

ENTERPRISE FUNDS

**Water Utility - Operating
Cemetery - Operating**





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CITY OF SONOMA

Public Works Department **Water Utility (510-62001)**

Colleen Ferguson, Public Works Director/City Engineer
Sue Casey, Assistant City Manager

Providing High Quality, Dependable Water! Residents, visitors and businesses in Sonoma count on the City to deliver high quality, dependable water for a variety of community needs including consumption, irrigation and fire protection. The Water Utility is funded through the Water Enterprise Fund. The City's water sources come from the Sonoma County Water Agency (SCWA) Aqueduct and wells. The City's water system is a complex system of gravity, pumps, pipes, and tanks to distribute water to residences and businesses.

The City operates and maintains 4,404 water service connections/meters, 1,437 valves, 476 fire hydrants, six water tanks, eight wells, two booster pump stations, and 58 miles of underground water main pipes. Last year, over 574 million gallons of water were delivered to customers. The Water Utility'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.

Although most of the City's water is from the SCWA Aqueduct, the City's wells are a critical local water source during emergencies and provide cost-effective water for the community. In 2017, the City joined the Sonoma Valley Groundwater Sustainability Agency (SVGSA). The purpose of the SVGSA is to secure groundwater sustainability for the Sonoma Valley groundwater basin. The City's cost to participate in the SVGSA in Fiscal Year 2017-18 was \$97,767. The same amount is included in the approved SVGSA budget and in the City's proposed Fiscal Year 2018-19 budget.

As part of preparation of the Fiscal Year 2017-18 Water Utility budget, staff analyzed water rates and the finances of the Water Utility, as well as changes in laws governing water rates in California. In California, the creation of rates to charge water customers requires a detailed financial and rate analysis process to create a sustainable financial plan, an optimal rate structure based on various policy objectives, specific public noticing, and compliance with Proposition 218. The City Council has embarked on an update of the City's Water Rates and is holding several workshops to go through this process.

The following actions are included in the proposed FY 18/19 budget:

- **Complete Water Rate Study** – The new Water Rate Study, currently underway, will ensure the City's rates recover costs and fairly allocate those costs among our customers. On January 17, 2018, the City Council held its first Water Rate Study Workshop. The second workshop was held on March 19, 2018, with the purpose of providing the Council with background information regarding components of the Water Utility's financial plan. The third workshop, held on June 4, 2018, focused on an update of the financial plan, a review of the cost of service analysis, and some rate design options. A full Water Rate report is expected to be presented to the City Council at the June 25, 2018, meeting with recommended water rates for Council authorization to initiate

the Proposition 218 notice requirements and to hold the Proposition 218 public hearing in August.

- Complete Cost Allocation Plan – The new Cost Allocation Plan, currently underway, will review City-wide services and expenses to ensure they are allocated appropriately among the City's various programs, funds, and activities. Work to date on the Cost Allocation Plan indicates that there will be minimal overall negative impact to the Water Enterprise Fund.

The Water Rate Study and Cost Allocation Plan are expected to be completed by Summer 2018 and will involve ample opportunities for public input.

FISCAL YEAR 2017 – 2018 ACCOMPLISHMENTS:

- Responded to October Fires by staffing water operations 24 hours a day, 7 days a week, by working 2-person 12-hour shifts throughout the disaster. This effort kept the City's water system fully functional, with no loss of pressure or compromise in water quality. Electrical power outages left the water system dependent on backup generator power. When the permanent emergency generator serving the East Napa Street water pumping station failed, the issue was mitigated with a backup generator and repairs. Through their constant vigilance, the City's water maintenance staff kept water pumping uphill to the Thornsberry water tank that was supplying fire hydrants in active fire areas. Fire burned away the vegetation over the water main buried under a steep slope below the Thornsberry water tank. Post-fire watershed assessments identified this hillside as a risk during winter storms. City staff worked together to install erosion protection to protect this water main during winter storms so it could keep serving the community. Staff also worked with City Council to provide reduced water bills for customers who used more water than normal as a result of the October Fires.
- Fiscal Year 2017-18 operation and maintenance of 4,470 water service connections/meters, 1,437 valves, 476 fire hydrants, six water tanks, eight wells, two booster pump stations, and 58 miles of underground water main pipes.
- Continued water conservation community partnership activities.
- Continued water conservation messaging, resulting in a 15% water conservation rate compared to 2013 baseline.
- Completed a comprehensive Water Master Plan Update.
- Completed the Recycled Water Feasibility Analysis.
- Initiated the Water Rate Study and Cost Allocation Plan.
- Installed mixers at the Norrbom and Thornsberry water tanks, for water quality purposes.
- Coordinated with SCWA to convert City of Sonoma water meter reads to the relocated SCWA Master Water Meter at the outlet of the SCWA water tanks, reducing the probability of non-revenue water loss.
- Supported the new Sonoma Valley Groundwater Sustainability Agency (SV GSA), in compliance with the Sustainable Groundwater Management Act (SGMA), including Council appointment of a City of Sonoma representative to the SV GSA Advisory Committee.

FISCAL YEAR 2018 – 2019 GOALS:

- Continue successful operation and maintenance of the City's water supply and distribution system.
- Continue water conservation community partnership activities.

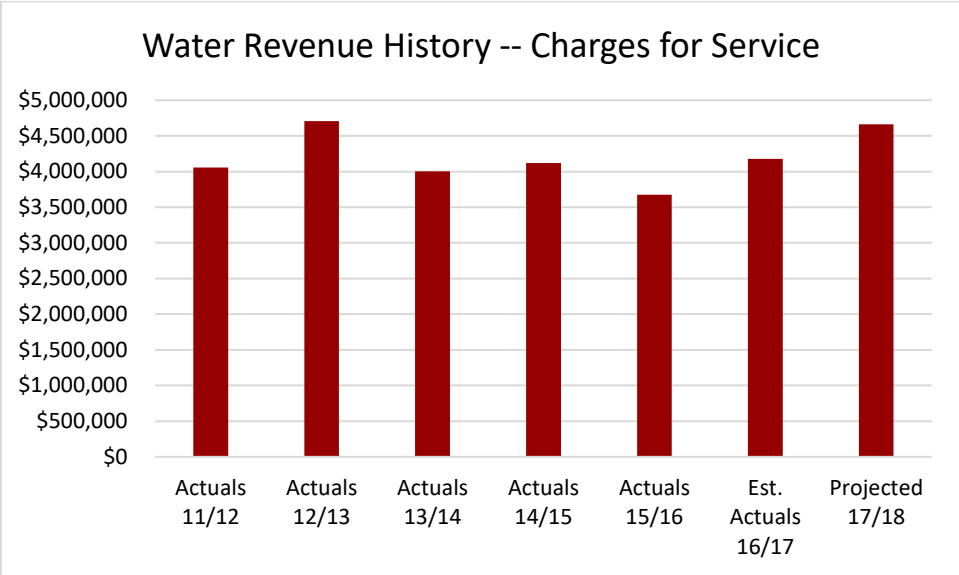
- Initiate use of City’s Computerized Maintenance Management System (CMMS) for water system.
- Continue staff support of the SV GSA and Sonoma County Water Agency Water Contractors Technical Advisory Committee.
- Complete the Water Rate Study and Cost Allocation Plan.

CHALLENGES

The Water Division has several challenges, including: aging infrastructure, limited staff resources for projects identified by the 2018 Water Master Plan update, well resilience during emergencies, evolving groundwater regulations, an incomplete Water Rate Study update, the need to update water system data in the City’s Geographic Information System (GIS), and the lack of water system data in the City’s CMMS.

REVENUE HISTORY

The revenue from water rates received from customers has varied in recent years. Not surprisingly, the Sonoma community responded to the prior water conservation tiers and a statewide drought messaging to reduce water use. This variation illustrates the need for the Rate Stabilization Reserve Fund which the Council has given direction to create as part of the updated rate study.



RECOMMENDED BUDGET MODIFICATIONS

The recommended budget for the Water Utility fund includes an increase in overall expenses and revenue, as shown in the table below. These changes are based on the following key budget modifications:

- Decrease in salary and benefits from reducing the direct charges of staff to other funds, which will be offset at a fund level by transfers based on the City’s new Cost Allocation Plan and position allocation changes. This is a realignment in costs, but does not represent new expenditures.
- Modest increases from approved labor contract of 1.75% salary increase and health care benefits.
- Benefits costs include increase for unfunded liability due to pensions from past employees (see Expenditure Summary for a cost breakdown).
- Decrease in Consulting services primarily due to the completion of the Recycled Water Feasibility Analysis and the Water Master Plan as well as the partial completion of the Water Rate Study.

- Increase in Professional/Technical services primarily due to the reallocation of finance-related fees attributed to the Water Utility, and an increase in maintenance water billing.
- Increase in Water Conservation to accommodate No Discharge Water Main Flushing, which will allow the City to conduct annual water main flushing for water quality purposes without wasting water by discharging from fire hydrants.
- Increase in Repair and Maintenance primarily due to adding regular maintenance services for the water-related generators.
- Increase in Rental Equipment to accommodate printer rental services.
- Increase in Water Purchases to accommodate an increase in the Sonoma County Water Agency water rates.

