

Adopted on June 22, 2021

City of Sonoma & Successor Agency FY 2021/2022 PROPOSED OPERATING AND CAPITAL BUDGET



Madolyn Agrimonti, Vice Mayor
Amy Harrington, Council Member
Jack Ding, Council Member
Kelso G. Barnett, Council Member

Dave Kiff, Interim City Manager
Sue Casey, Assistant City Manager



ACKNOWLEDGEMENTS



SONOMA CITY COUNCIL

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Amy Harrington, Councilmember
Jack Ding, Councilmember
Kelso Barnett, Councilmember

This proposed FY 21/22 City of Sonoma budget is prepared and submitted to the City Council by City staff on behalf of the Sonoma community. The preparation of a City budget is the work product of a team. Much appreciation to the following staff for their talents, dedication and work to prepare this document and to deliver the services and initiatives contained here.

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AMENDMENTS
to the City of Sonoma & Successor Agency
Proposed FY 2021/22 Operating and Capital Budget

The following changes to the Proposed Operating and Capital Budget were approved by the City Council at the meeting of June 22, 2021 as part of the Council's discussion, consideration, and adoption of the City's annual budget for FY 2021/22:

General Fund:

\$30,000 (City Manager's Department):	Add contractor or part-time staffing to administer the City's affordable housing program
\$30,000 (Public Works Parks Division):	Plaza landscaping
\$39,000 (City Clerk):	Election costs
\$5,000 (Administration):	Management compensation study
\$10,000 (City Manager):	Federal lobbyist costs
\$10,000 (City Manager):	Grant writing
\$24,300 (Community Activities):	City Party
<hr/>	
\$148,300	Total Increases
(\$75,924)	Remove transfer to Housing Fund
<hr/>	
\$72,376	Net increase in General Fund Budget

As a result, the total Operating and Capital Budget of \$39,876,288 in the Budget Resolution adopted by the City Council is adjusted by an increase of \$72,376 to a total of **\$39,948,664**.

Note: additional changes and direction to staff were provided by the City Council at this meeting; however, only those changes affecting the total adopted budget are shown here.

CITY MANAGER BUDGET MESSAGE



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CITY MANAGER MESSAGE FY 2021/22 OPERATING & CAPITAL BUDGET

June 21, 2021

To Mayor Harvey and Members of the City Council:

On behalf of the City staff, I am pleased to present to you the Fiscal Year 2021/22 Operating and Capital Budget for the City of Sonoma.

The City's Operating and Capital Budget is a policy document which sets the financial course for the City of Sonoma and defines the service priorities provided to the community. This document provides a comprehensive overview of City proposed services and projects for the fiscal year that begins July 1, 2021. The budget identifies the City's organizational structure and staffing, includes program descriptions and recent accomplishments, provides an overview of the City's financial condition, and summarizes budget priorities and issues.

Overview

The budget for the City of Sonoma and the Sonoma Successor Agency for FY 2021/22 includes a combined Operating and Capital Improvement Program (CIP) Budget of \$39,876,288. This budget represents a spending plan that balances the need to be responsive in providing services to residents, businesses, and visitors within the limits of available resources. Those resources are frustratingly limited as we present the budget.

In March 2020, the City issued an emergency proclamation in response to the worldwide coronavirus pandemic, activated the City's EOC, responded to numerous public health orders and shelter-in-place requirements, and began assisting with recovery for City businesses and the community at large. The City moved to have some staff working from home and adjusted new communication and business operations for the public. City staff also provided extensive support to the Food Security Task Force, Hearts for Art, business information and assistance, the Sonoma Valley SAFE program, and general business reopening and recovery.



Public Works continued daily maintenance of City streets, bike paths, parks, cemeteries, and our water system while following complex coronavirus safety protocols, supported food distribution sites and Farmers Markets, and followed the changing orders for access and use of City parks and open space. In addition, management staff began analyzing and preparing financial planning documents to help problem solve through the uncertainty brought on by the pandemic and how it would affect the City's revenues for the next few years.

The pandemic and resulting economic impact dramatically impacted local governments, especially the City of Sonoma's general fund revenues with our strong tourism-based economy. Last fiscal year, as staff

began preparing the FY 20/21 budget the focus was centered on the financial impacts of the pandemic and a potential \$2.7 million loss of revenue in FY 19/20 and projected \$4.6 million loss of revenue for FY 20/21.

Moving to today, the FY 21/22 budget development included:

- A detailed analysis of the pandemic’s actual impacts on FY 19/20;
- Projected revenue and expenses in FY 20/21;
- Projections for FY 21/22; and
- Updating the five-year forecast for the City’s General Fund to understand how the pandemic has affected the City’s use of reserves and to determine when the City will begin to see a recovery and return to a balanced operating budget.

Our city government relies heavily on revenues (such as transient occupancy taxes [TOT] and sales taxes from food and beverage sales) that were significantly impacted by the pandemic. Fiscal Year 19/20 began with a balanced budget, but steep drops in TOT and sales taxes for the 4th quarter (April – June) led to a projected revenue shortfall of more than \$2M.

In May 2020, the City Council approved a plan to reduce FY 19/20 expenditures by cutting spending wherever possible and deferring one-time projects. Following these cuts and other adjustments, we project that **FY 2019-20 closed with a year-end operating deficit of approximately \$660,000**, which will be funded with financial reserves. In summary, FY 2019/20 closed about \$210,871 better than we had projected, as shown in Table 1.

Table 1 – Changes in Uses of Reserves from Projected to Now Estimated (FY 2019-20)

Use of Reserves	FY 2019-20	
Projected	\$	870,871
Now Estimated	\$	660,000
<i>Difference</i>	\$	210,871 ↑

More about TOT and Sales Taxes. As of January 2020, annual TOT revenues were on a path to reach \$4.8 million, which would have been a record amount. With the pandemic and related shutdown, the FY 20/21 budget assumed TOT revenue of less than half this amount, down by about \$2.6 million. Sales taxes are also highly impacted by tourism, with restaurants comprising the largest single segment. Total sales taxes for FY 20/21 were assumed to be more than \$1 million below pre-pandemic levels.

We forecasted that projected declines in these and other revenues would be partially offset by revenue sources with less short-term volatility, such as property taxes. In total, the FY 20/21 budget projected a \$3.3 million decrease in total General Fund revenue (from \$20.5 million in the FY 19/20 adopted budget to \$17.2M in FY 20/21). Table 2 shows that revenue losses in the end were not as bad as we expected. In FY 2019/20 we ended up losing about \$1,206,937 less than expected. In FY 2020/21 we project that we will lose \$2,233,924 less than expected.

Table 2 – Revenue Loss – Projected and Now Estimated

Revenue Loss	FY 2019-20		FY 2020-21	
Projected	\$	2,700,000	\$	4,600,000
Now Estimated	\$	1,493,063	\$	2,366,076
<i>Difference</i>	\$	1,206,937 ↑	\$	2,233,924 ↑

FY 20/21 budgeted expenditures also included spending cuts and deferral of one-time projects and transfers to CIP. The adopted General Fund operating budget projected \$19.3M in expenditures for FY 20/21.

Optimism and Careful Spending. There is reason for optimism and some good news as we are finishing out FY 20/21, as the City’s major revenue sources for FY 20/21 have done better than originally forecasted when Council approved the FY 20/21 budget. This was not without its challenges - extreme smoke from North Bay fires in September and October and the renewal of a strict stay at home order in December and part of January forced hotels to close. Still, thanks to a robust Spring 2021:

- TOT for FY 20/21 is projected to come in higher than originally budgeted at \$565,020.
- Combined regular Sales and Measure U Sales Tax revenue is projected to be \$316,554 higher than originally budgeted.
- EMS Ambulance billing is projected to be approximately \$220,000 higher.

Partially offsetting that, some of the more minor revenue sources such as Business Licenses, Fees and Charges for Services are coming in lower than budgeted as many small businesses were forced to close, events were not allowed, there was no enforcement of downtown parking for most of the fiscal year plus other related fee for service declines.

Expenditures are also coming in lower than originally budgeted for FY 20/21. The General Fund amended operating budget projected \$19,969,324 in expenditures for FY 20/21. The total FY20/21 year-end salary and benefit projections of \$3,708,000 are **forecast to be at 89%** of the total \$4,164,280 budgeted expense. This is due to several vacant staff positions that have not yet been filled and will most likely remain open until near the fiscal year’s end. In summary, the FY 20/21 actual budget will show about \$368,426 fewer expenditures than first envisioned, as shown in Table 3.

Table 3 – Changes in Expenditures Estimated at Year End Close 2020-21

Expenditures	FY 2020-21	
Projected	\$ 19,969,324	
Now Estimated	\$ 19,600,898	
<i>Difference</i>	\$ 368,426	↓

About Reserves. To meet the challenge of balancing the budget in a time of extreme economic uncertainty, the adopted budget for FY 20/21 used a combination of spending reductions and a drawdown of reserves. Council and staff felt that the use of reserves was an appropriate and important part of the budget solution for the City’s current financial situation.

As a result of years of fiscal prudence, the City has developed healthy financial reserves, which function as savings accounts or rainy-day funds. The City’s Emergency Reserve helps fund the costs of responding to a major fire, earthquake, or pandemic. The Operating Reserve’s purpose is to help mitigate the effects of economic downturns on City services and allow time to adjust operations accordingly. Any remaining reserves are available for one-time projects and to restore the emergency and operating reserves to their target levels.

After using a projected \$660,000 of reserves in FY 19/20, General Fund Reserves at the beginning of July 1, 2020 are estimated to have been \$8.91 million. The original FY 20/21 General Fund adopted budget assumed a further use of \$2.0 million to balance the budget, which would have drawn down reserves to \$6.91 million by June 30, 2021. However, with the FY 20/21 forecasted revenue increases

and expense reductions it appears the use of general fund reserves will instead be \$600,000 less at approximately \$1.5 million. Table 4 shows the specifics of this change:

Table 4 – Reserve Use in FY 2020/21

Use of Reserves	FY 2020-21	
Projected	\$ 2,063,640	
Now Estimated	\$ 1,466,974	
Difference	\$ 596,666	↑

General Fund Five-Year Forecast

A multi-year General Fund forecast is an important tool for informing decisions that affect long-term financial sustainability. A year ago, with the FY 20/21 budget, staff prepared and included the presentation of a five-year forecast to assist the City Council with its decision process for the FY 20/21 proposed budget.

A Financial forecast is:

- A way to identify trends in revenues and expenditures to see impacts and plan for adjustments over time.
- A tool to inform decision making affecting long-term financial sustainability.
- Dynamic (regularly updated based on new information)
- A starting point or baseline

A Financial forecast is not:

- A budget
- A labor relations plan
- A one-time endeavor
- "What Will Be"

A Forecast gives you the ability to look at the horizon so that you can adjust course.

Although the City’s financial outlook is constantly evolving based on new information and actions that were taken to deal with ever evolving public health orders, the Forecast provides a framework for identifying trends and critical issues and serves as a baseline for budget decisions and financial planning. To be clear, a Forecast and its assumptions are based on the best information available at the time, however today’s health and economic emergencies create unprecedented levels of uncertainty.

The Forecast reflects informed estimates by city staff and consultants regarding trends in revenues and expenditures. There are a significant number of unknowns and new information that may affect the Forecast arrives on a weekly if not daily basis.

There are reasons for optimism.

- While new COVID-19 cases vary day to day, cases are predominately within the age 16-24 YO unvaccinated cohorts, which while problematic do not typically lead to hospitalizations.
- The overall level of hospitalizations remains very low at this time.
- Over 62% of Sonoma County residents have been fully vaccinated, and nearly 75% are fully or partially vaccinated.
- The Pfizer vaccine was approved for children ages 12-15 (it had been approved for persons 16 years and older), and vaccinations locally began Thursday, May 13, 2021)



- Vaccine supply is no longer an issue in the County. Appointments are readily available.
- California will have reopened much of its economy on June 15.
- Federal legislative relief, approved by Congress and President Biden in late February 2021, will provide the City with about \$2.64 million which can be used for revenue losses.

There are also reasons for prudence.

- It is unclear what the shape and length of the pandemic caused recession will be, including whether an aggressive variant(s) among the unvaccinated community will cause another shutdown.
- Many workers are unemployed.
- Although hotels are filling up on weekends, lower average daily room rates and less corporate travel during the week are still affecting TOT revenue. This summer will provide true data of what revenue our hotels will provide, which is a critical data point for our financial planning efforts.

Further details are in the General Fund Five-Year Forecast which includes FY 19/20 – FY 24/25 and in the Financial Summary Portion of the budget.

FY 21/22 GENERAL FUND OPERATING BUDGET

Overall

The General Fund Operating budget for the City of Sonoma for FY 21/22 is \$21,749,190 including transfers. Table 5 is a summary chart for the FY 21/22 General Fund Budget.

Table 5 - FY 2021/22 General Fund Budget Summary

FY 21/22 Budget - General Fund	
Revenues	\$20,324,330
Expenditures	\$21,749,190
Deficit - Use of Reserves	(\$1,424,860)

Strategy

First, it is important to remember that a budget is a plan. The City Council can modify and adapt the budget as we proceed through the fiscal year. Generally, when preparing a budget, there is some firm ground. Today, we have a pandemic and economic uncertainty. In addition, we are entering fire season and will also be facing PG&E de-energization (Public Safety Power Shutoffs or PSPSs) this summer/fall. The triple play of the coronavirus pandemic plus fire season plus PSPSs (all in a drought year) means that the City may be facing layered emergencies at one time including ongoing economic recovery.

The FY 21/22 Budget will be an active “plan” with proactive monitoring and review based on continued uncertainty and constantly changing information. In preparing the budget, our goal was to reduce the deficit and modestly use reserves while restoring some investment in the City’s infrastructure and increasing service levels that were impacted with the prior fiscal year’s budget. With an already lean staff who provide services for regular operations and the City’s multiple emergencies, we have preserved staff positions and capacity to ensure our ability to respond proactively to the community.

General Fund Revenues

The City of Sonoma’s General Fund revenue forecast is driven primarily by property tax, transient occupancy tax (TOT) and sales taxes. Property tax for FY 21/22 is projected to be \$142,117 more than the original FY 20/21 budgeted revenue of \$4,527,641. Regular property tax is increasing by 3.44%, however, the Sonoma County Assessor changed the methodology for calculating Redevelopment

Property Tax Trust Fund (RPTTF) residual revenue resulting in a loss of approximately \$39,000 from the prior fiscal year budgeted revenue.

With a tourism-based local economy, the City of Sonoma is reliant on hotel and sales taxes which represent 48% of the City’s General Fund budget. The City Sales Tax expert, HdL, is forecasting revenue from regular plus Public Safety Sales Tax at \$3,344,767 and Measure U Sales Tax at \$2,496,896. The combined total of \$5,841,663 is \$818,336 more than the original FY 20/21 combined budgeted Sales Tax revenue of \$5,023,327.

For FY 21/22 Staff is projecting TOT will be at 80% of “pre-pandemic normal” or \$4.0 million. (This revenue total includes the 1% TOT that is transferred to the Housing Trust Fund which is shown as a transfer out of the General Fund.) This is most likely a conservative estimate, as March 2021 TOT revenue was 86% of “pre-pandemic normal” and April 2021, with just the larger hotels reporting, is already higher.

Data from the final 60 days of FY 20/21 and the first 90 days of FY 21/22 will give us real information regarding TOT revenue and its recovery. Table 6 shows FY 21/22 projected General Fund revenue by type.

Table 6 – FY 2021/22 Revenue Estimates by Type

Revenue Type	FY 21/22 Budget
Property Tax	\$4,643,155
Transient Occupancy Tax	\$4,028,992
Sales Tax (general, public safety)	\$3,344,767
Measure U Sales Tax	\$2,496,896
EMS Revenue	\$2,600,000
Fees & Charges for Services	\$759,234
Franchise Taxes	\$420,000
Business License Tax	\$380,000
Other Revenue	\$1,651,285
Total	\$20,324,329

Table 7 shows some of the FY 21/22 General Fund key revenue increases/(decreases) as compared to the FY 20/21 original General Fund Budget:

Table 7 - General Fund Key Revenue Increase/ (Decreases)

Revenue Type	Key Revenue Increases/ (Decreases) for FY 21/22
Property Tax	\$88,514
Transient Occupancy Tax	\$1,593,643
Sales Tax (general, public safety)	\$555,639
Measure U Sales Tax	\$384,044
EMS Revenue	\$620,000
Franchise Tax	(\$91,020)
Business License Tax	(\$28,907)
Operating Transfers In	(\$198,572)
Total	\$2,923,341

General Fund Expenditures

As a service organization, the majority of the City's costs are for staffing (either city employees or service contracts, such as police and fire). For the FY 21/22 General Fund budget there are no increases to City staff, however a part-time Administrative Assistant in the City Clerk's department and a part-time Community Engagement Manager (Senior Management Analyst) in the Community Activities department was combined into a full-time Management Analyst in the City Clerk's Department. The new Management Analyst will provide increased records imaging and cataloging for both the City Clerk and Building departments, improved compliance with Public Records Act requests, alternate backup for the City Clerk (Deputy City Clerk training is budgeted for this position), and other special projects.

The FY 21/22 General Fund budget includes complying with previously approved memorandum of understanding with labor groups, which will result in a 2.5% to 5.5% increase in wages to the city employees affected. To avoid compaction and to reflect warranted cost-of-living adjustments, the managers' wages (except for the City Manager's wages and benefits, which are set by contract) are increased at the same amount. Other wage changes allow for step increases for new employees and for employees not yet at top step.

Major increases within the General Fund budget for FY 21/22 include \$458,295 to the Sheriff's contract (details follow under Public Safety), \$69,920 in insurance cost increases, and a \$111,380 increase in costs associated with paying for the City's modest unfunded pension liability. Importantly, there also are critical one-time expenses proposed here, in part to take advantage of the Federal Stimulus bill's revenue. There is no time like the present to fund these important efforts, which will increase efficiency and safety. These items are:

- \$300,000 for a one-time expenditure for new cloud-based electronic permitting/budgeting/accounting software,
- \$75,588 for network & data cyber security vulnerability reduction and best practices that were recommended in the 2019 Network Security Review and Audit,
- \$30,000 for a one-time expenditure for new cloud-based records archive and public portal software); and
- \$30,000 for the City's portion of a possible Valley Governance Study (to be cost-shared with the County of Sonoma and private philanthropy) .

Table 8 shows FY 21/22 expenditures for the General Fund. More detailed information regarding revenues, expenditures and reserves is included in the Financial Summary portion of the budget.

Table 8 - FY 2021/22 General Fund Expenditures

Description	FY 2021/22 Expenditures
Current Staffing (Salaries & Benefits)	\$ 4,324,350
Sheriff Contract & Operating Costs	\$ 4,988,226
Fire/EMS Contract & Operating Costs	\$ 5,640,750
Other Professional/Contractual Services	\$ 764,839
Payments on accrued PERS Liability (UAL)	\$ 1,181,491
Other Operating Costs	\$ 4,371,134
Transfer to Capital Improvement Program	\$ 478,400
Total General Fund Operating Expenditures	\$ 21,749,190

Public Safety

Over 50% of the City's General Fund budget is invested in Police and Fire/EMS services via contracts and operating costs. For FY 21/22, the Sheriff's Office is proposing a 10% increase over the original FY 20/21 budget totaling \$458,925. This increase includes salaries and benefits to add back a Deputy Sheriff (as of July 1, 2021) and a Community Services Officer (CSO) (as of January 1, 2022). These two positions were held vacant for FY 20/21. The Chief is also proposing an increase in traffic officer coverage to assist with speed control and pedestrian safety, among other things.

During the pandemic and related State and Sonoma County ordered shutdowns, the City was relatively quiet in terms of criminal activity and traffic. Now that the City has reopened, the Police Chief would like to address any possibility that crime and traffic are on the rise.



The FY 21/22 proposed budget for the Fire District is increasing by \$263,439 over FY 20/21. The increases include \$78,439 for the Fire District contract, \$95,000 for the three SAFER (Staffing for Adequate Fire and Emergency Response) grant employees assigned to Sonoma (offset by a transfer from Fund 798), \$90,000 for the new outside EMS billing company fees, (offset by an increase in EMS ambulance billing revenue), and an increase in PERS UAL of \$41,813.

Community Activities

Recognizing the significant role that recreational and community services programs play in enhancing the overall health and well-being of its citizens, the City has regularly provided funding and financial support to non-profits providing these services in Sonoma. A few years ago, the City organized funding of recreation and community services into a Recreation & Community Services program and created agreements with key non-profits to recognize this outsourcing partnership. In FY 20/21 support to these providers was cut by 15%.

Due to the importance of these community services, staff recommends that the City continue to support Core Recreation providers such as Vintage House, Boys & Girls Club, Sonoma Community Center, Sonoma Ecology Center, and Field of Dreams in the following manner:

- Create 3-year contract extensions with funding to be determined annually.
- Restore FY 21/22 funding by 11% to equal the FY 19/20 pre-pandemic contribution of \$186,250.
- Extend economic development related contracts (Chamber of Commerce and Sonoma Valley visitor's Bureau) with no reduction. Business support, visitor outreach, and economic development during re-opening/recovery are key to City revenues.
- No changes to fee waiver policies for City-sponsored events, although some may not be held this year.
- No change recommended in financial support to Sebastiani Theatre Foundation, Fare Free Transit program and student artist scholarships.
- Add funding for Parks Project Contractor
- Additional one-time funding of \$25,000 for the Field of Dreams organization to catch-up on important maintenance and irrigation improvements.



