

**CONCURRENT REGULAR MEETINGS OF THE  
SONOMA CITY COUNCIL  
&  
SONOMA CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE  
DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY**

**Community Meeting Room, 177 First Street West, Sonoma CA**



**Wednesday February 17, 2016**

**6:00 p.m.**

\*\*\*\*

**AGENDA**

City Council  
Laurie Gallian, Mayor  
Madolyn Agrimonti, MPT  
David Cook,  
Gary Edwards  
Rachel Hundley

Be Courteous - **TURN OFF** your cell phones and pagers while the meeting is in session.

**OPENING**

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**  
**ROLL CALL** (Edwards, Hundley, Cook, Agrimonti, Gallian)

**1. COMMENTS FROM THE PUBLIC**

*At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the City Council at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Council consideration. Upon being acknowledged by the Mayor, please step to the podium and speak into the microphone. Begin by stating and spelling your name.*

**2. MEETING DEDICATIONS**

**3. PRESENTATIONS – None Scheduled**

**4. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL**

*All items listed on the Consent Calendar are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council, staff, or public request specific items to be removed for separate action. At this time Council may decide to change the order of the agenda.*

**Item 4A:**     **Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.** (Standard procedural action - no backup information provided)

**Item 4B:**     **Approval and ratification of the appointment of Robert Cory as the alternate commissioner on the Design Review & Historic Preservation Commission for an initial two-year term.**  
Staff Recommendation: Approve and ratify the appointment.

**5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY**

*(There were no items at the time of packet preparation)*

**6. PUBLIC HEARING – None Scheduled**

**7. REGULAR CALENDAR – CITY COUNCIL**

*(Matters requiring discussion and/or action by the City Council)*

**Item 7A:** Discussion, Consideration and Possible Action on Options for a Compromise Ordinance to Limit the Use of Leaf Blowers Within the City Limits. (City Manager)  
Staff Recommendation: Council discretion.

**Item 7B:** Presentation of FY 2015 - 2016 Midyear Budget; discussion, consideration and possible action on Amendments to the FY 2016 Operating Budget. (Finance Director)  
Staff Recommendation: Accept Mid-Year Budget Report and Adopt Resolution Amending Fiscal Year 2016 Operating Budget

**Item 7C:** Discussion, Consideration and Possible Action to Establish a Process for Determining Community Focus Per FY 2015-16 Council Goals. (City Manager)  
Staff Recommendation: Council discretion.

**8. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY**

*(There were no items at the time of packet preparation)*

**9. COUNCILMEMBERS' REPORTS AND COMMENTS**

**10. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF**

**11. COMMENTS FROM THE PUBLIC**

*At this time, members of the public may comment on any item not appearing on the agenda*

**12. ADJOURNMENT**

I do hereby certify that a copy of the foregoing agenda was posted on the City Hall bulletin board on February 11, 2016. Gay Johann, Assistant City Manager/City Clerk

***Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are normally available for public inspection the Wednesday before each regularly scheduled meeting at City Hall, located at No. 1 The Plaza, Sonoma CA. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the City Council regarding any item on this agenda after the agenda has been distributed will be made available for inspection at the City Clerk's office, No. 1 The Plaza, Sonoma CA during regular business hours.***

***If you challenge the action of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described on the agenda, or in written correspondence delivered to the City Clerk, at or prior to the public hearing.***

***In accordance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk (707) 933-2216. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.***



**CITY OF SONOMA**  
**City Council**  
Agenda Item Summary

City Council Agenda Item: 4B

Meeting Date: 02/17/2016

<b>Department</b> Administration	<b>Staff Contact</b> Gay Johann, Assistant City Manager/City Clerk
<b>Agenda Item Title</b> Approval and ratification of the appointment of Robert Cory as the alternate commissioner on the Design Review & Historic Preservation Commission for an initial two-year term.	
<b>Summary</b> <p>The Design Review Commission consists of 5 members and one alternate who serve at the pleasure of the City Council. At least four of the members and the alternate must be City residents. The members of the commission shall include persons who have demonstrated special interest, competence, experience or knowledge in the following areas: historic preservation, cultural geography, or other historic preservation-related discipline; architecture and architectural history; prehistoric and historic archaeology; urban planning; landscape architecture; or related disciplines, to the extent such persons are available in the community. All members must have demonstrated interest in and knowledge of the cultural heritage of the city.</p> <p>The purpose of the Design Review and Historic Preservation Commission is to protect the architectural heritage of Sonoma, identify and preserve significant historic resources, enhance the visual character of the built environment, and promote excellence in town design and architecture through its review of projects.</p> <p>Appointments to the Commission are made when a nomination made by the Mayor is ratified by the City Council. Mayor Gallian and Councilmember Hundley interviewed five applicants on February 8, 2016 and the Mayor has nominated Mr. Robert Cory for appointment to the Design Review &amp; Historic Preservation Commission to serve as the Alternate for an initial two-year term ending February 17, 2018.</p>	
<b>Recommended Council Action</b> Approve and ratify the appointment.	
<b>Alternative Actions</b> Council discretion.	
<b>Financial Impact</b> n/a	
<b>Environmental Review</b> <input type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration <input type="checkbox"/> Exempt <input checked="" type="checkbox"/> Not Applicable	<b>Status</b> <input type="checkbox"/> Approved/Certified <input type="checkbox"/> No Action Required <input type="checkbox"/> Action Requested
<b>Attachments:</b> Mr. Cory's Commission Application	

Copy to: Robert Cory via email

*Cory*



# CITY OF SONOMA

## COMMISSION APPLICATION

DEC 21 2015

CITY OF SONOMA

NAME: Robert Cory

ADDRESS: [REDACTED]

MAILING ADDRESS: SAME

CONTACT INFO (Please include daytime & evening phone numbers and email address):  
[REDACTED] FOR BOTH  
[REDACTED]

COMMISSION OF INTEREST: DESIGN REVIEW & HISTORIC PRESERVATION

HAVE YOU EVER ATTENDED A MEETING OF THIS COMMISSION? YES HOW MANY? 1

If you are not selected for the commission listed above, would you be interested in serving on any of our other commissions? If so, please indicate which commission(s): YES ?