510-Water Operations

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Licenses & Permits	\$4,873	\$18,563	\$5,000	\$5,000	\$54,000
Water Fees	\$3,649,120	\$4,152,716	\$4,411,800	\$4,411,800	\$4,713,600
Transfers In	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$503,965	\$221,765	\$66,600	\$66,600	\$64,000
Interest Revenue	\$23,151	\$33,889	\$22,000	\$22,000	\$30,000
Total Operating Revenue	\$4,181,108	\$4,426,934	\$4,505,400	\$4,505,400	\$4,861,600
REVENUES					
Salary & Wages	\$871,992	\$899,862	\$832,148	\$832,148	\$653,168
Employee Benefits	\$369,883	\$307,236	\$344,412	\$344,412	\$293,441
Professional Services	\$149,864	\$200,685	\$366,740	\$366,740	\$357,840
Water Purchases	\$1,272,587	\$1,453,597	\$1,645,000	\$1,645,000	\$1,743,700
Property Services	\$52,542	\$48,283	\$117,700	\$117,700	\$145,500
Operations	\$109,848	\$113,434	\$116,700	\$116,700	\$206,782
Supplies	\$149,287	\$92,556	\$194,250	\$194,250	\$194,250
Capital Assets	\$0	\$16,267	\$4,752	\$4,752	\$6,252
Internal Service & Capital Projects	\$519,264	\$703,428	\$158,874	\$158,874	\$163,077
Debt Service	\$56,648	\$54,113	\$123,480	\$123,480	\$125,303
Depreciation	\$0	\$0	\$500,000	\$500,000	\$500,000
Transfers Out	\$627,486	\$758,078	\$468,135	\$468,135	\$615,042
Total Operating Expense	\$4,179,401	\$4,647,538	\$4,872,191	\$4,872,191	\$5,004,355
Net Income (Loss)	\$1,707	-\$220,604	-\$366,791	-\$366,791	-\$142,755
Transfers to Fund 512-CIP Projects	\$0	\$0	-\$2,864,083	-\$2,864,083	\$0
Carryover/(Use of) or Transfer to Fund Balance	\$1,707	-\$220,604	-\$3,230,874	-\$3,230,874	-\$142,755

* unaudited



CITY OF SONOMA

Public Works Department Cemetery (501-61010)

Colleen Ferguson, Public Works Director/City Engineer

The **Cemetery program** is funded by the Cemetery Enterprise Fund. There are three cemeteries, including: Mountain, Veterans, and Valley cemeteries, encompassing over 15 usable acres. Operations and maintenance responsibilities include: burial and inurnment preparation and coordination, cemetery improvements, tree hazard assessment and abatement, grounds maintenance, mausoleum maintenance, road maintenance, and vandalism abatement.

In prior years, the Cemetery Fund's budget showed expenses exceeding revenues, so the City's General Fund made transfers to the Cemetery Fund to balance the budget.

FISCAL YEAR 2017 – 2018 ACCOMPLISHMENTS:

- Continued to provide compassionate and respectful customer service to residents during stressful and emotional times.
- Completed significant restoration of Valley Cemetery after heavy Fiscal Year 2016-17 winter storm damage, including replacement of concrete curbing and walkway improvements in cremains area.
- Replaced failing concrete steps and walkway in Mountain Cemetery.
- Trimmed substantial overgrowth of vegetation and improved sight lines throughout Mountain Cemetery.
- Received many compliments from cemetery visitors regarding appearance of cemeteries.

FISCAL YEAR 2018 – 2019 GOALS:

- Continue to provide compassionate and respectful customer service to residents during stressful and emotional times.
- Conduct a tree hazard assessment in all cemeteries.
- Continue fiscally responsible maintenance efforts in all cemeteries.

CHALLENGES:

The primary challenge for cemeteries is the lack of available space for additional burials. Another challenge is the condition of the City's cemeteries degrade, which results in the need for additional maintenance every year. City staff resources for cemetery maintenance is limited to one maintenance worker, with some assistance by other Public Works staff as needed.

RECOMMENDED FY 18/19 BUDGET MODIFICATIONS

The recommended budget for Cemetery includes an increase of overall expenses, as shown on the following page. These changes are based on the following key budget modifications:

- Increases in salary and benefits from reducing the direct charges of staff to other funds, which will be offset at a fund level by transfers based on the City's new Cost Allocation Plan and position allocation changes. This is a realignment in costs, but does not represent new expenditures.
- Modest increases from approved labor contract of 1.75% salary increase and health care benefits.
- Benefits costs include increase for unfunded liability due to pensions from past employees (see Expenditure Summary for a cost breakdown).
- Revenue / Transfers In
 - \$243,980 of annual cemetery revenues
 - \$117,980 of Transfers In (\$50,000 from Cemetery Endowment, \$37,980 lease payment from the Water Fund for the inactive Mountain Cemetery Water Tank and \$30,000 from General Fund for contract assistance with a Cemetery financial review.)
- Expenses
 - Increase (\$1,667) in overtime budget due to increased need for hours associated with burial and inurnment preparation and coordination (offset by increased burial revenue);
 - Increase (\$37,000) in budget for contract services to provide for tree hazard assessment and Cemetery financial review in FY 2018/19 and;
 - Increase (\$1,000) in gasoline budget based on actual need and rising fuel costs.

501 Cemetery Operations

	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
REVENUES					
Cemetery Revenue	\$126,313	\$155,262	\$110,000	\$110,000	\$126,000
Other Revenue	\$113,732	\$112,329	\$75,000	\$75,000	\$122,450
Transfers In	\$91,147	\$84,963	\$85,678	\$85,678	\$117,980
Interest Revenue	\$0	-\$8,978	\$0	\$0	\$50
Total Revenue	\$331,192	\$343,576	\$270,678	\$270,678	\$366,480
EXPENDITURES					
Salary & Wages	\$107,526	\$120,022	\$127,526	\$127,827	\$138,901
Employee Benefits	\$51,401	\$42,033	\$53,613	\$53,926	\$59,048
Professional Services	\$24,008	\$35,258	\$17,000	\$17,000	\$30,000
Property Services	\$27,696	\$32,925	\$34,300	\$28,800	\$61,000
Operations	\$4,092	\$4,436	\$3,100	\$8,600	\$8,900
Supplies	\$6,984	\$4,659	\$7,600	\$7,600	\$3,500
Internal Service & Capital	\$45,164	\$50,260	\$10,962	\$10,962	\$10,837
Transfers Out	\$575	\$17,340	\$15,950	\$16,015	\$1,678
Total Expense	\$267,446	\$306,933		\$270,730	\$313,864
Carryover/ (Use of) or Transfer to Fund Balance	\$63,746	\$36,643	\$627	-\$52	\$52,616

* unaudited

SPECIAL REVENUE FUNDS

COPS Grant

Gas Tax

Measure M

SB 1

Proposition 68 – Parks

IGT

Capital Improvements Administration Fund

Cemetery - Endowment



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CITY OF SONOMA

COPS Grant Funding (217-00000)

Assistant City Manager, Sue Casey
Bret Sackett, Police Chief

The State of California has provided supplemental funding to local law enforcement agencies through continuation of funding for the Citizen’s Option for Public Safety (COPS) grant program through the Supplemental Law Enforcement Services Account. These funds are distributed by the State to the County which passes through the funding to local agencies proportionally based on population, to be allocated at a minimum of \$100,000.

These funds have traditionally been used to support the costs of the Community Service Officer staff in the Police Department.

RECOMMENDED FY 18/19 BUDGET MODIFICATIONS

217-COPS Grant

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Grants	\$107,358	\$129,364	\$100,000	\$100,000	\$100,000
Interest Revenue	\$0	\$14	\$0	\$0	\$540
Total Revenue	\$107,358	\$129,378	\$100,000	\$100,000	\$100,540
EXPENDITURES					
Transfers	\$120,742	\$100,000	\$100,000	\$100,000	\$100,000
Total Expense	\$120,742	\$100,000	\$100,000	\$100,000	\$100,000
Net Income (Loss)	-\$13,384	\$29,378	\$0	\$0	\$540
Carryover/(Use of) or Transfer to Fund Balance	\$ (13,384)	\$ 29,378	\$ -	\$ -	\$ 540

* unaudited



CITY OF SONOMA

Gas Tax Funding (302-51001)

Public Works Director, Colleen Ferguson

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel and registration taxes on motor vehicles with allocations dedicated to transportation purposes. These allocations flow through the Highway Users Tax Account (HUTA), the familiar gasoline tax revenues that have been in place for decades. Gas taxes can be used for any street or road purpose. It is best practice to focus on maintenance and rehabilitation costs only. The City expects to receive Gas Tax revenues in the amount of \$247,014 in FY 18/19. This is close to the projected Gas Tax revenue of \$249,293 in FY 17/18. Significant additional gas tax revenue from the Road Maintenance and Rehabilitation Act (SB 1) is described separately. Gas Tax funds are proposed to be applied to the following Capital Improvement Program (CIP) projects. (The CIP budget provides descriptions of each of these projects.)