Homelessness Services

Over time and in part as a response to the pandemic, Sonoma Overnight Support shifted some of its operations. While a new model for some services is warranted soon, staff recommends continued support for costs for FY 21/22 of \$30,000 which have been included in the budget.

Key Projects and Initiatives

As always, the City Council’s initiatives were a key consideration during development of this budget. This budget provides financial support for maintaining our core service levels in public safety and public works, partnering with local non-profits to provide recreational and other community services, protecting our community assets, enforcing City codes, and increasing our focus on preparing for emergencies.



Each year, there are one-time expenditures included in the budget. Table 10 is a list of items that are included in the proposed FY 21/22 Budget (some of which have been mentioned previously in this message).

Table 10 - FY 2021/22 General Fund One-Time Expenditures

Item	FY 21/22	Notes
Pension Study Analysis	\$5,000	Pension Study (Carryover from FY 20/21)
Photographic Art for City Council Chambers	\$9,201	To complete refurbishing of Council Chambers - City Council budget
For Council - Directed Studies	\$15,000	Studies may include Fiscal Impact Analysis, a Downtown Parking Effort, and more - Planning budget
One laptop and 8 iPads	\$10,960	One laptop needed for new IT Security - Planning budget and 8 iPads for Public Works communication upgrades
Public Works Parks Flat-Bed Truck	\$20,000	\$35K for replacement - Public Works Parks budget
TESLA EV Charging Stations	\$20,000	City Contribution to Community Center for Tesla EV Charging Stations
Field of Dreams	\$25,000	One time contribution for maintenance and irrigation needs - Community Service's budget
Cemetery Analysis	\$30,000	Transfer from General Fund to Cemetery Fund
Cloud-based records Archive Software	\$30,000	Upgrade records management/archive software which will include a public portal - Non-Departmental budget
Valley Governance Study	\$30,000	City Manager's budget
Plaza Tree Assessment	\$35,000	Arborist/tree maintenance - Public Works Parks budget
Disaster Recovery and Cyber Security Software	\$75,588	Network & Data Cyber Security Vulnerability Reduction and Best Practices - Recommended by 2019 Network Security Review and Audit - transfer from General Fund to MIS Internal Service Fund
Cloud-based permitting/budgeting/accounting software	\$300,000	Implementation of new permitting/budgeting/accounting to replace manual permitting system and upgrade budgeting/accounting software - Non-Departmental budget
Total	\$605,749	

Capital Improvement Budget

Our local economy and daily life rituals depend on reliable infrastructure to deliver our water, circulate our vehicles and bicycles, protect our creeks, and prevent flooding by removing excess water through storm drains. Maintenance and reinvestment in infrastructure is costly, and if deferred, becomes even more expensive. Historically, the City’s redevelopment agency was the major funder of capital infrastructure improvements for our community. The State’s elimination of redevelopment has created a large financial hole for Sonoma that continues to impact us.

The Capital Improvement Program (CIP) is a planning document to support our safe, healthy, and vibrant community through investment in public infrastructure throughout the City. The CIP includes projects to improve the City’s streets, sidewalks, bikeways, and storm drainage; water system; parks and open space; cemeteries; and City buildings. Table 11 is the FY 21/22 General Fund funding for CIP projects.

Table 11 - Total Funding Request by Project for Fiscal Year 2020/21 Capital Improvement Program – General Fund Only

CIP #	FY 21/22 ACTIVE PROJECTS	FY 21/22 NEW FUNDING REQUEST	
TRANSPORTATION: Keeping Sonoma Moving Safely			
T-2	Fryer Creek Pedestrian & Bicycle Bridge Project	\$50,000	Proposed for construction Summer 2021
T-3	Bi-Annual Slurry Seal Projects	\$40,000	
T-4	Citywide Sidewalk Inspection & Repair Program	\$10,000	Annual program
T-10	Broadway Pedestrian Safety Project	\$232,000	(Estimated)
SUBTOTAL		\$332,000	
BUILDINGS & FACILITIES: Maintaining Critical Assets			
BF-8	Depot Park Museum HVAC	\$60,000	Estimated
New	Depot Park Museum Roof and Solar	\$86,400	Estimated
SUBTOTAL		\$146,400	
TOTAL TRANSFERS TO CIP FOR FY 21/22		\$478,400	

Additional Revenue Sources

- Federal Assistance - The \$1.9 trillion American Rescue Plan was enacted on March 10, 2021. Among other things, the ARP will provide the City of Sonoma approximately \$2.64 million in funding for FY 21/22. The FY 21/22 use of Reserves is forecasted to be \$1,424,860. With the one-time Federal Relief Funding the City will have a projected General Fund Operating surplus of \$1,212,315. There are restrictions on how the funds can be spent but eligible expenditures will include replacement of lost revenue. Staff is recommending that the ARP Funds which create the one-time operating surplus be returned to reserves to backfill for the FY 19/20 and FY20/21 use of reserves which is projected to total \$2.1 million.
- Cannabis Tax – A Cannabis Business Tax was approved by the voters in November 2020. This could generate a potential \$400,000 in new revenue from up to two Council approved retail

dispensaries. The FY General Fund Five-Year Forecast includes \$25,000 in Cannabis tax revenue for FY 21/22 and \$25,000 for each year after. These estimates are conservative and will be updated when dates for opening of the dispensaries are known and revenue begins to be received.

Conclusion -- Setting a Course, Remaining Flexible.

These are unprecedented times that make it difficult for City budgeting. The size, scope, and duration of economic and financial impacts of the pandemic/response are difficult to predict. Although there is no consensus on what the future will bring, our goal as an organization is to provide an informed assessment to you for use in making financial decisions, to communicate transparently with our community, and to adapt as needed to continue to serve our residents and business within available resources.

While it is important to set a course of action, it is equally important to be able to adjust along the way. More than ever before, budgeting is an ongoing process, with an increased frequency and emphasis on monitoring and modification.

Specifically, to that point, as I transition to the new City Manager, I offer you a handful of recommendations. There is a fairly good chance that some important revenues, such as TOT and Sales Taxes could come in higher than expected – significantly higher – and you as a Council might know that quite soon (by July – August 2021). If this occurs, the new Manager and Council have a chance to address some important needs:

- The City should conduct a brief nexus study and, once the electronic permitting software is purchased, add an IT maintenance and improvement fee to all building permits.
- To stay ahead of new equipment needs in Fire, the proposed Valley-wide Fire Impact Fee should be adopted, and once revenue is generated, up to \$135,000 should be allocated for this purpose.
- The City can improve the way it manages our inventory of affordable housing units (especially those operated by private sector developers). The City could partner with other cities in hiring a staff member or outside contractor to assist here, in the amount of about \$30,000 (an estimate). Here, too, a nexus study should be completed, and a monitoring and administrative fee should be charged per unit to assist in covering these costs.

The City of Sonoma benefits from a history of fiscally conservative Council leadership and of community support for local revenues, which has helped to position the City of Sonoma to sustain the economic impacts of the COVID-19 pandemic. Many of the organizational improvements made in the past several years to our emergency preparedness capabilities, financial management systems, and community information channels have helped us greatly in managing the current crisis. We have a City workforce that is committed, responsive, and adaptable. While many challenges remain, Sonoma is well positioned to make its way along the road ahead.

Team Sonoma

Our staff is to be commended for the many outstanding and selfless accomplishments of this past difficult and unprecedented year. Some but not all are listed in this budget.

In particular, I want to acknowledge the entire Finance Team led by Sue Casey, Assistant City Manager and



Jenna Burrows, Deputy Finance Director, for their expertise and dedication in preparing this budget and also our outstanding Public Works team, who continue to polish our 5-year Capital Improvement Program.

I am thankful for the leadership and hard work of the City Council. I am also extremely proud of the Management Team and rank-and-file employees that support the Sonoma community. This has been a very tough year for so many – from our community, to our City leadership, to our staff. As to the team I've been honored to become a part of for this brief time, I am so impressed with their dedication, professionalism, and the teamwork that is authentically conveyed on a daily basis to our customers. Sonoma is a special place to live and work and it has been an honor to work in partnership with the City Council, the community, and our employees to maintain Sonoma's quality of life.

Respectfully submitted,

Dave Kiff
Interim City Manager

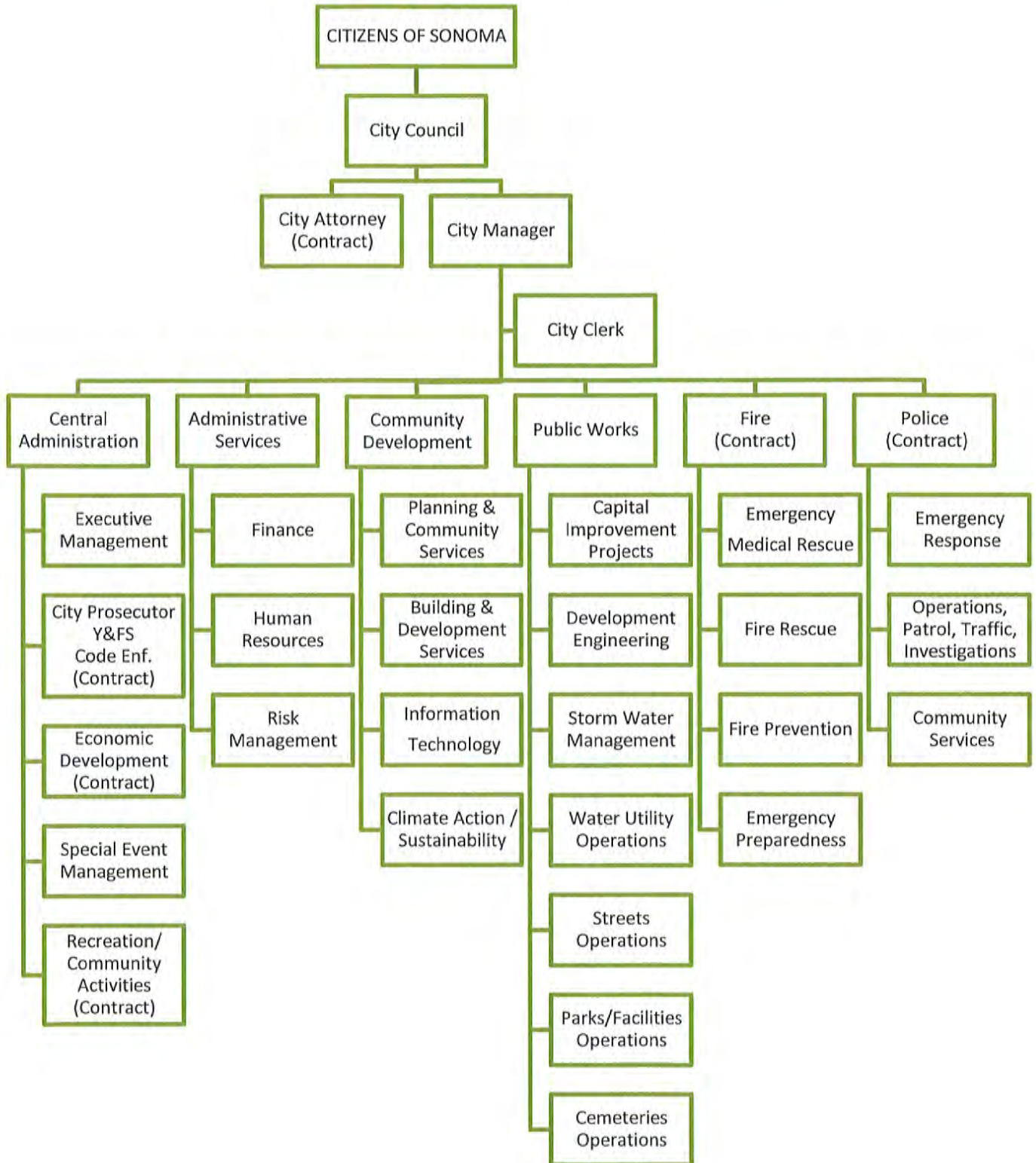
FINANCIAL SUMMARY

**City Organization Chart
Fund Overview
Financial Summary
Revenue Summary
Expense Summary
Staffing/Position Summary
Long Range Forecast
Reserve Summary**



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City of Sonoma -- Organization Chart (by function)



ALL FUNDS EXPENSE VIEW

**CITY OF SONOMA / SUCCESSOR AGENCY
OPERATING, CAPITAL PROJECTS,
ENTERPRISE, SPECIAL REVENUE, INTERNAL SERVICE, DEBT SERVICE AND AGENCY FUNDS
FY 21/22 ALL FUNDS EXPENSE**

Expenditure Category	FY 21/22 Budget	Expenditure Category	FY 21/22 Budget
GENERAL FUND - OPERATING:		SPECIAL REVENUE FUNDS:	
City Council (41001)	\$116,794	Public, Educational & Govt PEG (202)	\$52,000
City Clerk (41002)	\$346,895	C.O.P.S. Grant (217)	\$120,412
City Manager (41003)	\$740,891	Gas Tax (302)	\$611,400
Finance (41004)	\$834,704	SB-1 Road Maintenance (303)	\$444,114
Legal Services (41005)	\$478,295	Transportation Measure M (313)	\$205,735
Police (42101)	\$5,828,360	Parks-in-Lieu/Quimby Act (314)	\$363,577
Fire/EMS (42201)	\$6,523,921	Parks Measure M (315)	\$235,000
Public Works Admin (43020)	\$455,570	Parks-Proposition 68 (316)	\$177,952
Public Works Streets (43022)	\$915,600	EMS Equipment Replacement (521)	\$32,750
Public Works Parks (43023)	\$1,104,255	Grants Restricted (630)	\$70,000
Planning (43030)	\$992,312	Housing Trust Fund (732)	\$20,000
Building (43040)	\$703,274	Inter-Govt Transfer IGT (796)	\$760,739
Community Activities (43101)	\$631,284	Cemetery Endowment (504)	\$50,000
Successor Agency (43199)	\$50,000	INTERNAL SERVICE FUNDS:	
Non-Departmental (43200)	\$1,103,998	MIS (601)	\$376,922
Subtotal General Fund - Operating (100)	\$20,826,154	Vehicle & Equipment Replacement (603)	\$690,312
General Fund Transfer Out (43999)	\$923,035	Long Term Building Maintenance (610)	\$305,000
Total General Fund - Operating (100)	\$21,749,189	DEBT SERVICE FUNDS:	
CAPITAL PROJECTS:		CREBS (495)	\$41,749
Streets/Transp/Drainage Cap Projs (301)	\$219,236	POB (498)	\$0
Parks & Facilities Capital Projects (304)	\$360,000	AGENCY FUNDS:	
Water Utility - Capital Projects (512)	\$3,475,674	Successor Agency ROPS (391)	\$3,325,288
ENTERPRISE FUNDS:		TOTAL ALL EXPENSES	\$39,876,288
Cemetery (501)	\$393,794		
Water Utility Operating (510)	\$5,795,445		

INTRODUCTION

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

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

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

BUDGET / CITY FUNDS

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

In order to understand the budget document, it is important to have some background on the basis of municipal budget and accounting. The City’s accounts are organized on the basis of funds, each of which is considered a separate accounting entity, and which are required by state or federal law or proper accounting practice. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The operating budget includes proposed spending from many different funds. Depending on the type of service provided by a department, expenditures may be authorized from a number of funds. The majority of traditional city services are funded through the General Fund.

OVERVIEW – FINANCIAL SUMMARY

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that require accounting in another fund.

Proprietary Funds

The proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus, which means that all assets and all liabilities associated with each fund’s activity, whether current or non-current, are included on its balance sheet. The reported fund equity is segregated into assigned and unassigned retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total assets. There are two primary types of proprietary funds – Enterprise Funds and Internal Service Funds.

Enterprise Funds – The city maintains two enterprise funds – Water Fund and Cemetery Fund. By Governmental Accounting definition, Enterprise Funds are “to account for operations that are financed and operated in a manner similar to private business enterprise-where the intent of the governing body is that the costs of providing goods or services are financed or recovered primarily through user charges.” The intent is to have the expenses (including depreciation) of providing goods or services on a continuing basis to the park residents, financed or recovered primarily through charges to the residents.

Internal Service Funds — The internal service funds are used to account for, and finance, services and commodities furnished by a designated department of a governmental unit to other departments of the same governmental unit. The City uses Internal Services Funds to develop reserves for large purchases such as vehicles (Vehicle Replacement Fund), Management Information Systems, and large building maintenance activities (Long Term Building Maintenance Fund). This avoids large fluctuations due to large asset purchases or significant repairs.

Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt. For example, the Gas Tax Fund is designated as a Special Revenue Fund as it receives the State calculated allocation of motor vehicle fuel taxes which can only be used for legally restricted specific streets and related transportation purposes/projects.

Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Water Fund and Successor Agency have debt payment within their program budgets. In addition, there is one other current debt obligation which has its own debt service fund.

OVERVIEW – FINANCIAL SUMMARY

Fiduciary Funds

Trust and agency funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust funds, non-expendable trust funds (permanent funds), pension trust funds, and agency funds.

The Successor Agency is one example of this type of fund. The Successor Agency provides for receipt of Redevelopment Property Tax Trust Fund (RPTTF) funds and payment of former Community Development Agency expenses approved by the State Department of Finance. The City Council sits as the Successor Agency. All actions of the Successor Agency must be approved by a County Consolidated Oversight Board comprised of representatives of the taxing entities and the State's Department of Finance.

REVENUES - FINANCIAL SUMMARY

REVENUE OVERVIEW

Fund	Revenue Category/Fund Total	FY 18/19 Actuals	FY 19/20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20/21 Amended Budget	FY 20/21 Projected Actuals*	FY 21/22 Budget
100	Property Taxes	\$4,235,814	\$4,504,042	\$4,527,641	\$4,527,641	\$4,527,641	\$4,643,155
100	Sales Tax	\$3,361,377	\$3,161,974	\$2,910,475	\$2,910,475	\$3,052,023	\$3,344,767
100	Measure U -Local Sales Tax	\$2,588,045	\$2,265,087	\$2,112,852	\$2,112,852	\$2,287,858	\$2,496,896
100	Transient Occupancy Tax	\$3,993,600	\$3,411,309	\$2,245,436	\$2,024,286	\$2,810,456	\$4,028,992
100	EMS Charges	\$1,545,926	\$1,912,995	\$1,980,000	\$2,805,557	\$2,200,000	\$2,600,000
100	Fees and Charges For Services	\$822,535	\$1,190,720	\$698,796	\$776,246	\$489,768	\$707,834
100	Franchise Taxes	\$486,027	\$454,351	\$511,020	\$511,020	\$511,020	\$420,000
100	Business License Taxes	\$407,381	\$377,875	\$408,907	\$408,907	\$380,000	\$380,000
100	Other Revenues	\$811,471	\$831,546	\$478,209	\$455,759	\$488,679	\$528,316
100	Transfers	\$898,038	\$898,038	\$1,372,941	\$1,372,941	\$1,386,479	\$1,174,368
100	Total General Fund	\$19,150,214	\$19,007,937	\$17,246,277	\$17,905,684	\$18,133,924	\$20,324,329
CAPITAL PROJECT FUNDS:							
301	City - CIP	\$307,438	\$347,542	\$78,200	\$78,200	\$14,144	\$441,600
304	Parks & Facilities CIP	\$349,764	\$13,653	\$100,000	\$100,000	\$0	\$100,000
ENTERPRISE FUNDS:							
501	Cemeteries	\$314,305	\$279,177	\$340,353	\$340,353	\$267,505	\$371,350
510	Water Utility	\$5,044,209	\$5,892,014	\$5,670,398	\$5,708,246	\$6,040,529	\$6,096,707
512	Water - CIP	\$457,632	\$72,891	\$77,750	\$77,750	\$158,272	\$77,750
SPECIAL REVENUE FUNDS:							
202	Public, Educational & Govt PEG	\$44,833	\$33,213	\$0	\$0	\$11,604	\$52,080
203	Strong Motion	\$622	\$0	\$0	\$0	\$0	\$0
211	Asset Forfeiture	\$12,052	\$0	\$0	\$0	\$0	\$0
217	SLESF Cops Grnt	\$122,937	\$122,791	\$100,000	\$100,000	\$111,452	\$102,000
234	Schell Drainage	\$3,693	\$0	\$0	\$0	\$0	\$0
240	Abandon Vehicle	\$42	\$0	\$0	\$0	\$0	\$0
302	Gax Tax	\$235,457	\$257,308	\$279,679	\$279,679	\$250,820	\$279,679
303	Road Maintenance SB1	\$222,386	\$213,139	\$199,809	\$199,809	\$199,809	\$227,058
313	Measure M Funds	\$80,292	\$91,653	\$80,600	\$80,600	\$80,600	\$97,000
314	Parks-In-Lieu Fees/Quimby Act	\$0	\$0	\$520,000	\$520,000	\$40,083	\$0
315	Parks Measure M Funds	\$5,097	\$131,795	\$95,000	\$95,000	\$95,000	\$141,113
316	Parks Proposition 68 Funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
504	Cemetery Endowment	\$38,830	\$41,201	\$40,620	\$40,620	\$32,849	\$40,620
630	Grants (Potential EV Chrging Stations Grant)	\$0	\$0	\$0	\$0	\$0	\$70,000
731	Senior Housing	\$2,898	\$0	\$0	\$0	\$0	\$0
732	Housing Trust Fund	\$25,183	\$184,726	\$0	\$187,120	\$187,120	\$375,486
750	Bids & Deposits	\$117,907	\$0	\$0	\$0	\$0	\$0
796	IGT Fire	\$1,135,049	\$990,607	\$0	\$0	\$990,000	\$500,000
INTERNAL SERVICE FUNDS:							
513	Water Equip Replacement	\$12,536	\$0	\$0	\$0	\$0	\$0
521	EMS-Equip.Replacement	\$7,255	\$0	\$0	\$0	\$0	\$2,500
601	Mgmt Information Service (MIS)	\$216,445	\$42,775	\$209,564	\$209,564	\$209,564	\$373,624
603	Vehicle Replacement	\$325,306	\$34,668	\$287,899	\$287,899	\$287,899	\$406,733
610	L/T Bldg Maint	\$331,915	\$38,428	\$330,247	\$330,247	\$330,247	\$322,635
614	Computer Loan	\$2,552	\$280	\$0	\$0	\$0	\$0
DEBT SERVICE FUNDS:							
495	2008 Creb Bonds	\$41,749	\$41,748	\$41,749	\$41,749	\$41,749	\$41,749
498	2012 Pension Obligation Bonds	\$413,559	\$412,500	\$412,300	\$412,300	\$412,300	\$0
AGENCY FUNDS:							
391	Successor Agency	\$3,655,674	\$3,373,978	\$3,358,048	\$3,358,048	\$3,317,652	\$3,358,048
701	Culture Fine Art	\$592	\$0	\$0	\$0	\$0	\$0
702	Tree Trust	\$933	\$0	\$0	\$0	\$0	\$0
715	Pool Scholarship	\$425	\$0	\$0	\$0	\$0	\$0
Revenue Total (*Unaudited)		\$32,679,928	\$31,624,024	\$29,668,493	\$30,552,868	\$31,213,122	\$34,002,061

REVENUES - FINANCIAL SUMMARY

The budget for the City of Sonoma and the Sonoma Successor Agency for FY 21/22 includes \$20,324,329 in General Fund Revenue and total revenue for all funds of \$34,002.061.