HOW MANY YEARS HAVE YOU RESIDED IN SONOMA? 1 yr  
PRESENT OCCUPATION: RETIRED INTERIOR & ARCHITECTURAL DESIGNER

### EDUCATION

SCHOOL	MAJOR	GRADUATION DATE & DEGREE

### COMMUNITY SERVICE EXPERIENCE

ORGANIZATION	DATES SERVED	POSITION
<u>Sonoma Community</u>	<u>Creation</u>	

(Use additional paper if necessary)

OTHER RELEVANT EXPERIENCE OR EXPERTISE:

I DESIGNED SAMS TOWN Hwy 50  
I DESIGNED THE DOWNTOWN OF BIRBA CALIF

WHAT IS YOUR UNDERSTANDING OF THE ROLE AND RESPONSIBILITY OF THIS COMMISSION?

TO REVIEW FUTURE PROJECTS IN SONOMA & TO PROTECT  
EXISTING SITES

WHICH ACTIVITIES OF THIS COMMISSION INTEREST YOU THE MOST?

WHICH ACTIVITIES INTEREST YOU THE LEAST?

WHAT WOULD BE YOUR GOAL AS A COMMISSIONER?

TO KEEP SONOMA  
COMMUNITY

WHAT DO YOU FEEL YOU COULD CONTRIBUTE TO SEE THESE GOALS REALIZED?

MY BACKGROUND

PLEASE LIST TWO LOCAL REFERENCES AND THEIR PHONE NUMBERS:

TOWN - SONOMA COMMUNITY CENTER / LARRY BARRETT

SOME COMMISSION POSITIONS MUST BE FILLED BY A QUALIFIED ELECTOR OF THE CITY OF SONOMA. A QUALIFIED ELECTOR IS A PERSON WHO IS 1) A U.S. CITIZEN; 2) AT LEAST 18 YEARS OF AGE; AND 3) RESIDES WITHIN THE BOUNDARIES OF THE CITY OF SONOMA.

ARE YOU A QUALIFIED ELECTOR OF THE CITY OF SONOMA?  YES  NO

I DECLARE UNDER PENALTY OF PERJURY THE INFORMATION PROVIDED ON THIS APPLICATION IS TRUE AND CORRECT.

Robt Guy  
Applicant Signature

12/21/15  
Date

All submitted applications are available for public inspection.

Return completed form to:  
City Clerk  
City of Sonoma  
No. 1 The Plaza  
Sonoma CA 95476



**CITY OF SONOMA**  
**City Council**  
**Agenda Item Summary**

City Council Agenda Item: 7A

Meeting Date: 02/17/2016

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**Department**

Administration

**Staff Contact**

Carol E. Giovanatto, City Manager

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**Agenda Item Title**

Discussion, Consideration and Possible Action on Options for a Compromise Ordinance to Limit the Use of Leaf Blowers Within the City Limits

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**Summary**

The issue surrounding the regulation and use or prohibition of leaf blowers has been ongoing for a significant period of time with the most recent dating back to September 9th 2015 when staff presented the draft of a standalone ordinance specifically related to the use of leaf blowers in the City of Sonoma. On January 20, 2016 the Council gave consideration to placing one or more ballot measures on the November ballot to allow voters to decide the final outcome of the issue. Most public input that evening urged the Council to refrain from a ballot measure and to revisit the issue with a focus towards a compromise ordinance whereby three major areas be addressed including (1) only gas-powered leaf blowers be prohibited, (2) restrictions would apply Citywide to all users, and (3) one weekend day be included.

Following public comment, Council took up the issue of placing the leaf blower measure(s) on the ballot. After Council deliberation, a motion was put forward to place a measure to ban all gas-powered leaf blowers on the November ballot. Motion failed on a 2-3 vote. (Ayes: Edwards, Hundley; Noes: Cook, Agrimonti, Gallian). No further motions were put forth and the issue was closed due to inaction by the Council. Councilmember Cook then requested a future agenda item to consider a compromise ordinance to ban gas-power leaf blowers. To aid Council in their deliberations, staff has prepared the a draft ordinance that incorporates the basic tenants of a compromise.

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**Recommended Council Action**

Council discretion.

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**Alternative Actions**

Council discretion.

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**Financial Impact**

Conversion of City Public Works equipment from gas-powered to battery-power leaf blowers.  
Estimated cost \$10,000.

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**Environmental Review**

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

**Status**

- Approved/Certified
  - No Action Required
  - Action Requested
- 

**Attachments:**

Supplemental Report  
Draft Ordinance

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**Alignment with Council Goals:**

POLICY & LEADERSHIP: Provide continuing leadership as elected officials and residents of the community.

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## SUPPLEMENTAL REPORT

### Discussion, Consideration and Possible Action on Options for a Compromise Ordinance to Limit the Use of Leaf Blowers Within the City Limits

*For the Council meeting of February 17, 2016*

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The issue surrounding the regulation and use or prohibition of leaf blowers has been ongoing for a significant period of time with the most recent dating back to September 9th 2015 when staff presented the draft of a standalone ordinance specifically related to the use of leaf blowers in the City of Sonoma. On January 20, 2016 the Council gave consideration to placing one or more ballot measures on the November ballot to allow voters to decide the final outcome of the issue. Most public input that evening urged the Council to refrain from a ballot measure and to revisit the issue with a focus towards a compromise ordinance whereby three major areas be addressed including (1) only gas-powered leaf blowers be prohibited, (2) restrictions would apply Citywide to all users, and (3) one weekend day be included.

Following public comment, Council took up the issue of placing the leaf blower measure(s) on the ballot. After Council deliberation, a motion was put forward to place a measure to ban all gas-powered leaf blowers on the November ballot. Motion failed on a 2-3 vote. (Ayes: Edwards, Hundley; Noes: Cook, Agrimonti, Gallian). No further motions were put forth and the issue was closed due to inaction by the Council. Councilmember Cook then requested a future agenda item to consider a compromise ordinance to ban gas-power leaf blowers.

