The role of the City Manager Department is to assist City Council and Departments in defining and achieving their collective goals and to assist citizens, City Council and Departments to proactively avoid crisis situations and use programs to solve problems. The City Manager department personnel consists of the City Manager, Administrative Services Manager and a part time Administrative Assistant.

The City Manager is the Chief Executive Officer of the City. The City Manager is appointed by and takes direction from the City Council. She is responsible for the day-to-day efficient performance of all City operations, implementing Council policy, formulating staff recommendations to Council on policy and other matters, and preparing and submitting the annual budget. The City Manager currently provides direct oversight of the Human Resources, Cemetery and City Clerk department personnel. The full human resources function is included in the City Manager Department budget.

Major functions included in this program are: Council administrative support and policy analysis, organizational management and development, administrative analyses, community relations, intergovernmental relations, risk management and general leadership/oversight of City operations. The City Manager establishes the implementation actions for the City Council's goals and objectives identified to enhance the quality of life for residents, businesses, community organizations, and visitors.

#### **CHALLENGES:**

Continue to assure City's fiscal solvency with awareness of future financial projections and challenges. Monitor local, State and Federal issues and identify impact on the City including recommendations to mitigate where needed.

#### **DEPARTMENT GOALS:**

Effectively implement the 2016 City Council Goals with emphasis seven key areas: • City Character  
• Fiscal Management • Housing • Infrastructure • Policy and Leadership • Public Service and Community Resources • Water

Continue active and constant City management of public safety services provided through City contracts with the Sonoma County Sheriff's Department and the Valley of the Moon Fire District.

Ensure the City Council is kept informed as to the short-term and long-term fiscal viability of City government.

Provide responsive, analytical and concise recommendations upon which the City Council can make informed policy decisions.

Interact with local community organizations and groups regarding issues, concerns, and current and future service needs of City residents and businesses.

Create an environment that promotes innovative and creative methodologies to provide better service and value to residents.

**FISCAL YEAR 2015-2016 ACCOMPLISHMENTS:**

- Completed RFP and executed contract with Special Events manager
- Created a Code Enforcement Program through the City Prosecutors office
- Accomplished 2015-2016 goals and held Council Goal setting for 2016 - 2017
- Developed a Community Grant Program in accordance with Council Goals
- Completed required policy changes and reporting related to the Affordable Care Act
- Completed Classification Study for all Public Employees
- Completed Quality Service in the Public Sector training for most City staff
- Maintained the Sonoma Valley Economic Vitality Partnership with the Chamber of Commerce  
The Chamber has served as a public relations liaison conduit with the business community.
- Implemented the Tobacco Retailer’s Licensing Ordinance Program
- Participated in regional discussions regarding housing and related human services.

**FISCAL YEAR 2016-2017 GOALS:**

- Implement and accomplish 2016-17 Council Goals
- Complete Compensation Study for all Public Employees
- Negotiate successor Memorandum of Understanding with SEIU 1021 Sonoma Employees Association and Management Employees
- Determine a sustainable course for Housing programs that meet the needs for rental and workforce housing.
- Secure a successful extension of local sales tax measure for future revenue stability

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the City Manager Department includes a decrease of \$11,811 (-6.1%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salary & Benefits	(\$6,187)	Decrease is primarily due to an accounting change related to CalPERS unfunded liability.	Financial Management
Services & Supplies	(\$6,000)	Decrease due to completion of classification study offset by costs of compensation study.	Policy and Leadership
Internal Service Fund Transfer	\$376	Decrease in Management Information System Costs and increase in Liability Insurance Costs	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	117,276	105,263	104,665
112 COLA FY 14-15	2,905	0	0
120 TEMPORARY/PART-TIME	7,226	8,060	8,682
<b>100E SALARY &amp; WAGES</b>	<b>127,407</b>	<b>113,242</b>	<b>113,347</b>
290 EMPLOYEE BENEFITS	30,102	30,596	24,473
291 WORKERS COMP	5,835	5,422	5,592
<b>200E EMPLOYEE BENEFITS</b>	<b>35,937</b>	<b>36,356</b>	<b>30,065</b>
313 CONSULTING	1,000	1,000	0
350 PROFESSIONAL/TECHNICAL	10,000	28,000	23,000
<b>300E PROFESSIONAL SERVICES</b>	<b>11,000</b>	<b>29,000</b>	<b>23,000</b>
452 COMMUNICATIONS	750	750	750
455 TRAVEL	900	900	150
456 MEMBERSHIPS	0	800	800
457 TRAINING/CONFERENCES	3,000	3,000	3,750
480 OTHER SERVICES	2,000	2,000	2,000
491 DISASTER PREPAREDNESS	1,000	1,000	1,000
<b>450E OPERATIONS</b>	<b>7,650</b>	<b>8,450</b>	<b>8,450</b>
501 GENERAL SUPPLIES	500	500	500
507 BOOKS & PERIODICALS	350	350	350
<b>500E SUPPLIES</b>	<b>850</b>	<b>850</b>	<b>850</b>
770 MIS REPLACEMENT TRANSFER	2,002	2,438	2,421
780 INSURANCE TRANSFER	9,520	4,659	5,052
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>11,522</b>	<b>7,097</b>	<b>7,473</b>
<b>40000 TOTAL EXPENSE</b>	<b>194,366</b>	<b>194,996</b>	<b>183,185</b>
NET REVENUE VS EXPENDITURE	-194,366	-194,996	-183,185

**CITY OF SONOMA**  
**FY 2016-2017 OPERATING BUDGET NARRATIVE**

*Finance Department (100-41004)*

*DeAnna Hilbrants, Finance Director*

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**DESCRIPTION:**

The mission, vision and values of the Finance Department are to manage and safeguard City resources responsibly, with the highest regard for ethics and the future interests of the community. This is accomplished through the functional areas of accounting, billing, and budgeting. Responsibilities of the finance department include water billing, accounts payable, payroll, accounts receivable, audit, cash management, forecasting, and planning.

In Fiscal Year 2016 - 2017 the Finance Department will be staffed with 3.2 Full-Time Equivalent employees including the Finance Director, two Accounting Technicians and an Administrative Clerk. Finance department employee costs are allocated between the Finance Department, the Successor Agency, and the Water Utility. The Administrative Clerk is shared with the Police Department.

The department provides management review, ongoing monitoring and comprehensive planning that will better enable City executive staff and City Council to make informed financial decisions. Ultimately, the department will provide and support more comprehensive planning and forecasting activities as the City addresses needs for new revenue sources and funding options.

**FISCAL YEAR 2015 – 2016 ACCOMPLISHMENTS:**

- Developed City's first Annual Consolidated Financial Report (CAFR). This report is an extension of the Annual Financial Audit providing more statistical information about the City and its finances. A portion of this activity was completed by a volunteer reducing cost to the City. Continued working to simplify chart of accounts by closing additional funds and unused accounts. Worked with City Auditor to make additional accounting changes to simplify year end reporting especially related to capital assets and interfund transfers.
- Implemented monthly water billing, improved water billing statements, and added lock box for receipt of payments. Improved process for timely collection of water payments.
- By training and empowering existing staff, improved timelines for reconciliations and entries other entries to financial system even while staffing levels are below authorized strength. Shared clerical position with Police Department resulting in financial savings for the City. Coordinated and led training for other City Staff that provides finance services such as cashiering.
- Led fee schedule update for 2016 and budget process for 2016 – 2017. Maintained ongoing changes to rate schedules.
- Completed reconciliation of Successor Agency. Worked closely to recover funds (over \$1 Million) not received due to shortfalls in tax increment during prior years. Refunded bonds resulting in ongoing savings and additional recovery of tax revenue.
- Collaborated with City Prosecutor and Code Enforcement Officer to improve collection of business licenses taxes.
- Participated in League of California Cities Revenue and Taxation Committee permitting staff to have advance understanding of state legislative activities that may impact the City's revenues.

**FISCAL YEAR 2016 – 2017 GOALS:**

- Provide support for implementation of 2016 - 2017 City Council goals
- Develop and improve policies related to financial activities especially the City's Fund Balance (formerly Reserve Fund) policy. Develop plan for resolution of deficit in the Cemetery Fund.
- Continue cross training and identifying other opportunities for finance staff to add value to City staff, residents, and customers. Identify areas where use of technology can create operating efficiencies for the department and the City allowing staff to provide higher value activities.
- Continue to participate in League of California Cities Revenue and Taxation Committee to better prepare the City for future revenue changes especially related to State legislative activities.

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the Finance Department includes a decrease of \$8,349 (-3.7%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	(\$19,854)	Reduction in costs due to sharing of Clerical position with Police Department	Fiscal Management
Services & Supplies	\$10,900	Increase in audit costs to provide additional information. Increase in costs of mailings for business license collection. Increase in staff training costs to provide staff with the tools needed to take stretch assignments.	Fiscal Management, Policy & Leadership
Internal Fund Transfers	\$605	Increase in Management Information Services and Insurance Costs.	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	100,156	99,689	88,758
112 COLA FY 14-15	2,447	0	0
120 TEMPORARY/PART-TIME	19,739	22,030	23,733
130 OVERTIME	0	0	5,000
<b>100E SALARY &amp; WAGES</b>	<b>122,343</b>	<b>122,104</b>	<b>117,490</b>
290 EMPLOYEE BENEFITS	32,689	39,425	25,255
291 WORKERS COMP	5,619	5,847	5,550
<b>200E EMPLOYEE BENEFITS</b>	<b>38,309</b>	<b>46,046</b>	<b>30,805</b>
311 ACCOUNTING/AUDIT	17,500	21,000	26,150
350 PROFESSIONAL/TECHNICAL	2,000	2,500	5,500
<b>300E PROFESSIONAL SERVICES</b>	<b>19,500</b>	<b>23,500</b>	<b>31,650</b>
406 RENTAL/LEASE-EQUIPMENT	0	2,000	2,000
407 CONTRACT SERVICES	600	600	600
<b>400E PROPERTY SERVICES</b>	<b>600</b>	<b>2,600</b>	<b>2,600</b>
454 PRINTING & BINDING	0	5,500	6,000
455 TRAVEL	500	500	500
456 MEMBERSHIPS	1,000	1,000	1,000
457 TRAINING/CONFERENCES	3,000	4,000	6,500
<b>450E OPERATIONS</b>	<b>4,500</b>	<b>11,000</b>	<b>14,000</b>
501 GENERAL SUPPLIES	2,750	2,750	2,500
<b>500E SUPPLIES</b>	<b>2,750</b>	<b>2,750</b>	<b>2,500</b>
770 MIS REPLACEMENT TRANSFER	12,261	13,414	13,594
780 INSURANCE TRANSFER	4,987	5,023	5,448
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>17,248</b>	<b>18,437</b>	<b>19,042</b>
<b>40000 TOTAL EXPENSE</b>	<b>205,249</b>	<b>226,437</b>	<b>218,087</b>
NET REVENUE VS EXPENDITURE	-205,249	-222,437	-218,087



DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
309 CODE ENFORCEMENT	0	0	62,400
310 LEGAL	250,000	303,000	282,040
<b>300E PROFESSIONAL SERVICES</b>	<b>250,000</b>	<b>303,000</b>	<b>344,440</b>
770 MIS REPLACEMENT TRANSFER	0	0	1,595
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>0</b>	<b>0</b>	<b>1,595</b>
<b>40000 TOTAL EXPENSE</b>	<b>250,000</b>	<b>303,000</b>	<b>346,035</b>
NET REVENUE VS EXPENDITURE	-250,000	-277,000	-346,035

## CITY OF SONOMA

### FY 2016-2017 OPERATING BUDGET NARRATIVE

*Community Activities (100-43101)*

*DeAnna Hilbrants, Finance Director*

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Community Activities represents services that benefit the entire community of Sonoma. For the 2016 – 2017 Fiscal Year, staff has realigned expenses that were previously paid from other funds such as Community Development Agency and Successor Agency.

For Fiscal Year 2016 – 2017; the following programs are included in the recommended budget:

- Utilities (water and sewer) and building maintenance for Emergency Shelter. While contract services for the Emergency Shelter are paid using RDA Property Tax Trust Fund (RPTTF), payment of utilities was not authorized by the State of California Department of Finance.
- Rental and associated costs (share of property tax and insurance) for the Sebastiani Theatre.
- Lease of the Veteran's Building. The City has historically provided 15 days of use of the Veteran's Building to other Community Organizations at an annual cost of \$15,000. The City is currently working with the County on this agreement.
- City contribution to the cost of Crossing Guard Services at Sonoma Valley High School (SVHS) and to Grad Night at SVHS.
- Memorandum of Understanding with Chamber of Commerce for Business and Economic Vitality Services.
- Proposed Agreement with the Sonoma Valley Visitor's Bureau. This contract was previously paid using RDA Property Tax Trust Fund (RPTTF) but those payments ended when the most recent contract ended on June 30, 2016.
- CFAC Activities which were previously included in the Non-Departmental budget.
- Special Events Coordinator
- A "Community Fund" grant process further described below

The 2016 – 2017 Council Goals includes the following:

*Create a Sonoma Community Fund equal to 1.5% of General Fund Tax Revenue sources to provide as funding opportunities for nonprofit organizations (including those formerly designated "Tier 1") and small grants to community service organizations.*

In 2016, City Council approved a Community Fund Grant program using 1.5% of City General Tax Revenue excluding restricted tax revenue (Public Safety Sales Tax and Successor Agency Administration). Based on this calculation, a total of \$194,385 is available for allocation in the "Community Fund". Based on the adopted policy, \$174,900 is available for Community Fund Grants and \$19,485 is available for future council direction such as event fee waivers.

Applications for the Community Fund Grant program closed on April 29, 2016. The City received 23 applications requesting \$450,955 in funding. Staff anticipates bringing a recommendation to Council for allocation of these funds but this recommendation will occur after publication of this budget.