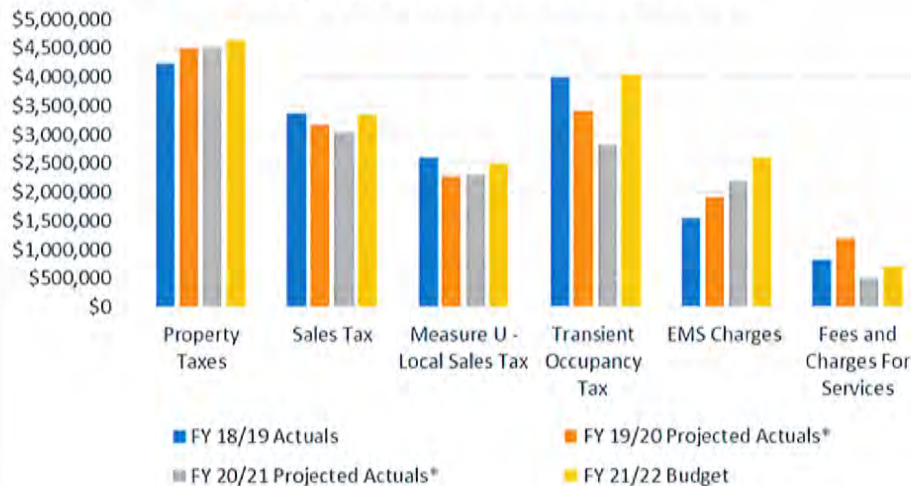
GENERAL FUND REVENUE

The General Fund supports most City services such as Administration, Community Development, Public Safety including Fire and Police, Public Works, and Community Activities. For the City of Sonoma, the primary General Fund revenue sources are Property Tax, Sales Tax (General and Measure U) and Transient Occupancy Tax (TOT). Together, these sources comprise 71% of total General Fund revenue. Other major General Fund revenue sources include Emergency Medical Service (EMS) revenue, Fees & Charges for Services, Franchise Tax, and Business License Tax.

Total FY 20/21 General Fund revenues are projected to be \$18,133,924. For FY 21/22, revenues are projected to total \$20,324,329, an increase of about \$2.2 million or almost 12.1% over projected actual revenue for FY 20/21. Over 56% of the revenue growth is coming from a projected increase in Transient Occupancy Tax of \$1.2 million as hotels have been allowed to fully re-open and tourism is on the rise following the shelter-in-place closures of the COVID-19 pandemic.

Fund	Revenue Category/Fund Total	FY 18/19 Actuals	FY 19/20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20/21 Amended Budget	FY 20/21 Projected Actuals*	FY 21/22 Budget
100	Property Taxes	\$4,235,814	\$4,504,042	\$4,527,641	\$4,527,641	\$4,527,641	\$4,643,155
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100	EMS Charges	\$1,545,926	\$1,912,995	\$1,980,000	\$2,805,557	\$2,200,000	\$2,600,000
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100	Franchise Taxes	\$486,027	\$454,351	\$511,020	\$511,020	\$511,020	\$420,000
100	Business License Taxes	\$407,381	\$377,875	\$408,907	\$408,907	\$380,000	\$380,000
100	Other Revenues	\$811,471	\$831,546	\$478,209	\$455,759	\$488,679	\$528,316
100	Transfers	\$898,038	\$898,038	\$1,372,941	\$1,372,941	\$1,386,479	\$1,174,368
100	Total General Fund (*Unaudited)	\$19,150,214	\$19,007,937	\$17,246,277	\$17,905,684	\$18,133,924	\$20,324,329

General Fund Major Revenue Sources



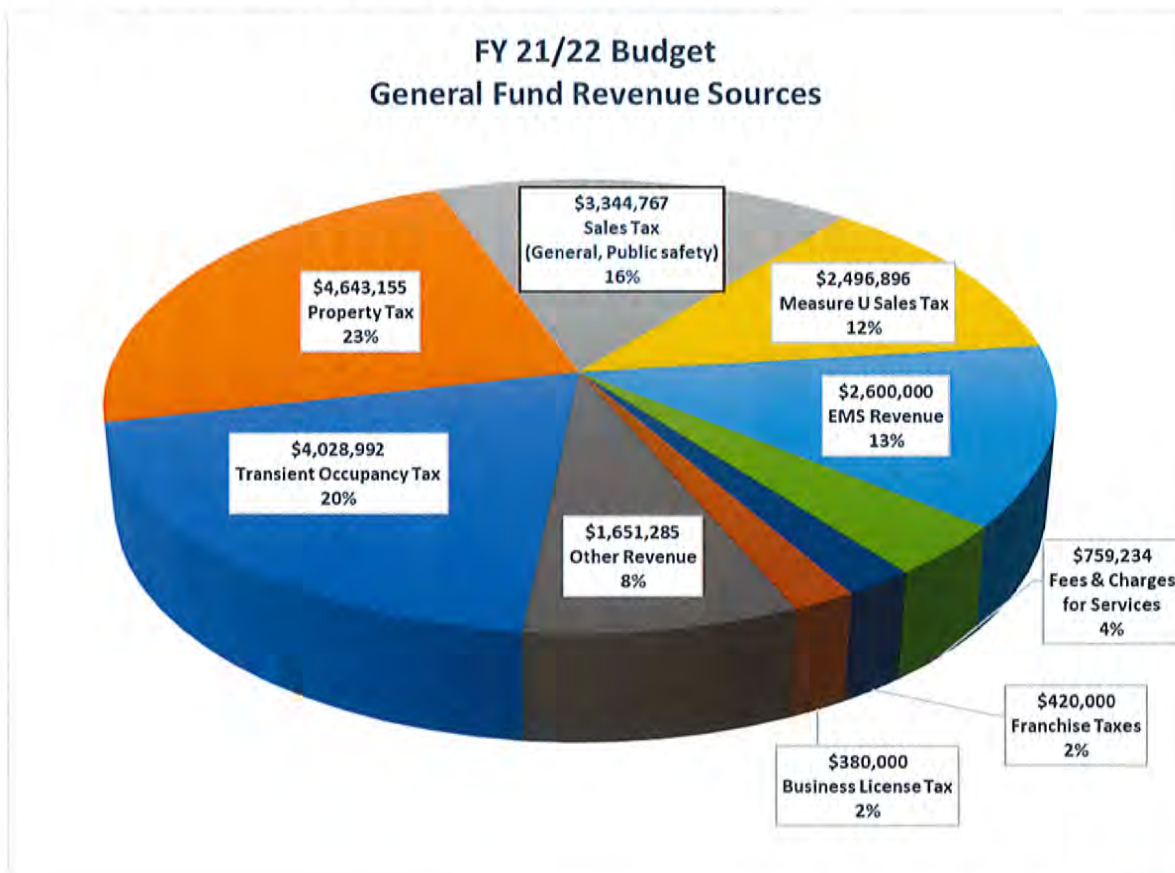
REVENUES - FINANCIAL SUMMARY

The City of Sonoma's General Fund revenue forecast is driven primarily by property tax, transient occupancy tax (TOT) and sales taxes. Property tax for FY 21/22 is projected to be \$142,117 more than the original FY 20/21 budgeted revenue of \$4,527,641. Regular property tax is increasing by 3.44%, however, the Sonoma County Assessor changed the methodology for calculating Redevelopment Property Tax Trust Fund (RPTTF) residual revenue resulting in a loss of approximately \$39,000 from the prior fiscal year budgeted revenue.

With a tourism-based local economy, the City of Sonoma is reliant on hotel and sales taxes which represent 48% of the City's General Fund budget. The City Sales Tax expert, HdL, is forecasting revenue from regular plus Public Safety Sales Tax at \$3,344,767 and Measure U Sales Tax at \$2,496,896. The combined total of \$5,841,663 is \$818,336 more than the original FY 20/21 combined budgeted Sales Tax revenue of \$5,023,327.

For FY 21/22 Staff is projecting TOT will be at 80% of "pre-pandemic normal" or \$4.0 million. (This revenue total includes the 1% TOT that is transferred to the Housing Trust Fund which is shown as a transfer out of the General Fund.) This is most likely a conservative estimate, as March 2021 TOT revenue was 86% of "pre-pandemic normal" and April 2021, with just the larger hotels reporting, is already higher.

The last 60 days of FY 21/22 and the first 90 days of FY 21/22 will provide more certain information regarding TOT revenue and its recovery.



REVENUES - FINANCIAL SUMMARY

Transient Occupancy Tax (TOT)

The transient occupancy tax (or TOT) is also commonly known as a hotel tax. The tax is imposed on occupants of hotels, inns, and other short-term lodging facilities for stays of 30 days or less. The tax is applied to a customer's lodging bill. Transient occupancy taxes are remitted for all approved lodging operators within the City of Sonoma. The TOT is a general tax which is deposited into the City's General Fund.

TOT generated from Sonoma's lodging community currently represents more than one-fifth of the City's General Fund revenue. The General Fund pays for essential City services that benefit both residents and visitors. These include police protection, fire and paramedic services, emergency preparedness, maintenance of streets and traffic operations, recreation services, maintenance of parks and open space, maintenance of City buildings and facilities, improvements and maintenance of overall City infrastructure and property, and general municipal services to the public.

In a November 2018 mid-term election, voters approved Measure S, which increased the TOT rate from the then existing 10% to 12% effective January 1, 2019, and authorized the City Council to further increase the rate to 13% by January 1, 2024. On June 10, 2019, the City Council adopted a resolution authorizing the additional 1% increase in the TOT, effective September 1, 2019, bringing the total TOT rate to 13%.

Affordable workforce housing in the City of Sonoma has become a challenge and the City has made this issue a priority. In 2019, a Housing Trust Fund was established. Following approval of the additional 1% TOT the City Council voted to have the additional 1% transferred to the Housing Trust Fund. The additional 1% TOT increase helped fund affordable housing initiatives for Fiscal Years 19/20 and 20/21. This will continue in FY 21/22.

Lodging operators in the City of Sonoma collect both the TOT which is general city tax revenue and an additional 2% assessment that is remitted to the Sonoma Tourism Improvement District (STID) as a funding source for a sustained marketing program with the goal of increasing occupancy and room revenues in the City of Sonoma.

Sales Tax, Measure U and Measure M

Consumers are familiar with the experience of purchasing items at a store and having a percentage amount added for sales tax. The State Board of Equalization (BOE) collects local sales and use tax revenues from the retailer and sends revenue from local rates and allocations back to cities and counties. Sales and use tax revenue is general purpose revenue and is deposited into the City's General Fund.

California's sales tax has a relative called the "use tax." While the sales tax is imposed on the seller, the use tax is imposed on the purchaser and at the same rate as the sales tax. The most common example of use tax is for the purchase of goods from an out-of-state retailer for use in California.

Out-of-state retailers doing business in California are required to report to the BOE the jurisdiction to which sold items are delivered. Retailers with a physical presence (nexus) in California must collect use tax when goods are delivered to purchasers in this state. If the seller does not collect and remit the use tax, the purchaser is legally obligated to report and pay sales taxes.

REVENUES - FINANCIAL SUMMARY

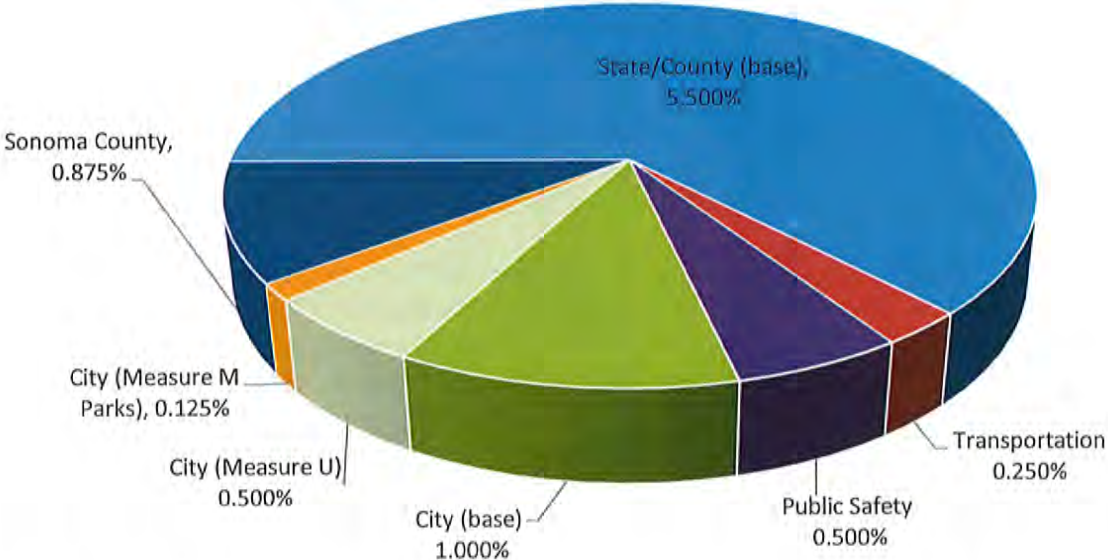
State law provides a variety of exemptions to the sales and use tax, including resale, interstate sales, intangibles, food for home consumption, candy, bottled water, natural gas, electricity, and water delivered through pipes, prescription medicines, and other items.

The total sales and use tax rate in Sonoma is 8.5%. This includes a “base” Statewide sales tax rate of 7.25%, allocated as follows:

- 5.50% for the State general fund (3.9375%) and the County for realignment programs shifted to counties from the State (1.5625%).
- 0.50% for Public Safety (Prop 172), created to mitigate impacts on local public safety from state shifts in property tax revenues (0.50%). The City receives a pro-rated share of Public Safety Sales Tax collected in the County. Use of this revenue is restricted to public safety purposes. In FY 21/22, the City estimates it will receive \$154,806.
- 0.25% for Transportation programs in the county where the transaction occurs.
- 1.00% for the city where the transaction occurs (if the transaction occurs in an unincorporated area, the 1.00% amount goes to the County).

In addition, Sonoma County has sales and use taxes totaling 0.875%. The City of Sonoma has a voter-approved 0.50% sales and use tax, known as Measure V, approved in 2020 on an ongoing basis until repealed by the voters and an additional .125% sales and use tax known as Measure M - Sonoma County Parks, to be used for parks maintenance and capital projects. For FY 21/22 this is estimated to bring in \$80,000 in additional revenue. This revenue is placed in a separate fund, (315-Parks Measure M,) and will be used for City parks maintenance and related CIP projects.

Sales Tax Breakdown (8.75% total rate)



Measure V – Local ½ Cent Sales Tax – Cities, counties and countywide transportation agencies may impose sales tax rates to be added on to the “base” statewide sales and use tax rate. The add-on rates are actually “transactions and use taxes” and are allocated to the jurisdiction where the taxed product is received or registered (as in the case of a motor vehicle purchase). Under current state law, the maximum

REVENUES - FINANCIAL SUMMARY

combination of transactions and use tax rates in any location may not exceed two percent without special State legislation.

In 2012, the City went to the voters with Measure J, a half-cent local transaction and use tax to fund City services. Until this measure, the City of Sonoma had not turned to its constituents for a new tax in 20 years. The measure passed with a 67.1% affirmative vote, well over the simple majority needed. Measure J was set with a 5-year sunset clause in a calculated and focused approach to (1) review the performance of the local sales tax, and (2) assure taxpayers that the City could and would demonstrate its ability to manage and use the funds in a fiscally responsible way. It also provided for the breathing room to analyze how the State would ultimately realign redevelopment activities, fund affordable housing, and transfer further responsibilities to cities without benefit of additional funding.

In anticipation of Measure J's expiration, the City Council reviewed and discussed the need to continue the sales tax in summer 2016. Measure J revenue provided coverage for costs assumed by the General Fund for core public services and outside organizational services, some of which were formerly provided under the redevelopment program. As stated in the text of the original measure, the City was diligent in maintaining its promise to the voters and using the resources provided by the Measure J tax proceeds wisely to provide "funding for essential services such as police, fire and emergency medical services, street and road maintenance, graffiti abatement and other general community services". Overall, Measure J provided a stabilizing local economic foundation for the City's provision of public services.

In July 2016, the City Council took action to extend the City's local transaction and use tax on the November ballot. In November 2016, 73.3% of the voters of Sonoma passed Measure U – a ½ percent sales tax increase for 5 years.

In November 2020, 68.93% of the voters of Sonoma passed Measure V – a ½ percent sales tax to continue funding general city services, including: emergency preparedness, infrastructure, street maintenance, parks, open space, community services, ambulance services, public safety, and supporting Sonoma's quality of life, on an ongoing basis until ended by voters.

Measure M – Sonoma County Parks 1/8 Cent Sales Tax - with the successful passage of Measure M - Sonoma County Parks 1/8 cent County-wide sales tax measure in 2018, the City of Sonoma will be receiving approximately \$115,000 per year for investment in parks maintenance and capital projects.

For FY 21/22, the City's General Fund projected revenue from the "base" sales tax is \$3,344,767, with an additional \$154,806 from the City's share of the Public Safety sales tax. This represents an increase of 9.6% over projected FY 20/21 actuals. As the economy continues to recover from the pandemic, tourism related sales, construction sector and rising gas prices are expected to play a role in the increase for the coming year. Measure V revenue has been less volatile than general Sales Tax revenue, due mostly to the large role played by online sales during the shelter-in-place mandates of the COVID-19 pandemic. Measure V General Fund Sales Tax revenue for FY 21/22 is projected at \$2,496,896, up by 9.1% over FY 20/21 projected actuals of \$2,287,858. Measure M Sonoma County Parks Sales Tax revenue for FY 21/22 is projected to be \$80,000.

Property Tax

Property tax remains a major source of revenue for the City. In FY 21/22, a total of \$4,643,155 or approximately 23% of General Fund revenue is projected to be derived from property taxes.

REVENUES - FINANCIAL SUMMARY

Property tax is imposed on “real property” (land and permanently attached improvements such as buildings) and tangible personal property (movable property such as boats and business equipment). The maximum tax rate permitted on real property for general purposes is one percent of the property’s assessed value plus voter-approved rates to fund indebtedness (general obligation bonds, requiring two-thirds voter approval).

The tax rate is applied to the assessed value (AV) of the property. The AV of real property is the “full cash value” of the property in 1975-76 or at change of ownership, whichever is more recent, adjusted annually by the change in the Consumer Price Index (CPI), not to exceed an annual increase of two percent. If a property changes hands, then the AV becomes the full cash value upon change in ownership. The value of new construction is additional.

If a property’s market value falls below its factored base year value, it may be temporarily reassessed to its lower actual value, but in future years may be reassessed at the lesser of its actual value or its factored base year value. This can result in increases of more than two percent as a property’s actual value returns to its earlier value, as when the housing market rebounds from a slump.

As a result of two State legislative actions in the mid-2000s, Proposition 57 (also known as the Triple Flip) and the Vehicle License Fee Swap (VLF Swap), property tax revenues increased, and sales tax and vehicle license fee revenues decreased. The passage of Proposition 57 reduced the city’s sales tax revenue by 0.25% and replaced it with an equal amount of property tax revenue. The VLF Swap permanently reduced vehicle license fees from 2% to 0.67% and replaced the resultant revenue loss with an equal amount of property taxes. The Triple Flip ended in FY 15/16, with a resultant decrease in that component of property tax revenues. This was offset by a similar increase in sales tax as the State is now remitting the full 1% to the city.