To aid Council in their deliberations, staff has prepared the a draft ordinance that incorporates the basic tenants of a compromise as follows:

- **TYPE OF EQUIPMENT ALLOWED:** Completely eliminate the use of all gas-powered leaf blower equipment within the city limits of Sonoma. All areas of the City would be open for use of electric or battery operated equipment.
- **HOURS OF OPERATION:** Monday-Saturday 8:00 a.m. - 3:00 p.m. except on City holidays.<sup>1</sup>
- **NOISE LEVEL:** The operation of leaf blowers shall comply with the noise ordinance, including the decibel limits applicable to residential power equipment.
- **ENFORCEMENT:** Under enforcement, both the property owner or tenant and the landscaper each will be subject to the penalty provisions under the ordinance. The fine that is imposed for violation of the ordinance will depend upon whether the violation is prosecuted as an infraction, misdemeanor or administratively.
- **ENFORCEMENT DATE:** Ordinance shall be enforced commencing July 4, 2016.

This compromise ordinance will be efficient in enforcement and would supersede all prior regulations. For consistency, the noise level is set at a level equal to all residential landscape equipment. The proposed draft also is silent on the requirement for marked vehicles due to the

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<sup>1</sup> For maximum clarity and efficiency of enforcement, consideration could be given to staying with the hours available for residential power equipment generally: Monday – Friday: 8:00 a.m. – 6:00 p.m.; Saturday: 9:00 a.m. – 6:00 p.m.; Sunday, city-designated holidays: 10:00 a.m. – 6:00 p.m.

redundant nature of this stipulation. Under the new code enforcement regulations, complaints can be filed utilizing vehicle license plate numbers. This will also eliminate the need for the City Prosecutor to conduct cite hearings to advise landscape contractors which will utilize his time for more pressing matters.

The draft ordinance is submitted for your discussion and consideration. Should the Council wish to entertain this draft ordinance, direction should be given to staff for possible changes or to agendize for a future meeting for first reading.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SONOMA  
ADDING CHAPTER 9.60 TO THE SONOMA MUNICIPAL CODE TO  
REGULATE AND PROHIBIT THE USE OF LEAF BLOWERS WITHIN THE  
CITY'S LIMITS**

**A. WHEREAS,** the purpose of this ordinance is to regulate the use of leaf blowers within the city, so as to prevent the unreasonable and continuous disruption of the community due to associated mechanical noise and the propensity of the devices to broadcast dust and other airborne pollutants into the air and onto nearby properties.

**B. WHEREAS,** the city has previously adopted restrictions on the operation of leaf blowers and now finds that strengthening those restrictions is appropriate.

**C. WHEREAS,** the City Council of the City of Sonoma finds that this ordinance is necessary for the protection of the public health, safety, and welfare.

**E. WHEREAS,** the City Council of the City of Sonoma finds that the amendments made by this ordinance are consistent with the goals and policies of the Sonoma General Plan and other adopted ordinances and regulations of the City of Sonoma.

**F. WHEREAS,** the City Council of the City of Sonoma finds that the adoption of this ordinance is categorically exempt from the requirements of the California Environmental Quality Act under the "general rule", pursuant to Section 15061(b)(3) of the CEQA Guidelines and is also exempt pursuant to Section 15305 (Minor Alterations to Land Use Limitations) of the CEQA Guidelines.

NOW THEREFORE, the City Council of the City of Sonoma does ordain as follows:

**Section 1.**

Chapter 9.60 is hereby added to the City of Sonoma Municipal Code to read as follows:

**CHAPTER 9.60**

**Sections:**

<b>9.60.010</b>	<b>Title.</b>
<b>9.60.015</b>	<b>Declaration of Nuisance</b>
<b>9.60.020</b>	<b>Definitions</b>
<b>9.60.030</b>	<b>Use Restricted</b>
<b>9.60.040</b>	<b>Exemptions</b>
<b>9.60.050</b>	<b>Violations, Penalties</b>

**9.60.010 Title.**

This chapter shall be known as the "City of Sonoma Leaf Blower Ordinance" and may be so cited.

**9.60.015 Declaration of Nuisance.**

A violation of this chapter shall constitute a public nuisance and, among other remedies available to the city, may be abated as provided in this code.

**9.60.020 Definitions.**

For purposes of this chapter, the terms in this section shall have the following meaning:

- A. "Holidays, city-designated"** mean those holidays designated as such by the city of Sonoma, including: New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, the day following Thanksgiving Day, Christmas Eve, and Christmas Day.

**B. "Leaf blower"** means a portable machine, powered by a gasoline engine or electric motor, used to blow, displace, or vacuum leaves, dirt, and/or debris.

1. **"Electrically-powered leaf blower"** means any leaf blower, leaf vacuum or other leaf gathering device powered by electric means, including but not limited to battery-powered leaf blowers and cordless rechargeable leaf blowers.

2. **"Gas-powered leaf blower"** means any leaf blower, leaf vacuum or other leaf-gathering device directly powered by an internal combustion or rotary engine using gasoline, alcohol or other liquid or gaseous fluid. Lawn mowers, lawn edgers and electrically-powered leaf blowers are not included in this definition.

**9.60.030 Use Restricted.**

A. In, on or upon any and all properties and areas within the city's corporate boundaries:

1. It is unlawful for any property owner (including the city) or tenant or any employee, agent or contractor working for a property owner or tenant to operate or authorize the operation of a gas-powered leaf blower at any time for any purpose.

B. In, on or upon any and all properties and areas within the city's corporate boundaries:

1. It is unlawful for any property owner or tenant or any employee, agent or contractor working for a property owner or tenant to operate or authorize the operation of any electrically-powered leaf blowers at any time for any purpose except as follows:

a. It shall be lawful to operate and/or authorize the operation of electrically-powered leaf blowers during the following days

and hours: Monday through Saturday, 8:00 a.m. to 3:00 p.m., except on city-designated holidays.