**Community Fund History:** Before the Community Fund Grant program was established, the City provided "grants" to Tier 1 Organizations. As a result of the new policy, those organizations were required to submit applications. Below is a summary of "grants" to Tier 1 Organizations through Fiscal Year 2016.

In Fiscal Year 2014, Council authorized a 5% increase to each Tier 1 Organization except the Sonoma Community Center who had requested no increase. In 2015, Council authorized a 20% increase for all

Tier 1 providers. In 2016, Council authorized a 3 % increase for all organizations except the Community Center who was authorized a higher increase to manage the July 4<sup>th</sup> activities.

A history of Tier 1 Funding follows:

<i>Agency</i>	<i>2011-12 Grant</i>	<i>2012-13 Grant</i>	<i>2013-14 Grant</i>	<i>2014-15 Grant</i>	<i>2015-16 Grant</i>
Boys & Girls Clubs of SV	\$51,040	\$51,040	\$58,000	\$69,000	\$70,725
Sonoma Community Center	\$26,400	\$26,400	\$26,400	\$32,000	\$43,000
Sonoma Ecology Center #1	\$19,360	\$19,360	\$22,000	\$27,000	\$27,675
Vintage House	\$26,400	\$26,400	\$30,000	\$36,000	\$36,900
<b>TOTALS</b>	<b>\$123,200</b>	<b>\$123,200</b>	<b>\$136,400</b>	<b>\$164,000</b>	<b>\$178,300</b>

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the Community Fund includes an increase of \$225,217 (64.5%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Services & Supplies	\$225,217	<p>Increases as follows:</p> <ul style="list-style-type: none"> <li>▪ Transfer of rent for Sebastiani Theatre from Successor Agency and addition of share of other property costs (\$89,316 increase with \$23,500 in new costs and \$65,816 transferred from Successor Agency)</li> <li>▪ Addition of Visitor's Bureau contract for services previously paid from Redevelopment RPTTF funds (\$100,000 increase).</li> <li>▪ Increase in Community Fund Grant due to increases in revenue (\$6,401 increase).</li> <li>▪ Transfer costs of CFAC activities from non-departmental to Community Fund (\$4,500).</li> <li>▪ Addition of special events coordinator (\$25,000 increase from prior year).</li> </ul>	Public Service and Community Resources

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
401 UTILITIES	0	6,000	6,000
405 RENTAL/LEASE - LAND & BUIL	15,000	15,000	104,316
407 CONTRACT SERVICES	25,500	125,500	225,500
408 COMMUNITY FUND	164,000	187,984	194,385
<b>400E PROPERTY SERVICES</b>	<b>204,500</b>	<b>334,484</b>	<b>530,201</b>
461 CFAC ACTIVITIES	0	0	4,500
480 OTHER SERVICES	0	14,500	39,500
<b>450E OPERATIONS</b>	<b>0</b>	<b>14,500</b>	<b>44,000</b>
<b>40000 TOTAL EXPENSE</b>	<b>204,500</b>	<b>348,984</b>	<b>574,201</b>
NET REVENUE VS EXPENDITURE	-204,500	-348,984	-574,201

**CITY OF SONOMA**

**FY 2016-2017 OPERATING BUDGET NARRATIVE**

*Non-Departmental Expenses (100-43200)*

*DeAnna Hilbrants, Finance Director*

Non-Departmental expenses represent functions that span the entire City organization. In these cases, instead of allocating expenses to a specific general fund department, the expenses are charged through this Non-Departmental budget. Non-Departmental expenses include: front counter employee costs (part time employee), web site maintenance, utilities on City buildings (gas, electric, water and sewer), custodial services, leases, communications, contract services, repairs and maintenance required to maintain the properties and deliver service to the public. In addition, general supplies that are for the benefit of the entire City rather than a specific department are also included. For example, postage is primarily charged to this department unless a specific department requires a bulk mailing.

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for Non-Departmental includes an increase of \$16,927 (\$3.9%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	\$455	Increase in salary costs due to regular salary increases.	Fiscal Management
Services & Supplies	\$17,183	Increase is primarily related to costs to update the City's Local Hazards Mitigation Plan (\$50,000) offset by reductions due to completed projects such as the City website update and building repairs at Carnegie Library.	Infrastructure
Internal Fund Transfers	(\$711)	Increase in Long Term Building Maintenance Costs offset by decreases in Management Information Services costs and Insurance costs.	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
112 COLA FY 14-15	339	0	0
120 TEMPORARY/PART-TIME	16,604	12,596	13,572
<b>100E SALARY &amp; WAGES</b>	<b>16,943</b>	<b>12,522</b>	<b>13,572</b>
290 EMPLOYEE BENEFITS	2,288	2,131	1,494
291 WORKERS COMP	778	600	670
<b>200E EMPLOYEE BENEFITS</b>	<b>3,066</b>	<b>2,759</b>	<b>2,164</b>
350 PROFESSIONAL/TECHNICAL	3,500	0	50,000
<b>300E PROFESSIONAL SERVICES</b>	<b>3,500</b>	<b>0</b>	<b>50,000</b>
401 UTILITIES	155,000	100,000	100,000
403 CUSTODIAL (Inc. Supplies)	18,000	22,000	22,000
404 REPAIR & MAINTENANCE	39,000	27,000	27,000
405 RENTAL/LEASE - LAND & BUIL	0	0	500
406 RENTAL/LEASE-EQUIPMENT	22,317	22,317	22,500
407 CONTRACT SERVICES	0	7,000	7,000
<b>400E PROPERTY SERVICES</b>	<b>234,317</b>	<b>178,317</b>	<b>179,000</b>
452 COMMUNICATIONS	28,000	34,650	35,000
454 PRINTING & BINDING	250	2,000	2,000
457 TRAINING/CONFERENCES	0	750	0
460 PERMITS, FEES	0	700	500
461 CFAC ACTIVITIES	4,500	4,500	0
480 OTHER SERVICES	2,400	2,400	0
<b>450E OPERATIONS</b>	<b>35,150</b>	<b>45,000</b>	<b>37,500</b>
501 GENERAL SUPPLIES	20,600	34,100	20,600
545 BUILDING & GROUNDS	15,000	0	0
<b>500E SUPPLIES</b>	<b>35,600</b>	<b>34,100</b>	<b>20,600</b>
606 SOFTWARE	15,000	15,000	2,500
<b>600E CAPITAL ASSETS</b>	<b>15,000</b>	<b>15,000</b>	<b>2,500</b>
750 LONG-TERM BUILDING MAINT	84,564	101,944	102,644
770 MIS REPLACEMENT TRANSFER	47,369	40,903	39,225
780 INSURANCE TRANSFER	1,114	515	782
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>133,047</b>	<b>143,362</b>	<b>142,651</b>
<b>40000 TOTAL EXPENSE</b>	<b>476,623</b>	<b>431,060</b>	<b>447,987</b>
<b>NET REVENUE VS EXPENDITURE</b>	<b>-476,623</b>	<b>-417,560</b>	<b>-447,987</b>

## CITY OF SONOMA

### FY 2016-2017 OPERATING BUDGET NARRATIVE

*Successor Agency Administration (100-43199)*

*Successor Agency, RPTTF-ROPS (391-53001)*

*DeAnna Hilbrants, Finance Director*

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#### Successor Agency

One of the most profound impacts to impact the City's budget in many years was the dissolution of California Redevelopment, as outlined in California Assembly Bill ABX1 26. The elimination of all revenue, funding for projects and associated administrative costs resulted not only in unprecedented challenges for the City, but the need to create a Successor Agency to close out all Redevelopment activity, and to absorb costs now unfunded in a post redevelopment era. Employees who were previously responsible for and funded by Redevelopment were shifted to the newly created Successor Agency Administration Department and related expenses were absorbed by the General Fund. This includes:

- Portion of Staff Costs including: City Manager, Assistant City Manager, Administrative Services Manager, and Finance Director
- Underwriting of the Sebastiani Theatre lease and associated utilities
- Small Business Loan Program. This program has proven very successful and staff recommends increasing the budget in this program.
- Legal costs associated with ongoing litigation with the Department of Finance.

In the 2015 – 2016 Fiscal Year, staff recommended moving the cost of Economic Vitality Manager (now included as part of the Memorandum of Understanding with the Sonoma Valley Chamber of Commerce) and Emergency Shelter Utilities to the Community Activities budget. In 2016-2017, staff has accounted for the expense of the Sebastiani Theatre in the Community Activities Budget.

#### RPTTF - ROPS:

The departmental budgets represented by the RDA Property Tax Trust Fund (RPTTF) and the Recognized Obligation Payment Schedule (ROPS) are part of the same action by the California Assembly Bill ABX1 26. Through this legislation, new guidelines were issued for the dissolution of the former redevelopment agency (Sonoma Community Development Agency) and establishment of the Successor Agency to the Sonoma Community Development Agency. This legislation includes guidelines for remittance and a payment schedule for State recognized and approved expenses. Every year (previously every six (6) months), the City submits detail of anticipated payments based on items authorized by the Department of Finance during the Due Diligence process which took place in 2013.

As a general rule, approved expenses may include:

- Debt service costs which were previously funded by tax increment and that have an amortization schedule during the time of the dissolution of the RDA. These expenses will be paid using funds received under ROPS until the debt is fully paid according to the original schedule. The schedule includes Tax Increment Bonds (TAB) issued in 2003, 2010 and 2011, a USDA note payable related to Village Green Housing, and payment to the Sonoma County Housing Authority for a loan issued by the Low Moderate Income Housing Fund to the Community Development Agency. The 2011 Tax Allocation Bonds are currently held pending legislation or litigation related to the dissolution of redevelopment but payments are included in the approved expenses. These bonds were issued in an

aggregate amount of \$16 million to fund various capital improvements and public service projects including affordable housing. In 2015, the 2003 TAB was refunded resulting in cash savings and additional distribution of residual redevelopment funds to other taxing agencies including the City.

- Contract services through the end of any contracts issued before the dissolution of the Sonoma Community Development Agency. This includes the funding for Sonoma Overnight Services (Emergency Shelter). Utilities and building maintenance for the Emergency Shelter are paid by the City and budgeted in Community Activities (100-43101).
- Other expenses approved by the Successor Agency RPTTF are primarily related to professional services such as audit services.

In Fiscal Year 2017; the following expenses will no longer be paid from RPTTF Funding:

- The Sonoma Community Center Historic Preservation Easement was paid in full on December 15, 2015.
- Sonoma Valley Visitor's Bureau: The term of this agreement expired on June 30, 2016. A proposed amount of \$100,000 (reduction from \$218,000) has been included in the Community Activities budget.
- Due to legislative changes, legal services for ongoing litigation associated with Former Community Development Agency bonds will no longer be paid. These expenses have been moved to the Successor Agency budget in the General Fund.

For expenses that are approved for RPTTF Funding, the City as Successor Agency will receive pass through revenue when property taxes are remitted to the City by the County. The City will then make authorized payments from Successor Agency, RPTTF / ROPS Fund.

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the General Fund Successor Agency Administration includes an increase of \$67,070 (20.4%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	(\$4,307)	Decrease is primarily due to an accounting change related to CalPERS unfunded liability.	Fiscal Management
Services & Supplies	\$70,750	Increase in legal costs due to change in legislation. Increase in funds for Business Improvement Loan program. Transfer of expense for Sebastiani Theatre to Community Activities.	Fiscal Management, Policy & Leadership
Internal Fund Transfers	\$627	Increase in Management Information Services and Insurance Costs.	Fiscal Management

The recommended budget for the RPTTF (ROPS) includes an increase of \$90,515 (2.4%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Services & Supplies	(\$7,465)	Decrease due to transfer of legal expenses to general fund, reduction in audit costs, expiration of contracts (Historic Preservation Easement and Visitor's Bureau). Increase due to accounting change related to Successor Agency Administrative Allowance.	Fiscal Management
Debt Services	(\$188,075)	Decrease: SERAF loan due to Low Moderate Housing Fund was disallowed pending future increase in tax increment.	Fiscal Management
Transfers	\$286,055	This transfer is to recover shortfalls in the fund from prior years.	Fiscal Management.