\$24,000	Chase Street Bridge Replacement Project (SS-1)
\$132,000	Fryer Creek Pedestrian & Bicycle Bridge Project (SS-2)
\$50,000	Citywide Sidewalk Inspection & Repair Program (SS-4)
\$41,014	Biennial Pavement Rehabilitation & Water Services Replacement Projects (SS-5)

302-Gas Tax

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Taxes	\$244,941	\$214,429	\$444,394	\$247,808	\$234,521
Transfers In	\$825,455	\$624,290	\$0	\$0	\$0
Other Revenues	\$31,150	\$0	\$0	\$0	\$0
Interest Revenue	\$0	\$370	\$0	\$0	\$1,200
Total Revenue	\$1,101,546	\$839,089	\$444,394	\$247,808	\$235,721
EXPENDITURES					
Salary & Wages	\$333,585	\$339,730	\$0	\$0	\$0
Employee Benefits	\$129,263	\$112,939	\$0	\$0	\$0
Professional Services	\$19,777	\$12,643	\$0	\$0	\$0
Property Services	\$64,821	\$38,161	\$0	\$0	\$50,000
Operations	\$111,865	\$82,898	\$0	\$0	
Supplies	\$37,743	\$27,298	\$0	\$0	
Internal Service & Capital Prj	\$383,011	\$54,407	\$177,000	\$177,000	\$156,000
Transfers	\$1,895	\$52,877	\$267,394	\$70,808	\$0
Total Expense	\$1,081,960	\$720,953	\$270,051	\$247,808	\$206,000
Net Income (Loss)	\$19,585	\$118,135	\$174,343	\$0	\$29,721
Carryover/(Use of) or Transfer to Fund Balance	\$ 19,585	\$ 118,135	\$ 174,343	\$ -	\$ 29,721

* unaudited



CITY OF SONOMA

Measure M Traffic Relief Act for Sonoma County Funding (313-54000)

Public Works Director, Colleen Ferguson

Passed by more than two-thirds of voters in November 2004, the Traffic Relief Act for Sonoma County (Measure M) provides for a ¼ cent sales tax that is apportioned to local jurisdictions to maintain their streets, as well as other County-wide Street, highway, transit and safe bicycle and pedestrian routes. The City expects to receive \$85,926 of Measure M revenue in FY 18/19. Measure M funds are proposed to be applied to the Biennial Pavement Rehabilitation & Water Services Replacement Projects (SS-5), described in the Capital Improvement Program budget.

313-Measure M

REVENUES	FY 15-16 Actuals	Projected Actuals*	Adopted Budget	Amended Budget	Projected Actuals	Proposed Budget
Taxes	\$78,831	\$101,575	\$82,200	\$82,200	\$0	\$85,926
Transfers In	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$545	\$1,142	\$545	\$545	\$0	\$600
Total Revenue	\$79,376	\$102,717	\$82,745	\$82,745	\$0	\$86,526
EXPENDITURES						
Professional Services	\$0	\$0	\$0	\$0	\$0	\$0
Property Services	\$0	\$0	\$0	\$0	\$0	\$0
Operations	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Internal Service & Capital	\$0	\$0	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$282,000	\$282,000	\$0	\$0
Total Expense	\$0	\$0	\$282,000	\$282,000	\$0	\$0
Net Income (Loss)	\$79,376	\$102,717	-\$199,255	-\$199,255	\$0	\$86,526
Carryover/(Use of) or Transfer to Fund Balance	\$ 79,376	\$ 102,717	\$ (199,255)	\$ (199,255)	\$ -	\$ 86,526

* unaudited



CITY OF SONOMA

Road Maintenance and Rehabilitation Act (RMRA: SB 1) Funding (303-50000)

Public Works Director, Colleen Ferguson

The Road Maintenance and Rehabilitation Account (RMRA) which allocates much of the revenue from the Road Repair and Accountability Act of 2017 (SB1) is a significant new investment in California's transportation system. The Act increased per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration taxes, stabilized price-based fuel tax rates and provided for inflationary adjustments to rates in future years. The increased funding from RMRA will help to slow the decline in the City's pavement condition. RMRA funds may be used for road maintenance and rehabilitation, safety projects, "complete street" components, and traffic control devices.

RMRA contains a local agency maintenance of effort (MOE) requirement that the City must maintain general fund spending for street, road, and highway purposes at not less than average 2009-10, 2010-11, and 2011-12 years. The required MOE amount for Sonoma is \$250,663. General fund spending for maintenance and operations and for Capital Improvement Projects for street and road purposes qualify for meeting the MOE requirement. The proposed FY 18-19 budget would allow the City to meet the RMRA MOE. The City expects to receive \$196,361 of RMRA funds in FY 18/19. RMRA funds are proposed to be applied to the Annual Slurry Seal Project (SS-3) in the Capital Improvement Program (CIP) budget.

303-SB-1

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Taxes	\$0	\$0	\$0	\$75,104	\$196,361
Interest Revenue	\$0	\$0	\$0	\$0	\$1,200
Other Revenue	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$75,104	\$197,561
EXPENDITURES					
Professional Services	\$0	\$0	\$0	\$0	\$0
Property Services	\$0	\$0	\$0	\$0	\$0
Operations	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0	\$0
Internal Service & Capital Prj	\$0	\$0	\$0	\$0	\$183,868
Transfers	\$0	\$0	\$0	\$75,104	\$0
Total Expense	\$0	\$0	\$0	\$75,104	\$183,868
Net Income (Loss)	\$0	\$0	\$0	\$0	\$13,693
Carryover/(Use of) or Transfer to Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 13,693

* unaudited



CITY OF SONOMA

California Parks, Environment, and Water Bond (Proposition 68) Funding (new)

Public Works Director, Colleen Ferguson

On June 5, 2018, California voters approved Proposition 68, the California Clean Water and Safe Parks Act. By passing the measure, voters authorized funding \$4.1 billion in bonds to protect our water and natural areas and help to ensure every Californian has access to safe drinking water and safe parks, particularly in low-income underserved communities. Proposition 68 will invest over \$1 billion in local and state parks. It allocates funds to construct and rehabilitation parks in communities across California, improve state parks, and expand access to parks, waterways, and natural areas. The City will receive \$200,000 of revenue per year to invest in Sonoma's parks. The City will also be eligible to apply for other funding from the bond to fund parks, water improvements for safe drinking water, recycling and flood protection, and climate change adaptation projects.

Since this is a new funding source, it is uncertain how much revenue the City may receive in FY 18/19. Expected revenue of \$200,000 in FY 19/20 is shown for planning purposes to be applied to the following Capital Improvement Program (CIP) projects:

Fiscal Year 2019-20 (planning purposes only)

\$150,000	Plaza & Depot Parks Enhancement & Connectivity Project (P-1)
\$50,000	Neighborhood Parks Reinvestment & Upgrade Plan (P-2)

The CIP budget provides descriptions of each of these projects.



CITY OF SONOMA

Intergovernmental Transfer (IGT) **(100-43200)**

Sue Casey, Assistant City Manager/Finance Director
Steve Akre, Fire Chief

The Rate Range Intergovernmental Transfer (IGT) program provides an opportunity to receive federal matching funds to support health services for Medi-Cal Managed Care beneficiaries served by the Fire Department. The Fire Department does not receive full reimbursement for the provision of medical services to Medi-Cal Managed Care patients. Currently, the Fire Department receives reimbursement of our Medi-Cal Managed Care costs from payments received from Medi-Cal Managed Care Plan Provider(s) (MMCPP). The City of Sonoma provides ambulance transports and meets the following IGT participation criteria: (1) provides law enforcement services, (2) has eminent domain authority, (3) has taxing authority. As such, the City of Sonoma is eligible to participate in an IGT program to request funds to recover unreimbursed Medi-Cal costs. The City uses the IGT funding for one-time and other ongoing emergency medical related costs.

RECOMMENDED FY 18/19 BUDGET MODIFICATIONS

796-IGT

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Grants	\$0	\$365,671	\$0	\$365,671	\$366,000
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Charges For Services	\$0	\$0	\$0	\$0	\$0
Transfers In	\$0	\$114,433	\$0	\$114,433	\$0
Other Revenues	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$0	\$776	\$0	\$0	\$4,000
Total Revenue	\$0	\$480,880	\$0	\$480,104	\$370,000
EXPENDITURES					
Professional Services	\$0	\$184,285	\$5,525	\$189,810	\$184,285
Property Services	\$0	\$0	\$0	\$0	\$0
Operations	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$19,749	\$0	\$0	\$0
Software & Equipment	\$0	\$0	\$50,000	\$50,000	\$0
Internal Service & Capital Project	\$0	\$0	\$0	\$0	\$79,707
Transfers	\$0	\$0	\$0	\$0	\$0
Total Expense	\$0	\$204,034	\$55,525	\$239,810	\$263,992
Net Income (Loss)	\$0	\$276,846	-\$55,525	\$240,294	\$106,008
Carryover/(Use of) or Transfer to Fund Balance	\$ -	\$ 276,846	\$ (55,525)	\$ 240,294	\$ 106,008

* unaudited



CITY OF SONOMA

Public Works Department Cemetery Endowment (504-00000)

*Colleen Ferguson, Public Works Director/City Engineer
Sue Casey, Assistant City Manager*

The Cemetery Endowment Fund was created to record the income received from Cemetery sales that is designated as endowment care. The City's Municipal Code defines endowment care as the general maintenance of the City's three cemeteries that is necessitated by natural growth and ordinary wear. This maintenance includes the planting, cutting, watering, and care of lawns, trees and shrubs; the cleaning and upkeep of buildings; and the maintenance of utilities, walls, roadways and walks. The City Council may also direct and use a portion of the income from such fund for such general care, maintenance, repairs, and section embellishment that they deem to be in the best interest of the cemeteries in order that the cemeteries are generally kept in the best condition possible within the limits of such income. The City determines the amount to be collected for endowment care from each purchaser of a cemetery plot. This amount is specified and listed in the schedule of fees adopted by the City Council. The City's Municipal Code also specifies that the City Manager or his/her designee shall oversee the maintenance, supervision and upkeep of all city cemeteries as well as all other applicable ordinances and state law or regulations respecting the conduct of public cemeteries.

RECOMMENDED FY 18/19 BUDGET MODIFICATIONS

The recommended budget for Cemetery Endowment includes \$50,000 in revenues and a transfer out to the Cemetery Operating fund of \$50,000.