Until FY 2011/12, the City’s Community Development Agency (referred to in other organizations as a Redevelopment Agency or RDA) was receiving tax increment revenue based on increases in property value as a result of redevelopment projects. By agreement with the County of Sonoma, 1% of the property value over a base amount was allocated to the Redevelopment Agency. This allocation was reduced by a required distribution of 20% to the Housing Set Aside Fund and funding to other taxing agencies as pass through amounts. With the elimination of redevelopment agencies by the State of California in June 2011, the City’s revenue from dedicated RDA property taxes is now limited to an amount equivalent to annual debt service payments and other enforceable obligations and the City now receives “residual redevelopment” property tax revenues which has been increasing.

Currently, the largest portion of each property tax dollar goes to local school districts, with the next largest portion going to Sonoma County. The City of Sonoma receives approximately 18 cents of every property tax dollar remitted.

Sonoma is seeing increased property tax revenues as the housing market has recovered from the 2008 economic recession and new homes are added. Although no structures were lost within City limits to the 2017 fires, the loss of a significant number of homes in Sonoma County impacted an already tight housing market in Sonoma County. Projected property tax revenues for FY 20/21 are more than \$4.5 million. Based on information received from the Sonoma County Assessor, property tax is projected to increase by 2.55% to \$4.6 million for Fiscal Year 21/22.

REVENUES - FINANCIAL SUMMARY

EMS Revenue

The Fire Department provides advanced life support (ALS) medical services through the use of dual-role firefighting employees, who are also trained as paramedics and emergency medical technicians. All staffed engines and ambulances are ALS equipped and staffed with at least one paramedic. Under the terms of the Sonoma Valley Fire and Rescue Authority, the City receives 100% of the Emergency Medical Services Revenue. Growth in ambulance billing revenue had been steady but began to decline in FY 18/19 with an increase in MediCal and other insurance write-offs. Fortunately, the IGT Program Revenue, which is directly related to the MediCal write-offs, has been steadily increasing, which helps offset some of this loss. For FY 21/22 EMS revenue is projected at \$2.6 million.

Other Revenue Sources

User Fees and Charges for Services: While the primary mission of government is to satisfy community needs, some City services solely benefit specific individuals or businesses. It is the City's policy that the public at large should not subsidize activities of private interest through general tax revenues. The City has therefore established user fees to ensure that those who use proprietary services pay for those services in proportion to the benefit received. Fees that do not recover the full cost of providing the service result in a General Fund subsidy which shifts funds away from other critical and high priority programs that may not have similar cost recovery options. Fees are generated from a variety of services including building and planning permits and inspections, special event fees, appeal fees, public safety fees, and administrative fees, such as the 1% fee charged to the Sonoma Tourism Improvement District for collecting and remitting payments. Water service fees are part not part of the General Fund but are segregated into an Enterprise Fund for the Water Utility.

Generally, annually, the City of Sonoma reviews and updated its City Fee Schedule. The City Council has the authority to establish these fees and charges as defined by the State Constitution and in accordance with Government Code Section 39001 with limitations set by Proposition 218. This regulatory authority provides cities the means to "protect overall community interests, while charging only the individual who is benefiting from the service."

The most recent update to the City's fee schedule as approved by the City Council became effective in February 2017. In FY 18/19 staff presented an additional fee schedule to increase cost recovery on development-related staff work by planning and legal staff that was approved by Council and implemented in February 2019. The development-related fee update is reflected in the projections for fees and charges and is forecasted to bring in an additional \$150,000 in cost recovery fees. In June 2021, a general update to City fees and charges will be brought to Council for review.

Business License Tax: All individuals, partnerships, corporations, and sole proprietors conducting business within city limits are required to file a business license with the City on an annual basis. In accordance with the City of Sonoma Municipal Code 5.04, "it is unlawful for any person to transact and carry on any business, trade, profession, calling or occupation in the city without first having procured a license from the city...". This includes subcontractors, independent contractors, non-profits, and home-based businesses in the city. The City of Sonoma business license period is January 1 through December 31 of each year. All annual licenses are due and payable in advance on the first day of February. For new businesses within the city, the business license tax is due prior to the opening of the business. City Municipal Code sets the business license tax as a flat rate and not on a gross receipts basis. For most businesses, not all, the license is an annual fee plus an additional charge based on number of employees. Improved enforcement of the Business License Tax, including engagement of the City's Code Enforcement Officer and City Prosecutor, has resulted in collections and penalties for unpaid licenses in prior years.

REVENUES - FINANCIAL SUMMARY

However, as many small businesses were forced to close during the COVID-19 related shelter-in-place mandates, business license tax revenue is projected at \$380,000 in FY 21/22, down from the budgeted \$408,907 in FY 20/21.

Franchise Tax: Franchise Taxes are collected from businesses that are granted franchises to provide services in the City such as gas and electric, cable TV, telephone, and garbage collection. The City is projecting \$420,000 in franchise tax revenue for FY 21/22.

Other Revenues: This category includes Real Property Transfer Tax; Licenses & Permits; Fines & Forfeitures; Interest & Rents; and Grants & Intergovernmental Revenue. Grants are now recorded in a separate fund and reimbursements for capital projects are now shown in the CIP budget. For FY 21/22 Other Revenues are projected at \$528,316.

Operating Transfers: This category includes transfers from the Water Fund identified through the cost allocation plan totaling \$547,468, as well as transfers from the Water Fund for leases of two tank sites (the lease amount for a third site is a transfer from Water to the Cemetery Fund – each lease at \$40,900.57). Also included is a transfer of \$100,000 from the Citizens Option for Public Safety (COPS) special revenue fund in support of Police operations, a transfer of \$95,000 from the SVFD Fund 798 to fund the SAFER Grant partially funded Fire employees, and \$350,000 from the IGT fund to support Fire operations. For FY 21/22 operating transfers into the General Fund total \$1,174,368.

Revenue update

The pandemic and resulting economic impact dramatically affected local governments, especially the City of Sonoma's general fund revenues with our strong tourism-based economy. This year, we are fortunate to have funding from several sources to assist with the pandemic related loss of revenue in FY 19/20, FY 20/21 and 21/22:

- Federal Assistance - The \$1.9 trillion American Rescue Plan (ARP) was enacted on March 10, 2021. Among other things, the ARP will provide the City of Sonoma approximately \$2.6 million in funding for FY 21/22. There are restrictions on how the funds can be spent but eligible expenditures will include replacement of lost revenue. Staff is recommending that the ARP Funds which create a one-time operating surplus of \$1.2 million be returned to reserves to backfill for the FY 19/20 and FY20/21 use of reserves which is projected to total \$2.1 million.
- Cannabis Tax – A Cannabis Business Tax was approved by the voters in November 2020. This could generate a potential \$400,000 in new revenue from up to two Council approved retail dispensaries. The General Fund Five-Year Forecast includes \$25,000 in Cannabis tax revenue for FY 21/22 and \$25,000 for each year after. These estimates are conservative and will be updated when dates for opening of the dispensaries are known and revenue begins to be received.

EXPENSE - FINANCIAL SUMMARY

FY 21/22 APPROPRIATIONS FOR ALL FUNDS

Expenditure Category	FY 18/19 Actuals	FY 19/20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20/21 Amended Budget	FY 20/21 Projected Actuals*	FY 21/22 Budget
GENERAL FUND:						
City Council (41001)	\$128,711	\$108,067	\$130,212	\$130,212	\$106,727	\$116,794
City Clerk (41002)	\$245,030	\$215,797	\$294,501	\$294,501	\$216,122	\$346,895
City Manager (41003)	\$471,586	\$628,401	\$632,790	\$657,790	\$639,346	\$740,891
Finance (41004)	\$555,929	\$706,623	\$786,427	\$786,427	\$791,104	\$834,704
Legal Services (41005)	\$804,002	\$634,907	\$478,220	\$478,220	\$478,220	\$478,295
Police (42101)	\$5,251,730	\$5,180,864	\$5,360,557	\$5,360,557	\$5,240,909	\$5,828,360
Fire/EMS (42201)	\$5,853,260	\$5,968,342	\$5,991,194	\$6,193,482	\$6,240,759	\$6,523,921
Public Works Admin 43020	\$1,195,493	\$476,917	\$400,718	\$400,718	\$465,415	\$455,570
Public Works Streets (43022)	\$852,576	\$846,654	\$913,356	\$913,356	\$817,993	\$915,600
Public Works Parks (43023)	\$14,621	\$725,400	\$968,609	\$968,609	\$833,042	\$1,104,255
Planning (43030)	\$760,291	\$1,228,709	\$857,835	\$857,835	\$887,589	\$992,312
Building (43040)	\$622,600	\$576,694	\$648,218	\$648,218	\$638,855	\$703,274
Community Activities (43101)	\$575,246	\$673,553	\$600,954	\$610,954	\$594,951	\$631,284
Successor Agency (43199)	\$181,044	\$141,557	\$75,000	\$75,000	\$123,795	\$50,000
Non-Departmental (43200)	\$737,709	\$567,009	\$707,525	\$745,371	\$781,211	\$1,103,998
Disaster Response & Emergency Prep (43201)	\$0	\$154,207	\$0	\$0	\$82,299	\$0
Subtotal General Fund	\$18,249,827	\$18,833,700	\$18,846,116	\$19,121,250	\$18,938,336	\$20,826,154
General Fund Transfer Out (43999)	\$1,177,645	\$813,975	\$459,049	\$646,169	\$662,562	\$923,035
Total General Fund	\$19,427,473	\$19,647,675	\$19,305,165	\$19,767,419	\$19,600,898	\$21,749,189
CAPITAL PROJECTS:						
Streets/Transp/Drainage Capital Projs (301)	\$216,800	\$128,662	\$5,000	\$5,000	\$5,536	\$219,236
Parks & Facilities Capital Projects (304)	\$37,253	\$55,693	\$60,000	\$60,000	\$35,220	\$360,000
Water Utility - Capital Projects (512)	\$858	\$144,419	\$75,000	\$75,000	\$169,081	\$3,475,674
ENTERPRISE FUNDS:						
Cemetery (501)	\$350,552	\$292,575	\$335,772	\$335,772	\$301,487	\$393,794
Water Utility Operating (510)	\$3,978,333	\$4,460,772	\$5,543,448	\$5,543,448	\$5,373,791	\$5,795,445
SPECIAL REVENUE FUNDS:						
Public, Educational & Govt PEG (202)	\$56,739	\$49,297	\$0	\$0	\$48,989	\$52,000
C.O.P.S. Grant (217)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$120,412
Gas Tax (302)	\$38,783	\$341,462	\$301,615	\$348,615	\$213,576	\$611,400
SB-1 Road Maintenance (303)	\$184,406	\$204,552	\$198,609	\$198,609	\$184,850	\$444,114
Transportation Measure M (313)	\$0	\$87,535	\$80,000	\$80,000	\$150,881	\$205,735
Parks-in-Lieu/Quimby Act (314)	\$0	\$127,315	\$32,755	\$32,755	\$53,838	\$363,577
Parks Measure M (315)	\$0	\$90,000	\$35,000	\$35,000	\$2,000	\$235,000
Parks-Proposition 68 (316)	\$0	\$0	\$200,000	\$200,000	\$0	\$177,952
EMS Equipment Replacement (521)	\$0	\$283,872	\$0	\$0	\$0	\$32,750
Grants Restricted (630)	\$0	\$0	\$0	\$0	\$0	\$70,000
Housing Trust Fund (732)	\$0	\$100,000	\$0	\$0	\$56,849	\$20,000
Intergovernmental Transfer IGT (796)	\$618,662	\$853,787	\$500,000	\$500,000	\$500,000	\$760,739
Cemetery Endowment (504)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
INTERNAL SERVICE FUNDS:						
Management Information Systems (601)	\$208,049	\$236,737	\$338,345	\$338,345	\$248,820	\$376,922
Vehicle Replacement (603)	\$235,528	\$701,484	\$35,000	\$35,000	\$35,000	\$690,312
Long Term Building Maintenance (610)	\$29,823	\$23,756	\$269,000	\$269,000	\$65,763	\$305,000
DEBT SERVICE FUNDS:						
CREBS (495)	\$41,749	\$41,749	\$41,749	\$41,749	\$41,749	\$41,749
POB (498)	\$410,883	\$412,500	\$412,300	\$412,300	\$412,300	\$0
AGENCY FUNDS:						
Successor Agency RPPTF-ROPS (391)	\$2,383,110	\$3,213,694	\$2,728,384	\$2,728,384	\$3,134,789	\$3,325,288
TOTAL OPERATING & CAPITAL PROJECTS:	\$28,369,001	\$31,647,536	\$30,647,142	\$31,156,396	\$30,785,417	\$39,876,288
*Unaudited						

EXPENSE - FINANCIAL SUMMARY

EXPENSE OVERVIEW

The budget for the City of Sonoma and the Sonoma Successor Agency for FY 21/22 includes a combined Operating and Capital Improvement Program (CIP) budget of \$39,876,288.

GENERAL FUND APPROPRIATIONS BY CATEGORY AND PROGRAM

The General Fund expenditures (\$21,749,189 including transfers) is a significant component of the Operating Budget. As a service organization, the majority of the City's costs are for staffing (either city employees or service contracts, such as police and fire). For the FY 21/22 General Fund budget there are no increases to City staff, however a part-time Administrative Assistant in the City Clerk's department and a part-time Community Engagement Manager (Senior Management Analyst) in the Community Activities department was combined into a full-time Management Analyst in the City Clerk's Department. The new Management Analyst will provide increased records imaging and cataloging for both the City Clerk and Building departments, improved compliance with Public Records Act requests, alternate backup for the City Clerk (Deputy City Clerk training is budgeted for this position), and other special projects.

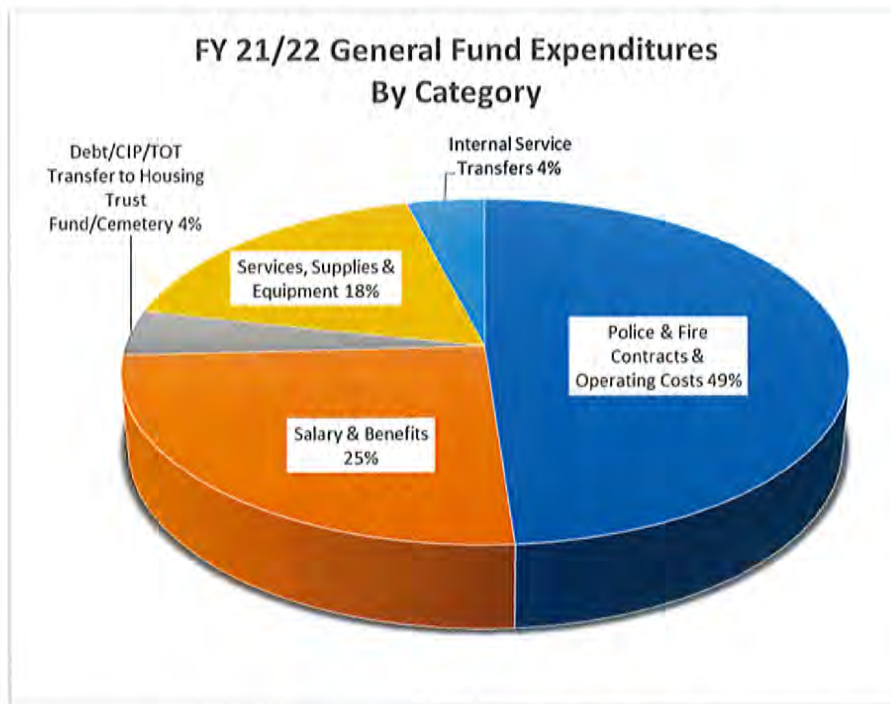
Major increases within the General Fund budget for FY 21/22 include \$458,295 to the Sheriff's contract (details follow under Public Safety), \$69,920 in insurance cost increases, and a \$111,380 increase in costs associated with paying for the City's modest unfunded pension liability. Importantly, there also are critical one-time expenses proposed here, in part to take advantage of the Federal Stimulus bill's revenue. There is no time like the present to fund these important efforts, which will increase efficiency and safety. These items are:

- \$300,000 for a one-time expenditure for new cloud-based electronic permitting/budgeting/accounting software,
- \$75,588 for network & data cyber security vulnerability reduction and best practices that were recommended in the 2019 Network Security Review and Audit,
- \$30,000 for a one-time expenditure for new cloud-based records archive and public portal software); and
- \$30,000 for the City's portion of a possible Valley Governance Study (to be cost-shared with the County of Sonoma and private philanthropy) .

The City of Sonoma's General Fund expenses can be grouped into several broad categories. The Police and Fire Service Contracts are the largest category of expenses for the City. It is very typical for municipalities to spend most their General Fund budget on public safety. In looking at the General Fund on a program basis, 49% of operating expenditures go to Police & Fire. Chart 1 below shows the FY 21-22 general fund expenditures by category:

EXPENSE - FINANCIAL SUMMARY

Chart 1 - FY 21-22 General Fund Expenditures By Category.



The next largest category is salary and benefits, which is appropriate for a service-based organization (a summary of staffing and positions follows this section). General Fund department budgets include a total of \$465,960 in one-time special projects, which are mostly included in the Services, Supplies & Equipment category. The proposed General Fund budget also includes transfers for **\$923,036** to other funds. These transfers include a total of **\$41,749** in debt service costs, a transfer of **\$30,000** to the Cemetery Fund (for a cemetery analysis special project), the 1% TOT transfer to the Housing Trust Fund of **\$296,962**, a transfer of **\$74,924.50** to the Housing Trust Fund to reimburse ½ the Fund for the rental assistance payment provided to community partner FISH, (the other ½ will be transferred back to the Housing Trust Fund in FY 22/23), and an appropriation of **\$478,400** from General Fund Reserves for Capital Improvement Program projects (discussed in further detail in the 5-Year CIP program budget). Finally, the Internal Service transfers of **\$871,946** are the contributions for replacement and purchase of informational technology, equipment, and vehicles, as well as long-term building maintenance.

BUDGET CHANGES

Global Updates Affecting All Budgets

In each of the department budgets, some general changes have been included based on contractual agreements, increased pension-related costs, or realignment of costs initiated to better capture the appropriate accounting structure or cost share. These changes are not specific to a single program or department. Each is briefly discussed as follows:

Personnel Allocations: Individual employee positions are allocated to the specific department budget where they spend their time. For example, the Public Works Operations Manager is spread among the various public work budgets (Streets, Water, Parks & Facilities, and Cemetery). Each year the allocations

EXPENSE - FINANCIAL SUMMARY

are reviewed and modified based on current operations.

Cost Allocation Plan: The implementation of the 2018 Cost Allocation Plan puts salaries and benefits costs back into the General Fund “central services” departments or divisions (e.g., the City Manager’s Office, City Clerk, Finance and Administrative Services, and Public Works Administration) and then portions of these departments are charged back to line departments or enterprise funds based on specific cost methodologies. Most of these increases are offset by allocations to recipients of these services through fund-level transfers, and do not represent an actual increase in total costs.

Employee’s Salary: The City has one formal union, SEIU, with all other employees unrepresented. The current contract expires June 30, 2022. The FY 21/22 General Fund budget includes complying with previously approved memorandum of understanding with labor groups, which will result in a 2.5% to 5.5% increase in wages to the city employees affected. To avoid compaction and to reflect warranted cost-of-living adjustments, the managers’ wages (except for the City Manager’s wages and benefits, which are set by contract) are increased at the same amount. Other wage changes allow for step increases for new employees and for employees not yet at top step.

CalPERS: The City is a member of the California Public Employee Retirement System (CalPERS) through which pensions are provided to its employees. The City does not participate in Social Security. Although the City has been judicious through the years about pensions, pension costs are increasing for all cities. Pensions are funded in three ways -- investment earnings by CalPERS, contributions by employees and contributions by employers. PERS investment earnings used to pay well over 70% of the total cost. As of June 30, 2018, PERS investment earnings are paying 55% of total pension costs. As investment earnings provide less funding, public agencies as the employer are faced with increasing costs.



As of June 30, 2019, CalPERS had about 74% of the funds required to pay estimated retirement benefits. There are several factors contributing to CalPERS’ insufficient funding, including: enhanced benefits provided to employees in the early 2000s, investment losses from the recession including a 34.75% loss in 2008, cost of living increases, changing demographics with mortality rates decreasing, and changing PERS contribution rates and investment assumptions, all of which have pushed costs to the cities as the employer.

CalPERS Investment earnings affect how much future benefit payments can be funded by investment income rather than by contributions. If lower investment earning occurs, future contributions must increase to make up the expected difference. The volatility of the investment earnings in recent years have been a significant contributor to the required employer contribution. CalPERS investment earnings for the past six years are reflected in Table 1 below.