2. The operation of leaf blowers shall comply with noise limits set by SMC 9.56.050.

#### **9.60.04 Exemptions.**

The following shall be exempt from the provisions of this chapter:

A. Emergency vehicles and all necessary equipment, including leaf blowers, utilized by emergency responders for the purpose of responding to an emergency, or necessary to restore, preserve, protect or save lives or property from imminent danger of loss or harm; and

B. Work on capital improvements or repairs and maintenance on public property by employees or contractors of the city; provided, however, that in performing such improvement, repairs or maintenance, SMC 9.60.030 (A)(1) shall be complied with; and

#### **9.60.050 Violations, penalties.**

A. Any violation of this chapter may be enforced either as an infraction or as a misdemeanor, or by any remedy available to the city under this code, or under state law.

B. Notwithstanding the foregoing to the contrary, for a first violation of SMC 9.60.030, the violator shall be provided a written cease and desist warning along with a copy of this chapter.

1. Upon a second violation of SMC 9.60.030 at the same location or by the same person, should the city determine to enforce said section pursuant to SMC Chapter 1.30, a fine or penalty shall be imposed equal to the amount set forth in the Council Resolution adopted pursuant to SMC 1.12.010.D for a first violation. Upon a third violation of SMC 9.60.030 at the same location or by the same person, should the city determine to enforce said section pursuant to SMC Chapter 1.30, a fine or penalty shall be imposed equal to the amount set forth in the Council Resolution adopted pursuant to SMC 1.12.010.D for a

second violation, and so on for each succeeding violation of SMC 9.60.030.

2. Upon a second violation of SMC 9.60.030 at the same location or by the same person, should the city determine to enforce said section pursuant to SMC 1.12.010.A, a fine shall be imposed equal to the amount set forth at SMC 1.12.010.A.1. Upon a third violation of SMC 9.60.030 at the same location or by the same person within one year, should the city determine to enforce said section pursuant to SMC 1.12.010.A, a fine shall be imposed equal to the amount set forth in SMC 1.12.010.A.2, and so on for each succeeding violation of SMC 9.60.030 within one year.

C. This chapter may be enforced by any city of Sonoma employee or agent of the city with the authority to enforce any provision of the Sonoma Municipal Code or city ordinance.

**Section 2. Posting.** This ordinance shall be published in accordance with applicable provisions of law, by either:

publishing the entire ordinance once in the Sonoma Index Tribute, a newspaper of general circulation, published in the City of Sonoma, within fifteen (15) days after its passage and adoption, or publishing the title or appropriate summary in the Sonoma Index Tribune at least five (5) days prior to adoption, and a second time within fifteen (15) days after its passage and adoption with the names of those City Councilmembers voting for and against the ordinance.

**Section 3. Severability.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any

one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

**Section 4. Effective Date.**

This ordinance shall become effective thirty (30) days from and after the date of its passage. This ordinance shall be enforced commencing July 4, 2016.

THE FOREGOING ORDINANCE was first read and introduced at a regular meeting of the Sonoma City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016, and was passed and adopted at a regular meeting of the Sonoma City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Laurie Gallian  
Mayor of the City of Sonoma

Attest:

\_\_\_\_\_  
Gay Johann  
Assistant City Manager/City Clerk of the City of Sonoma

Approved as to form:

\_\_\_\_\_  
City Attorney of the City of Sonoma



*City of Sonoma*  
**City Council**  
**Agenda Item Summary**

City Council Agenda Item: 7B

Meeting Date: 02/17/2016

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**Department**

Finance

**Staff Contact**

DeAnna Hilbrants, Finance Director

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**Agenda Item Title**

Presentation of FY 2015 - 2016 Midyear Budget; discussion, consideration and possible action on Amendments to the FY 2016 Operating Budget

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**Summary**

On June 22, 2015 Council adopted the 2015-2016 Operating Budget. Now that the City has completed the first six months of operations, staff will present a status report of Revenue and Expenditures.

As a result of the mid-year budget review and due to events occurring subsequent to the adoption of the budget, staff is recommending several amendments to the adopted budget. A summary of the recommended changes are as follows:

<b>SUMMARY OF AMENDMENTS TO THE FY 2014-15 OPERATING BUDGET</b>	
General Fund	\$132,162
Gax Tax Fund	\$42,000

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**Recommended Council Action**

Accept Mid-Year Budget Report

Adopt Resolution Amending Fiscal Year 2016 Operating Budget

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**Alternative Actions**

Request additional information.

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**Financial Impact**

The requested modifications to the FY 15-16 Budget as presented, total \$174,162

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**Environmental Review**

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

**Status**

- Approved/Certified
  - No Action Required
  - Action Requested
- 

**Attachments:**

Midyear Budget Report with Appendix and Exhibit

Resolution with Attachment

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**Alignment with Council Goals:**

Fiscal Management: 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.



# City of Sonoma

## MID-YEAR FINANCIAL REPORT

### Fiscal Year 2015-2016

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The Mid-Year Budget report is a summary of activities of major funds of the City of Sonoma and is particularly focused on the general fund. This report is intended to provide the Council and the public with snapshot of financial activities and the state of the City's fiscal condition. The report is not inclusive of all transactions.

### GENERAL FUND

#### FISCAL 2015 - 2016 @ MIDYEAR – July 1, 2015 through December 31, 2015

Six months (50%) into the fiscal year, the City is *"in the black"* with no unanticipated drawdown from reserves. At December 31, 2015, General Fund revenue exceeds expenditures by approximately \$154,000 after excluding grant revenue and transfers that rely on expenditures taking place.