504-Cemetery Endowment

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals	FY 17-18 Adopted Budget	FY 17-18 Projected Actuals	FY18/19 Proposed Budget
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Charges For Services	\$0	\$0	\$0	\$0	\$0
Transfers In	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$57,566	\$68,915	\$0	\$44,072	\$50,000
Interest Revenue	\$0	\$8,978	\$0	\$44	\$120
Other Revenue	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$57,566	\$77,893	\$0	\$44,116	\$50,120
EXPENDITURES					
Transfers	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Expense	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Net Income (Loss)	\$7,566	\$27,893	-\$50,000	-\$5,884	\$120



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INTERNAL SERVICE FUNDS

**Management Information Systems
Vehicle Replacement
Long Term Building Maintenance**





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CITY OF SONOMA

Management Information Services - MIS (601-64010)

Wayne Wirick, Development Services Director / Building Official

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.

The City contracts out its network administration and help desk support. Numerous other software vendors provide support to specific applications. There is no dedicated City employee position focused on MIS. These duties are absorbed and fulfilled by the Development Services Director.

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 and equipment replacement needs.

The City has been proactive in investing in its current MIS software and hardware, yet there is no MIS/technology master plan. In the future, a comprehensive review of the City's technology assets and network will be needed in order to develop a strategic investment approach towards new technology to enhance customer service and to further improve staff efficiency and effectiveness.

FISCAL YEAR 2017 – 2018 ACCOMPLISHMENTS:

- Assisted with the transition to the City's new web site.
- Initiated document imaging (scanning and indexing) of various document types into the new (DocuWare) full-text searchable document archival system.
- Replaced City Council Chambers TV broadcast system including the acquisition and installation of additional HD cameras and the replacement of existing cameras and broadcast equipment for improved TV broadcast quality.
- Replaced the existing presentation 42" displays in the City Council Chambers with newer larger 55" displays.
- Acquired, installed and configured 14 desktop computers and 11 notebook computers to replace existing City computers scheduled for replacement.
- Transitioned to subscription based office automation software (Office 365) to facilitate cloud based computing and e-discovery e-mail search capability.
- Improved printing and capability in the City's Emergency Operations Center.
- Improved WiFi speed and capability in the City's Emergency Operations Center and City Council Chambers.

FISCAL YEAR 2018 – 2019 GOALS:

- Continue to maintain the City’s Information Management Services (MIS) systems.
- Improve server backup scheme and initiate off-site “cloud-based” data backups.

RECOMMENDED FY 18/19 BUDGET MODIFICATIONS

The recommended expense budget for the MIS Internal Service Fund transfers includes a 24% decrease of approximately \$80,700 over the previous year due to normal cyclical buying patterns and replacement needs.

- Increase in Property Services due to added software subscription and maintenance expenses [\$4,800].
- Operations reduction resulting from reduced training expense [-\$2,500].
- Reduction of Capital Assets due a reduction in computer equipment and software spending due to normal cyclical buying patterns and replacement needs [-\$83,000].

601-Management Information Services (MIS)

	FY 15-16 Actuals	FY 16-17 Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
REVENUES					
Transfers In	\$176,774	\$177,791	\$199,848	\$239,848	\$215,890
Interest Revenue	\$0	\$932	\$0	\$0	\$950
Total Revenue	\$176,774	\$178,723	\$199,848	\$239,848	\$216,840
EXPENDITURES					
Professional Services	\$158	\$2,491	\$1,000	\$1,000	\$1,000
Property Services	\$2,273	\$125,790	\$155,480	\$155,480	\$160,280
Operations	\$87,343	\$104,894	\$8,400	\$8,400	\$5,900
Supplies	\$0	\$0	\$1,000	\$1,000	\$1,000
Capital Assets	\$17,365	\$624	\$0	\$0	\$92,000
Internal Service & Capital Project	\$0	\$22,112	\$175,000	\$175,000	\$0
Transfers	\$60,000	\$60,000	\$0	\$0	\$0
Total Expense	\$167,139	\$315,911	\$340,880	\$340,880	\$260,180
Net Income (Loss)	\$9,635	-\$137,188	-\$141,032	-\$101,032	-\$43,340
Carryover/(Use of) or Transfer to Fund Balance	\$ 9,635	\$ (137,188)	\$ (141,032)	\$ (101,032)	\$ (43,340)

* unaudited



CITY OF SONOMA

Vehicle Replacement (603-64510)

Wayne Wirick, Development Services Director / Building Official

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.). It is common to see fairly significant increases and decreases in this budget fund due to varying amortization and replacement cycles.

The fund is calculated on an amortization replacement schedule based on the estimated useful life and estimated replacement cost of the vehicle. There is an annual review of all vehicles and equipment to determine replacement needs and available replacement funding. Transferred funds exceeding planned purchases during the year are held in reserve until vehicles are purchased. Vehicle Replacement funds are transferred to the respective department's budget when new vehicles or equipment will be purchased.

For the FY18/19 proposed budget, transfers from the Public Works and Streets budgets were re-distributed between the two departments with no General Fund cost impact to more closely align with the actual use of specific vehicles or equipment.

The following vehicles or equipment are schedule for replacement this budget year.

Department	ID	Description of Vehicle/Equipment to be Replaced	Vehicle Replacement Funding
Cemetery	C-03	Ford F-350 Truck	\$35,600
Water	W-04	Ford F-250 SD Truck, Replace with Ford F-350 Truck with utility boxes	\$32,000
Water	W-17	1998 John Deer 310E/Loader-Backhoe: Replace (existing backhoe no longer meets emission standards)	\$100,000
Water	W-26	1995 Tate T-50063 Portable Generator: Replacement (not fully funded from Vehicle Replacement Fund; need approx. \$20,000 additional from Water Fund – needed to operate wells in emergency.)	\$63,500
Public Works	S-35	2000 Crafcro Supershot Crack Filler	\$27,000
Public Works	SC-15	2001 Ford F-550 4-yd Dump Truck	\$58,000
Public Works	SW	Emergency Generator – TATE (Stationary – Corp Yard)	\$20,000

The total estimated cost to the Vehicle Replacement fund for the replacement of these vehicles and equipment is approximately \$336,100.

RECOMMENDED FY 18/19 BUDGET

603-Vehicle Replacement

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Transfers In	\$247,625	\$388,657	\$348,917	\$365,925	\$383,848
Other Revenue		\$10,510			
Interest Revenue	\$5,907	\$7,604	\$0	\$0	\$8,500
Total Revenue	\$253,532	\$406,771	\$348,917	\$365,925	\$392,348
EXPENDITURES					
Professional Services	\$0	\$0	\$0	\$0	\$0
Property Services	\$0	\$0	\$0	\$0	\$0
Operations	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0	\$0
Capital Assets	\$224,965	\$0	\$267,509	\$267,509	\$336,100
Internal Service & Capital Prj	\$0	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0	\$0
Total Expense	\$224,965	\$0	\$267,509	\$267,509	\$336,100
Net Income (Loss)	\$28,567	\$406,771	\$81,408	\$98,416	\$56,248
Carryover/(Use of) or Transfer to Fund Balance	\$28,567	\$406,771	\$81,408	\$98,416	\$56,248

* unaudited



CITY OF SONOMA

Long-Term Building Maintenance (610)

*Wayne Wirick, Development Services Director / Building Official
Trent Hudson, Public Works Operations Manager*

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 certain maintenance items in City owned building 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 and maintained facilities and provides a mechanism by which the City can recover some or all of the expected maintenance costs by spreading the anticipated long-term maintenance costs out annually and including the anticipated 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.

One challenge in the arena of maintenance of the City's facilities is limited staff capacity to initiate and implement renovation or rehabilitation projects. Both Building and Public Works staff have other primary duties and facility maintenance often gets pushed for more immediate or time sensitive City priorities. Another area of future focus would be an outside study and review of each of the City's facilities to ensure that the proper amount of funding is being set aside each year to truly meet the maintenance needs. Sonoma has been proactive in setting aside funding through industry benchmarks, but a specific asset/facility assessment has not been completed.

FISCAL YEAR 2017 – 2018 ACCOMPLISHMENTS:

- Funded and completed the selective interior and exterior repainting work at the Carnegie Building.
- Funded and completed the deck parapet water intrusion repair at City Hall
- Funded and completed the installation of a concrete pad for a vehicle lift outside of the Mechanic Garage at the Fire Station.

FISCAL YEAR 2018 – 2019 GOALS:

- Fund and implement the LTBM projects listed on the following page.

RECOMMENDED BUDGET MODIFICATIONS

The recommended FY 18/19 (Revenue) transfers into the Long-Term Building Maintenance Internal Service Fund have increased approximately 24% [\$73,364] to account for inflation adjustments, increases in projected paving repair and replacement costs and the addition of \$20,000 for selective annual ADA barrier removal projects.

The recommended FY 18/19 expense budget for the Long-Term Building Maintenance Internal Service Fund is \$186,800 for the projects specified below. The projected estimated expenses are staff rough estimates and are not based on actual contractor quotes or proposals. Funds held in reserve for these projects will be transferred from reserves as the activities take place.