Table 1 - CalPERS Investment Earnings – Recent Years (www.calpers.ca.gov)

2015	2016	2017	2018	2019	2020
2.4%	0.6%	11.2%	8.6%	6.7%	4.7%

(www.calpers.ca.gov)

There are two primary costs for pensions – the “normal cost”, which is the annual cost for the current year of service and the “unfunded liability”. For FY 20/21, the projected normal cost to be paid by the City for

EXPENSE - FINANCIAL SUMMARY

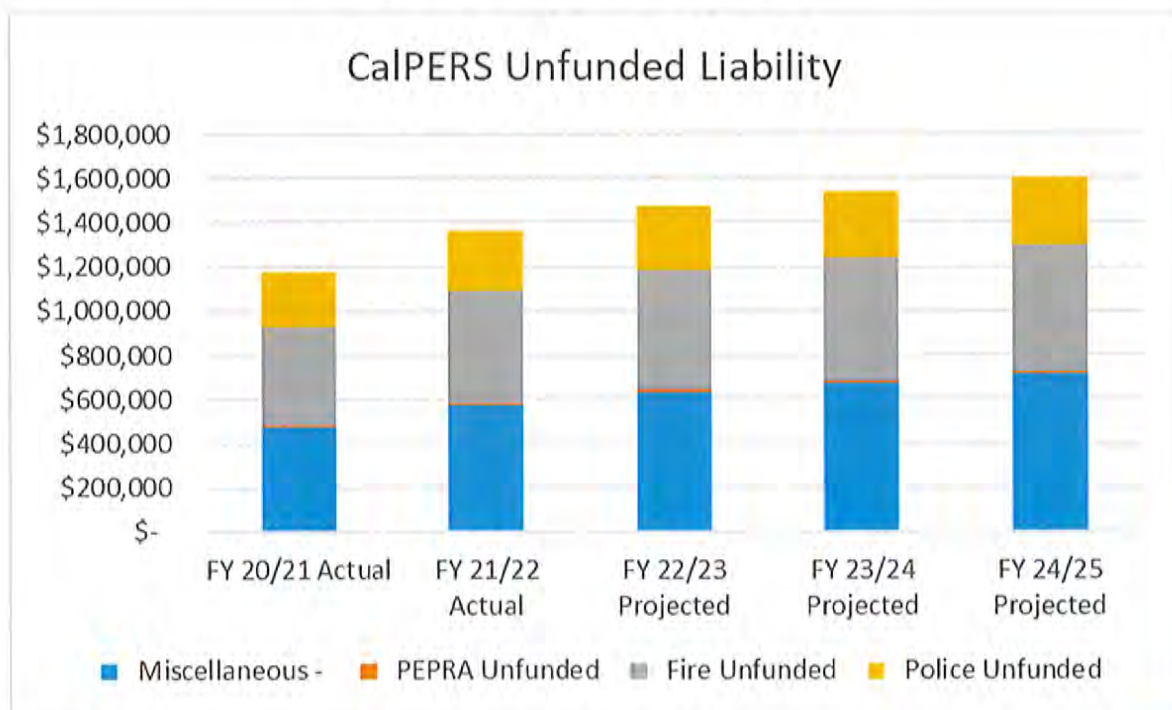
employee retirement will decrease from 11.746% of payroll to 11.60% of payroll with employees paying 1% of this cost. The City also pays a fixed annual amount for the Unfunded Actuarial Liability (UAL) of current employees, as well as past fire and police employees. Table 2 below shows the CalPERS normal costs and unfunded liability assessments for FY 20/21 and FY 21/22:

Table 2 - CalPERS Normal Costs and Unfunded Liability Assessments for FY 20/21 and FY 21/22

CalPERS Costs	2020/21	2021/22	Change
Annual Costs (Normal Costs)			
Classic Member Rate	11.746%	11.60%	-0.146%
PEPRA Member Rate	7.874%	7.73%	-0.144%
Unfunded Liability Assessments			
UAL Classic Member	\$ 476,659	\$ 567,752	\$ 91,903
UAL PEPRA Member	\$ 7,306	\$ 7,765	\$ 459
UAL Safety Fire	\$ 446,032	\$ 504,631	\$ 58,599
UAL Safety Police	\$ 243,469	\$ 273,795	\$ 30,326
Total	\$ 1,173,466	\$ 1,353,943	\$ 180,477

Based on CalPERS investment earnings and other policy changes, all California cities that are members of CalPERS are seeing their unfunded liability increase. Looking forward, CalPERS has estimated pension unfunded liability costs increasing for the City of Sonoma from \$1,173,466 in FY 20/21 to a projected \$1,604,600 in FY 24/25. Chart 2 below shows the unfunded liability costs projected for the City of Sonoma over the next six years.

Chart 2 – CalPERS Unfunded Liability



EXPENSE - FINANCIAL SUMMARY

While State law and CalPERS control much of the pension regulations and costs, there are a few options available to cities to work toward pension cost stabilization. Early in FY 21/22 staff will be recommending a pension rate stabilization fund designed to prefund rising pension costs and address pension liabilities.

Employee Health Insurance: The FY 21/22 budget includes a 2% increase in the City's contribution toward health care benefits. It is important to note that the City does not offer medical benefits to employees upon retirement, therefore it does not have any outstanding liability for former employees. This is a credit to past administrations which protected the City and future taxpayer obligations.

Insurance Assessments: The City has been a member of the Redwood Empire Municipal Insurance Fund (REMIF) a self-insured joint powers authority – JPA (governmental entity) which was established in 1976 to handle the insurance claims, benefit programs, and risk management needs of fifteen (15) member cities. On July 1, 2021, REMIF will merge with a larger California based JPA – PARSAC, to become the California intergovernmental Risk Authority (CIRA). Over the past couple of years costs for liability insurance has been escalating for the public entity sector. The hard liability market is driven by unexpectedly high jury verdicts, settlements, and defense costs for law enforcement and dangerous (fire related) conditions claims. As a result, underwriting standards have tightened and carriers are offering lower limits while significantly increasing costs. In addition, many insurance carriers are leaving the state – leaving the capacity available to CIRA significantly reduced (with increased prices). For property, the wildfires and natural disasters have done the same – many insurers simply want nothing to do with California. However, with the merger, CIRA was able to secure coverage (strength in numbers). Costs for property and liability insurance increased approximately 34% from FY 20/21 to FY 21/22 and could increase by as much as 40% in FY 22/23. Fortunately, workers compensation insurance, unlike the commercial liability market, is soft and the renewal was straight forward with only a 2.3% increase from FY 20/21 to FY 21/22.

The City of Sonoma will continue to pay REMIF assessments of \$85,351 for liability and workers' compensation for FY 21/22 and FY 22/23, with a final payment of \$57,250 in FY 23/24. We have allocated these costs among City departments and funds based on staffing, with the majority in the General Fund.

Debt Service: The City's only debt service is for the 2008 Clean Renewable Energy Bonds (CREB) that were used for photovoltaic (solar) projects at the Police Station and Corporation Yard. The obligation was 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.

Program-Based Budget Modifications and One-time Expenditures: In addition to these global changes, there are program-based budget modifications proposed for the operating departments. The one-time expenditures are summarized in the City Manager's Message, and above and are also detailed in the department pages that follow this section.

EXHIBIT C - SUMMARY OF STAFFING AND POSITIONS

City of Sonoma FY 21/22 Budget Summary of Staffing - Position Allocation

Departments	Adopted Budget	Adopted Budget	Proposed Budget
	Authorized Personnel FY 19/20	Authorized Personnel FY 20/21	Authorized Personnel FY 21/22
City Manager's Office/Administrative Services	10.50	10.50	11.00
Planning and Building Services	8.50	8.50	8.50
Non-Departmental/ Community Activities	1.01	1.01	0.38
Police	1.00	1.00	1.00
Public Works	21.00	21.00	21.00
Total City Employees (FTE, includes part-time staff)	42.01	42.01	41.88
Police (Sheriff contract staffing)*	16.00	13.00	15.00
Fire (SVFRA contract staffing) *	22.52	22.52	22.52
TOTAL STAFFING:	80.53	77.53	79.40

* Police staffing excludes the two Valley-wide Sergeants (blended model).

Fire - includes 3 Firefighters with SAFER grant; overall staffing based on total SVFRA pro-rated by the City's share (57%) without Glen Ellen.

FY 21/22 Staffing Summary

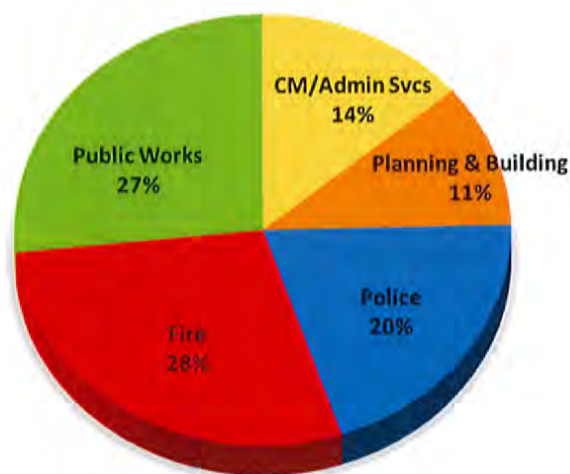


EXHIBIT C - SUMMARY OF STAFFING AND POSITIONS

City of Sonoma FY 2021/22 Budget Position Allocation Listing by Department

	Adopted Budget Authorized Personnel FY 19/20	Adopted Budget Authorized Personnel FY 20/21	Proposed Budget Authorized Personnel FY 21/22
City Manager's Office/Administrative Services			
City Manager	1.00	1.00	1.00
Senior Management Analyst	1.00	1.00	1.00
City Clerk/Executive Assistant	1.00	1.00	1.00
Management Analyst	0.00	0.00	1.00
Assistant City Mgr/Admin Svcs Director	1.00	1.00	1.00
Administrative Services Manager	1.00	1.00	1.00
Deputy Finance Manager	1.00	1.00	1.00
Accountant	1.00	1.00	1.00
Accounting Technician	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00
Administrative Assistant PT	0.50	0.50	0.00
	<u>10.50</u>	<u>10.50</u>	<u>11.00</u>
Community Development (Planning and Building Depts)			
Planning & Community Svcs Director	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00
Associate Planner	1.00	1.00	1.00
Development Svcs 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
Development Svcs Supervisor	0.00	1.00	1.00
Administrative Assistant	2.00	1.00	0.00
Permit Technician	0.00	0.00	1.00
PT Sustainability Coordinator	0.50	0.50	0.50
	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>
Non-Departmental / Community Activities			
Webmaster/Public Info PT	0.38	0.38	0.38
Community Engagement Manager	0.63	0.63	0.00
	<u>1.01</u>	<u>1.01</u>	<u>0.38</u>
Police and Fire (excludes contract services staff)			
Administrative Clerk	1.00	1.00	1.00
	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>

EXHIBIT C - SUMMARY OF STAFFING AND POSITIONS

City of Sonoma FY 2021/22 Budget Position Allocation Listing by Department

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)	41.00	41.00	41.88

NOTE: Some positions are charged to multiple departments; these are listed in the department where the largest percentage is charge.
Proposed FY 21/22 - Eliminate PT Amin. Assistant and PT Community Engagement Manager; add FT Mgmt. Analyst

**General Fund Forecast Summary
(Includes FY 19/20 as Year 1 -
Pandemic began in March 2020)**

Description	Pandemic Begins March 2020									
	Year 1					Year 2				
	2018/19 Projected	2019/20 Budget (Amended)	2019/20 Projected Actuals	2020/21 Adopted Budget	2020/21 Budget (Amended)	2020/21 Projected Actuals	2021/22 Proposed Budget	2022/23 Projected Budget	2023/24 Projected Budget	2024/25 Projected Budget
Revenues:										
Property Tax	\$ 4,235,814	\$ 4,297,336	\$ 4,504,042	\$ 4,527,641	\$ 4,527,641	\$ 4,527,641	\$ 4,643,155	\$ 4,785,272	\$ 4,952,940	\$ 5,320,599
Transient Occupancy Tax	\$ 3,993,600	\$ 3,209,046	\$ 3,411,309	\$ 2,245,436	\$ 2,024,286	\$ 2,810,456	\$ 4,028,992	\$ 4,556,475	\$ 4,661,194	\$ 4,754,418
Sales Tax (general, public safety)	\$ 3,361,377	\$ 3,078,108	\$ 3,161,974	\$ 2,910,475	\$ 2,910,475	\$ 3,052,023	\$ 3,944,767	\$ 3,499,526	\$ 3,639,405	\$ 3,767,482
Sales Tax (local half-cent)	\$ 2,588,045	\$ 2,257,000	\$ 2,265,087	\$ 2,112,852	\$ 2,112,852	\$ 2,287,858	\$ 2,496,896	\$ 2,615,789	\$ 2,707,587	\$ 2,793,450
Emergency Medical Services	\$ 1,545,926	\$ 1,749,454	\$ 1,912,995	\$ 1,980,000	\$ 2,805,557	\$ 2,200,000	\$ 2,600,000	\$ 2,652,000	\$ 2,705,040	\$ 2,759,141
Other revenues	\$ 2,573,390	\$ 2,631,409	\$ 2,477,100	\$ 2,096,932	\$ 2,151,932	\$ 1,869,467	\$ 2,036,150	\$ 2,023,114	\$ 2,053,870	\$ 2,085,232
Transfers in	\$ 852,062	\$ 1,612,445	\$ 1,138,994	\$ 1,372,941	\$ 1,372,941	\$ 1,386,479	\$ 1,174,369	\$ 1,184,165	\$ 1,105,632	\$ 1,119,174
Reimbursements (FEMA, State, CARES)	\$ -	\$ -	\$ 136,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING REVENUE	\$ 19,150,214	\$ 18,834,798	\$ 19,007,937	\$ 17,246,277	\$ 17,905,684	\$ 18,133,924	\$ 20,524,329	\$ 21,316,340	\$ 21,825,667	\$ 22,599,496
Expenditures:										
Current Staffing (Salaries & Benefits)	\$ 3,417,624	\$ 4,015,451	\$ 3,842,550	\$ 4,164,280	\$ 4,164,280	\$ 3,852,197	\$ 4,324,348	\$ 4,421,596	\$ 4,520,987	\$ 4,622,759
Police Contract & Operating Costs	\$ 4,523,125	\$ 4,642,010	\$ 4,439,437	\$ 4,529,301	\$ 4,529,301	\$ 4,529,301	\$ 4,988,226	\$ 5,112,932	\$ 5,240,755	\$ 5,371,774
Fire/EMS Contract & Operating Costs	\$ 5,255,042	\$ 5,471,368	\$ 5,470,908	\$ 5,377,311	\$ 5,377,311	\$ 5,377,311	\$ 5,640,750	\$ 5,592,144	\$ 5,731,947	\$ 5,875,246
Other Professional/Contractual Services	\$ 1,278,080	\$ 971,945	\$ 1,075,626	\$ 829,678	\$ 854,678	\$ 755,199	\$ 764,839	\$ 717,487	\$ 724,662	\$ 731,909
Payments on accrued PERS Liability (UAL and POBs)	\$ 1,172,146	\$ 1,335,780	\$ 1,335,780	\$ 1,482,411	\$ 1,482,411	\$ 1,493,429	\$ 1,181,491	\$ 1,360,538	\$ 1,415,501	\$ 1,474,173
Other Operating Costs	\$ 3,201,836	\$ 2,957,936	\$ 3,308,374	\$ 2,917,184	\$ 3,354,441	\$ 3,588,461	\$ 4,371,134	\$ 4,227,228	\$ 3,976,835	\$ 3,936,855
Transfer to Capital Improvement Program	\$ 579,620	\$ 311,180	\$ 175,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 478,400	\$ 400,000	\$ 400,000	\$ 400,000
TOTAL OPERATING EXPENDITURES	\$ 19,427,473	\$ 19,705,669	\$ 19,647,675	\$ 19,305,165	\$ 19,767,422	\$ 19,600,898	\$ 21,749,188	\$ 21,831,865	\$ 22,010,688	\$ 22,412,715
GENERAL FUND SURPLUS (DEFICIT):	\$ (277,259)	\$ (870,871)	\$ (639,738)	\$ (2,058,888)	\$ (1,861,738)	\$ (1,466,974)	\$ (1,424,859)	\$ (515,525)	\$ (185,021)	\$ 186,781
Federal Relief Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,637,175	\$ -	\$ -	\$ -
GEN FUND SURPLUS (DEFICIT) W/FED RELIEF FUNDS:	\$ (277,259)	\$ (870,871)	\$ (639,738)	\$ (2,058,888)	\$ (1,861,738)	\$ (1,466,974)	\$ 1,212,316	\$ (515,525)	\$ (185,021)	\$ 186,781

GENERAL FUND RESERVES

In 2019, the City Council updated the City’s Financial Reserve Policy to maintain stable reserve levels for the General Fund and formalized reserve policies for the Water Fund. Below is the updated policy which contains reserve parameters for the General Fund. The Water Fund Reserve policy is at the end of this section. The City recently adopted a formal Water Reserve policy and the Water Utility Fund is building reserves to comply with these best practices.

BACKGROUND

Comprehensive reserves are a vital component of a sound financial plan for both the City and the City’s Water Utility Fund. Strong reserves position an organization to weather significant economic downturns more effectively, alleviate the consequences of outside agencies actions that may result in revenue reductions, and help to manage unexpected emergencies, such as natural disasters, catastrophic events, or excessive liabilities or legal judgements against the organization.

Fiscal stability is an important factor to any City. It is Council’s responsibility to provide for the continuation of services in the event of natural or fiscal emergency. Realizing that city revenues are not stable and are dependent upon national, state and local economic trends, it is prudent for the City of Sonoma to have a “Financial Reserve Policy” in place to address any downturns that would affect the city revenues.

The City of Sonoma endeavors to maintain adequate reserves for its General Fund and Water Utilities Fund, as a matter of fiscal prudence and sound financial management. These policies will guide the City in:

- Planning for economic uncertainties, downturns in the local or national economy, local disasters or catastrophic events;
- Maintaining good standing with credit rating agencies;
- Future debt or capital obligations
- Ensuring cash availability when revenue is unavailable
- Deciding when to use reserves and how to replenish reserves if they have been spent.

Per current Government Accounting Standards Board Statement No. 54, (“GASB” 54), fund balances are divided into five (5) categories in the financial statements:

CATEGORY	DESCRIPTION
Non-Spendable	Cannot be readily converted to cash or is not legally spendable (example: assets required to be maintained intact)
Restricted	Externally imposed restrictions on spending (creditors, granting agencies, or laws)
Committed	City Council formally imposed restrictions on spending (by resolution or other action)
Assigned	Funds reserved by City Council direction of City for designated purposes
Unassigned	Residual balance not classified in any of the above categories and available for expenditure

RESERVE SUMMARY

Cities often create different reserves within these classifications to set aside funds for specific purposes. For purposes of this document, the City's General Fund reserve will include the sum of the Committed, Assigned, and Unassigned Fund Balances for that fund.

To mitigate these financial challenges, three separate General Fund reserves and three separate Water Utility Fund reserves are established as set forth below.

GENERAL FUND RESERVES

GENERAL FUND			
Reserves	Description	Calculation	GASB Categorization
General Fund Operating Reserve	Provide funding to evaluate alternatives in the event of financial hardships, provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.	Two (2) months annual operating expenditures (17% of annual operating expenditures)	Committed
General Fund Emergency Reserve	Provide operating and/or repair funds in the event of a local disaster or catastrophic event.	Base amount of \$1,500,000	Committed
General Fund Special Projects Reserve	To segregate surplus fund balance from recurring revenue sources so that such surpluses will be appropriated only for non-recurring expenditures and 2) to create a funding source for one-time projects such as, but not limited to: <ul style="list-style-type: none"> ▪ Capital improvement projects of any type ▪ Surveys, studies and analyses of both operating and capital needs ▪ Updates of adopted plans (e.g., general plan or specific general plan elements, facility master plans) ▪ Temporary service programs (for example, a limited-duration code or traffic enforcement effort). 	No dedicated funding; based on Council direction and financial resources	Committed or Assigned
General Fund Unassigned Reserve	Residual balance not classified in any of the above categories and available for expenditure	Residual General Fund balance not classified above and available for expenditure	Unassigned

RESERVE SUMMARY

General Fund Operating Reserve

The purpose of the General Fund Operating Reserve is to provide sufficient cash flow and to provide breathing room for the City to evaluate alternatives in the event of financial hardships, provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.

The Government Finance Officers Association (GFOA) maintains a best practice for general fund reserves. While the level of reserves should be assessed on a City's unique circumstances or risk levels, the recommended best practice is to keep at least two months of operating expenditures or minimum of 15% reserves.

The General Fund Operating Reserve can cover any significant unanticipated or mandated expenditures which cannot be deferred or efficiently funded by borrowing. This reserve is not intended to provide funding for new programs or for "buys of opportunity" or similar circumstances, usually involving the purchase of property. The General Fund Operating Reserve is distinguished from the General Fund Emergency Disaster/Reserve, from any reserves that may be assigned for specific purposes, and from unassigned fund balance and shall be reported separately on the balance sheet.

Under "GASB 54" the General Fund Operating Reserve will also be categorized in the City's financial statements as *Committed* fund balance.

When adopting the budget each year, the City of Sonoma shall establish a General Fund Operating Reserve of 17% of annual General Fund expenditures, (equal to two month of annual operating expenditures), which is available for appropriation for financial hardships or to provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.

Process for the Use of the General Fund Operating Reserve in the Event of Financial Adversity:

- In the event of financial adversity, (defined as a prolonged downturn in one or more major revenue sources for the General Fund or imposition of a significant, unanticipated and unavoidable expense that cannot be deferred or efficiently funded by borrowing), staff would request City Council approval to utilize the General Fund Operating Reserve to maintain current service levels until a reduced budget is prepared or other solutions identified.
- Appropriate staff (i.e. City Manager, Assistant City Manager and Department Heads) would evaluate affected revenues and programs and make recommendations regarding any reduced service levels and/or any other solutions.
- The proposed financial plan would be shared with all City staff.
- Recommendations from the City Manager and staff on the proposed financial plan would be presented to the City Council for review, discussion, and adoption at a public meeting.