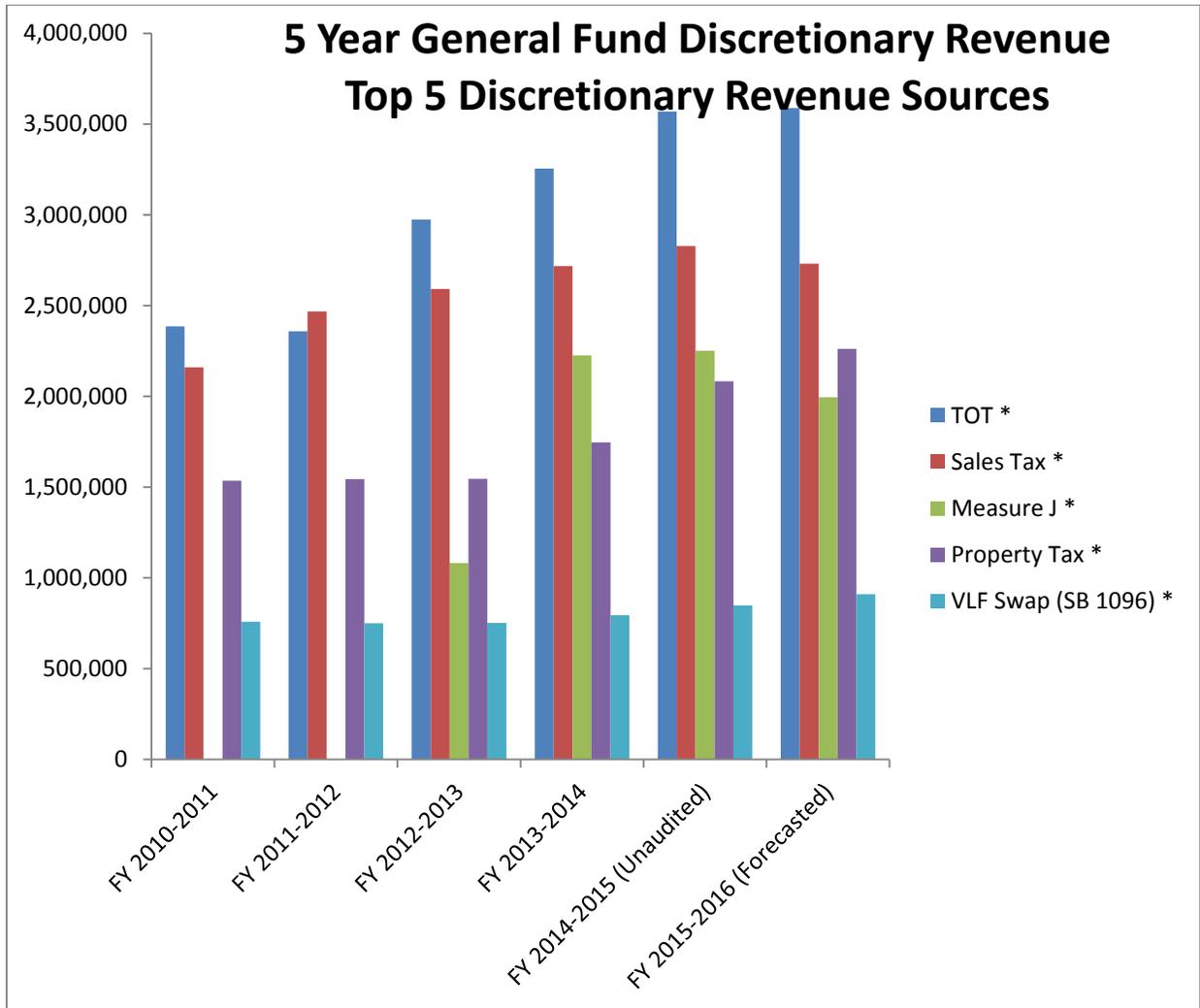
GENERAL FUND	CURRENT YEAR		% of Budget
	FY 15-16 Budget	Year to Date Actual	
Revenue*	\$15,164,752	\$7,562,315	50%
Expenditure**	\$15,164,752	\$7,408,321	44%
Balance	0	\$191,779	

\* Actual Budgeted General Fund Revenue and Expense for 2015 – 2016 is \$16,826,752. Grants and transfers that require expenses to take place have been excluded from this total.

\*\* Some of the difference between actual and budgeted expenses is a result of invoice timing. For example, utilities are typically billed after the activity takes place and, therefore may not be included in this snapshot.

**GENERAL FUND DISCRETIONARY REVENUE TRENDS**

Total revenues for Fiscal Year 2015 – 2016 is budgeted at \$16,826,752. Of this amount, \$12,526,241 is discretionary revenue with no restrictions on how it can be spent. Top discretionary revenue sources for the General Fund include: Transient Occupancy Tax (TOT), Sales Tax, Measure J Transactions and Use Tax, Property Tax, and Vehicle License Fee Swap (SB 1096). These revenue sources are continuing to grow but not at the same pace as in previous years. In addition, sales tax and Measure J revenue are trending downward from forecasts made during budget preparation. At this time, staff anticipates that unanticipated growth in other revenue sources will compensate for this shortfall, if needed. The Finance Department will continue to monitor all revenue closely and report back to Council if adjustments are required.



The following is excluded from discretionary revenue:

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

Appendix A provides a comprehensive summary of all general fund revenues by type over the last five years.

Over the past several years, Sonoma has recovered from the impacts of the downturn of the economy, loss of redevelopment, and reduction in the City's investment portfolio interest earnings. Surviving those impacts was only possible through the Council's sound fiscal policies, the passage of Measure J, the formation of the Tourism Improvement District to increase tourism-related revenues, and the rebound of the real estate market. In addition, for Fiscal Year 2015 – 2016 and in prior years, staff successfully applied for and received grants to support streets projects. Even though these grants require expenditures ahead of grant repayment, the overall revenue / expenditure picture for the city remains positive.