Project Description	Expense Description	Estimated FY18-19 Expenses	Estimated Expenses FY19-20	Estimate of Total Project Cost
Carnegie - Basement Wall Waterproofing	Design & Investigation	6,000	50,000	56,000
Carnegie - Selective Flooring Replacement - (Public Lobby and Stairway)	Improvement work	25,000	0	25,000
Carnegie Public Restroom - Replace Partitions & Fixtures - Design	Design only	6,000	25,000	31,000
Carnegie Public Restroom - Roof Repair	Improvement work	25,000	0	25,000
City Hall & Carnegie - LED Lighting Conversions	Improvement work	15,000	0	15,000
Corp Yard Office - Roof Leak Repair	Improvement work	2,500	0	2,500
Corp Yard Office - Selective Exterior Painting	Improvement work	25,000	0	25,000
Police and Council Chambers - Selective Interior Patching & Painting	Improvement work	10,000	0	10,000
Police Station/FOD - Exterior Pressure Wash	Improvement work	3,000	0	3,000
Regional Library - Fireplace Leak Repair	Improvement work	20,800	0	20,800
Selective ADA Barrier Removal for City Buildings (as needed)	Design and Improvement	20,000	20,000	Unknown
LTBM Projects – Project Management	Project Management	28,500	Unknown	Unknown
TOTAL		186,800	95,000	213,300

610-Long Term Building Maintenance

REVENUES	FY 15-16 Actuals	FY 16-17 Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18/19 Proposed Budget
Transfers In	\$227,471	\$274,271	\$231,943	\$231,943	\$305,307
Interest Revenue	\$0	\$4,167	\$0	\$0	\$8,000
Total Revenue	\$227,471	\$278,438	\$231,943	\$231,943	\$313,307
EXPENDITURES					
Professional Services	\$0	\$5,593	\$0	\$0	\$0
Property Services	\$0	\$3,890	\$0	\$0	\$0
Operations	\$0	\$0	\$0	\$0	\$0
Supplies	\$24,949	\$153,762	\$0	\$0	\$0
Capital Assets	\$0	\$0	\$0	\$0	\$0
Internal Service & Capital Prj	\$0	\$0	\$109,550	\$109,550	\$186,800
Transfers	\$0	\$0	\$0	\$0	\$0
Total Expense	\$24,949	\$163,245	\$109,550	\$109,550	\$186,800
Net Income (Loss)	\$202,522	\$115,193	\$122,393	\$122,393	\$126,507
Carryover/(Use of) or Transfer to Fund Balance	\$ 202,522	\$ 115,193	\$ 122,393	\$ 122,393	\$ 126,507

** unaudited*



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DEBT SERVICE FUNDS

**Clean Renewable Energy Bonds [CREB]
Pension Obligation Bonds [POB]
2011 Water Bond (In Water Fund)**





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CITY OF SONOMA



DEBT SERVICE FUNDS

Clean Renewable Energy Bonds (495-55031) Pension Obligations Bonds [POBs] (498-57109) 2011 Water Bond (In Water Fund 510-62001)

Sue Casey, Interim Finance Director

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 (CREB) -- Used for photovoltaic (solar) projects at the Police Station and Corporation Yard.
 - In 2007, the City submitted applications to the United States Internal Revenue Service (IRS) for allocation of Clean Renewable Energy Bonds (CREBs). The IRS awarded the City and allocation of \$1,156,000 to finance solar paneling project at four different municipal facilities within the City limits. Bonds were issued on July 10, 2008 and tax credits were granted to lender upon financing. The obligation is a lease agreement with Municipal Finance Corporation in the amount of \$1,156,000 entered into on July 10, 2008. Principal installments of \$41,749 are made on December 15 of each year, with the final installment due on December 15, 2024.
 - These bonds were previously included in the Community Development Agency, but were denied for ongoing financing from the Redevelopment 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 Corporation Yard (Gas Tax, Cemetery, Water).
- 2012 Pension Obligation Bond (POB) – Used to purchase unfunded pension liability and finance at a lower cost than charged by PERS.
 - The issuance of a POB is a method of fulfilling the City's existing obligation to California Public Employees Retirement System (CalPERS) in a more cost-effective manner at a lower interest rate than paying at the CalPERS interest rate of 7.5%. This does not create a new obligation for the City, but rather refinances an existing obligation to CalPERS in much the same manner as other City bonds. On late 2012, the City issued Taxable Pension Obligation Bonds in the amount of \$2,925,000 to refund its obligation to make certain payments to PERS in respect of retired public safety and miscellaneous employees under the Side Fund program of PERS which amortizes such obligations over a fixed period of time.
 - With the issuance of the POBs, the City reduced the payoff period by 5 years, reduced the interest rate from 7.5% to 3.8% (average rate over 9 years), reduced the CalPERS employer rate from 15.350% of payroll to 12.330% of payroll and will see an overall cost savings of approximately \$469,000 over a nine year period.

- Costs are allocated among various funds based on share of salary costs. Funds are transferred to the debt service fund and the payment is made from this 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.

RECOMMENDED FY 18/19 BUDGET MODIFICATIONS

The recommended budget for the **Debt Services funds** remains the same based on actual debt payment schedules.

495-Clean Renewable Energy Bonds (CREBS) Debt Service

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Transfers In	\$41,749	\$41,749	\$41,749	\$41,749	\$41,749
Total Revenue	\$41,749	\$41,749	\$41,749	\$41,749	\$41,749
EXPENDITURES					
Debt Service	\$41,749	\$41,749	\$41,749	\$41,749	\$41,749
Total Expense	\$41,749	\$41,749	\$41,749	\$41,749	\$41,749
Net Income (Loss)	\$0	\$0	\$0	\$0	\$0
Carryover/(Use of) or Transfer to Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

* unaudited

498-Pension Obligation Bonds (POB) Debt Service

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Transfers In	\$412,850	\$412,125	\$410,326	\$410,326	\$412,100
Total Revenue	\$412,850	\$412,125	\$410,326	\$410,326	\$412,100
EXPENDITURES					
Debt Service	\$411,350	\$410,625	\$408,726	\$408,726	\$410,600
Professional Services	\$1,500	\$1,500	\$1,600	\$1,600	\$1,500
Total Expense	\$412,850	\$412,125	\$410,326	\$410,326	\$412,100
Net Income (Loss)	\$0	\$0	\$0	\$0	\$0
Carryover/(Use of) or Transfer to Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

* unaudited

AGENCY FUNDS

Successor Agency General Fund Redevelopment Property Tax Trust Fund (RPTTF)



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CITY OF SONOMA

Successor Agency Administration (100-43199)

Cathy Capriola, Executive Director, Successor Agency

One of the most profound impacts to impact the City's budget in many years was the dissolution of California redevelopment agencies by the State of California. The Redevelopment Dissolution Act, AB 1x26, signed by the Governor Jerry Brown in June 2011, was upheld by the California Supreme Court on December 29, 2011. The Court set the date of February 1, 2012, for dissolution of all California redevelopment agencies. The purpose for the State's elimination of redevelopment agencies was to realign property tax contribution from redevelopment agencies to schools and other property tax agencies within each county.

The City of Sonoma has elected to serve as the Successor Agency to the Sonoma Redevelopment Agency. The Dissolution Act requires that each successor agency have an Oversight Board composed of seven members appointed by specific governmental agencies. In addition, the City of Sonoma elected to not serve as the Housing Successor Agency and therefore transferred its housing assets and remaining housing funding to the Sonoma County Community Development Agency.

The elimination of all redevelopment revenue funding for projects and associated administrative costs resulted in unprecedented challenges for the City. Historically, the City has funded portions of staff time and key city investments with redevelopment funds. With the dissolution, each prior redevelopment agency (in Sonoma named the "Community Development Agency") was replaced with a Successor Agency to close out all Redevelopment activity, and to absorb administrative 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 and other related expenses were absorbed by the General Fund.

The Dissolution Act provides the Successor Agency with an Administrative Cost Allowance to reimburse its costs to wind down the affairs of the dissolved redevelopment agency. Reimbursement will be made from property tax revenues, not to exceed 5% of the property tax allocated to the Successor Agency or not less than \$250,000, provided sufficient property tax revenues are available. Sonoma's Successor Agency receives \$250,000 and is retained in this fund.

The Successor Agency budget includes the following expenditures:

- Portion of staff costs including: City Manager, proposed Assistant City Manager/Administrative Services Director, proposed Accounting Manager and Administrative Services Manager.
- Portion of audit services.
- Legal costs associated with potential litigation with the Department of Finance.

In the FY 15/16, the City moved the cost of Economic Vitality Program with the Sonoma Valley Chamber of Commerce and Emergency Shelter Utilities to the Community Activities budget. In FY 16/17, the City moved the expenses for the master lease and associated costs of the Sebastiani Theatre to the Community Activities Budget.

KEY CHANGES FOR FY 18/19

For FY 18/19, there is an overall minor reduction. Funding exists for additional legal costs should there be disagreement regarding the final use of the 2011 bond funds. In FY 18/19, the Oversight Boards

across the county will merge to one. When the City does not have its own Oversight Board and the Last and Final ROPS is approved, there will be a reduction in the amount of administrative funding coming to the City in future years due to less administrative work.

RECOMMENDED FY 18/19 BUDGET MODIFICATIONS

The recommended budget for the General Fund Successor Agency Administration includes a decrease of approximately \$15,000. The key budget changes are highlighted below.

- Increase in legal costs as the City processes the Last and Final ROPS.
- Overall reduction in costs to reduce General Fund subsidy of this program.