Use of the General Fund Operating Reserve in the event of financial adversity will be by direction of the City Council only and shall be appropriated by a simple majority vote of the City Council.

Whenever expenditures or transfers are made from the General Fund Operating Reserve, it shall be a high priority for the City to reimburse such expenditures soon, normally by deferring other service or project expenditures.

RESERVE SUMMARY

Should the Council opt not to draw on the Operating Reserve or should the financial hardship exceed the available reserve funds, the City Council may direct that funding be augmented through the following options:

- Inter-fund Financing Transfer;
- External/Third-Party Financing;
- Immediate spending freeze; and/or
- Other financing options available at the point of need.

The City Council may from time-to-time authorize budget appropriations that would reduce the General Fund Operating Reserve below its policy-mandated 17% level and this shall be by a simple majority vote of the City Council.

If the City Council appropriates funds that, for any purpose authorized in this policy, would drop the General Fund Operating Reserve below 17%, the next budget cycle should include a plan for how the General Fund Operating Reserve will be restored to the required 17% reserve level within a reasonable time.

General Fund Emergency Reserve

The purpose of the City of Sonoma's General Fund Emergency Reserve is to provide operating and/or repair funds in the event of a local disaster or catastrophic event.

When adopting the budget each year, the City of Sonoma shall establish a General Fund Emergency Reserve of \$1.5 million, which is available for appropriation to respond to local disasters or catastrophic events, whether natural or man-made.

The City Council may from time-to-time authorize budget appropriations that would reduce the General Fund Emergency Reserve below its policy-mandated \$1.5 million level and this shall be by a simple majority vote of the City Council. These appropriations should be made only in response to significant events such as, (but not limited to), natural disasters, declared emergencies or catastrophic events.

If the City Council appropriates funds that, for any purpose authorized in this policy, would drop the General Fund Emergency Reserve below \$1.5 million, the next budget cycle should include a plan for how the General Fund Emergency Reserve will be restored to the required \$1.5 million reserve level within a reasonable time.

In case of emergencies falling under the purview of the City of Sonoma Municipal Code Section 2.36, purchases authorized by the Director of Emergency Services under Section 2.36.060 (b) may cause the balance in the General Fund Emergency Reserve to fall below the required \$1.5 million level.

Under "GASB 54" the General Fund Emergency Reserve will be categorized in the City's financial statements as *Committed* fund balance.

General Fund Special Projects Reserve

The City of Sonoma shall establish a General Fund Special Projects Reserve which is made up of unassigned fund balance in the General Fund. The purposes of the General Fund Special Projects Reserve are 1) to segregate surplus fund balance from recurring revenue sources so that such surpluses will be appropriated only for non-recurring expenditures and 2) to create a funding source for one-time projects such as, but not limited to:

RESERVE SUMMARY

- Capital improvement projects of any type
- Surveys, studies and analyses of both operating and capital needs
- Updates of adopted plans (e.g., general plan or specific general plan elements, facility master plans)
- Temporary service programs (for example, a limited- duration code or traffic enforcement effort).

Approval of any appropriation from the General Fund Special Projects Reserve shall be by a simple majority vote of the City Council.

Under "GASB 54", the General Fund Special Projects Reserve will be categorized in the City's financial statements as either Assigned, if the funds are reserved by City Council direction or the City Manager for designated purposes; or Committed or Assigned, if the funds are approved in the annual budget process.

General Fund Inter-Fund Financing

The City of Sonoma maintains additional funds outside the General Fund, which may be utilized to provide interim financing to the General Fund in the event of financial adversity. Financing levels of the inter-fund loan shall not exceed 50% of the available fund balance and shall be documented by an established repayment schedule, including interest accrued on the loan using the quarterly Local Agency Investment Fund ("LAIF") interest rate earned by the City on its idle cash, approved by the City Council based on the recommendation of staff.

The staff recommendation shall include a certification that the fund from which the cash is to be borrowed shall not need these dollars during the repayment period to meet City obligations, based upon fund financial projections and based upon legal requirements. Repayment of these loans shall become the priority in future budgeting cycles.

RESERVE SUMMARY

CURRENT RESERVES

Following is chart showing an estimate of current reserves based on the City Council's General Fund Reserve Policy outlined prior.

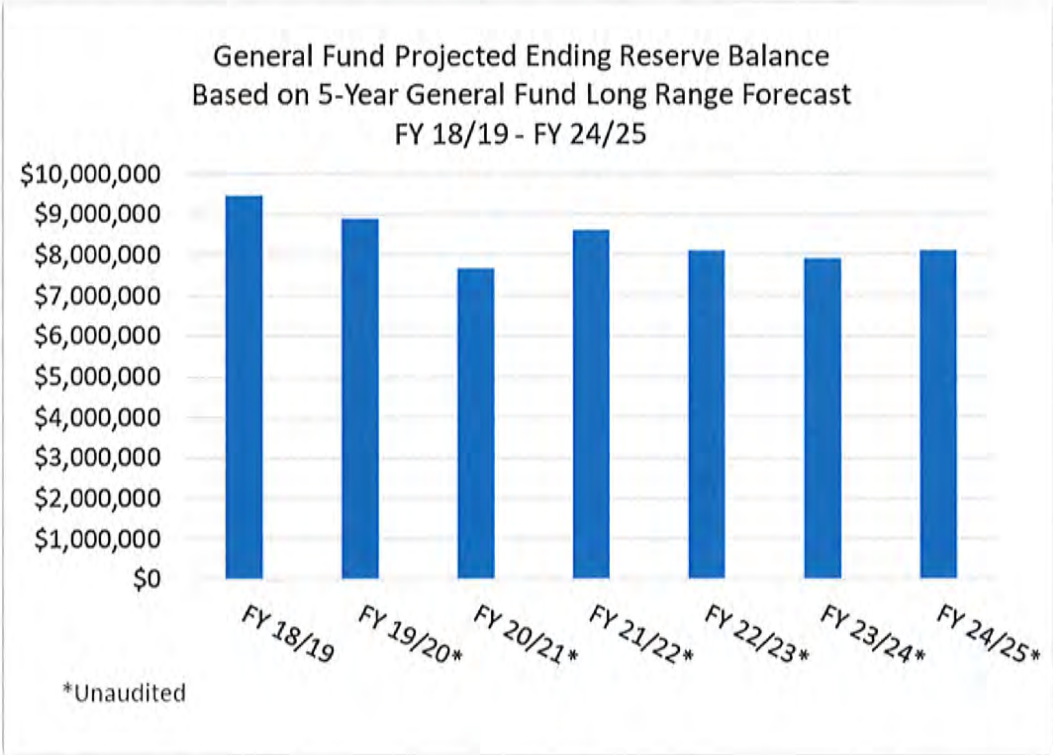
GENERAL FUND RESERVE SUMMARY - (PROJECTED - UNAUDITED)	FY 2020/21 Projected (Unaudited)	FY 2021/22 Budget
Beginning Total General Fund Reserve (Includes Funds 100,704,521,750,796)	\$ 8,911,888	\$ 7,664,334
Committed for Operating Reserve (17% of General Fund Budgeted Expenditures)	\$ 3,326,072	\$ 3,620,290
Committed for Emergency Reserve	\$ 1,500,000	\$ 1,500,000
Total Committed General Fund Reserve Balance	\$ 4,826,072	\$ 5,120,290
Budgeted One-time Special Projects: (included in net income/loss below)		
Plaza Tree Assessment and Major Maintenance (Carryover FY 18/19, FY 19/20, & FY 20/21)	\$ 35,000	\$ 35,000
Photographic Art for City Council Chambers to complete refurbishing of Council Chambers	\$ 9,201	\$ 9,201
Council - Directed Studies		\$ 15,000
One laptop and 8 iPads - for IT Security and Public Works communications upgrades		\$ 10,960
Augmentation needed to replace Public Works Parks Flat-Bed Truck		\$ 20,000
TESLA EV Charging Stations - City Contribution for Tesla EV charging stations at Comm Center		\$ 20,000
Field of Dreams - one-time contribution for maintenance and irrigation upgrades		\$ 25,000
Cloud-based records management archive software to include a public portal		\$ 30,000
Valley Governance Study		\$ 30,000
Disaster Recovery and Cyber Security Software as recommended by the 2019 Network Security Review and Audit		\$ 75,588
Cloud-based permitting software to replace manual permitting system & budgeting /accounting software upgrade		\$ 300,000
Total Budgeted for Special Projects	\$ 44,201	\$ 570,749
Total Committed General Fund Reserve Balance	\$ 4,826,072	\$ 5,120,290
Assigned General Fund Reserve Balance		
(Funds Reserved by Council Direction or City Manager for Designated Purposes)		
EMS Equipment Replacement	\$ 231,597	\$ 201,347
Castagnasso Matching Grant Resolution	\$ -	
Housing Opportunities and Strategies Reserve	\$ -	
Total Assigned General Fund Reserve Balance	\$ 756,597	\$ 701,347
Total Unrestricted/Undesignated General Fund Reserve Balance (Includes Funds 100,704,750,796)*	\$ 3,285,018	\$ 1,271,947
Beginning FY Total General Fund Reserve Balance (Includes Funds 100,704,521,750,796)*	\$ 8,911,888	\$ 7,664,334
Net Income/(Loss) (Includes Funds 100,704,521,750,796)*	\$ (1,247,554)	\$ (1,685,599)
American Rescue Plan Federal Relief Funding	\$ -	\$ 2,637,175
Ending FY Total General Fund Reserve Balance (Includes Funds 100,704,521,750,796)*	\$ 7,664,334	\$ 8,615,910

*Funds 100-General Fund, 704-Alcalde Trust, 521-EMS Equipment Replacement, 750-Bids & Deposits, 796-IGT

RESERVE SUMMARY

PROJECTED GENERAL FUND ENDING RESERVE BALANCES

Following is chart showing an estimate of projected General Fund Ending Reserve balances based on the General Fund 5-Year Long Range Forecast.





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GENERAL FUND

**Central Administration
Public Safety
Community Development
Public Works
Miscellaneous**

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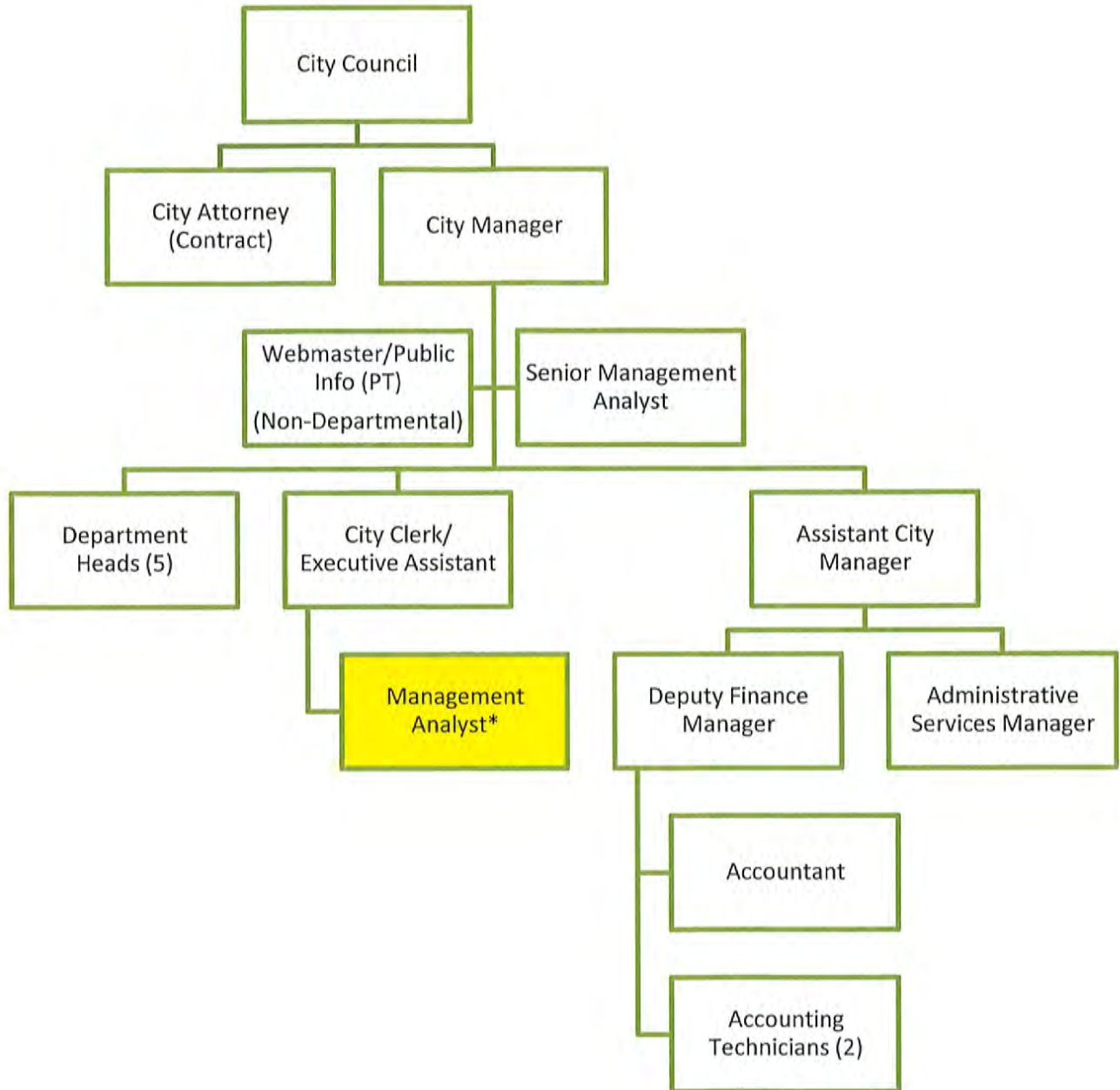
BUDGET DETAIL

CENTRAL ADMINISTRATION

**CITY COUNCIL
CITY CLERK
CITY MANAGER
FINANCE
LEGAL SERVICES**



Central Administration -- Organization Chart



*New Position Highlighted



CITY OF SONOMA

City Council (100-41001)

The Sonoma City Council represents the voters of Sonoma and oversees all municipal operations from a budget and policy level. The City Council also acts as the legislative arm of City government. The City Council determines the overall needs of the community, develops policies, goals, and projects, and establishes priorities to meet the goals. The City Council appoints the City Manager and City Attorney.

The five members of the City Council are elected at large and serve overlapping four-year terms. The City Council serves as the Successor Agency to the dissolved Sonoma Community Development Agency.

The members of the Sonoma City Council are:

Madolyn Agrimonti, Vice Mayor

Amy Harrington, Council Member

Jack Ding, Council Member

Kelso Barnett, Council Member

Vacant, Council Member

Each member of the City Council is offered a stipend of \$300 per month in accordance with State law. In addition, Councilmembers are eligible for full health, dental, and vision care coverage for themselves and their dependents.

The Council generally meets the first and third Mondays of each month at 6:00 p.m. in the City Council chambers. Throughout FY 20/21, due to COVID-19 and the corresponding health restrictions regarding in-person meetings, the Council met over Zoom and included additional ways for the public to provide comments to the Council on agenda items. Councilmembers also participate in local, regional, and statewide meetings and activities.

The City Council develops goals for the City organization typically on an annual basis, approves the budget, and provides overall policy direction. In addition, the City Council initiated several special projects during FY 20/21. In many cases, a Council liaison or subcommittee worked with City staff to accomplish these projects.

FISCAL YEAR 2020-21 ACCOMPLISHMENTS

- Addressed the Coronavirus Pandemic in multiple ways:
 - Establishing a parklet program across the downtown core, allowing businesses to better survive the pandemic's restrictions.
 - Setting up a closure of 1st Street East to provide outdoor eating for Pangloss and Maya.
 - Worked with Caltrans to increase sidewalk space for area restaurants along West Napa Street.
 - Worked with other cities and Sonoma County on parklet construction standards that met area fire codes and accommodated seasonality for the parklets.
 - Provided for new health guidance via signage in all City parks and open spaces.
 - Provided rental assistance to help avoid evictions following job losses.

- Working closely with local non-profits and valley community members established and coordinated a Food Security Task Force for Sonoma Valley, created a food calendar and provided clear messaging to the community on the available resources.
- Established a Sonoma Valley Latinx COVID-19 Task Force to help amplify the voices and needs of the Latinx community in the Valley.
- Co-sponsored and volunteered time for the Sonoma Valley Health Partners consortium (including the Sonoma Valley Hospital, the Sonoma Valley Community Health Center, the Sonoma Valley Fire District, the Sonoma Valley Unified School District, and more) that helped vaccinate over 7,000 of our most vulnerable residents early in the vaccination process.
- Emphasized the need for more affordable housing via upping the amounts of units required within the Inclusionary Housing Ordinance.
- Adopted a Parks and Recreation work plan, which includes an assessment of recreational programs and park amenities, community outreach, and creation of parks and recreation master plan.
- Improved long-term financial stability via voter approval of an extension to the local sales tax.
- Moved closer to implementing our Cannabis ordinance, including one or possibly two dispensaries in town.
- Updated the City’s investment and budget policies.
- Approved a long-delayed audit.
- Provided policy direction and approval of many of the accomplishments listed in the department budgets throughout this document.
- Adopted a Climate Emergency Resolution and created a Climate Action Joint Council/CSEC Sub Committee.
- Appointed a new Council Member to fill an unexpected vacancy.
- Made appointments to the City’s Commissions and Committee
- Successfully completed two recruitments for City Manager - Interim and Permanent
- Adopted an ordinance prohibiting the use and sale of disposable food service-ware and other products containing Polystyrene Foam and Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS).
- Adopted an ordinance relating to electronic and paperless filing of campaign disclosure statements and statements of economic interests.
- Established appeal fees for land use planning applications and permits.

RECOMMENDED FY 21/22 BUDGET

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below:

AV City Council Chamber upgrades to allow for hybrid in-person/teleconferencing meeting capabilities	\$10,000
Photographic Art for Council Chamber renovation project	\$9,200
Addition of travel expenses to LCC Annual conference	\$6,000
Reduction in Salary & Benefits	(\$26,858)
Reduction in Other Professional Services	(\$3,500)

41001- City Council						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 18,000.00	\$ 17,584.00	\$ 18,027.00	\$ 18,027.00	\$ 16,948.75	\$ 14,399.84
Employee Benefits	\$ 52,764.00	\$ 56,418.00	\$ 59,920.00	\$ 59,920.00	\$ 56,227.17	\$ 36,688.94
Professional Svcs	\$ 8,799.00	\$ -	\$ 6,500.00	\$ 6,500.00	\$ 1,613.62	\$ 3,000.00
Property Services	\$ 14,419.00	\$ 4,746.00	\$ 5,351.00	\$ 5,351.00	\$ 5,430.13	\$ 20,470.72
Operations	\$ 24,482.00	\$ 26,861.00	\$ 21,949.00	\$ 21,949.00	\$ 14,615.49	\$ 28,949.00
Supplies	\$ 5,217.00	\$ 2,455.00	\$ 8,000.00	\$ 8,000.00	\$ 1,426.72	\$ 8,000.00
Internal Service & Capital Prj	\$ 5,027.00	\$ -	\$ 10,465.00	\$ 10,465.00	\$ 10,465.00	\$ 5,286.00
Expense Total	\$ 128,708.00	\$ 108,064.00	\$ 130,212.00	\$ 130,212.00	\$ 106,726.87	\$ 116,794.50



CITY OF SONOMA

City Clerk (100-41002)

Rebekah Barr, MMC, City Clerk

The City Clerk provides executive and administrative support to the City Council as a whole, to individual Councilmembers, and to the City Manager. The City Clerk is also responsible for facilitating the business proceedings of the City Council, and fulfilling legal requirements as set forth in City Codes and State law and outlined below.

- PUBLIC RECORD ACT REQUESTS -- The City Clerk is responsible for reviewing and processing public record act requests in coordination with the City Manager and City Attorney.
- RECORDS MANAGEMENT -- The City Clerk is also responsible for overall records management and ensuring the City's records are retained as required by State law.
- ELECTIONS OFFICIAL – The Office of the City Clerk conducts all City elections and administers campaign and financial disclosure laws.
- COMMISSION SUPPORT AND ADMINISTRATION -- The City Clerk works with the staff liaisons of each of the City's Commissions. The City Clerk also helps process and track the Commission appointments and other legal requirements/training for commission members.
- STAFF TO THE CULTURAL AND FINE ARTS COMMISSION -- The City Clerk also staffs the Cultural and Fine Arts Commission.

The City Clerk's mission is to be a steward and protector of democratic processes, such as elections, and access to official records, as well as to comply with federal, state and local statutes. The department supports the City Council in its goals of innovation, transparency and fairness while promoting community participation and awareness.

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

FISCAL YEARS 2020 – 2021 ACCOMPLISHMENTS:

- Completed a General Municipal Election including 2 candidates and four successful ballot measures.
- Completed recruitment and onboarding of new commissioners & committee members.
- Completed recruitment and onboarding of new Council member to fill Council vacancy.
- Provided support to the Cultural and Fine Arts Commission including assisting with organizing events and publicity for the Treasure Artist and the Student Art Awards.
- Supported the Mayor and City Manager in the selection of the Alcalde including organizing the reception and publicity.
- Worked with Council Ad-hoc Committee to complete Phase I of the Council Chamber Refurbishment.
- Coordinated and managed the installation of new furniture at City Hall.