Overview of Primary Revenue sources at mid-year:

- **Transient Occupancy Tax**– TOT remains the City's largest revenue source and represents approximately 20% of general fund revenues. TOT collections at midyear are at 52% of budget. TOT collections have increased slightly over the same period last year but the rate of growth has declined from prior years.
- **Property Tax**– Property tax is received is at 64% of budget reflecting healthy property values. This includes an unanticipated payment for property tax increment from the Redevelopment Agency Property Tax Trust Fund (RPTTF). In 2014 – 2015, staff reported a potential shortfall in the Successor Agency to the Dissolved Sonoma Community Development Agency. Since that time, staff has worked with the Department of Finance to recover shortfalls in some Recognized Obligation Payment Schedule (ROPS) payments.
- **Sales Tax**: After several years of growth, Sales Tax appears to be declining from slightly from original forecasts provided during the budget preparation process. At this time, staff anticipates that unanticipated growth in other revenue sources will compensate for this shortfall. The Finance

Department will continue to monitor all revenue closely and report back to Council if adjustments are required.

- **Transactions and Use Tax / Measure J:** The voter-approved ½ percent sales tax measure is out-performing the original budget projections anticipated in the ballot measure. After outperforming original projections, Measure J appears to be declining from revenue forecasts made during budget preparation and from Fiscal Year 2014 – 2015 levels. At this time, staff anticipates that unanticipated growth in other revenue sources will compensate for this shortfall. The Finance Department will continue to monitor all revenue closely and report back to Council if adjustments are required.
  - **Vehicle License Fees/VLF Swap SB 1096** – Vehicle License Fees (VLF) are collected by the Department of Motor Vehicles and disbursed by the State Controller to the City. Collections are at 56% of budget at midyear.
  - **Real Estate Transfer Tax**– The Real Estate market appears to remain robust with the Transfer Tax revenue at 58% of budget.
  - **Franchise Taxes**– Franchise taxes are derived through agreements with Sonoma Garbage, Comcast Cable and P G & E. These taxes are calculated based on the revenue generated by each franchisee. The major franchisee, P G & E, remits taxes in arrears. Therefore, this revenue account is at 29% of budget but is anticipated to meet or exceed budget projections by year end.
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## GENERAL FUND EXPENDITURES:

Department managers and employees continue to be diligent in managing their individual departmental expenditures as reflected in the table below. With a few exceptions reflecting timing of payments (payments in advance) or one time large expenses (such as capital projects), all departments are at 50% of budget or lower. Community Activities and Successor Agency Departments reflect a greater expenditure level due to prepayments of approved expenses. Note that some of this difference is related to timing of invoices from vendors.

The following summarizes the individual departments in the General Fund and the expenditure level percentages.

Department	FY 2015 - 2016 Adopted Budget	Actual Expenses through 12/31/2015	Percent of Budget
City Council	\$ 84,818.00	\$ 41,145	49%
City Clerk	\$ 160,098.00	\$ 75,986	47%
City Manager	\$ 194,996.00	\$ 84,664	43%
Finance	\$ 222,437.00	\$ 106,145	48%
Legal	\$ 277,000.00	\$ 115,271	42%
Police	\$ 4,540,912.00	\$ 1,640,554	36%
Fire	\$ 5,044,719.00	\$ 2,523,112	50%
Public Works Admin & Parks	\$ 1,226,584.00	\$ 475,473	39%
Streets / Capital	\$ 1,812,400.00	\$ 900,756	50%
Planning	\$ 713,425.00	\$ 282,732	40%
Building	\$ 513,668.00	\$ 243,158	47%
Community Activities	\$ 348,984.00	\$ 193,015	55%
Successor Agency Administration	\$ 329,291.00	\$ 180,358	55%
Non Departmental	\$ 417,560.00	\$ 186,800	45%
Transfers Out	\$ 939,860.00	\$ 359,154	38%
<b>TOTAL</b>	<b>\$ 16,826,752.00</b>	<b>\$ 7,408,322</b>	<b>44%</b>

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## **OTHER MAJOR FUNDS:**

**Gas Tax (Fund 302):** Excluding the anticipated proceeds from PG&E Financing for the LED lighting project and budgeted transfer from the General Fund for this project, Gas Tax Revenues are at 51% of budget. Expenses are at 62% of budget primarily due to the LED lighting project which needs to be completed before funds from On Bill Financing can be drawn from PG&E. Additional appropriations are also requested to meet additional project costs for the LED lighting project. These additional costs are within the Council approved budget for the project but, since they were unknown at the time the budget was adopted, the recommended and adopted budget used project costs excluding contingency.

**Cemetery (Fund 501):** Cemetery revenues currently exceed budget. Since some of these revenues are advance payments against expenses (such as for grave markers), no changes are requested at this time to the Cemetery budget. Note that this report is reflective of the current year. Staff will be bringing a recommendation in the future regarding deficit balances in the Cemetery Fund.

**Water Fund (Fund 510):** Excluding the proposed transfer from reserves for capital projects, Water Revenues are at 57% of budget. Expenses are at 30%. This difference is primarily related to: timing of billing versus receipt of invoices for water from Sonoma County Water Agency and timing of capital projects. When capital projects are excluded from the calculation, expenses are at 40% of budget which is more typical when accounting for invoices that occur after services are provided.

## **FISCAL 2014 – 2015 YEAREND POSITION [PRIOR FISCAL YEAR]**

The results for prior fiscal year [FY 2014 - 2015] are still considered preliminary pending completion of the annual audit. The City anticipates closing the prior year with an increase to fund balance. For the Fiscal Year 2015 - 2016 Budget, \$682,000 in fund balance was rolled forward from Fiscal Year 2014 – 2015 due to timing of capital project expenditures. Due to ongoing work in reconciling other funds, completion of the annual audit and the ongoing need to evaluate the impacts of PERS costs and Affordable Care Impacts, staff will bring recommendations for use of any additional available funds during the annual budget process.

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## **RECOMMENDED BUDGET AMENDMENTS @ MIDYEAR**

As a result of the Midyear Budget review, staff is recommending certain amendments to the 2015 - 2016 operating budget. These proposed amendments are summarized in the attached Exhibit A: Proposed Amendments to the City of Sonoma Operating Budget for 2015 - 2016.