43199-Successor Agency

Expenditure Category	FY 15/16 Actuals	FY 16/17 Actuals*	FY 17/18 Adopted Budget	FY 17/18 Amended Budget	FY 18/19 Proposed Budget
Salary & Wages	\$146,645	\$146,981	\$146,941	\$147,283	\$85,253
Employee Benefits	\$46,855	\$38,714	\$54,274	\$54,487	\$33,424
Professional Services	\$889	\$59,664	\$30,000	\$30,000	\$95,000
Property Services	\$80,939	\$14,244	\$0	\$0	\$0
Operations	\$56,900	\$10,342	\$3,000	\$3,000	\$3,000
Supplies	\$600	\$1,967	\$1,500	\$1,500	\$1,500
Internal Service & Capital Prj	\$28,262	\$28,889	\$29,428	\$29,427	\$32,390
Transfers	\$0	\$0	\$0	\$0	\$0
Expense Total	\$361,090	\$300,802	\$265,143	\$265,698	\$250,567

* Unaudited



CITY OF SONOMA

Successor Agency RPPTF-ROPS (391-53001) ***[Redevelopment Property Tax Trust Fund*** ***for Recognized Obligation Payments]***

Cathy Capriola, Executive Director, Successor Agency

One of the most profound impacts to impact the City's budget in many years was the dissolution of California redevelopment agencies by the State of California. The Redevelopment Dissolution Act, AB 1x26, signed by the Governor Jerry Brown in June 2011, was upheld by the California Supreme Court on December 29, 2011. The Court set the date of February 1, 2012, for dissolution of all California redevelopment agencies. The purpose for the State's elimination of redevelopment agencies was to realign property tax contribution from redevelopment agencies to schools and other property tax agencies within each county.

The City of Sonoma has elected to serve as the Successor Agency to the Sonoma Redevelopment Agency. The Dissolution Act requires that each successor agency have an Oversight Board composed of seven members appointed by specific governmental agencies. In addition, the City of Sonoma elected to not serve as the Housing Successor Agency and therefore transferred its housing assets and remaining housing funding to the Sonoma County Community Development Agency.

The budget represented by the Redevelopment Property Tax Trust Fund (RPPTF) 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 and the management of the remaining assets and financial commitments. State law requires development of a remittance and a payment schedule for State recognized and approved expenses. Every year, 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.

For expenses that are approved for RPPTF Funding, the City as Successor Agency receives pass through revenue when property taxes are remitted to the City by the County. The City then makes authorized payments from Successor Agency, RPPTF / ROPS Fund. The approved expenses include the following items:

- 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. For Sonoma, the schedule includes:
 - Tax Increment Bonds (TAB) issued in 2010, 2011 and 2015,
 - 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.
- 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.

- Other expenses approved by the Successor Agency RPTTF are primarily related to professional services such as audit and legal services.
- Approval of \$1,450,000 Bond Expenditure Agreement for affordable housing purposes. This allows the City to disburse these funds for affordable housing.

FY 18/19 Goals:

The 2011 Tax Allocation Bonds were issued in an aggregate amount of \$16 million to fund various capital improvements and public service projects including affordable housing. In the next few months, the City plans on submitting its Last and Final Recognized Obligation (ROPS) payment schedule to the Department of Finance. This will outline all remaining debt which will be limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts. With the approval of the Last and Final ROPS, the City is eligible for a portion of the original bond proceeds. Final resolution with the State regarding these bond proceedings is a key initiative this next year.

RECOMMENDED 18/19 BUDGET MODIFICATIONS

The budget below has already been approved by the Department of Finance based on already approved recognized obligation payments per contracts or debt. The City Council has no ability to adjust this budget.

391-Successor Agency

REVENUES	FY 15-16 Actuals	FY 16-17 Projected Actuals*	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY18/19 Proposed Budget
Taxes	\$4,669,791	\$3,841,686	\$5,345,006	\$5,345,006	\$3,714,133
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Charges For Services	\$0	\$0	\$0	\$0	\$0
Transfers In	\$0	\$0	\$150,000	\$150,000	\$0
Other Revenues	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$23,414	\$66,642	\$0	\$0	\$45,000
Other Revenue	\$2,009,128	\$0	\$0	\$0	\$0
Total Revenue	\$6,702,333	\$3,908,328	\$5,495,006	\$5,495,006	\$3,759,133
EXPENDITURES					
Salary & Wages	\$0	\$0	\$0	\$0	\$0
Employee Benefits	\$0	\$0	\$0	\$0	\$0
Professional Services	\$184,428	\$160,162	\$305,535	\$305,535	\$225,000
Property Services	\$298,000	\$30,000	\$50,788	\$50,788	\$61,103
Operations	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0	\$0
Internal Service & Capital Projects	\$0	\$0	\$1,450,000	\$1,450,000	\$0
Transfers	\$0	\$250,000	\$250,000	\$250,000	\$250,000
Transfer to County	\$100,363	\$0	\$0	\$0	\$0
Debt Service	\$582,791	\$ 1,253,561.50	\$3,438,683	\$3,438,683	\$3,178,030
Total Expense	\$1,165,582	\$1,693,724	\$5,495,006	\$5,495,006	\$3,714,133
Net Income (Loss)	\$5,536,751	\$2,214,604	\$0	\$0	\$45,000
Carryover/(Use of) or Transfer to Fund Balance	\$ 5,536,751	\$ 2,214,604	\$ -	\$ -	\$ 45,000

* unaudited



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APPENDICES

Glossary Budget Resolutions



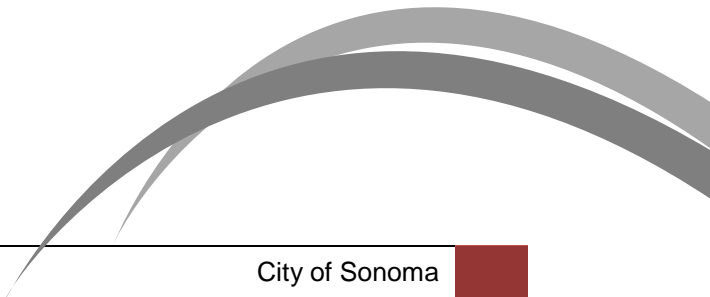


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GLOSSARY





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CITY OF SONOMA

GLOSSARY

Accounts Payable: Amounts owed by the City to external entities for goods and services received.

Accounts Receivable: Amounts due to the City from external entities for goods and services furnished.

Amended Budget: The current budget adopted by the City Council in addition to Council-approved modifications authorized throughout the year.

Adopted Budget: The current budget adopted through resolution by the City Council.

Agency Funds: Account for assets held by the city in a trustee capacity or as an agent for other governments, private organizations, individuals, and/or other funds.

Appropriation: An authorization by the City Council that permits officials to incur obligations and expend City resources within a fiscal year.

Audit: An examination of city records and accounts by an external source to check their validity and accuracy.

Bond: An interest-bearing or discounted government security that obligates the issuer to pay the bondholder(s) specified sums of money at regular intervals and to repay the principal of the loan at maturity.

Bond Proceeds: The funds received from the issuance of bonds.

Budget: A spending plan and policy guide comprised of an itemized summary of the City's probable revenues and expenditures for a given fiscal year.

Budget Amendment: A method to revise a budget revenue or appropriation after the fiscal year budget has been adopted.

CalPERS: The California Public Employees' Retirement System. CalPERS provides retirement and health benefits to public employees, retirees, their families and employers.

California Public Employee's Pension Reform Act (PEPRA): Act signed into law by Governor Jerry Brown for all public employers in the state that mandates new, lower benefit pension formulas for employees hired after December 31, 2012, with the goal of reducing pension costs over time.

California Society of Municipal Finance Officers (CSMFO): Statewide association for finance professionals in California cities, special districts and counties, as well as commercial finance professionals, such as brokers, bankers, auditors, and specialized financial consultants. CSMFO offers a variety of professional training programs for its members.

Capital Budget: Program for financing long-term outlays for construction or major repairs of facilities, buildings, and infrastructure.

Capital Improvements: Construction or major repair of city facilities, buildings, and infrastructure.

Capital Outlay: The acquisition costs of equipment with a value greater than \$5,000 and a useful life of one year or more used in providing direct services.

Debt Service: The costs of paying the principal and interest on borrowed money according to a predetermined schedule.

Debt Service Funds: Funds used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Encumbrance: The commitment of appropriated funds to purchase an item or service in the future.

Expenditures: The cost for the personnel, materials and equipment required for a department to function.

Fiscal Year (FY): A time period designated by the city signifying the beginning and ending period for recording financial transactions. Sonoma has a fiscal year of July 1 through June 30.

Full-Time Equivalent (FTE): The conversion of permanent, part-time, or temporary positions to a decimal equivalent of a permanent, full-time position based on an annual amount of 2,080 hours worked.

Fund: An accounting entity with a self-balancing set of accounts recording financial resources and transactions for specific activities.

Fund Balance: The net effect of assets less liabilities at any given point in time.

Gann Appropriation Limit: A State of California mandated appropriation limit imposed on local jurisdictions.

General Fund: Accounts for tax and other general purpose revenues, e.g., sales taxes, property taxes, fines and forfeitures, investment income, etc., and records the transactions of general governmental services, e.g., police, parks and recreation, public works, planning, etc.

Generally Accepted Accounting Principles (GAAP): Conventions, rules, and procedures that define accepted accounting practice, including broad guidelines as well as detailed procedures.

General Obligation (GO) Bonds: Debt that is a general obligation of the city, primarily financed through property tax assessment.

Governmental Accounting Standards Board (GASB): Organization established to improve standards of generally accepted accounting principles (GAAP) used by state and local governments.

Government Finance Officers Association (GFOA): Organization established to promote and enhance the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership.

Grants: A contribution by a government or other organization to provide funding for a specific project. Grants can either be classified as capital projects or operational, depending on the grantee.

Interdepartmental Charges: Accounts for the reimbursement of the cost of services provided by Internal Service Fund programs to other programs and departments.

Internal Service Funds: Used to finance and account for goods and services provided by one City department to other city departments.

Joint Powers Authority (JPA): A unit of local government, authorized under the state Government Code, created to jointly administer a shared power, under the terms of a joint exercise of powers agreement adopted by the member agencies.

Liability: Debt or other legal obligations arising out of past transactions that will be liquidated, renewed, or refunded at some future date.