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	125,185	140,760	143,484
112 COLA FY 14-15	2,556	0	0
<b>100E SALARY &amp; WAGES</b>	<b>127,741</b>	<b>140,424</b>	<b>143,484</b>
290 EMPLOYEE BENEFITS	32,798	39,762	32,409
291 WORKERS COMP	5,867	6,724	7,079
<b>200E EMPLOYEE BENEFITS</b>	<b>38,666</b>	<b>46,855</b>	<b>39,488</b>
310 LEGAL	0	0	130,000
<b>300E PROFESSIONAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>130,000</b>
405 RENTAL/LEASE - LAND & BUIL	66,000	68,250	0
407 CONTRACT SERVICES	75,000	0	0
<b>400E PROPERTY SERVICES</b>	<b>141,000</b>	<b>68,250</b>	<b>0</b>
453 ADVERTISING	3,500	3,500	3,000
457 TRAINING/CONFERENCES	500	500	0
480 OTHER SERVICES	40,000	40,000	50,000
<b>450E OPERATIONS</b>	<b>44,000</b>	<b>44,000</b>	<b>53,000</b>
501 GENERAL SUPPLIES	1,500	1,500	1,500
<b>500E SUPPLIES</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
750 LONG-TERM BUILDING MAINT	10,548	10,548	10,548
770 MIS REPLACEMENT TRANSFER	8,311	11,937	12,076
780 INSURANCE TRANSFER	0	5,777	6,265
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>18,859</b>	<b>28,262</b>	<b>28,889</b>
<b>40000 TOTAL EXPENSE</b>	<b>371,765</b>	<b>329,292</b>	<b>396,361</b>
NET REVENUE VS EXPENDITURE	-371,765	-329,292	-396,361

DESCRIPTION	2015	2016	2017
	BUDGET	BUDGET	BUDGET
30013 PROPERTY TAX SHARE/RDA	4,343,498	3,877,493	3,818,008
<b>3001 TAXES</b>	<b>4,343,498</b>	<b>3,877,493</b>	<b>3,818,008</b>
37200 TRANSFER IN	754,920	0	0
<b>3700 TRANSFERS</b>	<b>754,920</b>	<b>0</b>	<b>0</b>
<b>30000 TOTAL REVENUE</b>	<b>5,098,418</b>	<b>3,877,493</b>	<b>3,818,008</b>
310 LEGAL	130,000	130,000	0
311 ACCOUNTING/AUDIT	30,000	15,000	5,535
350 PROFESSIONAL/TECHNICAL	0	150,000	400,000
<b>300E PROFESSIONAL SERVICES</b>	<b>160,000</b>	<b>295,000</b>	<b>405,535</b>
407 CONTRACT SERVICES	298,000	298,000	30,000
<b>400E PROPERTY SERVICES</b>	<b>298,000</b>	<b>298,000</b>	<b>30,000</b>
535 UTILITIES	4,370	0	0
<b>500E SUPPLIES</b>	<b>4,370</b>	<b>0</b>	<b>0</b>
801 PRINCIPAL	1,743,290	1,242,131	1,033,204
802 INTEREST	2,137,838	2,036,754	2,054,064
803 FISCAL AGENT FEES	0	5,608	9,150
<b>800E DEBT SERVICE</b>	<b>3,881,128</b>	<b>3,284,493</b>	<b>3,096,418</b>
925 CONTINGENCY & RESERVE	0	0	286,055
<b>900E TRANSFERS</b>	<b>0</b>	<b>0</b>	<b>286,055</b>
<b>40000 TOTAL EXPENSE</b>	<b>4,343,498</b>	<b>3,877,493</b>	<b>3,818,008</b>
NET REVENUE VS EXPENDITURE	754,920	0	0

**CITY OF SONOMA**

**FY 2016-2017 OPERATING BUDGET NARRATIVE**

*Inter-Fund Transfers / General Fund to Other Funds (100-43999)*

*DeAnna Hilbrants, Finance Director*

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Interfund transfers (General Fund to Other Funds) represent transfers from the general fund to other funds to pay debt service costs associated with general fund or due to operating deficit in other funds. For Fiscal Year 2016 – 2017; transfers will be made as specified below:

- Debt Service Pension Obligation Bond (General Fund Share): \$236,249
- Debt Service (Clean Renewable Energy Bond) \$ 24,006
- Transfer to Benefits for Unfunded CalPERS Liability (Police) \$121,367
- Transfer to Benefits for Unfunded CalPERS Liability (Fire) \$218,160
- Transfer to Benefits for Unfunded CalPERS Liability (Misc – GF Share) \$114,316
- Gas Tax for Street Department (to balance budget): \$401,805

This account does not reflect transfers related to Internal Service Funds including: Management Information Systems, Vehicle Replacement, Insurance Fund, Employee Benefits, and Long Term Building Maintenance. Transfers related to Internal Service Funds are included in the department budget for each department based on cost allocations described in those budgets.

The recommended budget for General Fund to Other Funds includes an increase of \$134,042 (13.7%).

This is primarily a result of an accounting change to transfer the expense for PERS Unfunded Actuarial Liability from department budgets to this budget.

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
900 OPER. TRANSFERS-OUT	692,145	981,860	1,115,902
900E TRANSFERS	692,145	981,860	1,115,902
40000 TOTAL EXPENSE	692,145	981,860	1,115,902
NET REVENUE VS EXPENDITURE	-692,145	-939,860	-1,115,902

**CITY OF SONOMA**

**FY 2016-2017 OPERATING BUDGET NARRATIVE**

*Debt Service Funds*

*Clean Renewable Energy Bonds [CREBS] (495-55031)*

*Pension Obligation Bond (498-57109)*

*DeAnna Hilbrants, Finance Director*

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**DESCRIPTION:**

The City uses debt service funds for tracking of revenue and interest related to long term debt principal and interest. Funds are transferred into the debt service funds from the appropriate fund.

In addition to the debt financing associated with the former Community Development Agency, the City has responsibility for the following:

- 2008 Clean Renewable Energy Bonds used for photovoltaic (solar) projects at the Police Station and Corporate Yard. These bonds were previously included in the Community Development Agency but were denied for ongoing financing from the RDA Property Tax Trust Fund (RPTTF). Funds are transferred from the General Fund (for Police Department and Public Works) and from other funds sharing the Public Works Corporate Yard (Gas Tax, Cemetery, Water).
- 2012 Pension Obligation Bond with costs to be allocated among funds based on share of salary costs. Funds are transferred to the debt service fund and the payment is made from that fund.
- Refinance of the 2001 Water Bond. Debt service costs related to this bond are paid directly from the Water Fund and are included in the water fund budget (510-62001).

With the dissolution of redevelopment (further described in the narrative for Successor Agency, RPTTF-ROPS), debt service funds to be paid under the RPTTF-ROPS were transferred to that fund and those debt service funds were closed in Fiscal Year 2014. Debt Service Expenses included in the Successor Agency Budget include:

- 2015 Tax Allocation Bond (This is the refunding of 2003 Tax Allocation Bond)
- 2010 Tax Allocation Bond
- 2011 Tax Allocation Bond
- SERAF Loan from Low / Moderate Income Housing Fund to Community Development Agency (paid to Sonoma County Housing Authority)
- US Department of Agriculture Loan used for purchase and operation of Village Green

YEAR: Fy2017  
SCENARIO: ORIG  
FORMAT: BUDGET ADOPTED

495-00000 CREBS 2008  
REVENUE & EXPENDITURE DETAIL

PERIOD ENDING: JUL  
CURRENCY: USD  
UNITS: 1

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
37200 TRANSFER IN	72,250	41,750	41,749
<b>3700 TRANSFERS</b>	<b>72,250</b>	<b>41,750</b>	<b>41,749</b>
<b>30000 TOTAL REVENUE</b>	<b>72,250</b>	<b>41,750</b>	<b>41,749</b>
801 PRINCIPAL	41,749	41,749	41,749
<b>800E DEBT SERVICE</b>	<b>41,749</b>	<b>41,749</b>	<b>41,749</b>
<b>40000 TOTAL EXPENSE</b>	<b>41,749</b>	<b>41,749</b>	<b>41,749</b>
NET REVENUE VS EXPENDITURE	30,501	1	0

YEAR: FY2017  
SCENARIO: ORIG  
FORMAT: BUDGET ADOPTED

498-00000 2012 PENSION OBLIGATION BOND  
REVENUE & EXPENDITURE DETAIL

PERIOD ENDING: JUL  
CURRENCY: USD  
UNITS: 1

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
37200 TRANSFER IN	410,950	411,350	412,225
<b>3700 TRANSFERS</b>	<b>410,950</b>	<b>411,350</b>	<b>412,225</b>
<b>30000 TOTAL REVENUE</b>	<b>410,950</b>	<b>411,350</b>	<b>412,225</b>
801 PRINCIPAL	320,000	330,000	340,000
802 INTEREST	90,950	81,350	70,625
803 FISCAL AGENT FEES	0	0	1,600
<b>800E DEBT SERVICE</b>	<b>410,950</b>	<b>411,350</b>	<b>412,225</b>
<b>40000 TOTAL EXPENSE</b>	<b>410,950</b>	<b>411,350</b>	<b>412,225</b>

## CITY OF SONOMA

### FY 2016-2017 OPERATING & CAPITAL BUDGET NARRATIVE

#### POLICE DEPARTMENT

*Chief Bret Sackett*

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The police department is responsible for the protection of life and property, maintenance of order, control and prevention of crime and the enforcement of motor vehicle laws and regulations. Since 2004, the City has contracted with the Sonoma County Sheriff's Office for law enforcement services.

The police department has a staff of 16.5 employees, which consists of a chief, 2 sergeants, 10 deputies, 2 community service officers, 1 administrative assistant, and a part-time clerk. The police department also utilizes a cadre of dedicated volunteers through the Sheriff's Volunteer in Policing Services (VIPS) program. Under the law enforcement contract, many professional administrative and managerial functions, such as dispatch, investigations, fiscal and records management, and property/evidence are handled by subject matter experts located at the Sheriff's main office in Santa Rosa.

The police budget for FY 16-17 will see a slight increase – approximately 4% – from the previous year. The Sheriff's contract is estimated to increase by approximately 3.6 %. The increase can primarily be attributed to the county's new labor agreements approved by the Board of Supervisors, along with increases in Worker's Compensation, Social Security, and Health Care.

This year the Administrative Overhead rate is 24.78%, which is still comparatively low, which I feel underscores the Sheriff's commitment to keep costs as low as possible, while being fair and equitable to both the city and the county taxpayer.

#### **FISCAL YEAR 2015 – 2016 ACCOMPLISHMENTS:**

- Successfully managed the Law Enforcement Services contract with the County to ensure a high quality of public service and fiscal accountability.
- Successfully completed the grant from the California Department of Alcoholic Beverage Control. All identified goals and objectives were met.
- Completed the full roll-out of our new Body Worn Camera program. All patrol sergeants, deputies, and community services officers now utilize body worn cameras.
- Our K-9 team partnered with a Sonoma Valley High School senior for his senior project, which resulted in the donation of a bite suit for training purposes.
- Provided Responsible Beverage Service Training to our local ABC licensed merchants.
- Purchased a new electric vehicle for our Parking Enforcement Program.
- Provided the "Every 15 Minutes" program to the junior and senior class at the high school. This impactful program demonstrates the tragedy associated with drunk and distracted driving.
- Launched the "Coffee with a Cop" program to enhance public relationships and strengthen community ties.
- Working with the Visitor's Bureau and public works, we developed a Passenger Bus Loading/Unloading zone in The Plaza, which should mitigate tour buses from haphazardly parking around The Plaza area.
- In collaboration with Sonoma Valley Fire Rescue Authority, we were awarded a grant to replace our old EOC computers with tablets.

**FISCAL YEAR 2016 - 2017 GOALS:**

- Manage the Law Enforcement Services contract with the County to ensure the delivery of high quality public service and fiscal accountability.
- Renew the School Resource Officer contract with the Sheriff's Office and Sonoma Valley Unified School District.
- Recruit, select, and train a new School Resource Officer.
- Seek grant opportunities as appropriate and consistent with our mission.
- Transition EOC computers to new tablets.
- Continue the "Coffee with a Cop" program as community outreach.
- Present a new, anti-dropout, program called "CHOICES" to the freshman class at Sonoma Valley High School

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the Police Department includes an increase of \$188,793 (4.2%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	\$17,395	Increase in costs due to shared position with Finance Department. (Part time position was converted to full time with benefits.) This is offset by savings in the Finance Department.	Fiscal Management
Services & Supplies	\$169,916	Increase in costs primarily related to increase in Sheriff's Contract Costs.	Fiscal Management, Policy & Leadership
Internal Fund Transfers	\$1,482	Increase in Vehicle Replacement, Management Information Services and Insurance Costs.	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	0	1,717	29,884
112 COLA FY 14-15	573	0	0
120 TEMPORARY/PART-TIME	24,580	22,602	0
<b>100E SALARY &amp; WAGES</b>	<b>25,153</b>	<b>24,674</b>	<b>29,884</b>
290 EMPLOYEE BENEFITS	3,387	4,840	16,147
291 WORKERS COMP	1,152	1,182	1,474
<b>200E EMPLOYEE BENEFITS</b>	<b>4,539</b>	<b>5,436</b>	<b>17,621</b>
350 PROFESSIONAL/TECHNICAL	500	500	500
352 SHERIFF'S CONTRACT	3,993,545	4,127,975	4,277,431
<b>300E PROFESSIONAL SERVICES</b>	<b>3,994,045</b>	<b>4,128,475</b>	<b>4,277,931</b>
401 UTILITIES	10,280	9,780	11,000
403 CUSTODIAL (Inc. Supplies)	9,580	12,500	14,000
404 REPAIR & MAINTENANCE	115,850	113,850	122,850
406 RENTAL/LEASE-EQUIPMENT	3,300	3,500	3,200
407 CONTRACT SERVICES	110,205	122,394	142,934
<b>400E PROPERTY SERVICES</b>	<b>249,215</b>	<b>262,024</b>	<b>293,984</b>
452 COMMUNICATIONS	12,500	16,500	16,500
454 PRINTING & BINDING	500	500	500
456 MEMBERSHIPS	500	700	700
457 TRAINING/CONFERENCES	1,500	1,500	1,500
460 PERMITS, FEES	0	600	600
480 OTHER SERVICES	16,686	15,955	15,955
<b>450E OPERATIONS</b>	<b>31,686</b>	<b>35,755</b>	<b>35,755</b>
501 GENERAL SUPPLIES	10,000	12,000	12,000
505 ENERGY - GASOLINE	50,000	45,000	38,000
508 CLOTHING/UNIFORMS	1,250	1,250	1,250
<b>500E SUPPLIES</b>	<b>61,250</b>	<b>58,250</b>	<b>51,250</b>
604 MACHINERY AND EQUIPMENT	0	19,000	0
<b>600E CAPITAL ASSETS</b>	<b>0</b>	<b>19,000</b>	<b>0</b>
750 LONG-TERM BUILDING MAINT	23,551	23,551	23,551
760 VEHICLE REPLACEMENT TRANSF	0	0	875
770 MIS REPLACEMENT TRANSFER	3,692	3,232	3,753
780 INSURANCE TRANSFER	1,375	1,015	1,101
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>28,618</b>	<b>27,798</b>	<b>29,280</b>
903 TRSF IN REIMB VEHICLE PUR	0	-14,500	0
<b>900E TRANSFERS</b>	<b>0</b>	<b>-14,500</b>	<b>0</b>
<b>40000 TOTAL EXPENSE</b>	<b>4,394,506</b>	<b>4,546,912</b>	<b>4,735,705</b>
<b>NET REVENUE VS EXPENDITURE</b>	<b>-4,394,506</b>	<b>-4,540,912</b>	<b>-4,735,705</b>

**CITY OF SONOMA**  
**FY 2016-17 OPERATING & CAPITAL BUDGET NARRATIVE**

**FIRE DEPARTMENT**

*Fire Chief Mark Freeman*

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The mission of the fire department is to protect the quality of life for present and future generations through interaction with our community, compassionate service, and an atmosphere that encourages innovation, professionalism and diversity.