There is sufficient unanticipated revenue from excess RPTTF funds and unanticipated EMS revenue from the Intergovernmental Transfer (IGT) program to offset these additional expenses.

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### **ACTIONS REQUESTED AT MIDYEAR:**

- 1) Accept Mid-Year Report
  - 2) Adopt Resolution amending FY 2016 Operating Budget for the appropriations identified on the attached Exhibit A: Proposed Amendments to the City of Sonoma Operating Budget for 2015 - 2016.
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## Appendix A: 5 Year Revenue Summary, All General Fund Revenue Sources

Year		FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015 (Unaudited)	FY 2015-2016 (Forecasted)	FY 2015-2016 (Budgeted)
TOT	Discretionary	2,385,554	2,358,718	2,974,285	3,254,918	3,568,737	3,587,220	3,587,220
Sales Tax *	Discretionary	2,159,024	2,467,826	2,591,251	2,717,216	2,827,073	2,731,712	2,960,824
Measure J * #	Discretionary	N/A	N/A	1,081,166	2,225,657	2,252,141	2,122,826	2,292,845
Property Tax *	Discretionary	1,536,625	1,544,459	1,545,432	1,746,713	2,082,974	2,262,030	1,940,120
VLF Swap (SB 1096) *	Discretionary	758,639	750,732	752,054	794,157	849,291	909,674	817,236
Franchise Tax *	Discretionary	398,940	370,967	362,495	406,409	525,257	434,000	434,000
Business License Tax *	Discretionary	285,876	327,359	265,617	333,560	396,961	375,000	375,000
RPTTF * ^	Discretionary			908,630	311,187	243,584	101,755	0
Real Estate Transfer Tax *	Discretionary	65,490	80,536	90,219	115,555	137,313	125,000	125,000
Interest *	Discretionary	197,521	47,248	7,674	39,786	11,093	5,000	10,000
Motor Vehicle In Lieu * %	Discretionary	71,504	5,285	53,204	0	0	0	0
EMS		1,689,083	1,785,782	1,863,356	1,264,132	1,502,800	1,450,000	1,385,000
Rents & Fees		557,257	669,017	697,972	821,769	815,630	800,000	684,955
Transfers		1,252,433	788,824	639,288	544,163	566,989	1,260,966	1,260,966
RPTTF Admin				250,000		500,000	250,000	250,000
Public Safety Sales Tax		101,609	82,822	106,590	110,368	129,313	121,498	116,000
All Others		348,321	499,631	597,841	556,078	276,059	500,000	587,586

\* Represents Discretionary Revenue without expenditure restrictions

# Measure J was implemented in January 2013

^ RPTTF Revenue was initiated with the dissolution of Redevelopment in 2012. These funds represent Redevelopment increment funds remaining after Recognized Obligations are paid. In FY 2013 this figure was artificially high due to payment from the City upon dissolution of the Former Sonoma Community Development Agency

% In 2013, due to State action, Motor Vehicle in Lieu Funds were combined with Supplemental Law Enforcement State Grant Funds and are now restricted.

Exhibit A: Proposed Amendments to the 2015 - 2016 City of Sonoma Operating Budget

Mid-Year Budget Adjustments 2015 - 2016	Department	Object	Amount	Description
100-00000-000-30012	Revenue	RPTTF	\$ (101,755.00)	Residual RPTTF Payment (Unanticipated)
100-00000-000-33001	Revenue	EMS	\$ (30,407.00)	Unanticipated EMS Revenue from participation in the Intergovernmental Transfer (IGT) program authorized by City Council June 1, 2015.
100-41001-120-40120	City Council	Employee Benefits	\$ 5,500.00	Change in Council Benefit Elections
100-41004-454-60454	Finance	Printing and Binding	\$ 4,000.00	Cost of Business License Notices
100-41005-309-50309	Legal	Code Enforcement	\$ 26,000.00	Code Enforcement Agreement approved by City Council on February 1, 2016
100-42101-501-70501	Police Department	General Supplies	\$ 2,000.00	Replacement of Office Chairs
100-42101-604-70604	Police Department	Machinery and Equipment	\$ 2,000.00	Additional cost of replacement vehicle. Vehicle was budgeted at \$15,000 but is anticipated to cost \$17,000
100-42101-604-70604	Police Department	Machinery and Equipment	\$ 2,000.00	Used vehicle to replace traffic vehicle.
100-42201-350-50350	Fire	Professional / Technical Services	\$ 2,000.00	New Merchant Bankcard Services permitting acceptance of credit card for ambulance payments.
100-42201-550-70550	Fire	Major Equipment / EMS Supplies	\$ 4,705.00	Hardware required due to technology changes enabling EMS providers to send patient data from cardiac monitors to hospital.
100-42201-550-70550	Fire	Major Equipment / EMS Supplies	\$ 15,870.00	Purchase of autopulse mechanical CPR Device which improves patient outcomes in cardiac arrest situations.
100-42201-606-70606	Fire	Software	\$ 2,900.00	Software required to meet state mandate related to Patient Care Report Requirements
100-42201-607-70607	Fire	Computer Equipment / Maintenance	\$ 4,932.00	Hardware required to meet state mandate related to Patient Care Report Requirements
100-43020-350-50350	Public Works Administration and Parks	Professional / Technical Services	\$ 3,000.00	City share of costs for Trash Capture Study to meet requirements of State Water Quality Control Plan
100-43020-420-60420	Public Works Administration and Parks	Professional / Technical Services	\$ 1,755.00	Cost of mowing at Montini Preserve.
100-43200-501-70501	Non-Departmental	General Supplies	\$ 8,200.00	Unanticipated repairs at Carnegie Library.
100-43200-501-70501	Non-Departmental	General Supplies	\$ 5,300.00	New Christmas Tree for City Hall to coordinate with plaza lighting.
100-43999-900-90900	Transfers to Other Funds	Transfers Out	\$ 42,000.00	Transfer to Gas Tax Fund for LED Lighting Project due to approved change orders within Council authorized project budget.
302-00000-000-37200	Operating Transfers In	Transfers In	\$ (42,000.00)	Transfer from General Tax Fund for LED Lighting Project due to approved change orders within Council authorized project budget.
302-51001-703-70703	Gas Tax	Construction / Materials	\$ 42,000.00	Approved change orders for LED lighting project within Council authorized project budget.