- Implemented Campaign Disclosure Public Portal and electronic filing system for Campaign Statements and Statement of Economic Interests Form 700s.
- Implemented a Social Media archiving solution for city social media sites.
- Implemented a city-wide social media policy regarding social media platforms that are used by City and employees, and the requirements related to the California Public Records Act and archiving.
- Implemented Virtual Meeting solution for all City Staff.
- Implemented Virtual Council and Commission Meetings with live public comment.
- Implemented videotaping of all commission meetings, but one - enabling the move to action minutes.
- Completed review and implementation of the City's conflict of interest code to ensure appropriate reporting requirements for Commissioners in conjunction with FPPC's Statement of Economic Interests.

FISCAL YEAR 2021 – 2022 GOALS:

- Explore, create, and implement a city-wide email policy including routine automatic destruction and archiving processes.
- Complete implementation of a new records retention schedule and update policy.
- Complete work to videotape last remaining Commission meeting.
- Continue to add prior City records to the records management system to facilitate access and retrieval by the public.
- Complete Implementation of a tracking system for Council and constituent request and follow-up items from Council and Commission meetings.
- Implementation of upgraded records management/archive software which will include a public portal

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), are allocated among City departments and funds based on staffing.

Other key changes between the FY 20/21 and the FY 21/22 budget are listed and described below:

New Management Analyst for increased records imaging and cataloging for both the City Clerk and Building departments, alternate backup for the City Clerk, (Deputy City Clerk training is budgeted for this position), and other special projects. This position replaces a part-time Administrative Assistant in the City Clerk's department and a part-time Senior Management Analyst in the Community Activities department. (The salary and benefits reduction of \$72,186 for the part-time Senior Management Analyst is included in the Community Activities Department Narrative).	\$97,103
Reduction of City Clerk's Part-time Administrative Assistant – total salary & benefits	(\$32,002)
Reduction in election expense	(\$50,000)
Separate budget line for Public Information and Engagement including translation services and posting tools.	\$5,090

41002-City Clerk						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 115,803.00	\$ 141,881.00	\$ 151,661.00	\$ 151,661.00	\$ 134,868.50	\$ 197,514.00
Employee Benefits	\$ 36,471.00	\$ 39,386.00	\$ 43,797.00	\$ 43,797.00	\$ 44,102.50	\$ 76,745.00
PERS UAL	\$ 45.00	\$ 204.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 915.00
Professional Svcs	\$ 39,743.00	\$ 7,679.00	\$ 55,500.00	\$ 55,500.00	\$ 1,276.25	\$ 7,500.00
Property Services	\$ 6,374.00	\$ 11,619.00	\$ 13,279.00	\$ 13,279.00	\$ 13,476.77	\$ 25,811.00
Operations	\$ 22,787.00	\$ 15,025.00	\$ 12,975.00	\$ 12,975.00	\$ 8,057.11	\$ 21,340.00
Supplies	\$ 14,297.00	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 52.09	\$ 3,000.00
Internal Service & Capital Prj	\$ 9,507.00	\$ -	\$ 13,699.00	\$ 13,699.00	\$ 13,699.00	\$ 14,070.00
Expense Total	\$ 245,027.00	\$ 215,794.00	\$ 294,501.00	\$ 294,501.00	\$ 216,122.21	\$ 346,895.00
* Unaudited						



CITY OF SONOMA

City Manager (100-41003)

Dave Kiff, Interim City Manager

The City Manager's Department budget encompasses overall executive management of the organization as well as several functional areas that are provided by contract services. The City Manager plans and manages the essential functions of government, assures that the policy direction, goals, and objectives established by the City Council are implemented, and assists citizens, City Council members and department staff with inquiries and projects.

As the Chief Executive Officer of the City, the City Manager is appointed by and takes direction from the City Council. The Manager is responsible for the day-to-day efficient performance of all City operations, implementing Council policy, formulating staff recommendations to Council on policy and other matters, and preparing and submitting the annual budget. The City Manager provides direct oversight of several functions, including the City Clerk (discussed in further detail under City Clerk's Office) and Public Information. In the event of a major emergency, the City Manager also serves as the Director of the Emergency Operations Center (EOC).

Overall, the City Manager focuses on:

- Assisting the City Council in defining and implementing its strategic goals.
- Providing responsive, analytical, and concise recommendations upon which the City Council can rely to make informed policy decisions.
- Managing the City's community relations with the goal of ensuring that the City's communications and outreach are effective, comprehensive, and proactive, including oversight of the City's website, social media, and other outreach efforts.
- Ensuring that the City's finances are managed in a professional, transparent, and accountable manner.
- Actively overseeing the City's public safety services provided through City contracts/partnerships with the Sonoma County Sheriff's Department and the Sonoma Valley Fire District.
- Proactively building the City's partnerships with non-profits, the City's core recreation and community service non-profit providers, and the Sonoma Valley Unified School District to pursue ways to enhance and build quality of life programs and support for the community.
- Interacting with local community organizations and groups regarding issues, concerns, and current and future service needs of City residents and businesses.
- Coordinating with other local and regional agencies to promote and protect the interests of the city and ensure the efficient delivery of services to the community.
- Supporting, developing, and leading the internal staff to provide effective, efficient services while maintaining a culture of professional pride, commitment, and fun.
- Establishing an environment that promotes innovative and creative methodologies to provide better service and value to residents.

Other functions and expenditures that are within the City Manager's office are:

- Assistant City Manager/Administrative Services. The Assistant City Manager and her team oversee the City's financial, risk management and human resources programs.
- Legal Services: The City contracts for several functions under this category, including City Prosecutor services, Code Enforcement, and Youth & Family Services (funding for these programs is in the Legal Services Budget).
- Economic Development & Business Assistance: The City contracts with the Sonoma Valley Chamber of Commerce to provide business assistance and economic development efforts. The Chamber acts as the City's economic development staff with regular coordination with City representatives (funding for this program is in the Non-Departmental Budget).
- Special Event Coordination: The City Manager's office includes the application, scheduling, review, and post-event follow-up on special events held in the Plaza or Depot Park. Coordination of Sonoma's Tuesday Night Market which runs May-Sept in partnership with the Sonoma Valley Chamber of Commerce.
- Recreation/Community Activities: In lieu of providing recreation / community services directly, the City provides financial support to non-profit organizations that provide services to the community, including youth programs, athletic programs, senior services, arts and theatre, and the facilities that operate these programs (see Community Activities budget). Significant work was done in FY 20/21 to provide for good coordination among these NPOs – work that will continue in FY 21/22

FISCAL YEAR 2020-21 ACCOMPLISHMENTS:

- The City's overall COVID-19 response, including:
 - Community and Valley dialogue to help survive COVID-19
 - Adjusting the City workplace to COVID-19
 - Support for the Sonoma Valley Health Partners' vaccination and testing efforts.
 - Coordinating the needs of area businesses with State and local health restrictions.
 - Providing for local compliance with State and County regulations over activities, business operations, masking, social distancing, and more.
 - Opening the local economy, then closing it, then re-opening it per County and State regulations.
 - Addressing changes in homelessness and housing during COVID-19 to ensure the safety of our most vulnerable members of society.
 - Development of a Valley-wide food distribution event calendar and Sonoma Valley Volunteers website.
- Emergency preparedness, including wildfire response and preparation.
- Transitioning from one City Manager to another.
- Maintaining the quality of the City staff through effective recruitment and retention.
- Voicing the City's needs regarding emergency preparedness within the larger Sonoma County region's interests.
- Voicing the City's needs regarding housing and homelessness services within the larger Sonoma County region's interests.

- Completing a long-overdue audit with a positive management letter.
- Adopting new Financial Policies
- Working through two Council vacancies with the Council and City Attorney.

FISCAL YEAR 2021-22 GOALS:

- Appropriately preparing the community and City organization for drought, wildfire, and other emergencies.
- Effectively transition to a new City Manager.
- Support the City Council’s key initiatives including cannabis and affordable housing.
- Appropriately manage through the remainder of the pandemic and its economic impacts.
- Have the Council consider a Section 115 pension or OPEB trust.
- Complete the Last & Final ROPS for prior redevelopment to gain long term decision on remaining 2011 bond proceeds.
- Ongoing collaboration/coordination with the Community Partners and Sonoma Valley Latinx COVID-19 Support Task Force.
- Consider refunding the existing RDA bonds to take advantage of lower interest rates.
- Develop regular fun ways to communicate and recognize employees.
- Re-start discussions with State Parks regarding a lease of the Casa Grande Parking Lot.
- Modernize and update fees, especially user fees that appropriately fund technology and the impacts of new development.
- Increase organizational capacity, training and use of technology and hiring of talented employees.
- Continue public outreach and communication -- City’s web site, newsletter, and social media.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), are allocated among City departments and funds based on staffing.

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

Salary – (New City Manager contract increase)	\$24,756
Benefits - (New City Manager contract benefit increases with include the cost increases to PERS, health care, vision, dental)	\$12,989
Recruitment cost reduction - mid-year budget adjustment (City Manager recruitment concluded)	(\$24,000)

41003 - City Manager

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 288,117.00	\$ 388,359.00	\$ 374,830.00	\$ 374,830.00	\$ 390,968.50	\$ 422,002.00
Emp Benefits	\$ 80,409.00	\$ 105,893.00	\$ 123,155.00	\$ 123,155.00	\$ 88,274.33	\$ 135,087.00
PERS UAL	\$ 28,609.00	\$ 42,939.00	\$ 52,801.00	\$ 52,801.00	\$ 52,801.00	\$ 69,757.00
Prof Services	\$ 42,823.00	\$ 50,164.00	\$ 30,000.00	\$ 55,000.00	\$ 61,205.79	\$ 55,000.00
Property Services	\$ 14,109.00	\$ 28,558.00	\$ 36,869.00	\$ 36,869.00	\$ 37,419.57	\$ 43,863.00
Operations	\$ 11,224.00	\$ 10,885.00	\$ 7,340.00	\$ 7,940.00	\$ 2,457.19	\$ 8,507.00
Supplies	\$ 2,848.00	\$ 1,600.00	\$ 1,850.00	\$ 1,250.00	\$ 274.72	\$ 1,850.00
Internal Svcs & Cap Prj	\$ 3,444.00	\$ -	\$ 5,945.00	\$ 5,945.00	\$ 5,945.00	\$ 4,825.00
Expense Total	\$ 471,583.00	\$ 628,398.00	\$ 632,790.00	\$ 657,790.00	\$ 639,346.11	\$ 740,891.00

*Unaudited



CITY OF SONOMA

Finance (100-41004)

Sue Casey, Assistant City Manager

The mission, vision and values of the Finance Division are to manage and safeguard City resources responsibly for the community. This is accomplished through the functional areas of accounting, billing, budgeting, and long-range financial forecasting. Responsibilities of the Finance Division include water customer setup and billing, business licenses, accounts payable, payroll, accounts receivable, cash management, annual financial audits, annual budgeting, forecasting, and financial planning. The statistical data (estimates) below provides additional perspective and insight into the daily operations.

- In FY 20/21 the Finance Division processed over 5,000 cash receipts monthly,
- Handled monthly billing and customer service for 4,400 water utility customers,
- Renewed and managed customer service for 3,200 active business licenses plus ongoing event licenses,
- Processed 26 bi-weekly payrolls for 38.5 full-time equivalent employees,
- Compiled and paid the bi-weekly, quarterly, and annual payroll tax reports,
- Processed all accounts payable for the City averaging 30 checks per weekly check run,
- Processed and reported the monthly TOT accounts receivable for 47 hoteliers,
- Reconciled 50 City funds,
- Oversaw cash management,
- Annual Budget development and oversight,
- Financial reporting,
- Financial year-end close process,
- Year-end audit and the Comprehensive Annual Financial report preparation.

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

There continue to be areas of need and focus, which include developing and documenting relevant financial policies, as well as implementing such policies via efficient procedures. Staff continuously review and discuss internal processes and potential improvements that may enhance the Finance Division's service to the community or provide more support to other departments within the City. The ultimate goal is to have regularly reviewed procedures and policies in place and documented so future staffing changes and transitions can occur without the work or services of the Finance Division being compromised. For several years, the Finance Division struggled to manage all the accounting management duties as well as the higher-level finance focus due to inadequate staffing levels, which had been reflected in past comments from auditors. Fiscal year 20/21 was the first fiscal year with a fully staffed Finance Division, which substantially and positively impacted the Division's ability to provide quality service to the community and maintain progress towards needed improvement. It has also enabled the City to enact audit recommendations and better segregate duties to improve internal controls, which is imperative to

the integrity of finance operations. The department operates under the premise that striving for continuous improvement is a must in the evolving environment in which we operate.

FISCAL YEAR 2020/2021 ACCOMPLISHMENTS:

- Completed the FY 2020/21 Budget on time
- Implemented Springbrook's Extended Budgeting module.
- Addressed the Coronavirus pandemic and effectively transitioned to an unanticipated virtual environment.
 - Adapted to some staff working from home, adjusted new communication and business operations for the public during the shelter in place while managing childcare and needs at home and continuing to serve the community's needs.
- Completed the City's financial audit for the 18/19 fiscal year. The close and audit of the 19/20 fiscal year is also in process.
- Completed and received Council approval of a City Budget Policy and Purchasing Policy.
- Refined and implemented internal processes for cost recovery and project management.
- Implemented monthly financial reports and check authority process.
- Updated Water Capacity Charges.
- Updated water shut-off policy and procedures to respond to SB 998.
- Updated Garbage contract and provided new funding for SB 1383 State composting requirements.
- Created and updated a 5-year Forecast for ongoing financial forecasting and planning.

FISCAL YEAR 2021/2022 GOALS:

- Update City fee schedule and move to comprehensive annual updates.
- Continue to update and add relevant financial policies, including preliminary development of a finance desk manual.
- Improve procedures for fixed asset acquisition and disposition and implement biannual inventory.
- Fully implement and utilize Springbrook's Human Resources module and digitize personnel files.
- Add the City CIP projects to Springbrook's Project Management module.
- Internally update the water bill format within Springbrook to increase flexibility and efficiency.
- Transition the unsupported water meter reading software to the cloud version.
- Conduct a financial analysis of the Cemetery Fund and develop a plan for resolution of the deficit in the Fund.
- Ensure audits for fiscal year 20/21 and subsequent fiscal years are completed on a regular, timely annual schedule.
- Prepare the City's fiscal year 22/23 Budget and submit it for state and national budget awards (California Society of Municipal Finance Officers and the Government Finance Officers Association).
- Continue cross training and identifying other opportunities for Finance staff to add value for other City Departments, residents, and customers. Identify areas where expanded use of technology can create operating efficiencies for the department and the City, allowing staff to provide higher value activities.
- Analyze and review other Financial ERP software to replace Springbrook and begin implementation processes if warranted.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by

34% in FY 21/22, (included in the expenditure category Property Services), and are allocated among City departments and funds based on staffing.

Other key changes between the FY 20/21 and the FY 21/22 budget are listed and described below:

Reduction in audit expense - FY 20/21 contained two years audits (18/19 and 19/20)	(\$26,754)
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41004 - Finance						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 333,969.00	\$ 432,324.00	\$ 425,717.00	\$ 425,717.00	\$ 438,964.50	\$ 460,982.00
Employee Benefits	\$ 63,983.00	\$ 88,079.00	\$ 107,667.00	\$ 107,667.00	\$ 103,692.33	\$ 120,608.00
PERS UAL	\$ 31,470.00	\$ 45,707.00	\$ 53,221.00	\$ 53,221.00	\$ 53,221.00	\$ 71,274.00
Professional Svcs	\$ 68,513.00	\$ 96,168.00	\$ 107,841.00	\$ 107,841.00	\$ 109,904.70	\$ 81,087.00
Property Services	\$ 30,892.00	\$ 37,676.00	\$ 39,161.00	\$ 39,161.00	\$ 37,771.91	\$ 52,110.00
Operations	\$ 6,464.00	\$ 3,610.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 5,845.00
Supplies	\$ 3,218.00	\$ 3,055.00	\$ 2,000.00	\$ 2,000.00	\$ 1,929.19	\$ 2,500.00
Software & Equip	\$ -	\$ -	\$ 5,200.00	\$ 5,200.00	\$ -	\$ -
Internal Service & Capital Prj	\$ 17,416.00	\$ -	\$ 41,120.00	\$ 41,120.00	\$ 41,120.00	\$ 40,297.00
Expense Total	\$ 555,925.00	\$ 706,619.00	\$ 786,427.00	\$ 786,427.00	\$ 791,103.64	\$ 834,703.00

*Unaudited

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CITY OF SONOMA



Legal Services (100-41005)
City Attorney / City Prosecutor
Youth & Family Services / Code Enforcement

Jeff Walter, City Attorney, Colantuono, Highsmith & Whatley, PC.
Bob Smith, City Prosecutor

City Attorney/ Jeffery A. Walters, Walters & Pistole

Legal services are contracted by the City to an outside legal firm, Colantuono, Highsmith & Whatley, PC. The City Attorney is appointed by City Council to ensure compliance with laws as well as provide guidance and legal support. When necessary, the City Attorney will advise leadership regarding content of ordinances, resolutions, and contract language as well as providing representation in the event of litigation.

City Prosecutor / Sonoma Valley Youth & Family Services / Code Enforcement (SVYFS)

The Office of the City Prosecutor has historically had responsibility for two primary areas; prevention, mitigation and prosecution of crimes not amounting to felonies (18 years of age and older) and Youth and Family Services (minors). In 2016, the City Council expanded the City Prosecutor agreement to include code enforcement services. The City contracts with Bob Smith for the following three programs.

CONTRACT COSTS BY PROGRAM		
CITY PROSECUTOR	YOUTH AND FAMILY SERVICES	CODE ENFORCEMENT
FY 18/19 \$40,480	\$65,000	FY 18/19 \$62,400
FY 19/20 \$10,000	<i>(Program is 50% funded by Sheriff's Department - \$32,500.)</i>	FY 19/20 \$87,400
FY 20/21 \$10,000		FY 20/21 \$62,400
FY 21/22 \$10,000 + \$6,000 Hearing Officer		FY 21/22 \$62,400
		+ \$8,000 - Vacation Rental Enforcement + \$25,000 Plaza Parking Enforcement

CITY PROSECUTOR

When the City Prosecutor's Office was originally created in 1987, the District Attorney's office was not as active in the prosecution of some areas of the law and there was a desire to have a higher level of local control. In FY 19/20 staff recommended that the majority of the cases could be shifted to the District Attorney for their prosecution as is done for all other Sonoma communities.

FISCAL YEAR 20-21 ACCOMPLISHMENTS:

- Administrative Hearings (6)
- Superior Court Motions (2)
- Superior Court Appearances (10)
- Superior Court Trials (2)

FISCAL YEAR 2021-22 GOALS:

- Increase community awareness of mediation services provided for issues not amounting to criminal conduct focusing on early prevention.
- Supporting Code Enforcement by handling all contested hearings and Superior Court Appeals.

YOUTH AND FAMILY SERVICES (Y&FS)

Youth & Family Services has continued a major paradigm shift from a punitive-based juvenile diversion program to skill development-based program. Community Service is a large part of the diversion contract. A large aspect of almost every juvenile's contract is community service hours. The community service component of the program has shifted to a more restorative justice approach, i.e., service to make the community whole for the impact of the juvenile wrong doer rather than simply punishing them. Under Y&FS direction the framework for all discussions and participation in the diversion program centers on a restorative justice philosophy – accountability, understanding and amends.

No diversion contract has less than 60 hours of community service. The nature of the service is determined by looking at the juvenile's grades, attendance and prior school discipline history and if appropriate discussion with relevant teachers or administrators. Diversion contracts typically contain grade improvement requirements, supervised homework as well as participation in an Outward-Bound type training program (ropes course) to focus on self-esteem building, inclusion, teamwork, and trust. We also have provided tutoring, albeit, only as resources allow. This shifting program has helped a number of students change their behavior and lifestyle. To greater provide for an environment of success, YFS also provides parenting courses for parents of obedient defiant juveniles.

The Youth & Family Services program serves the entire Valley and is jointly funded by the City of Sonoma and the Sonoma County Sheriff's Office (\$32,500 each).

FISCAL YEAR 2020 - 2021 ACCOMPLISHMENTS:

- Created 501(3)(c) "Sonoma Valley Youth & Family Services to support fund raising for additional services for YFS programming.
- Raised \$40,000 in grants and participating in the Community Foundation three-year program to develop sustainability and capacity.
- Raised \$25,000 in grants and secured another \$40,000 in individual commitments to build a ropes course on the Hanna site to support YFS juvenile programming in leadership training:
 - Hanna has agreed to license the space necessary.
 - When up and running will be able to accommodate 2,500 juveniles and family members annually.
 - Will provide employment opportunities for juveniles who complete the programming and want to work as Course Leaders.
- Secured unique interactive programming to allow program juveniles to self-define a roadmap to successful graduation.
- Secured unique interactive programming to help juveniles understand the value of inclusion and successfully and positively identifying, interrupting, and resolving implied bias.

- Provided a ten-week course to parents of obedient defiant children both in English and Spanish, (the first post-Covid class is presently ongoing with 18 parents who speak only Spanish).
- During the unforeseen course of 2020 we adapted to a new way of life that came along with Covid-19. Our previously implemented online programs were a great support for our participants. We had 33 students successfully complete their contracts remotely.
- SVYFS was able to maintain strong communication with our participants and offer them additional services such as, locations for free food distribution available in our valley, over the phone counseling resources, and mentoring opportunities for online classes. After completing two rounds of surveys with our students to ask how they were doing during the Pandemic, we learned that most of our kids actually missed in-person school. They felt higher support levels while on campus and missed the interaction with teachers.