The fire department consists of 39 full-time employees, 1 part-time employee and a cadre of 41 dedicated volunteer firefighters that supplement daily staffing. The daily staffing consists of 14 personnel who staff 3 engine companies, 2 ambulances, and a command vehicle out of three strategically-located fire stations.

The fire department provides advanced life support (ALS) medical services through the use of dual-role employees, who are also trained as paramedics and emergency medical technicians. All staffed engines and ambulances are ALS equipped and staffed with at least one paramedic.

The Fire Prevention division is responsible for managing the Life-Safety Inspection Program, conducting plan reviews of residential and commercial occupancies, and providing fire investigation services to determine cause and origin.

The fire department also provides ambulance billing services. Billing is efficiently handled using advanced software that integrates with the fire department's records management system. The billing office continues its expanded focus on increased collection of delinquent revenues, increasing AMP memberships, and staying current with and applying industry best practices.

The fire budget for FY 2016-2017 will see a slight operational increase, less than 1%, from the previous year.

**FISCAL YEAR 2015 – 2016 ACCOMPLISHMENTS:**

- Initiated a reorganization of the number of allocated positions in the firefighter and engineer classifications resulting in the reinstatement of a Training Officer on a part-time basis at no additional cost.
- Participated in the Ground Emergency Medical Transport (GEMT) reimbursement program for FY13-14, from which we received \$26,022 in reimbursement.
- Participated in the Inter-Governmental Transfer (IGT) reimbursement program for FY13-14, from which we received \$114,433 in reimbursement.
- Billing office is projected to exceed revenue projections by 15%. This is due to increased call volume, revised fee schedule, and refinement of internal processes.
- Increased AMP membership by 16% through our continued marketing of said program.
- Rolled out the "Save Lives Sonoma" program that instructs 7<sup>th</sup> grade students in hands-only CPR.
- Completed and published a Community-Driven Strategic Plan that establishes goals for the period FY15 through FY20.
- Revised the City's Emergency Operations Plan and have started training staff on NIMS/SEMS, as well as required Disaster Service Worker Orientation.

- Applied for and were awarded \$10,000 from the Sonoma County Advertising Program for the purchase of a live fire training prop.
- Took delivery of and placed into service a new Command Vehicle.

**FISCAL YEAR 2016 – 2017 GOALS:**

- Seek and solicit additional grant funding opportunities when appropriate.
- Pursue additional ambulance revenue opportunities.
- Increase subscriptions in the Ambulance Membership Program (AMP).
- Participate in both the GEMT and IGT reimbursement programs.
- Assist in the revision of the City’s Local Hazard Mitigation Plan.
- Produce and publish an Annual Report.
- Continue to support our community outreach effort by being more participative and visible.

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the Fire Department includes an increase of \$1,094 (less than 1%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Services & Supplies	\$16,069	Increase in SVFRA contract costs offset by removal of budget for one-time expenses added at FY 2016 mid-year.	Fiscal Management, Policy & Leadership
Internal Fund Transfers	(\$14,975)	Decrease in Vehicle Replacement Costs offset by increase in Management Information Services Costs.	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
290 EMPLOYEE BENEFITS	125,000	0	0
<b>200E EMPLOYEE BENEFITS</b>	<b>125,000</b>	<b>0</b>	<b>0</b>
350 PROFESSIONAL/TECHNICAL	0	2,000	2,000
354 - SVFRA CONTRACT FIRE CONT	4,705,188	4,836,634	4,881,110
<b>300E PROFESSIONAL SERVICES</b>	<b>4,705,188</b>	<b>4,838,634</b>	<b>4,883,110</b>
550 OTHER EQUIPMENT/SUPPLIES	0	20,575	0
<b>500E SUPPLIES</b>	<b>0</b>	<b>20,575</b>	<b>0</b>
604 MACHINERY AND EQUIPMENT	255,900	45,000	0
606 SOFTWARE	0	2,900	0
607 COMPUTER EQUIPMENT	0	4,932	0
<b>600E CAPITAL ASSETS</b>	<b>255,900</b>	<b>52,832</b>	<b>0</b>
750 LONG-TERM BUILDING MAINT	54,285	54,285	54,285
760 VEHICLE REPLACEMENT TRANSF	148,500	148,500	133,250
770 MIS REPLACEMENT TRANSFER	5,300	5,300	5,575
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>208,085</b>	<b>208,085</b>	<b>193,110</b>
903 TRSF IN REIMB VEHICLE PUR	-255,900	-45,000	0
<b>900E TRANSFERS</b>	<b>-255,900</b>	<b>-45,000</b>	<b>0</b>
<b>40000 TOTAL EXPENSE</b>	<b>5,038,273</b>	<b>5,075,126</b>	<b>5,076,220</b>
NET REVENUE VS EXPENDITURE	-5,038,273	-5,044,719	-5,076,220

## CITY OF SONOMA

### FY 2016-17 OPERATING & CAPITAL BUDGET NARRATIVE

#### *Planning Department*

*David Goodison, Director of Planning and Community Services*

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#### **DESCRIPTION:**

The Planning Department consists of the Planning and Community Services Director, a senior planner, an associate planner, an administrative assistant, and a part-time receptionist (shared with the Building Department). In terms of ongoing activities, the responsibilities of the Planning Division are as follows:

*Council/Commission Staffing:* In addition to supporting the City Council with respect to planning and related matters, the Planning Department provides staff support to the following commissions and committees: the Planning Commission, the Design Review Commission, the Community Services and Environment Commission, the Sonoma Valley Citizens Advisory Commission, the Tree Committee, the Environmental Review Committee, and the Project Advisory Committee.

*Current Planning:* The Planning Division is responsible for processing applications for planning permits, such as use permits and tentative maps, through the Planning Commission, the Design Review Commission, and, if necessary, the City Council. This activity includes a range of projects, from home occupations to major subdivisions and large-scale commercial development.

*Telephone and counter inquiries:* Planning inquiries amount to between 10-40 calls and counter contacts each day.

*Building Permit Plan Check:* Review of Building Permits, including those not subject to other forms of planning review (e.g., use permit review or design review) in order to assure compliance with applicable regulations.

*Site Inspections:* Site inspections are conducted in order to assure that conditions of approval have been adhered to in new development.

*Enforcement:* Sign and other code enforcement activities are primarily performed by the Associate Planner, in conjunction with the City Prosecutor/Code Enforcement unit and the Police Department.

*Maintenance of GIS.* The City's Geographic Information System now includes the following layers: streets, parcels, city limits, sphere of influence, flood areas, historic sites, and air photographs. The parcel layer is tied to a database that tracks property ownership, units, and commercial use, among other items. To maintain the utility and validity of the system, it is important to keep the information on these layers up-to-date.

*Mapping and Addressing:* Maintaining the address map, maintaining Fire Department run books, creation of miscellaneous maps as required for the Planning Division and other departments. Assignment of addresses for new projects, additions, reassignments within city limits, and distribution to appropriate agencies.

*Bike Plan Implementation:* Researching and preparing grant applications, attending meetings including Sonoma County Transportation Authority Bike Committee, implementing programs and projects called for in the Bicycle and Pedestrian master Plan.

**2015--2016 HIGHLIGHTS:**

In coordination with the Sonoma County Community Development Commission, a non-profit development partner for the affordable housing on Broadway was selected.

A number of Housing Element implementation measures were completed through the adoption of amendments to the Development Code.

The update of the Circulation Element and the preparation of the downtown parking study are nearly complete.

Expanded bicycle education and safety programs were implemented, including training sessions for children and adults.

Design guidelines for the downtown area have been developed and are undergoing final review.

Working with the Regional Climate Protection Authority, completed a draft of the City of Sonoma's element of the 2020 Climate Protection Plan.

Commission training opportunities were increased and several members of the DRHPC were able to attend the annual Historic preservation conference.

**2016--2017 WORK PROGRAMS:**

The following new and ongoing projects are proposed in the upcoming budget cycle:

Circulation Element/Downtown Parking Plan (Previously Budgeted)                      \$20,000

*Note: This program, which was funded in the 2015/16 Budget, is already underway but will be completed in the upcoming budget year. No additional funding for this work is proposed.* The Circulation Element is being updated to comply with the provisions of AB 1358, "The Complete Streets Act". While there is no hard deadline in the legislation, compliance with the Complete Streets Act is becoming a major factor in the award of transportation funding from the MTC (the Metropolitan Transportation Commission). For the most recent grant cycle, the City was able to self-certify that it was in compliance with the Complete Streets Act, but in future funding cycles, this will not be an option. Included with the update of the Circulation Element is the preparation of a downtown parking study and management plan, as well as a detailed look at how intersections in the Plaza function (especially Broadway/West Napa Street and West Napa Street/First Street West) and options for improving them.

Housing Impact Fee Study (Previously Budgeted)    \$86,500

The preparation of an affordable housing impact fee study is a key implementation measure of the newly adopted Housing Element. This study would address both residential and commercial development and would provide the City Council with options, guidance, and a legal basis for imposing housing impact fees, if it so chooses. The study will also address options for updating the City's inclusionary affordable housing program.

Improve Bicycle Education and Safety Programs

\$14,000

Last year, the City Council established funding for bicycle education and safety programs, as well as bike valet parking service at the Tuesday Night Farmers Market. These pilot programs proved successful and staff recommends continuing them and expanding upon them. The increase proposed in comparison to last year's budget is \$2,000.

GIS Improvements

\$5,000

Ongoing update the GIS database infrastructure and management workflow, including software, set-up, and staff training.

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for Planning includes a decrease of \$8,339 (-1.2%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	\$2,785	Increase in salary costs due to regular salary increases.	Fiscal Management
Services & Supplies	(\$11,900)	Decrease due to completion of Circulation Element offset by increased due to Housing Impact Fee Study. Proposal for study of proposed realignment of Montini trail to address erosion issues.	Fiscal Management, Policy and Leadership
Internal Fund Transfers	\$776	Decrease in Management Information Services Costs offset by increase in Insurance Costs.	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	314,824	371,418	388,322
112 COLA FY 14-15	14,792	0	0
120 TEMPORARY/PART-TIME	31,871	0	0
130 OVERTIME	6,000	5,500	0
<b>100E SALARY &amp; WAGES</b>	<b>367,488</b>	<b>376,002</b>	<b>388,322</b>
290 EMPLOYEE BENEFITS	84,303	110,686	100,075
291 WORKERS COMP	16,530	17,718	19,158
<b>200E EMPLOYEE BENEFITS</b>	<b>100,833</b>	<b>128,768</b>	<b>119,233</b>
313 CONSULTING	207,500	151,500	125,600
<b>300E PROFESSIONAL SERVICES</b>	<b>207,500</b>	<b>151,500</b>	<b>125,600</b>
407 CONTRACT SERVICES	7,300	8,000	22,000
<b>400E PROPERTY SERVICES</b>	<b>7,300</b>	<b>8,000</b>	<b>22,000</b>
453 ADVERTISING	5,000	5,000	5,000
454 PRINTING & BINDING	500	500	500
455 TRAVEL	250	250	250
456 MEMBERSHIPS	2,000	2,000	2,000
457 TRAINING/CONFERENCES	7,000	7,000	7,000
480 OTHER SERVICES	500	500	500
<b>450E OPERATIONS</b>	<b>15,250</b>	<b>15,250</b>	<b>15,250</b>
501 GENERAL SUPPLIES	5,000	5,000	5,000
507 BOOKS & PERIODICALS	250	250	250
<b>500E SUPPLIES</b>	<b>5,250</b>	<b>5,250</b>	<b>5,250</b>
770 MIS REPLACEMENT TRANSFER	13,472	13,432	13,095
780 INSURANCE TRANSFER	6,361	15,223	16,336
<b>700E INTERNAL SERVICE &amp; CAPITA.</b>	<b>19,833</b>	<b>28,655</b>	<b>29,431</b>
<b>40000 TOTAL EXPENSE</b>	<b>723,453</b>	<b>713,425</b>	<b>705,086</b>
NET REVENUE VS EXPENDITURE	-723,453	-713,425	-705,086

**CITY OF SONOMA**

**FY 2016-2017 OPERATING BUDGET NARRATIVE**

*Building Department (100-43040)*

*Wayne Wirick, Development Services Director / Building Official*

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**DESCRIPTION:**

Through the issuance of building permits, the Building Department promotes the health, safety, welfare and sustainability of the built environment and the public by ensuring that structures and their components are accessible, energy efficient, “green” and safe for use and occupancy. The Building Department strives to provide professional and proficient plan review and inspection services to the public in a courteous and timely fashion.

In FY 2016/17 the Building Department will continue to be staffed with 3.45 Full-Time Equivalent employees including the Building Official, Plans Examiner, Building Inspector and a shared Administrative Assistant.

**CHALLENGES:**

The vast majority of regulations enforced by the Building Department are mandated by state law or are otherwise adopted by local ordinances. Every year, new regulations increase the demands placed on Building Department staff resulting in slippage in the Building Department’s ability to provide fast, effective and high quality services. The FY 2016/17 Building Department budget reflects the maintenance of current Building Department service levels. Permit, plan check and inspection activity has increased over the past year (approximately 15% over the previous year) and there are signs of a continuing upward trend in construction activity.