**CITY OF SONOMA**

**RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA  
AMENDING THE FY 2015 - 2016 BUDGET

WHEREAS, the 2015 -2016 Fiscal Year Budget was adopted on June 22, 2015, and

WHEREAS, subsequent to its adoption issues have arisen which require amendments to the FY 2016 operating budget, and

WHEREAS, the City Council, following review of the 2016 Midyear Budget, determined that a budget amendment should be made as stated on Exhibit A: Amendments to the City of Sonoma Operating Budget for 2015 – 2016 to this resolution, and

WHEREAS, sufficient funds are available in the individual funds for this budget amendment.

NOW, THEREFORE, BE IT RESOLVED by this City Council that the Budget for Fiscal Year 2016 is hereby amended as stated.

The foregoing Resolution was duly adopted this 17<sup>th</sup> day of February 2016, by the following roll call vote:

AYES:  
NOES:  
ABSENT:

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Laurie Gallian, Mayor

ATTEST:

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Gay Johann  
Assistant City Manager/City Clerk

Exhibit A: Approved Amendments to the 2015 - 2016 City of Sonoma Operating Budget

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**CITY OF SONOMA**  
**City Council**  
**Agenda Item Summary**

City Council Agenda Item: 7C

Meeting Date: 02/17/2016

**Department**

Administration

**Staff Contact**

Carol E. Giovanatto, City Manager

**Agenda Item Title**

Discussion, Consideration and Possible Action to Establish a Process for Determining Community Focus Per FY 2015-16 Council Goals

**Summary**

Council Goals for 2015-16 includes a Key Element under CITY CHARACTER which states: *“Make a commitment to the community for special focus or dedication (i.e. the year of the children, the year of the neighborhoods)”*. In order to successfully accomplish this Key Element, staff suggests that Council have a more detailed discussion on what process may be undertaken to determine how the dedication is set. The following are two potential options for consideration:

1. Council could determine the designation during Goal-Setting discussion. Outreach would be solicited from the public as a part of Council Goals priority for the upcoming year. This would then also become an input tool for budget priorities or a focus area for the Community Fund grant applications.
2. The Mayor, upon appointment, could make a proposal as to their designation for Council ratification (in January). This then becomes the ‘theme’ for what they wish to represent for their year in office.

This Key Element was recommended as a part of Goals submitted from Mayor Pro Tem Agrimonti.

**Recommended Council Action**

Council discretion.

**Alternative Actions**

Council discretion.

**Financial Impact**

To be determined.

**Environmental Review**

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

**Status**

- Approved/Certified
- No Action Required
- Action Requested

**Attachments:**

None

**Alignment with Council Goals:**

CITY CHARACTER: To preserve, promote and celebrate the unique characteristics of Sonoma; encourage the incorporation of our history into City, community and business identities; focus on fostering a tourism economy while maintaining and strengthening historic values; create a sense of place for our residents in a safe, healthy & vibrant community; maintain Sonoma as a “hometown”

- ❖ Make a commitment to the community for special focus or dedication (i.e. the year of the children, the year of the neighborhoods)

cc:



**CITY OF SONOMA**  
 City Council  
 Agenda Item Summary

<b>Agenda Item:</b>	<b>9</b>
<b>Meeting Date:</b>	<b>02/17/2016</b>

<b>Department</b> Administration	<b>Staff Contact</b> Gay Johann, Assistant City Manager/City Clerk
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**Agenda Item Title**

Councilmembers' Reports on Committee Activities.

**Summary**

Council members will report on activities, if any, of the various committees to which they are assigned.

<b>MAYOR GALLIAN</b>	<b>MPT AGRIMONTI</b>	<b>CLM. COOK</b>	<b>CLM. EDWARDS</b>	<b>CLM. HUNDLEY</b>
City Audit Committee	LOCC North Bay Division Liaison	ABAG Alternate	ABAG Delegate	Cittaslow Sonoma Valley Advisory Council, Alt.
Marin/Sonoma Mosquito & Vector Control District	North Bay Watershed Association	City Audit Committee	Cittaslow Sonoma Valley Advisory Council	LOCC North Bay Division Liaison, Alternate
Sonoma County Mayors & Clm. Assoc. BOD	Sonoma County Mayors & Clm. Assoc. BOD, Alt.	City Facilities Committee	City Facilities Committee	Sonoma Clean Power Alt.
Sonoma County Trans. Authority & Regional Climate Protection Authority	Sonoma County Trans. & Regional Climate Protection Authority, Alternate	Oversight Board to the Dissolved CDA	Oversight Board to the Dissolved CDA, Alt.	Sonoma County M & C Assoc. Legislative Committee
Sonoma Disaster Council	Sonoma County Waste Management Agency	Sonoma Clean Power	Sonoma County Health Action & SV Health Roundtable	S. V. Citizens Advisory Commission
Sonoma Housing Corporation	Sonoma Disaster Council, Alternate	S.V. Economic Vitality Partnership, Alt.	Sonoma County M & C Assoc. Legislative Committee, Alt.	S.V. Economic Vitality Partnership
S.V.C. Sanitation District BOD	Sonoma Housing Corporation	S. V. Library Advisory Committee	Sonoma Valley Citizens Advisory Comm. Alt.	S. V. Library Advisory Committee, Alternate
S.V. Fire & Rescue Authority Oversight Committee	S.V.C. Sanitation District BOD, Alt.			
VOM Water District Ad Hoc Committee	S.V. Fire & Rescue Authority Oversight Committee			
Water Advisory Committee	VOM Water District Ad Hoc Committee, Alternate			
	Water Advisory Committee, Alternate			

**Recommended Council Action** – Receive Reports

**Attachments:** None