Materials & Supplies: The costs of utilities, materials and supplies, services, fuel, and other non-labor costs.

Memorandum of Understanding (MoU): A document detailing the results of labor negotiations between the city and its various bargaining units.

Modified Accrual Basis of Accounting: The accounting basis used by the city by which revenues and expenditures are recognized as they are earned or incurred, regardless of the timing of cash receipts and disbursements.

National Pollution Discharge Elimination System (NPDES): Federally mandated program with the goal of reducing the discharge of pollutants into creeks.

Objective: A specific statement describing a result to be achieved in support of a department's purpose.

Operating Budget: A financial plan used to allocate resources among program operations, which lists an estimate of required expenditures and the means of financing them for the fiscal year.

Ordinance: A formal legislative enactment by the City Council.

Other Post-Employment Benefits (OPEB): Post-employment benefits that an employee will begin to receive when the employee retires.

Outstanding Encumbrance: The money allocated for payment of goods/services ordered but not yet received within the fiscal year at a given point in time.

Performance Measure: Data collected to determine how effective or efficient a program is in delivering services.

Personnel: Reflects total full-time, part-time and temporary budgeted positions, expressed as full-time equivalents. (Example: Two half-time positions equal one full-time equivalent.)

Pension Obligation Bonds (POB): Debt incurred by the City to pay its unfunded accrued liability with the California Public Employees Retirement System.

Previous Actual: Audited revenues and appropriations for prior fiscal year(s).

Prior Year Encumbrances: Money set aside from last year's budget to pay for items or services ordered during that year but received in the subsequent fiscal year. The encumbrance is removed when the items or services are received and paid for.

Program: An activity or group of similar activities organized as a sub-unit of a department for planning, and performance measurement purposes.

Projected Actual: Estimate of revenues and appropriations for the fiscal year just ended, prior to the final accounting and external audit.

Purpose or Mission: A broad statement of the goals, in terms of meeting public service needs, that a department is organized to achieve.

Resources: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Resolution: A special order of the City Council that requires less formality than an ordinance.

Revenues: The historical and estimated yield of taxes and other sources of income that a governmental unit collects and receives for public use.

Special Revenue Funds: Account for the proceeds of specific revenue sources that are restricted by law to expenditure for specific purposes.

Successor Agency: An agency that is authorized by law to accept and maintain the legal title, custody, and dominion of records that were created by the former redevelopment agencies. All redevelopment agencies were eliminated by the State of California in 2011.

Tax Allocation Bonds (TAB): Debt issued by the former redevelopment agency to pay an obligation incurred by the Agency under an owner participation agreement.

Unfunded Accrued Liability (UAL): The excess of the Actuarial Accrued Liability (AAL) over the Actuarial Value of Assets (AVA). The UAAL can derive from three sources: unfunded past Normal costs, actuarial gains and losses (differences between actuarial assumptions and actual experience), and changes to the level of benefits promised.

User Charges/Fees: The payment of a fee for direct receipt of a public service by the party that benefits from the service.

Year to Date (YTD): Total expenses incurred since the beginning of the current fiscal year to a specific date (i.e., October YTD refers to expenses).

FY 2018/19

**Operating &
Capital
Improvement**

**Budget
Resolution**

City of Sonoma

RESOLUTION # 45 - 2018
SA RESOLUTION # 02 -2018

A RESOLUTION OF THE CITY OF SONOMA AND THE SUCCESSOR AGENCY OF THE FORMER SONOMA COMMUNITY DEVELOPMENT AGENCY ADOPTING THE FISCAL YEAR 2018/2019 CITY OF SONOMA OPERATING AND CAPITAL IMPROVEMENT BUDGET INCLUDING THE ESTABLISHMENT OF TWO NEW CITY GENERAL LEDGER FUNDS; WAIVING THE ANNUAL ALLOCATION TO THE PUBLIC ART FUND FOR THE FISCAL YEAR 2018/19; APPROVING "HERITAGE AND COMMUNITY EVENT" FEE WAIVERS AND COMMUNITY FUND PROGRAMMING INCLUDING 4th OF JULY; AUTHORIZING THE CITY MANAGER, OR HER DESIGNEE TO EXECUTE TASK ORDERS FOR CITY ENGINEERING SERVICES WITH GHD INC.; APPROVING BUDGET ADJUSTMENT FOR CITY MANAGER COMPENSATION; AND AUTHORIZING POSITION ALLOCATIONS FOR FY 2018-19

WHEREAS, the City Manager submitted a preliminary one-year operating budget to the City Council at a budget work session on June 19, 2018; and

WHEREAS, the City Council of the City of Sonoma has reviewed the proposed final Operating Budget for FY 2018/19 and Capital Improvement Program for FY 2018/19 and has held a public meeting prior to adoption of the final budgets; and

WHEREAS, the City Manager's Budget Message provides an executive summary of the proposed budget; and

WHEREAS, the City Council, in keeping with its desire to encourage the development of public art within the City, adopted Ordinance No. 04-2009 establishing a Public Art Program in the City of Sonoma on April 1, 2009. The ordinance established funding mechanisms which included a contribution to the Public Art Fund of 1% of the project valuation costs in excess of \$250,000 for public development projects and an annual City allocation equal to one-quarter of one percent of the City of Sonoma's budgeted general fund expenditures; and

WHEREAS, the ordinance included a provision allowing the City Council to waive or reduce the annual allocation if the City's financial situation did not allow for the funding to be set aside. Said waiver was to be adopted by a resolution setting forth findings for the waiver; and

WHEREAS, since 2012, the City of Sonoma has been impacted by the dissolution of the Sonoma Community Development Agency and has absorbed a number of costs into the City's General Fund including the costs of capital projects and administration and, as a result, the City lacks sufficient operating funds in Fiscal Year 2018/19 for a transfer to the Public Art Fund.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Sonoma that the total Operating Budget of \$31,604,770 and the total Capital Improvement Fund Budget of \$1,168,733 submitted by the City Manager in the amount as set forth in **Exhibit "A"** which is attached hereto and by this reference made a part hereof is hereby adopted as the total operating and capital budget of the City of Sonoma for fiscal year 2018/19.

BE IT FURTHER RESOLVED, that the City will establish two new General Ledger Funds; a Special Revenue Fund for the receipt and use of additional Medi-Cal Payments received through Inter-Governmental Fund transfers that are intended to reimburse for Emergency Medical transport service (EMS) expenses and are to be used for EMS purposes and a new Capital Improvement Fund for Parks and Facilities.

BE IT FURTHER RESOLVED, that the proposed budget provides funding for the City's non-profit recreation partners via contract, \$15,000 for the Annual 4th of July parade and activities, and fee waivers for the approved "Heritage and Community Event" as outlined in the Council approved Recreation and Community Services Program approved on March 5, 2018.

BE IT FURTHER RESOLVED, that the 2018/19 Capital Improvement Plan is approved in accordance with the CIP Plan Funding attached as **Exhibit "B"** and incorporated into the 2018/19 Operating and Capital Budget for the City of Sonoma.

BE IT FURTHER RESOLVED, that the City Manager, or her designee, is authorized to execute task orders for City Engineering Services with GHD, Inc., the City's contract engineering firm, consistent with the 2018-19 Operating and Capital Budget for the City of Sonoma.

BE IT FURTHER RESOLVED, that the City Council approves a budget amendment for \$12,500 for FY 18/19 in recognition of the June 21, 2018 approval of an amendment to the City Manager's contract.

BE IT FURTHER RESOLVED, that the Position Allocations for Fiscal Year 2018/19 are authorized in accordance with the Summary of Staffing and Positions attached as **Exhibit "C"**.

BE IT FURTHER RESOLVED by the City Council of the City of Sonoma that based on the following findings, the annual allocation equal to one-quarter of one percent of the budgeted general fund expenditures to the Public Art Fund is hereby waived for Fiscal Year 2018/19.

FINDINGS:


- 1) Since 2012, the City of Sonoma has been impacted by the dissolution of the Sonoma Community Development Agency resulting in absorption of significant costs by the City General Fund;
- 2) The City of Sonoma is anticipating that growth of major revenue sources will be lower than growth in major costs for the City's core services.
- 3) Public Art funding does not fall within the City's priority for maintaining its core services.
- 4) The City Council adopted a balanced Operating and Capital Budget for Fiscal Year 2018/19 with no excess funds for services that are not identified as core services.