**FISCAL YEAR 2015 – 2016 ACCOMPLISHMENTS:**

- Continued to maintain Building Department service levels despite the 15% increase Building Department workload over the previous fiscal year.
- Developed and implemented an Expedited Solar Permitting Process for One-Family & Two-Family Dwellings.
- Participated and completed Insurance Services Office’s -Building Code Effectiveness Grading Schedule to help lower insurance costs to building owners within the community.

**FISCAL YEAR 2016 – 2017 GOALS:**

- Maintain our excellent customer service levels.
- Adopt the 2016 Edition of the CA Building Standards Codes.
- Update approximately 60 forms and informational handouts to conform with the newly adopted codes.
- Obtain Certified Access Specialist certification for the Building Inspector.

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the Building Department includes a decrease of \$6,877 (-1.3%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	(\$5,793)	Reduction after one time increase in prior year and due to accounting change in CalPERS unfunded liability.	Fiscal Management
Services & Supplies	\$125	Increase due to required purchase of new code books offset by decrease in professional / technical services due to less outsourcing of plan check services.	Fiscal Management, Policy & Leadership
Internal Fund Transfers	(\$1,209)	Decrease in Vehicle Replacement costs and Management Information Services Costs offset by increase in Insurance Costs.	Fiscal Management

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	328,369	331,333	342,113
112 COLA FY 14-15	7,662	0	0
<b>100E SALARY &amp; WAGES</b>	<b>336,031</b>	<b>328,955</b>	<b>342,113</b>
290 EMPLOYEE BENEFITS	99,705	115,173	95,415
291 WORKERS COMP	15,390	15,752	16,878
<b>200E EMPLOYEE BENEFITS</b>	<b>115,095</b>	<b>131,244</b>	<b>112,293</b>
350 PROFESSIONAL/TECHNICAL	15,000	18,000	15,000
<b>300E PROFESSIONAL SERVICES</b>	<b>15,000</b>	<b>18,000</b>	<b>15,000</b>
404 REPAIR & MAINTENANCE	1,000	500	500
<b>400E PROPERTY SERVICES</b>	<b>1,000</b>	<b>500</b>	<b>500</b>
452 COMMUNICATIONS	600	1,500	800
454 PRINTING & BINDING	0	200	500
456 MEMBERSHIPS	600	600	600
457 TRAINING/CONFERENCES	5,100	5,100	4,900
480 OTHER SERVICES	6,000	6,000	6,000
<b>450E OPERATIONS</b>	<b>12,300</b>	<b>13,400</b>	<b>12,800</b>
501 GENERAL SUPPLIES	600	800	800
505 ENERGY - GASOLINE	250	625	750
507 BOOKS & PERIODICALS	500	500	4,100
508 CLOTHING/UNIFORMS	400	400	400
<b>500E SUPPLIES</b>	<b>1,750</b>	<b>2,325</b>	<b>6,050</b>
604 MACHINERY AND EQUIPMENT	0	30,000	0
<b>600E CAPITAL ASSETS</b>	<b>0</b>	<b>30,000</b>	<b>0</b>
760 VEHICLE REPLACEMENT TRANSF	0	2,000	2,000
770 MIS REPLACEMENT TRANSFER	5,712	3,710	1,359
780 INSURANCE TRANSFER	6,900	13,534	14,676
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>12,612</b>	<b>19,244</b>	<b>18,035</b>
903 TRSF IN REIMB VEHICLE PUR	0	-30,000	0
<b>900E TRANSFERS</b>	<b>0</b>	<b>-30,000</b>	<b>0</b>
<b>40000 TOTAL EXPENSE</b>	<b>493,788</b>	<b>513,669</b>	<b>506,791</b>
NET REVENUE VS EXPENDITURE	-493,788	-513,669	-506,791

**CITY OF SONOMA**

**FY 2016-2017 OPERATING & CAPITAL BUDGET NARRATIVE**

*Management Information (MIS) - Internal Services Fund (601-64010)*

*Wayne Wirick, Development Services Director / Building Official*

**DESCRIPTION:**

The purpose of the Management Information Services (MIS) fund is to provide a funding mechanism for the operational costs, maintenance, and planned replacement of installed computer systems as well as software, telephone systems and other critical office equipment needed for the delivery of information and the conduct of business. All funds allocated for this purpose are derived from annual transfers from other City operations and therefore are reimbursements versus true revenues. The MIS Fund helps to prevent excessive swings in annual costs by anticipating future MIS needs and amortizing the replacement costs over a period of time.

In the MIS Fund it is typical for equipment and software purchase costs to fluctuate from year to year due to normal cyclical buying patterns. This fund helps to achieve the Council Goal of Fiscal Management.

**FISCAL YEAR 2015 – 2016 ACCOMPLISHMENTS:**

- Completed Server Replacement Project

**RECOMMENDED BUDGET MODIFICATIONS:**

- The recommended budget for the MIS Internal Service Fund includes an increase of \$69,770 (27.4%)

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Services & Supplies	\$69,770	Increase due to anticipated replacement of server and records imaging software as well as replacement of computer hardware.	Fiscal Management, Policy & Leadership

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
37201 TRANSFER FROM RESERVES	0	78,046	146,585
<b>3500 MISCELLANEOUS</b>	<b>0</b>	<b>78,046</b>	<b>146,585</b>
37200 TRANSFER IN	243,530	176,774	178,005
<b>3700 TRANSFERS</b>	<b>243,530</b>	<b>176,774</b>	<b>178,005</b>
<b>30000 TOTAL REVENUE</b>	<b>243,530</b>	<b>254,820</b>	<b>324,590</b>
350 PROFESSIONAL/TECHNICAL	1,000	1,000	1,000
<b>300E PROFESSIONAL SERVICES</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
404 REPAIR & MAINTENANCE	115,530	127,070	125,790
<b>400E PROPERTY SERVICES</b>	<b>115,530</b>	<b>127,070</b>	<b>125,790</b>
452 COMMUNICATIONS	5,000	5,000	6,800
457 TRAINING/CONFERENCES	500	250	0
<b>450E OPERATIONS</b>	<b>5,500</b>	<b>5,250</b>	<b>6,800</b>
501 GENERAL SUPPLIES	1,500	1,500	1,000
<b>500E SUPPLIES</b>	<b>1,500</b>	<b>1,500</b>	<b>1,000</b>
606 SOFTWARE	70,000	15,000	30,000
607 COMPUTER EQUIPMENT	50,000	45,000	100,000
<b>600E CAPITAL ASSETS</b>	<b>120,000</b>	<b>60,000</b>	<b>130,000</b>
900 OPER. TRANSFERS-OUT	0	60,000	60,000
<b>900E TRANSFERS</b>	<b>0</b>	<b>60,000</b>	<b>60,000</b>
<b>40000 TOTAL EXPENSE</b>	<b>243,530</b>	<b>254,820</b>	<b>324,590</b>

## CITY OF SONOMA

### FY 2016-2017 OPERATING & CAPITAL BUDGET NARRATIVE

#### *Vehicle Replacement - Internal Services Fund (603-64510)*

*Wayne Wirick, Development Services Director / Building Official*

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The purpose of the Vehicle Replacement fund is to provide a funding mechanism for the planned replacement of existing vehicles and equipment. All funds are derived from annual transfers made by City departments where the vehicles are assigned. The Vehicle Replacement fund helps to prevent excessive swings in annual vehicle replacement costs by anticipating future vehicle and equipment replacement needs and amortizing the replacement costs over a period of time. Existing vehicles and equipment are replaced based on their need to be replaced such as obsolescence, high maintenance costs, loss of productivity or efficiency, etc.). This fund helps to achieve the Council Goal of Fiscal Management.

The total value of all non-depreciated vehicle and equipment assets that will eventually need to be replaced is approximately \$4.2M. Projections show that this fund is currently underfunded by approximately \$600,000.

Vehicle Replacement funds are transferred to the respective department's budget when new vehicles or equipment will be purchased. This year, it is anticipated that the Vehicle Replacement Internal Services Fund will fund the replacement of the following vehicles or equipment:

- Water Department – Replace the 2004 Pacific Tek PV350HO Vacutron with a New Vacutron

#### **RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the Vehicle Replacement Internal Service Fund includes a decrease of \$14,845 (-6.0%). This is a result of annual review of vehicles to be replaced amortized over the anticipated useful life of the vehicle. Transferred funds exceeding planned purchases during the year are held in reserve until vehicles are purchased.

DESCRIPTION	2015	2016	2017
	BUDGET	BUDGET	BUDGET
37200 TRANSFER IN	265,900	247,625	232,780
<b>3700 TRANSFERS</b>	<b>265,900</b>	<b>247,625</b>	<b>232,780</b>
<b>30000 TOTAL REVENUE</b>	<b>265,900</b>	<b>247,625</b>	<b>232,780</b>
604 MACHINERY AND EQUIPMENT	265,900	0	48,000
<b>600E CAPITAL ASSETS</b>	<b>265,900</b>	<b>0</b>	<b>48,000</b>
900 OPER. TRANSFERS-OUT	0	137,270	0
925 CONTINGENCY & RESERVE	0	110,355	184,780
<b>900E TRANSFERS</b>	<b>0</b>	<b>247,625</b>	<b>184,780</b>
<b>40000 TOTAL EXPENSE</b>	<b>265,900</b>	<b>247,625</b>	<b>232,780</b>

**CITY OF SONOMA**

**FY 2016-2017 OPERATING & CAPITAL BUDGET NARRATIVE**

*Long-Term Building Maintenance (LTBM) - Internal Services Fund (610-64520)*

*Wayne Wirick, Development Services Director / Building Official*

**DESCRIPTION:**

The Long-Term Building Maintenance (LTBM) Fund is an Internal Service Fund that provides for the set-aside of funds for the future replacement or repair of major maintenance items in City owned facilities. This fund anticipates the eventual replacement of roofing, exterior and interior paint, floor coverings, HVAC equipment, parking lot paving and miscellaneous other items in City owned facilities and provides a mechanism by which the City can recover some or all of the expected maintenance costs by including long-term maintenance expenses in the overhead formulas for fees for services.

Large swings in annual LTBM repair and maintenance project costs are normal and expected due to the varying types of projects being performed from year-to-year. This fund helps to achieve the Council Goal of Fiscal Management.

**FISCAL YEAR 2015 – 2016 ACCOMPLISHMENTS:**

- Completed Fire Station Exterior Painting Project
- Completed Design for Youth Center (Valley of the Moon Nursery School) ADA Improvement Project

**Planned LTBM Projects :**

Project	Expense Description	Estimated FY16-17 Project Expenses	Estimated Project Expenses After FY16-17	Estimate of Total Project Cost
CIP-PB-1 - Youth Center (Valley of the Moon Nursery School) ADA Improvements	Construction Costs	\$117,200	\$0	\$133,400
CIP-PB-2 - Carnegie Bldg. - Repairs, Repainting, Carpet Replacement and Public Restroom Improvements	Construction Costs	\$163,800	\$0	\$163,800
CIP-PB-3 - Depot Museum ADA and Code Improvements	Bid Documents and Construction Costs	\$42,800	\$0	\$42,800
CIP-PB-4 - Fire Station Stairway Flooring Replacement Project	Bid Documents and Construction Costs	\$18,500	\$0	\$18,500

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for the Long Term Building Maintenance Internal Service Fund an increase of \$323,900 related to the projects specified above. Funds held in reserve for these projects will be transferred from reserves as the activities take place.

DESCRIPTION	2015	2016	2017
	BUDGET	BUDGET	BUDGET
37201 TRANSFER FROM RESERVES	28,000	0	95,268
<b>3500 MISCELLANEOUS</b>	<b>28,000</b>	<b>0</b>	<b>95,268</b>
37200 TRANSFER IN	234,825	227,471	228,632
<b>3700 TRANSFERS</b>	<b>234,825</b>	<b>227,471</b>	<b>228,632</b>
<b>30000 TOTAL REVENUE</b>	<b>262,825</b>	<b>227,471</b>	<b>323,900</b>
110 REGULAR EMPLOYEES	6,589	6,589	0
112 COLA FY 14-15	-6,589	-6,589	0
<b>100E SALARY &amp; WAGES</b>	<b>0</b>	<b>0</b>	<b>0</b>
404 REPAIR & MAINTENANCE	262,825	0	0
<b>400E PROPERTY SERVICES</b>	<b>262,825</b>	<b>0</b>	<b>0</b>
702 ENG. DESIGN	0	31,500	27,800
703 CONSTRUCTION, MATERIAL, SU	0	89,400	296,100
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>0</b>	<b>120,900</b>	<b>323,900</b>
925 CONTINGENCY & RESERVE	0	106,571	0
<b>900E TRANSFERS</b>	<b>0</b>	<b>106,571</b>	<b>0</b>
<b>40000 TOTAL EXPENSE</b>	<b>262,825</b>	<b>227,471</b>	<b>323,900</b>
NET REVENUE VS EXPENDITURE	0	0	0

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
30600 INTEREST INCOME	45,000	22,000	25,000
<b>3060 INTEREST &amp; RENTS</b>	<b>45,000</b>	<b>22,000</b>	<b>25,000</b>
31301 OTHER STATE - GRANTS/REI	0	295,117	295,117
<b>3100 STATE REVENUES</b>	<b>0</b>	<b>295,117</b>	<b>295,117</b>
32001 WATER SALES AND SVC	4,000,000	4,250,000	4,250,000
32002 NEW SERVICE FEES	27,000	27,000	27,000
32003 LATE FEES & SHUT-OFF NOT	20,000	15,000	25,000
32004 FRONT-FOOTAGE FEES	0	0	5,000
32005 CONNECTION FEES	112,000	25,000	25,000
32009 PRIOR YEAR	0	0	3,000
32010 OTHER - WATER REVENUES	7,500	5,000	1,000
<b>3200 WATER</b>	<b>4,166,500</b>	<b>4,322,000</b>	<b>4,336,000</b>
37201 TRANSFER FROM RESERVES	2,626,125	3,754,250	3,289,389
<b>3500 MISCELLANEOUS</b>	<b>2,626,125</b>	<b>3,754,250</b>	<b>3,289,389</b>
<b>30000 TOTAL REVENUE</b>	<b>6,837,625</b>	<b>8,393,367</b>	<b>7,945,506</b>
110 REGULAR EMPLOYEES	744,704	805,869	851,021
112 COLA FY 14-15	17,000	0	0
120 TEMPORARY/PART-TIME	34,823	36,642	39,475
130 OVERTIME	4,800	4,583	5,000
<b>100E SALARY &amp; WAGES</b>	<b>801,327</b>	<b>843,813</b>	<b>895,496</b>
290 EMPLOYEE BENEFITS	271,590	326,778	269,760
291 WORKERS COMP	36,535	40,168	43,932
<b>200E EMPLOYEE BENEFITS</b>	<b>308,125</b>	<b>369,883</b>	<b>313,692</b>
311 ACCOUNTING/AUDIT	15,000	16,000	17,000
313 CONSULTING	85,740	85,740	110,740
314 ENGINEERING	51,000	51,000	51,000
350 PROFESSIONAL/TECHNICAL	116,500	106,500	106,500
353 WATER CONSERVATION	100,000	100,000	100,000
<b>300E PROFESSIONAL SERVICES</b>	<b>368,240</b>	<b>359,240</b>	<b>385,240</b>
401 UTILITIES	18,000	30,000	30,000
404 REPAIR & MAINTENANCE	45,000	45,000	95,000
406 RENTAL/LEASE-EQUIPMENT	2,500	4,500	4,500
407 CONTRACT SERVICES	1,558,000	1,558,000	1,558,000
<b>400E PROPERTY SERVICES</b>	<b>1,623,500</b>	<b>1,637,500</b>	<b>1,687,500</b>
452 COMMUNICATIONS	5,000	14,000	9,400
454 PRINTING & BINDING	9,800	32,800	32,800
455 TRAVEL	0	0	1,000
456 MEMBERSHIPS	19,050	19,050	19,050
457 TRAINING/CONFERENCES	10,000	12,000	12,000
460 PERMITS, FEES	10,000	15,000	15,000
491 DISASTER PREPAREDNESS	1,000	1,000	1,000
<b>450E OPERATIONS</b>	<b>54,850</b>	<b>93,850</b>	<b>90,250</b>
501 GENERAL SUPPLIES	125,500	125,500	125,000
505 ENERGY - GASOLINE	18,000	18,000	18,000
508 CLOTHING/UNIFORMS	6,250	6,250	6,250
510 DEPARTMENT EXPENSE	5,000	5,000	0
550 OTHER EQUIPMENT/SUPPLIES	83,000	83,000	0
<b>500E SUPPLIES</b>	<b>237,750</b>	<b>237,750</b>	<b>149,250</b>
604 MACHINERY AND EQUIPMENT	0	31,200	0
606 SOFTWARE	50,000	57,500	57,500
<b>600E CAPITAL ASSETS</b>	<b>50,000</b>	<b>88,700</b>	<b>57,500</b>
702 ENG. DESIGN	218,000	30,000	156,000
703 CONSTRUCTION, MATERIAL, SU	1,922,000	3,733,633	3,167,604
750 LONG-TERM BUILDING MAINT	26,563	26,563	27,024
760 VEHICLE REPLACEMENT TRANSF	18,163	18,163	25,388
770 MIS REPLACEMENT TRANSFER	52,409	55,503	54,944
780 INSURANCE TRANSFER	53,731	34,511	34,014
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>2,290,866</b>	<b>3,898,373</b>	<b>3,464,974</b>
801 PRINCIPAL	0	65,000	65,000
802 INTEREST	121,425	55,380	55,380

YEAR: Fy2017  
SCENARIO: ORIG  
FORMAT: BUDGET ADOPTED

510-62001 WATER UTILITY  
REVENUE & EXPENDITURE DETAIL

PERIOD ENDING: JUL  
CURRENCY: USD  
UNITS: 1

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
803 FISCAL AGENT FEES	0	2,000	2,000
800E DEBT SERVICE	121,425	122,380	122,380
900 OPER. TRANSFERS-OUT	981,542	758,078	779,224
903 TRSF IN REIMB VEHICLE PUR	0	-16,200	0
900E TRANSFERS	981,542	741,878	779,224
40000 TOTAL EXPENSE	6,837,625	8,393,367	7,945,506
NET REVENUE VS EXPENDITURE	0	0	0

YEAR: Fy2017  
SCENARIO: ORIG  
FORMAT: BUDGET ADOPTED

604-00000 INSURANCE  
REVENUE & EXPENDITURE DETAIL

PERIOD ENDING: JUL  
CURRENCY: USD  
UNITS: 1

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
37200 TRANSFER IN	301,113	121,474	130,000
<b>3700 TRANSFERS</b>	<b>301,113</b>	<b>121,474</b>	<b>130,000</b>
<b>30000 TOTAL REVENUE</b>	<b>301,113</b>	<b>121,474</b>	<b>130,000</b>
451 INSURANCE PREMIUMS	212,718	192,718	130,000
<b>450E OPERATIONS</b>	<b>212,718</b>	<b>192,718</b>	<b>130,000</b>
<b>40000 TOTAL EXPENSE</b>	<b>212,718</b>	<b>192,718</b>	<b>130,000</b>
NET REVENUE VS EXPENDITURE	88,395	-71,244	0

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
37200 TRANSFER IN	0	1,493,397	1,785,122
<b>3700 TRANSFERS</b>	<b>0</b>	<b>1,493,397</b>	<b>1,785,122</b>
<b>30000 TOTAL REVENUE</b>	<b>0</b>	<b>1,493,397</b>	<b>1,785,122</b>
451 INSURANCE PREMIUMS	0	0	1,785,122
<b>450E OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>1,785,122</b>
<b>40000 TOTAL EXPENSE</b>	<b>0</b>	<b>0</b>	<b>1,785,122</b>
NET REVENUE VS EXPENDITURE	0	1,493,397	0

**CITY OF SONOMA**

**FY 2016-2017 OPERATING & CAPITAL BUDGET NARRATIVE**

*Public Works Department*

*Public Works Parks and Administration (100-43020)*

*Streets / Capital Projects (100-43021)*

*Maysonnave Property (221-44061)*

*Gas Tax / Streets (302-51001)*

*Cemeteries (501-61010)*

*Water Utility (510-62001)*

*Dan Takasugi, P.E., Public Works Director / City Engineer*

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**DESCRIPTION:**

The mission of the Public Works Department is to maintain, operate, and improve the City's infrastructure to serve the needs of its citizens. The Department is responsible for managing and maintaining streets, water distribution, well water supply, storm drainage, parks and trails, City-owned streetlights, City-owned buildings, and the City-owned cemeteries. The Department also serves a coordination role for special events, other utilities, and solid waste collection services. City Engineering services are provided. Public Works has 21 full-time staff positions and 2 part-time positions (see Public Works Department Organizational Chart below). The Department seeks to cross-train staff in order to maximize cross-functional resource sharing efficiencies across various programs.

The Parks program is funded through the General Fund. There are 17 parks encompassing nearly 40 acres, nine play structures, two public restrooms, Class I bike trail, hiking trail, a duck pond, and a rose garden. The Parks program strives to make all City parks safe, functional, and presentable to its citizens and visitors. The Parks staff also perform vandalism abatement and are closely involved in Special Event planning.

The Facilities Maintenance program maintains over 48,000 square feet of building space in eight facilities, managing a janitorial contract and performing maintenance. The Public Works Department also administers the Bond and Maysonnave Properties. In Fiscal Year 2016 -2017, the Bond Fund was closed to the general fund. Ongoing costs related to maintenance of the Bond Property will be borne by the General Fund.

The Engineering Services program includes: providing engineering and technical support to various City departments, providing responses to citizen inquiries about public infrastructure and traffic concerns, performing development review and plan check, performing engineering and construction management of capital improvement projects, providing mapping and engineering records support, and seeking grant funding for capital projects.

The Storm water Compliance program is a rapidly evolving function to comply with the State's recent mandates included in the Construction Storm water Permit and the Municipal Phase II Storm water Permit. The primary responsibility of this program is to ensure that local storm water drainage does not contain pollutants or erosive flow volumes. This program is funded primarily from the General Fund.

The Streets program, partially funded by Gas Tax, maintains the City's streets, bridges, sidewalks, street trees, and right of ways. There are 33.8 miles of streets, 11 bridges, 40 miles of storm drainage piping, 3 miles of roadside ditches, and 485 catch basins. Right-of-way code enforcement is a major responsibility that includes streets, sidewalks, drainage, trees, and signage. The Streets program keeps City right of ways in a safe and functional condition for multi-modal circulation.

The Cemetery program is funded by the Cemetery Enterprise. There are three cemeteries: Mountain, Veterans, and Valley cemeteries, encompassing over 15 usable acres. Operations and maintenance responsibilities include burial and inurnment preparation and coordination, grounds maintenance, mausoleum maintenance, road maintenance, and vandalism abatement. For the last two years, the General Fund has made transfers to the Cemetery Fund to balance the budget. In prior years, the Cemetery Fund was submitted with expenses exceeding revenues. This year, Cemetery Fund revenue is anticipated to be sufficient to meet expenses and a transfer from the General Fund is not needed. Staff anticipates bringing recommendations to address the historical deficit to Council in the coming months.

The Water program is funded through the Water Enterprise. There are 4,380 water service connections/meters, 1,437 valves, 476 fire hydrants, six water tanks, eight wells, two booster pump stations, and 56 miles of water main. Last year, over 479 million gallons of water were delivered to customers. The Water program's primary responsibility is to deliver safe and reliable water to City residents and the outside service area, while seeking to improve water supply reliability and water conservation. City water continues to meet all state and federal drinking water standards. The water capital improvement plan is also managed from this program.

#### **FISCAL YEAR 2015 – 2016 ACCOMPLISHMENTS:**

- Completed the Well 8 / Field of Dreams Well Conversion Project, and as a result, improved water reliability for the City.
- Completed the East Napa Road Rehabilitation Project, implementing new Class II Bicycle Lanes and improved road conditions.
- Completed the Light-Emitting Diode (LED) Streetlight Conversion Project and replaced over 1,100 City streetlights with LED fixtures to conserve energy, reduce maintenance, and improve safety. This project is expected to reduce approximately 178,000 pounds of CO<sub>2</sub> annually.
- Completed the 2015 Slurry Seal Pavement Maintenance Project of 23 street segments on time and on budget.
- Completed the Broadway/Leveroui/Napa Intersection Safety Improvements Project.
- Completed stockpile bin covers and improved drainage at the Corp Yard.
- Completed Phase 3 of the New Sidewalk Trip Hazard Repair Program, repaired 783 trip hazards, while reducing City liability exposure.
- Completed the program to replace City street name signs to meet retro reflectivity standards and to reflect the historic nature of the City.
- Installed new Sister City Gateway signage in two locations to replace the aging signs.
- Created a Tour Bus Loading Zone in the Plaza Horseshoe to serve private shuttle buses.
- Completed an evaluation of the PCI rating, and the City received an increase in rating from 72 to 75.
- Performed an update to the Urban Water Management Plan, which is required every five years in accordance with the California Water Code.
- Implemented Stage 2 of the City's Water Conservation Contingency Plan to address the continuing drought conditions, in compliance with the State Emergency Conservation Regulations.
- Signed a Sonoma County Water Agency (SCWA) Recycled Water User Agreement and Cooperative Agreement for the use and funding of the Engler Street Recycled Water Pipeline Project, which will offset the City's supply demand. Project is expected to be initiated in Fiscal Year 2016/17.

- Signed a SCWA Agreement for Ownership and Transfer of Vaults to relocate flow meters and vaults at the Sonoma Reservoir Site.
- In cooperation with SCWA, the City installed a monitoring well for a Groundwater Banking project at the City's Well 6 north of the Veterans parking lot.

**MAKING STEADY PROGRESS ON THE FOLLOWING PROJECTS/PROGRAMS:**

- 2016 Slurry Seal Project
- 2016 Street Rehabilitation Project
- West Napa Street Water Improvements Project
- Chase Street Bridge Replacement Project
- Water Master Plan Update
- General Plan Circulation Element Update
- SCWA Recycled Water Project
- Groundwater Banking Project at Well 6
- Relocation of the SCWA Master Water Meter
- Citywide Sidewalk Repair Program, Phase 4
- Citywide Vehicle Speed Survey
- Feasibility Study of Recycled Water Delivery to the Plaza
- Establishment of a Groundwater Sustainability Agency

**RECOMMENDED BUDGET MODIFICATIONS:**

The recommended budget for Public Works Administration includes a decrease of \$47,907 (-3.9%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	(\$58,689)	Decrease is primarily due to an accounting change related to CalPERS unfunded liability.	Fiscal Management
Services & Supplies	(\$4,950)	Increase for Storm water Improvements at Depot Park and purchase of equipment offset by decreases in professional services and general supplies.	Infrastructure
Capital Projects	\$20,000	Replace railing and fence along Nathanson Creek	Infrastructure
Internal Fund Transfers	(\$4,268)	Decrease in Vehicle Replacement Costs and Management Information Services Costs offset by increase in Insurance Costs.	Fiscal Management

The recommended budget for the Streets (Capital Projects) includes a decrease of \$636,400 (-35.1%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Capital Projects	(\$636,400)	Decrease is primarily due to the completion of several capital projects in FY 2015/16.	Infrastructure

There are no recommended changes to the budget for the Maysonave Fund.

The recommended budget for Gas Tax includes a decrease of \$266,156 (-23.2%).