PASSED AND ADOPTED by the City Council of the City of Sonoma at their regular meeting held on the 25th day of June 2018 by the following vote:

AYES:
NOES:
ABSENT:

COOK, EDWARDS, HUNDLEY, AGRIMONTI
HARRINGTON


Madolyn Agrimonti, Mayor

ATTEST:

Rebekah Barr, MMC, City Clerk

**City of Sonoma / Successor Agency
FY 2018/19 Operating and Capital Budget
Fund View**

DEPARTMENT	FY 2018/19 BUDGET
CITY COUNCIL	\$127,177
CITY CLERK	\$216,776
CITY MANAGER	\$486,952
FINANCE	\$603,147
LEGAL SERVICES	\$450,300
POLICE	\$5,260,832
FIRE/EMS	\$5,862,030
PUBLIC WORKS ADMIN &	\$1,354,378
PUBLIC WORKS STREETS	\$920,998
PLANNING & ZONING	\$847,993
BUILDING	\$604,468
COMM. ACTIVITIES	\$624,487
SUCCESSOR AGENCY	\$250,567
NON-DEPARTMENTAL	\$695,756
GEN FUND - TO OTHER	\$1,057,035
TOTAL 100 GENERAL FUND	\$19,362,896
C.O.P.S. Grant (217)	\$100,000
Gas Tax (302)	\$206,000
SB-1 Road Maintenance (303)	\$183,868
Intergovernmental Transfer (IGT) Fire/EMS	\$263,992
Successor Agency (391)	\$3,714,134
CREBS (495)	\$41,749
POB (498)	\$412,100
Cemetery (501)	\$313,863
Cemetery Endowment (504)	\$50,000
Water (510)	\$5,004,355
Management Information Systems (601)	\$260,180
Vehicle Replacement (603)	\$336,100
Long Term Building Maintenance (610)	\$186,800
TOTAL OTHER FUNDS	\$11,073,141
TOTAL OPERATING BUDGET	\$30,436,037
Streets/Transp/Drainage CIP	\$277,000
Parks & Facilities CIP (304)	\$427,733
Water CIP (512)	\$464,000
TOTAL CAPITAL IMPROVEMENT FUNDS	\$1,168,733
TOTAL OPERATING & CAPITAL BUDGET	\$31,604,770

EXHIBIT B - Breakdown of Projected Funding Sources for Fiscal Year 2018/19 Capital Improvement Program

CIP #	Project Name	General Fund	Gas Tax	RMRA: SB1	Measure M	Proposition 68	Water Fund	Grant Funds	PROJECT TOTAL
TRANSPORTATION: Keeping Sonoma Moving Safely									
SS-1	Chase Street Bridge Replacement Project	\$0	\$24,000	\$0	\$0	N/A	N/A	\$0	\$24,000
SS-2	Fryer Creek Pedestrian & Bicycle Bridge Project	\$48,000	\$132,000	\$0	\$0	N/A	N/A	\$0	\$180,000
SS-3	Annual Slurry Seal Projects	\$32,000	\$0	\$183,868	\$0	N/A	N/A	\$0	\$215,868
SS-4	Citywide Sidewalk Inspection & Repair Program	\$0	\$50,000	\$0	\$0	N/A	N/A	\$0	\$50,000
SS-5	Biennial Pavement Rehabilitation & Water Services Replacement Projects	\$47,000	\$0	\$0	\$0	N/A	See CIP #W-4	\$0	\$47,000
SS-6	Citywide Roadway Safety Improvement Projects	\$35,000	\$0	\$0	\$0	N/A	N/A	\$0	\$35,000
SS-7	Broadway (SR 12) Streetscape Enhancements & Traffic Circulation Project	\$75,000	\$0	\$0	\$0	N/A	N/A	\$0	\$75,000
SS-8	Downtown Sonoma Parking Strategy & Implementation Project	\$40,000	\$0	\$0	\$0	N/A	N/A	\$0	\$40,000
SS-9	Citywide Bicycle & Pedestrian Improvement Projects	See CIP #SS-2	See CIP #SS-2	\$0	\$0	N/A	N/A	See CIP #SS-2	See CIP #SS-2
	SUBTOTAL	\$277,000	\$206,000	\$183,868	\$0	\$0	\$0	\$0	\$666,868
CREEKS & DRAINAGE: Reducing Flooding & Protecting Water Quality									
CD-1	Storm Water Trash Reduction Systems	\$0	\$0	N/A	N/A	N/A	N/A	\$0	\$0
CD-2	Brazil Street Neighborhood Drainage Improvements	\$0	\$0	N/A	N/A	N/A	N/A	\$0	\$0
CD-3	Broadway & Leveroni Road Flood Reduction & Trash Capture Project	\$0	\$0	N/A	N/A	N/A	N/A	\$0	\$0
CD-4	Olsen Park Detention & Trash Capture	\$0	\$0	N/A	N/A	N/A	N/A	\$0	\$0
CD-5	First Street West Green Street & Flood Reduction Project	\$0	\$0	N/A	N/A	N/A	N/A	\$0	\$0
	SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WATER: Providing High Quality, Dependable Water									
W-1	Water System Condition Data - Phase 1	\$0	N/A	N/A	N/A	N/A	\$18,000	\$0	\$18,000
W-2	Water System Condition Data - Phase 2	\$0	N/A	N/A	N/A	N/A	\$115,000	\$0	\$115,000
W-3	Renewal & Replacement of Existing Pipelines	\$0	N/A	N/A	N/A	N/A	\$0	\$0	\$0
W-4	Replacement of Water Services with Pavement Rehabilitation Projects	\$0	N/A	N/A	N/A	N/A	\$23,000	\$0	\$23,000
W-5	Condition Assessment of Aging Water Distribution Pipes	\$0	N/A	N/A	N/A	N/A	\$23,000	\$0	\$23,000
W-6	Fire Flow Improvements - Upsizing Asbestos Cement (AC) Pipelines	\$0	N/A	N/A	N/A	N/A	\$160,000	\$0	\$160,000
W-7	Fire Flow Improvements - Upsizing Pipelines of Unknown Material	\$0	N/A	N/A	N/A	N/A	\$70,000	\$0	\$70,000
W-8	2020 Urban Water Management Plan & Minor Water Master Plan Update	\$0	N/A	N/A	N/A	N/A	\$0	\$0	\$0
W-9	Potential Future Well No. 9	\$0	N/A	N/A	N/A	N/A	\$0	\$0	\$0
W-10	Water Meter System Upgrades	\$0	N/A	N/A	N/A	N/A	\$25,000	\$0	\$25,000
	SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$434,000	\$0	\$434,000
PARKS: Making Life Better									
P-1	Plaza & Depot Parks Enhancement & Connectivity Project	\$50,000	\$0	N/A	N/A	\$0	N/A	\$0	\$50,000
P-2	Neighborhood Parks Reinvestment & Maintenance Plan	\$25,000	\$0	N/A	N/A	\$0	N/A	\$0	\$25,000
P-3	Sonoma Overlook Trail Maintenance & Rehabilitation Project	\$22,620	\$0	N/A	N/A	\$0	N/A	\$55,113	\$77,733
P-4	Plaza Park Trash/Recycling Receptacles & Bicycle Parking Enhancement Project	\$55,000	\$0	N/A	N/A	\$0	N/A	\$0	\$55,000
P-5	ADA Improvements at Depot Park	\$40,000	\$0	N/A	N/A	\$0	N/A	\$0	\$40,000
	SUBTOTAL	\$192,620	\$0	\$0	\$0	\$0	\$0	\$55,113	\$247,733
BUILDINGS & FACILITIES: Maintaining Critical Assets									
BF-1	ADA Self-Evaluation, Transition Plan, & Implementation Project	\$20,000	N/A	N/A	N/A	N/A	N/A	\$70,000	\$90,000
BF-2	Corporation Yard Shower Facility, Security, & Drainage Project	\$60,000	N/A	N/A	N/A	N/A	\$30,000	\$0	\$90,000
BF-3	Police Emergency Gate Installation Project behind Veterans Hall	\$30,000	N/A	N/A	N/A	N/A	N/A	\$0	\$30,000
	SUBTOTAL	\$110,000	\$0	\$0	\$0	\$0	\$30,000	\$70,000	\$210,000
TOTAL CIP FOR FY 2018/19		\$579,620	\$206,000	\$183,868	\$0	\$0	\$464,000	\$125,113	\$1,558,601

EXHIBIT C

City of Sonoma FY 2018-19 Budget -- Position Allocation Listing by Department

	Adopted Budget Authorized Personnel FY 16/17	Adopted Budget Authorized Personnel FY 17/18	Proposed Budget Authorized Personnel FY 18/19
City Manager's Office/Administrative Services			
City Manager	1.00	1.00	1.00
City Clerk/Executive Assistant	1.00	1.00	1.00
Assistant City Mgr/Admin Services Director	0.00	1.00	1.00
Finance Director	1.00	0.00	0.00
Administrative Services Manager	1.00	1.00	1.00
Deputy Finance Manager*	0.00	1.00	1.00
Accounting Technician	1.75	1.75	2.00
Administrative Clerk PT (<i>prev. shown in Planning</i>)	0.50	0.50	0.20
Administrative Assistant PT	0.75	0.75	0.75
Webmaster/Public Info PT	0.00	0.00	0.38
	7.00	8.00	8.33
Community Development (Planning & Building)			
Planning & Community Services Director	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00
Associate Planner	1.00	1.00	1.00
Development Services Director/Building Official	1.00	1.00	1.00
Plans Examiner	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
	8.00	8.00	8.00
Police and Fire (excludes contract services staff)			
Administrative Clerk	1.00	1.00	1.00
	1.00	1.00	1.00
Public Works			
Public Works Director/City Engineer	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Environmental Compliance Specialist	1.00	1.00	1.00
Public Works Project Manager	1.00	1.00	1.00
Public Works Operations Manager	1.00	1.00	1.00
Water Operations Supervisor	1.00	1.00	1.00
Streets Supervisor	1.00	1.00	1.00
Parks Supervisor	1.00	1.00	1.00
Maintenance Worker I/II - Water	4.00	4.00	4.00
Maintenance Worker I/II - Streets	4.00	4.00	4.00
Maintenance Worker I/II - Parks	3.00	3.00	3.00
Maintenance Worker I/II - Cemeteries	1.00	1.00	1.00
Parks Worker PT (2 positions, 0.5 FTE each)	1.00	1.00	1.00
	21.00	21.00	21.00
Total Budgeted Staffing (Full Time Equivalent)	37.00	38.00	38.33

NOTE: Some positions are charged to multiple departments; these are listed in the department where the largest percentage is charged.

Mid-Year FY 17/18 Change; already approved – Accounting Manager upgraded to Deputy Finance Director
Proposed FY 18/19 Changes - Accounting Technician from 0.75 to 1.0; eliminate PT Admin Clerk 0.3; add webmaster/social media 0.38.