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	\$29,838	Increase in salary costs due to annual merit increases.	Fiscal Management
Services & Supplies	(\$100)	Minor changes in communications and travel budgets.	Infrastructure
Capital Projects	(\$335,034)	Decrease due to completion of LED lighting project budgeted in FY 2015/16.	Infrastructure
Internal Fund Transfers	\$8,762	Increase in Vehicle Replacement, Management Information Services, and Insurance Costs.	Fiscal Management
Transfers Out	\$30,378	Increase is primarily due to an accounting change related to CalPERS unfunded liability.	Fiscal Management

The recommended budget for Cemetery includes an increase of \$1,831 (less than 1%)

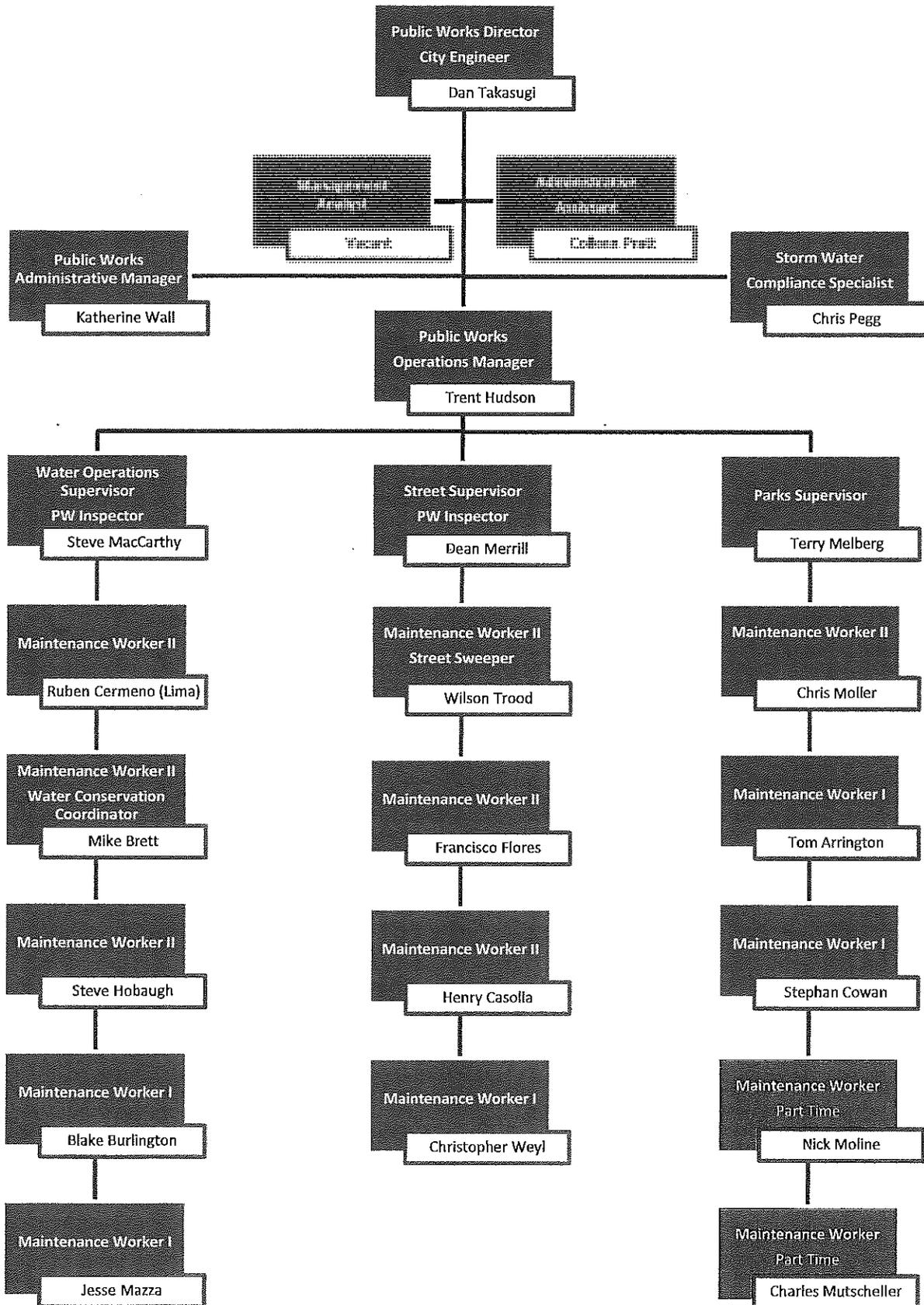
<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	(\$5,572)	Decrease is primarily due to an accounting change related to CalPERS unfunded liability.	Fiscal Management
Services & Supplies	\$2,800	Increase is primarily due to the need for additional weed and pest control services to reduce staff labor.	Infrastructure
Internal Fund Transfers	(\$3,087)	Increase in Management Information Services and Insurance Costs offset by decrease in Vehicle Replacement Costs.	Fiscal Management
Transfers Out	\$7,690	Increase is primarily due to an accounting change related to CalPERS unfunded liability.	Fiscal Management

The recommended budget for Water includes a decrease of \$344,861 (-4.2%)

<b>DEPARTMENT / CATEGORY</b>	<b>COST INCREASE (REDUCTION)</b>	<b>DETAILS</b>	<b>COUNCIL GOAL</b>
Salaries & Benefits	(\$4,508)	Decrease is primarily due to an accounting change related to CalPERS unfunded liability.	Fiscal Management
Services & Supplies	\$71,900	Increase for recycled water feasibility study and master meter relocation.	Infrastructure, Water
Capital Projects	(\$440,029)	Decrease is primarily due to the completion of several capital projects in FY 2015/16.	Infrastructure, Water
Internal Fund Transfers	\$6,630	Increase in Long Term Building Maintenance and Vehicle Replacement transfers offset by decreases in Management Information Services and Insurance transfers.	Fiscal Management
Transfer Out	\$21,146	Increase is primarily due to an accounting change related to CalPERS unfunded liability.	Fiscal Management

# City of Sonoma

## Public Works Department Organizational Chart



DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
110 REGULAR EMPLOYEES	303,327	412,686	393,972
112 COLA FY 14-15	7,853	0	0
120 TEMPORARY/PART-TIME	33,262	35,390	36,446
130 OVERTIME	1,600	1,833	2,000
<b>100E SALARY &amp; WAGES</b>	<b>346,042</b>	<b>450,908</b>	<b>432,419</b>
290 EMPLOYEE BENEFITS	120,624	176,509	138,441
291 WORKERS COMP	15,775	21,497	21,235
<b>200E EMPLOYEE BENEFITS</b>	<b>136,399</b>	<b>199,874</b>	<b>159,676</b>
350 PROFESSIONAL/TECHNICAL	62,100	60,100	35,100
<b>300E PROFESSIONAL SERVICES</b>	<b>62,100</b>	<b>60,100</b>	<b>35,100</b>
401 UTILITIES	15,000	90,000	90,000
403 CUSTODIAL (Inc. Supplies)	1,500	1,500	1,500
404 REPAIR & MAINTENANCE	45,730	45,730	57,730
406 RENTAL/LEASE-EQUIPMENT	5,000	5,000	5,000
407 CONTRACT SERVICES	84,960	84,960	84,960
420 OTHER PROPERTY SVS	32,000	36,755	36,755
<b>400E PROPERTY SERVICES</b>	<b>184,190</b>	<b>263,945</b>	<b>275,945</b>
452 COMMUNICATIONS	1,800	4,050	2,600
454 PRINTING & BINDING	750	750	750
455 TRAVEL	0	1,000	500
456 MEMBERSHIPS	5,639	5,639	5,639
457 TRAINING/CONFERENCES	13,400	13,400	13,400
460 PERMITS, FEES	12,680	13,329	13,329
480 OTHER SERVICES	20,000	20,000	20,000
491 DISASTER PREPAREDNESS	500	500	500
<b>450E OPERATIONS</b>	<b>54,769</b>	<b>58,668</b>	<b>56,718</b>
501 GENERAL SUPPLIES	29,250	29,250	53,250
505 ENERGY - GASOLINE	18,000	18,000	18,000
508 CLOTHING/UNIFORMS	5,600	5,600	5,600
510 DEPARTMENT EXPENSE	20,000	24,000	0
<b>500E SUPPLIES</b>	<b>72,850</b>	<b>76,850</b>	<b>76,850</b>
604 MACHINERY AND EQUIPMENT	0	10,000	20,000
<b>600E CAPITAL ASSETS</b>	<b>0</b>	<b>10,000</b>	<b>20,000</b>
703 CONSTRUCTION, MATERIAL, SU	0	0	20,000
750 LONG-TERM BUILDING MAINT	7,929	7,929	7,929
760 VEHICLE REPLACEMENT TRANSF	16,161	74,286	68,477
770 MIS REPLACEMENT TRANSFER	10,345	10,309	10,291
780 INSURANCE TRANSFER	17,010	18,469	20,028
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>51,445</b>	<b>110,993</b>	<b>126,725</b>
<b>40000 TOTAL EXPENSE</b>	<b>907,796</b>	<b>1,231,338</b>	<b>1,183,432</b>
NET REVENUE VS EXPENDITURE	-907,796	-1,226,583	-1,183,432

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
404 REPAIR & MAINTENANCE	50,000	50,000	50,000
400E PROPERTY SERVICES	50,000	50,000	50,000
702 ENG. DESIGN	401,000	34,000	153,000
703 CONSTRUCTION, MATERIAL, SU	1,699,964	1,728,400	973,000
700E INTERNAL SERVICE & CAPITA	2,100,964	1,762,400	1,126,000
40000 TOTAL EXPENSE	2,150,964	1,812,400	1,176,000
NET REVENUE VS EXPENDITURE	-2,150,964	-1,812,400	-1,176,000

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
37201 TRANSFER FROM RESERVES	10,317	10,430	10,430
3500 MISCELLANEOUS	10,317	10,430	10,430
30000 TOTAL REVENUE	10,317	10,430	10,430
404 REPAIR & MAINTENANCE	3,500	3,500	3,500
400E PROPERTY SERVICES	3,500	3,500	3,500
750 LONG-TERM BUILDING MAINT	6,817	1,930	1,930
700E INTERNAL SERVICE & CAPITA	6,817	1,930	1,930
900 OPER. TRANSFERS-OUT	0	5,000	5,000
900E TRANSFERS	0	5,000	5,000
40000 TOTAL EXPENSE	10,317	10,430	10,430

DESCRIPTION	2015	2016	2017
	BUDGET	BUDGET	BUDGET
31105 HWY USERS TAX-PROP 42	112,186	48,924	25,787
<b>3100 STATE REVENUES</b>	<b>112,186</b>	<b>48,924</b>	<b>25,787</b>
31201 STATE GASOLINE TAX - 210	51,557	61,709	68,284
31202 STATE GASOLINE TAX - 210	44,923	36,614	38,130
31203 STATE GASOLINE TAX - 210	63,349	84,367	94,823
31204 STATE GASOLINE TAX - 210	10,200	3,000	3,000
<b>3120 CAPITAL PROJECTS</b>	<b>170,029</b>	<b>185,690</b>	<b>204,237</b>
36104 PROCEEDS FROM ISSUANCE O	0	250,000	0
<b>3500 MISCELLANEOUS</b>	<b>0</b>	<b>250,000</b>	<b>0</b>
37200 TRANSFER IN	548,025	660,489	648,923
<b>3700 TRANSFERS</b>	<b>548,025</b>	<b>660,489</b>	<b>648,923</b>
<b>30000 TOTAL REVENUE</b>	<b>830,240</b>	<b>1,145,103</b>	<b>878,947</b>
110 REGULAR EMPLOYEES	322,424	311,029	348,493
112 COLA FY 14-15	7,200	0	0
130 OVERTIME	3,600	0	3,000
<b>100E SALARY &amp; WAGES</b>	<b>333,224</b>	<b>307,677</b>	<b>351,493</b>
290 EMPLOYEE BENEFITS	121,622	112,828	98,092
291 WORKERS COMP	15,111	16,038	17,193
<b>200E EMPLOYEE BENEFITS</b>	<b>136,733</b>	<b>129,263</b>	<b>115,285</b>
311 ACCOUNTING/AUDIT	1,000	1,000	1,000
314 ENGINEERING	30,000	30,000	30,000
350 PROFESSIONAL/TECHNICAL	5,000	5,000	5,000
<b>300E PROFESSIONAL SERVICES</b>	<b>36,000</b>	<b>36,000</b>	<b>36,000</b>
401 UTILITIES	69,900	69,900	69,900
403 CUSTODIAL (Inc. Supplies)	2,620	2,620	2,620
404 REPAIR & MAINTENANCE	91,000	91,000	91,000
407 CONTRACT SERVICES	20,000	20,000	20,000
<b>400E PROPERTY SERVICES</b>	<b>183,520</b>	<b>183,520</b>	<b>183,520</b>
452 COMMUNICATIONS	3,200	6,200	5,600
454 PRINTING & BINDING	3,000	3,000	3,000
455 TRAVEL	0	0	500
456 MEMBERSHIPS	650	650	650
457 TRAINING/CONFERENCES	5,000	5,000	5,000
460 PERMITS, FEES	3,900	3,900	3,900
480 OTHER SERVICES	15,000	15,000	15,000
491 DISASTER PREPAREDNESS	500	500	500
<b>450E OPERATIONS</b>	<b>31,250</b>	<b>34,250</b>	<b>34,150</b>
501 GENERAL SUPPLIES	18,800	18,307	18,307
505 ENERGY - GASOLINE	12,500	12,500	12,500
508 CLOTHING/UNIFORMS	3,925	3,925	3,925
<b>500E SUPPLIES</b>	<b>35,225</b>	<b>34,732</b>	<b>34,732</b>
604 MACHINERY AND EQUIPMENT	10,000	31,570	0
606 SOFTWARE	0	7,500	7,500
<b>600E CAPITAL ASSETS</b>	<b>10,000</b>	<b>39,070</b>	<b>7,500</b>
703 CONSTRUCTION, MATERIAL, SU	0	335,034	0
760 VEHICLE REPLACEMENT TRANSF	0	0	4,024
770 MIS REPLACEMENT TRANSFER	9,596	10,471	12,505
780 INSURANCE TRANSFER	16,998	13,779	16,483
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>26,594</b>	<b>359,284</b>	<b>33,012</b>
900 OPER. TRANSFERS-OUT	47,694	52,877	83,255
903 TRSF IN REIMB VEHICLE PUR	-10,000	-31,570	0
<b>900E TRANSFERS</b>	<b>37,694</b>	<b>21,307</b>	<b>83,255</b>
<b>40000 TOTAL EXPENSE</b>	<b>830,240</b>	<b>1,145,103</b>	<b>878,947</b>
NET REVENUE VS EXPENDITURE	0	0	0

DESCRIPTION	2015	2016	2017
	BUDGET	BUDGET	BUDGET
30600 INTEREST INCOME	28,000	0	0
<b>3060 INTEREST &amp; RENTS</b>	<b>28,000</b>	<b>0</b>	<b>0</b>
34001 SALES & SERVICES	102,300	102,300	105,000
34020 OTHER CEMETERY REVENUES	60,000	60,000	64,599
<b>3400 CEMETERY</b>	<b>162,300</b>	<b>162,300</b>	<b>169,599</b>
37200 TRANSFER IN	179,832	91,147	85,678
<b>3700 TRANSFERS</b>	<b>179,832</b>	<b>91,147</b>	<b>85,678</b>
<b>30000 TOTAL REVENUE</b>	<b>370,132</b>	<b>253,447</b>	<b>255,277</b>
110 REGULAR EMPLOYEES	135,907	96,052	95,600
112 COLA FY 14-15	2,300	0	0
120 TEMPORARY/PART-TIME	14,451	16,011	17,364
130 OVERTIME	0	0	2,000
<b>100E SALARY &amp; WAGES</b>	<b>152,658</b>	<b>112,063</b>	<b>114,964</b>
290 EMPLOYEE BENEFITS	59,483	46,036	37,355
291 WORKERS COMP	7,047	5,365	5,573
<b>200E EMPLOYEE BENEFITS</b>	<b>66,530</b>	<b>51,401</b>	<b>42,928</b>
350 PROFESSIONAL/TECHNICAL	14,500	14,500	14,500
<b>300E PROFESSIONAL SERVICES</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>
401 UTILITIES	10,000	10,000	10,000
404 REPAIR & MAINTENANCE	3,000	3,000	3,000
406 RENTAL/LEASE-EQUIPMENT	800	800	800
407 CONTRACT SERVICES	10,000	10,000	18,000
420 OTHER PROPERTY SVS	5,000	5,000	2,500
<b>400E PROPERTY SERVICES</b>	<b>28,800</b>	<b>28,800</b>	<b>34,300</b>
452 COMMUNICATIONS	600	1,350	1,000
455 TRAVEL	0	0	150
456 MEMBERSHIPS	450	450	450
457 TRAINING/CONFERENCES	2,000	2,000	1,500
480 OTHER SERVICES	5,000	5,000	2,500
<b>450E OPERATIONS</b>	<b>8,050</b>	<b>8,800</b>	<b>5,600</b>
501 GENERAL SUPPLIES	5,000	5,000	5,000
505 ENERGY - GASOLINE	1,000	1,000	1,500
508 CLOTHING/UNIFORMS	300	1,100	1,100
520 CLOTHING EXPENSE	800	0	0
530 COMMUNICATIONS	800	0	0
<b>500E SUPPLIES</b>	<b>7,900</b>	<b>7,100</b>	<b>7,600</b>
750 LONG-TERM BUILDING MAINT	721	721	721
760 VEHICLE REPLACEMENT TRANSF	4,676	4,676	767
770 MIS REPLACEMENT TRANSFER	6,322	3,434	3,867
780 INSURANCE TRANSFER	9,846	4,611	5,000
<b>700E INTERNAL SERVICE &amp; CAPITA</b>	<b>21,565</b>	<b>13,442</b>	<b>10,355</b>
900 OPER. TRANSFERS-OUT	42,129	17,340	25,030
<b>900E TRANSFERS</b>	<b>42,129</b>	<b>17,340</b>	<b>25,030</b>
<b>40000 TOTAL EXPENSE</b>	<b>342,132</b>	<b>253,447</b>	<b>255,277</b>
NET REVENUE VS EXPENDITURE	28,000	0	0

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
37201 TRANSFER FROM RESERVES	0	50,000	50,000
3500 MISCELLANEOUS	0	50,000	50,000
30000 TOTAL REVENUE	0	50,000	50,000
900 OPER. TRANSFERS-OUT	0	50,000	50,000
900E TRANSFERS	0	50,000	50,000
40000 TOTAL EXPENSE	0	50,000	50,000

DESCRIPTION	2015 BUDGET	2016 BUDGET	2017 BUDGET
30109 CAPITAL IMPROV. FEES	0	0	15,000
30110 IMPACT FEES/MITIGATION	0	0	15,000
<b>3010 FEES</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
37201 TRANSFER FROM RESERVES	0	0	30,000
<b>3500 MISCELLANEOUS</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
<b>30000 TOTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>60,000</b>
900 OPER. TRANSFERS-OUT	0	0	60,000
<b>900E TRANSFERS</b>	<b>0</b>	<b>0</b>	<b>60,000</b>
<b>40000 TOTAL EXPENSE</b>	<b>0</b>	<b>0</b>	<b>60,000</b>

**City of Sonoma  
FY 2016-17 Maintenance and Capital Improvement Program**

EXHIBIT "B"

							Projected Funding Sources - FY 2017 ONLY						
Project	Approximate Project Expenses To-Date	Estimated FY17 Project Expenses	Estimated Project Expenses After FY17	Estimate of Total Project Cost	Project Contact	LTBM 610	GF-SPECIAL PROJECTS FUND 100	WATER CIP 512	STREETS CIP 100	CEMETERIES CIP 501	PARKS CIP 100-43020	GRANTS see Comments	COMMENTS / FUNDING and GRANT EXPLANATIONS
<b>Streets/Sidewalks/Bikeways Improvements</b>													
SS-1	Citywide Sidewalk Repair Program		50,000			Takasugi			50,000				Streets CIP = \$50,000 (FY16/17) Phase 4 of the sidewalk inspection, repair, and cost-share program, planned at \$50K per year.
SS-2	2016 Street Slurry Seal Program	17,500	155,000		172,500	Takasugi			155,000				Streets CIP = \$155,000 (FY16/17) Approximately \$5,000 will be used toward construction management/inspection and \$150,000 is budgeted for construction.
SS-3	2016 Street Rehabilitation Program	88,000	648,000		736,000	Takasugi			648,000				Streets CIP = \$648,000 (FY16/17) Approximately \$82,000 will be used toward construction management/inspection and \$566,000 is budgeted for construction.
SS-4	2017 Street Slurry Seal Program		18,000	155,000	173,000	Takasugi			18,000				Streets CIP = \$18,000 (FY 16/17) Budget is for design services.
SS-5	Chase Street Bridge Replacement Project	525,000	45,000	1,809,266	2,379,266	Takasugi			45,000			70,000	Federal HBRR Grant = \$2,045,348 Total Local Match = \$264,997 Streets CIP = \$45,000 (FY 16/17) Budget will be used for design services, ROW services, and engineering support.
SS-6	Fryer Creek Bridge Replacement Project		90,000			Takasugi			90,000				Project budget amount is dependent on if City receives grant funding for the project. Streets CIP = \$90,000 (FY16/17) Approximately \$90,000 will be used for design services this fiscal year.
<b>Streets/Sidewalks/Bikeways Total</b>		<b>630,500</b>	<b>1,006,000</b>	<b>1,964,266</b>	<b>3,460,766</b>				<b>1,006,000</b>			<b>70,000</b>	
<b>Water Mains, Wells, Pumps Improvements</b>													
WM-1	2017 Street Rehab and Water Services Replacement		50,000			Takasugi		50,000					Water CIP = \$50,000 (FY16/17) Project includes annual street rehab and will also replace old water service lines that are at the end of their useful life and may be leaking; FY 16/17 budget includes design cost only.
WM-2	Groundwater Banking Pilot Project	26,300	6,000		32,300	Takasugi		6,000					Water CIP = \$6,000 (FY 16/17) SCWA is seeking grant funding to assist with implementation of pilot project; this fiscal year budget will be used to complete the CEQA and regulatory permitting requirements.
WM-3	West Napa Street Water Main & Services Replacement (Broadway-Staples)	158,200	2,922,604		3,080,804	Takasugi		2,922,604					Water CIP = \$2,922,604 (FY 16/17) Need to complete prior to Caltrans West Napa Street repair project (Caltrans anticipated programming scheduled for 2018/19); Budget includes \$259,604 for construction management and engineering services as well as \$2,663,000 for construction.
WM-4	Replace Water Meter Registers and Radios		50,000			Takasugi		50,000					Water CIP = \$50,000 (FY16/17) Replaces old meter registers/radios that are out of warranty and have no leak detection capability.
WM-5	Recycled Water Turnout to Engler Park		50,000		50,000	Takasugi		50,000					Water CIP = \$50,000 (FY16/17) City cost to extend recycled water 1-block from Fifth St. East in conjunction with SCWA recycled water extension.
WM-6	Water Master Plan		100,000		100,000	Takasugi		100,000					Water CIP = \$100,000 (FY16/17)
<b>Water Mains, Wells, Pumps Total</b>		<b>184,500</b>	<b>3,178,604</b>	<b>-</b>	<b>3,263,104</b>			<b>3,178,604</b>					
<b>Total of All City Projects</b>		<b>832,225</b>	<b>4,785,879</b>	<b>1,964,266</b>	<b>7,342,370</b>		<b>341,275</b>	<b>3,298,604</b>	<b>1,126,000</b>		<b>20,000</b>	<b>70,000</b>	
<b>SONOMA AS SUCCESSOR AGENCY</b>													

**City of Sonoma  
 FY 2016-17 Maintenance and Capital Improvement Program**

EXHIBIT "B"

Project	Approximate Project Expenses To-Date	Estimated FY17 Project Expenses	Estimated Project Expenses After FY17	Estimate of Total Project Cost	Project Contact	Projected Funding Sources - FY 2017 ONLY						COMMENTS / FUNDING and GRANT EXPLANATIONS	
						LTBM 610	GF-SPECIAL PROJECTS FUND 100	WATER CIP 512	STREETS CIP 100	CEMETERIES CIP 501	PARKS CIP 100-43020		GRANTS see Comments
2011 CDA TAX ALLOCATION BOND PROJECTS (THAT ARE NOT LISTED ABOVE)	579,000	-	4,759,100	4,759,100	Takasugi								Given the hold on CDA TAB Projects, some projects are proceeding as listed above. The figures in this row only account for the projects listed in the 2011 CDA TAB Project List that are not otherwise included in the City Projects above.
<b>Total of All Capital Improvement Projects</b>	<b>1,411,225</b>	<b>4,785,879</b>	<b>6,723,366</b>	<b>12,101,470</b>		<b>341,275</b>	<b>-</b>	<b>3,298,604</b>	<b>1,126,000</b>	<b>-</b>	<b>20,000</b>	<b>70,000</b>	

**City of Sonoma**  
**FY 2016-17 Maintenance and Capital Improvement Program**

EXHIBIT "B"

							Projected Funding Sources - FY 2017 ONLY						
Project	Approximate Project Expenses To-Date	Estimated FY17 Project Expenses	Estimated Project Expenses After FY17	Estimate of Total Project Cost	Project Contact	LTBM 610	GF-SPECIAL FUND 100	WATER CIP 512	STREETS CIP 100	CEMETERIES CIP 501	PARKS CIP 100-43020	GRANTS see Comments	COMMENTS / FUNDING and GRANT EXPLANATIONS
<b>City Buildings</b>													
PB-1	Youth Center (VOMNS) ADA Improvements	17,225	116,175	-	133,400	Wirick	116,175						LTBM - 100% of project costs (Start Construction - Summer 2016)
PB-2	Carnegie Bldg - Repairs, Repainting, Carpet Replacement and Public Restroom Improvements	-	163,800	-	163,800	Wirick	163,800						LTBM - 100% of project costs (Start Construction - Late Winter 2016)
PB-3	Depot Museum ADA and Code Improvements	-	42,800	-	42,800	Wirick	42,800						LTBM - 100% of project costs (Start Construction - Early Winter 2016)
PB-4	Fire Station Stairway Flooring Replacement Project	-	18,500	-	18,500	Francheschi	18,500						LTBM - 100% of project costs (Start Construction - Early Winter 2016)
<b>City Building Totals</b>		17,225	341,275	-	358,500		341,275	-	-	-	-	-	
<b>Parks, Cemeteries and Open Space</b>													
PC-1	Replace Railing/Fence along Nathanson Creek		20,000		20,000	Takasugi						20,000	Parks CIP = \$20,000 (FY 16/17) Project includes replacing failing railing/fence along Nathanson Creek on 2nd Street East and Napa Street.
<b>Parks, Cemeteries and Open Space Totals</b>		-	20,000	-	20,000		-	-	-	-	20,000	-	
<b>Combined Water and Street Improvements</b>													
SW-1	Corp Yard Warehouse ADA Restroom and Emergency Shower Improvements	-	200,000		200,000	Takasugi		100,000	100,000				Design and construction cost is estimated to be \$200,000 in 16/17 Water CIP = 50% of project costs \$100,000 (FY16/17) Streets CIP = 50% of project costs \$100,000 (FY16/17)
SW-2	Corp Yard Paving Stormwater Gutter Installation		40,000		40,000	Takasugi		20,000	20,000				Water CIP = 50% of project costs \$20,000 (FY16/17) Streets CIP = 50% of project costs \$20,000 (FY16/17)
<b>Combined Water and Streets Totals</b>		-	240,000	-	240,000		-	120,000	120,000	-	-	-	