FISCAL YEAR 2021-22 GOALS:

- SVYFS looks forward to another year, preparing even better equipped support for our local families, school district and youth, all in an effort to foster healthy boundaries, loving engagement, and respect for oneself and our community.
- Working with School district on providing an alternative to discipline (which greatly increases a juvenile's likelihood of entering Juvenile Justice System) in a post-Covid environment.
- Continue to support a partnership with Hanna, Teen Services, Mentoring B&G Club and CSARC to move the ropes course from SDC to Hanna (Project Teen Challenge).

CODE ENFORCEMENT

The City began contracting with the City Prosecutor for code enforcement services in March of 2016. The part-time Code Enforcement Officer (24 hours per week) is supported by an attorney supervisor and an office administrator. In addition to responding to citizen and staff inquiries, the Code Enforcement Officer investigates and documents findings, prepares evidence, patrols for violations, and works to educate the community on municipal code provisions.

FISCAL YEAR 2020-2021 ACCOMPLISHMENTS:

- 717 cases opened; 504 cases closed.
- COVID-19 Enforcement
 - Public education to gain voluntary compliance from citizens in regard to Covid-19.
 - Researched:
 - COVID-19 upticks in cases in state/ County Orders
 - Enforcement of Health Order at a County and State Level
 - Housing markets effects on blight issues
 - COVID-19 impact on local economy
 - COVID-19 effect on code enforcement issues
- Business License enforcement
 - Uptick on visitors from outside the region
- Vacation rentals
 - Collecting TOT from last set of Illegal rental properties
 - Obtaining Collections during COVID
 - New offenders

FISCAL YEAR 2021-2022 GOALS:

- Work with community for compliance through education and dialogue.
- Revise identified City Ordinances to reflect current quality of life issues.

- Continue inspections of tobacco retailers annually.
- Remain vigilant as STR's start to emerge from Covid-19 shutdown.
- Utilize Superior Court actions for moving Administrative awards to recordable property liens.
- Assist with parking enforcement especially for handicapped and safety issues.
- Increase communication and coordination with City departments.

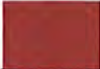
RECOMMENDED FY 21-22 BUDGET

41005 - City Attorney						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Professional Svcs	\$ 802,973.00	\$ 634,906.00	\$ 476,900.00	\$ 476,900.00	\$ 476,900.00	\$ 476,900.00
Supplies	\$ 108.00	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service & Capital Prj	\$ 920.00	\$ -	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00	\$ 1,395.00
Expense Total	\$ 804,001.00	\$ 634,906.00	\$ 478,220.00	\$ 478,220.00	\$ 478,220.00	\$ 478,295.00
* Unaudited						



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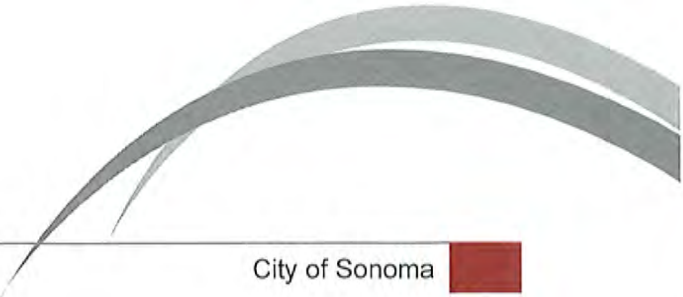




BUDGET DETAIL

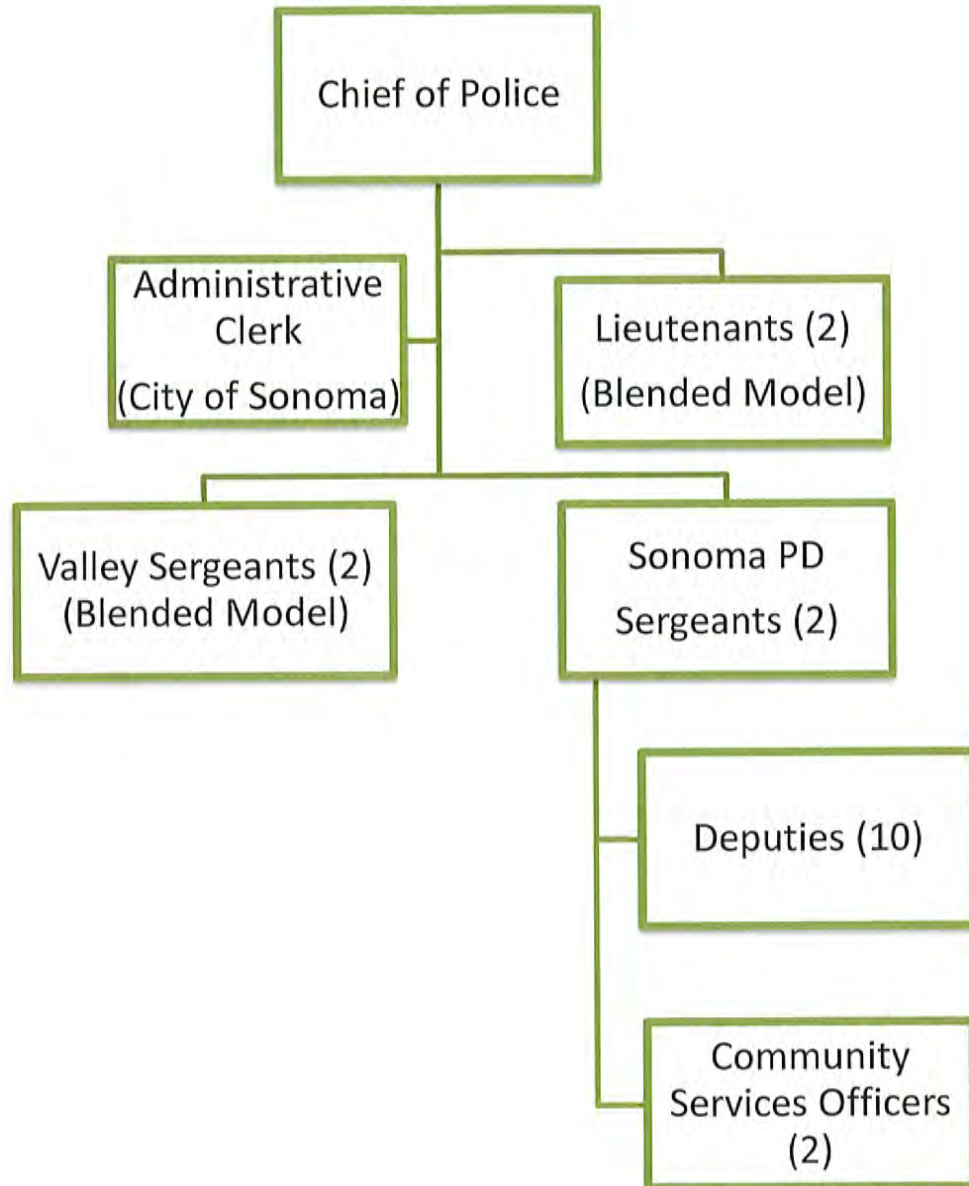
PUBLIC SAFETY

**FIRE/EMS
POLICE**



Police Department -- Organization Chart

(The City contracts with the Sonoma County Sheriff's Office to provide law enforcement services in Sonoma.)

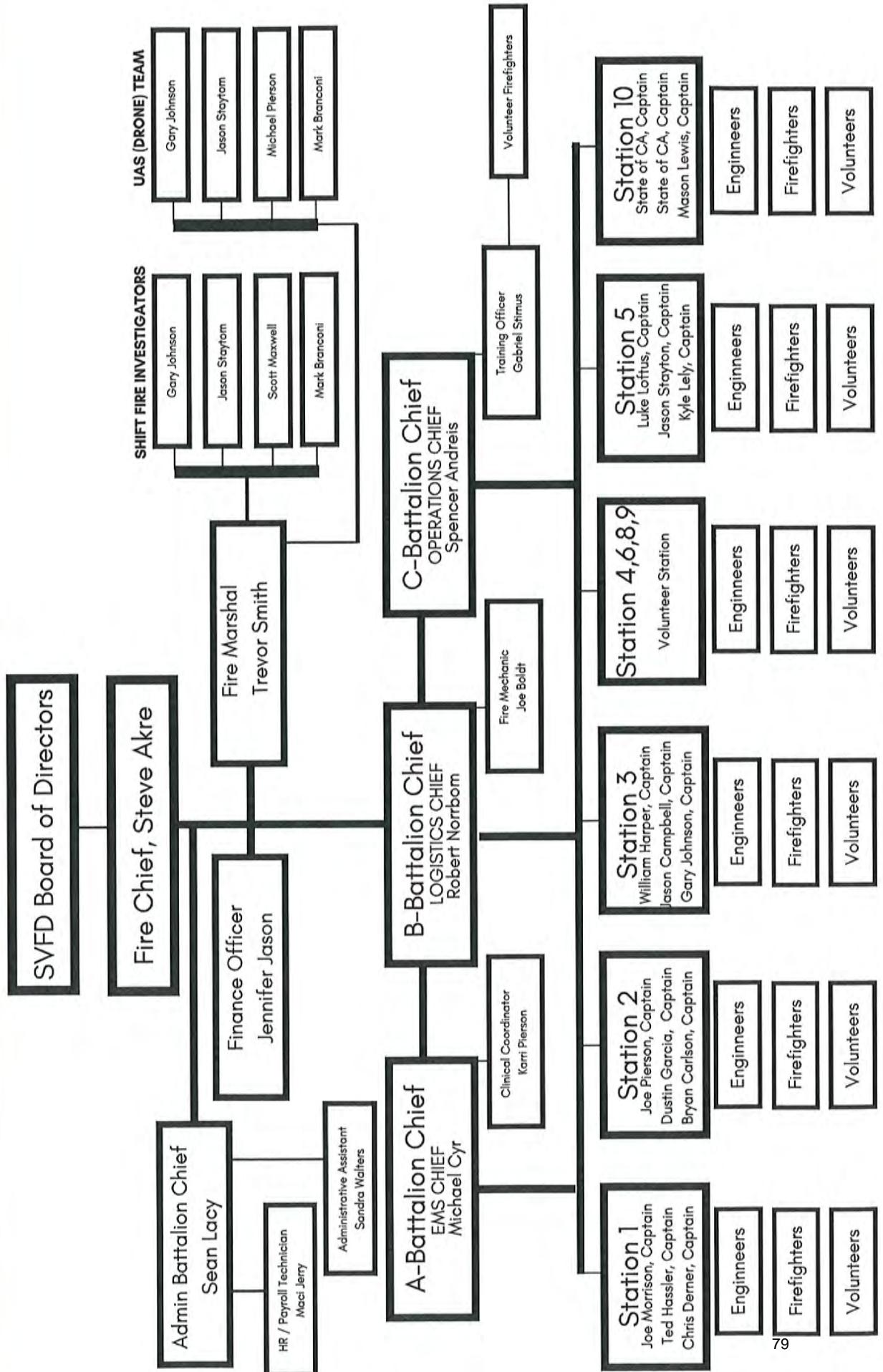




SONOMA VALLEY FIRE DISTRICT

ORGANIZATIONAL CHART

REVISED 06/2021





CITY OF SONOMA

Police Department (100-42101)

Orlando Rodriguez, Police Chief

The Police Department is responsible for the protection of life and property, maintenance of order, control and prevention of crime and the enforcement of motor vehicle laws and regulations. We play an important role in helping to maintain and improve the quality of life in Sonoma. Since 2004, the City has contracted with the Sonoma County Sheriff's Office for law enforcement services. The contract is due to expire in June 2020. Per the agreement, the Chief provides the city with a "Service Plan" each year, which outlines the level of service to be provided including, but not limited to, the staffing plan, position descriptions, and training and equipment needed to perform services.

The Police Department has a staff of 16 employees, which consists of a Police Chief, 2 Police Sergeants, 10 Deputy Sheriffs, 2 Community Service Officers and 1 Administrative Clerk (City employee). The Police Department also utilizes dedicated volunteers through the Sheriff's Volunteer in Policing Services (VIPS) program. Under the law enforcement contract, many professional administrative and managerial functions, such as dispatch, investigations, fiscal and records management, and property/evidence are handled by subject matter experts located at the Sheriff's main office in Santa Rosa.

HISTORY OF CONTRACT WITH SONOMA COUNTY SHERIFF'S DEPARTMENT

In 2004, the City entered into a 5-year contract with the Sheriff's Office for law enforcement services. In 2009, the City renewed the contract for a period of 10 years, ending in June 2019. The Sonoma City Council agreed to extend the contract by one year, expiring in June of 2020. The below chart outlines the total contract cost for each year of past 10-years, followed by the cost increase and percentage increase from the previous fiscal year. Also included is the Administrative Overhead percentage as a reference which is paid on salaries and benefits only and is for a variety of central and specialized services.

During the economic downturn, the Deputy Sheriff's Association agreed to several concessions to help balance the budget, including 40 hours of mandatory time off, as well as termination of vacation/comp time/sick leave buy-out, to name a few. During those years, the City benefited from these concessions without having to negotiate with the labor unions. After the October 2017 Fires, the Sheriff's Department absorbed time of 10/9/17 to 10/17/17 of Sonoma Police staff costs (salary, benefits, overtime) in recognition that the focus of the fires was supporting the Sonoma Valley. By absorbing these costs and submitting for reimbursement directly to FEMA, the Sheriff saved the City hours of FEMA processing and a budget reduction of \$345,378. Below is a summary of other impacts and benefits of the contract.

The FY 19/20 contract with the Sheriff's Office was \$4,642,010, which is a \$311,083 increase from the adopted FY 18/19 contract of \$4,549,731 (this includes compensation adjustments for the FY 18/19 budget that were not budgeted prior). The Sheriff's Office labor unions negotiated a 3% wage increases that were included as an assumption in the FY 19/20 budget.

Due to budget constraints, proposed FY 20-21 contract cost increases, and the COVID-19 economic effects to the community, Sonoma City Council eliminated an administrative assistant position, a K9 officer and School Resource Officer. They also vacated a Deputy and Community Service Officer

position. Through these reductions, cost savings to the FY 20-21 Sonoma PD budget total \$632,895, including overhead costs of \$124,357.

The FY 21-22 budget will add a Deputy Sheriff position and in January of 2022 will add a CSO position.

▪ Contract provides the following additional benefits:

- (1) Reduced workload of other city departments, such as HR, Finance, Administration, and Legal;
- (2) Highly trained, competent, and professional staff and an ability to backfill quickly;
- (3) Additional staff support due to integration with valley-wide management of law enforcement;
- (4) Access to significant resources and specialized investigative units as response to incidents requires;
- (5) Reduced liability for critical incidents since this risk is transferred to the County.

Fiscal Year	Contract Cost Actual	Cost Change	Percent Increase	Overhead Percent*	Comment
21-22	4,988,226 <i>Requested</i>	458,926	9.2%	24.76	Restore vacant Deputy; Restore CSO position mid-fiscal year.
20-21	4,529,300 <i>Adopted</i>	95,902	2.1%	25.07	Reduction in Staff: Deputy and CSO Vacant Eliminate Admin Aide, K9 Officer and School Resource Officer
19-20	4,433,398	-115,563	-2.6%	26.03	Cost savings realized - decreased detective time & reduced service/supply costs due to COVID restrictions. Service and supply line item moved to overhead.
18-19	4,548,961	310,313*	7.0% (Reflects return to baseline after one-time Fire reduction.)	26.18	Labor contract increases and grant expenses added. 1x fire reduction in prior year. See FY 18-19 increases noted below by asterisk.
17-18	4,614,201 Approved Budget 4,238,648 <i>Actual Cost</i>	56,162	1.32%	26.40	1X Fire reduction of \$345,378 by Sheriff; see note below; 3% salary increase; insurance; WC; admin
16-17	4,182,486	39,982	1.0%	24.78	3% salary increase; health care
15-16	4,142,504	245,118	6.3%	22.76	SRO contribution started
14-15	3,897,386	-28,656	-0.7%	22.15	
13-14	3,926,042	59,974	1.6%	22.94	
12-13	3,866,068	241,234	6.6%	23.43	Add K-9 program
*Includes contract direct reduction due to FEMA cost absorption from Sheriff for October 2017 wildfires -- \$345,378.					

FISCAL YEAR 2020-2021 ACCOMPLISHMENTS:

- Managed the Law Enforcement Services contract with the County to ensure the delivery of high quality public service and fiscal accountability.
- Provided significant public outreach and education to continue to build public trust.

- Worked with our Business partners to promote safe Parklets dining areas to help with the COVID-19 economic effects.
- Collaborated with SOS and provide a safe environment to the community.
- Enhanced community-oriented enforcement of key quality of life concerns to neighborhoods.

FISCAL YEAR 2021-2022 GOALS:

- Manage the Law Enforcement Services contract with the County to ensure a high quality of public service and fiscal accountability.
- Acquire and outfit a new Police Motorcycle to provide traffic enforcement in the community.
- Research additional grant opportunities consistent with our mission.
- Build relationships with community leaders, churches, schools and clubs.
- Continue strong community outreach through “Coffee with a Cop” program, Citizen’s Academy, Responsible Beverage Service training, and our presence at many of our local events.
- Recruit, select, and train new Volunteers in Policing Service (VIPS) and Explorer Scouts.

RECOMMENDED FY 21/22 BUDGET

The FY 21-22 recommended budget of \$4,988,226 restores one vacant Deputy Sheriff position and one vacant CSO position, and adds a second Traffic Officer investigator. The year over year increase of \$458,926 reflects salary and benefit costs to reinstate essential law enforcement personnel.

42101 - Police						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 27,223.00	\$ 58,710.00	\$ 61,463.00	\$ 61,463.00	\$ 62,447.67	\$ 66,125.00
Employee Benefits	\$ 19,236.00	\$ 31,406.00	\$ 34,544.00	\$ 34,544.00	\$ 36,084.75	\$ 33,042.00
PERS UAL	\$ 184,890.00	\$ 222,657.00	\$ 258,232.00	\$ 258,232.00	\$ 258,232.00	\$ 264,994.00
Professional Svs	\$ -	\$ 460.00	\$ 500.00	\$ 500.00	\$ -	\$ -
Sheriff Contract	\$4,523,125.00	\$4,439,437.00	\$4,529,301.00	\$4,529,301.00	\$4,529,301.00	\$4,988,226.00
Property Services	\$ 205,839.00	\$ 203,466.00	\$ 211,049.00	\$ 211,049.00	\$ 126,049.00	\$ 134,283.00
Operations	\$ 187,741.00	\$ 172,890.00	\$ 193,346.00	\$ 193,346.00	\$ 165,163.91	\$ 212,600.00
Supplies	\$ 65,864.00	\$ 51,833.00	\$ 53,000.00	\$ 53,000.00	\$ 44,508.26	\$ 60,000.00

*Unaudited



CITY OF SONOMA

Fire Department (100-42201)

Sonoma Valley Fire District

Stephen Akre, Fire Chief

The mission of the Fire Department is to protect the quality of life for present and future generations through interaction with our community, compassionate service, and an atmosphere that encourages innovation, professionalism, and diversity. The City's Fire Department is operated through a long-term successful collaborative partnership with the Sonoma Valley Fire District (formerly the Valley of the Moon Fire Protection District).

The Fire Department now consists of 61 full-time staff, 1 part-time staff member, and a cadre of 47 dedicated volunteer firefighters who supplement daily staffing. The daily staffing consists of 17 personnel who staff 4 engine companies, 2 ambulances, and a command vehicle out of four strategically located fire stations. In July of 2020, the Valley of the Moon and Glen Ellen Fire Districts along with the Mayacamas Fire Department formally consolidated into the Sonoma Valley Fire District. This has resulted in increased staffing in the District and improved services to all of the Communities served by the Fire District by adding much needed capacity and efficiencies to the District's response system.

The Fire Department provides advanced life support (ALS) medical services through the use of dual-role firefighters, who are also trained as paramedics. All staffed engines and ambulances are ALS equipped and staffed with at least one paramedic, often 2 or 3.

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

The District entered into a contract for services with Whittman Enterprises for ambulance billing in July 2020. Billing is efficiently handled using advanced software that integrates with the Fire Department's records management system.

CHALLENGES

There is a need to identify long-term funding for the 3 SAFER Grant firefighter/paramedics that are critical to providing fire and EMS services to the City. There is also a need for more staff resources to focus on increasing demands for services, succession planning and emergency operations, management, and planning. Staff will be exploring options in these areas in the coming year.

HISTORY OF CONTRACT WITH VALLEY OF THE MOON FIRE DISTRICT

From 2001 through 2011, the Sonoma Valley Fire and Rescue Authority (SVFRA) operated under a joint-powers agreement (JPA) between the City of Sonoma and the Valley of the Moon Fire Protection District for joint purchasing, training, and staffing. Through collaborative discussions between the two agencies, it was determined that the most strategic and cost-effective model for sustainability of all-risk fire services was for the City of Sonoma to contract with the Valley of the Moon Fire Protection District.

On December 19, 2011, the City Council approved a Contract for Services with the Valley of the Moon Fire District for five years with an initial term that ended on February 1, 2017. In January 2017, the City Council and the Valley of the Moon Fire Protection District approved a contract term for an additional five years. This contract remains in effect with the Sonoma Valley Fire District.

Under the terms of the contract for services, the expenditures of the historic SVFRA are split between the City (57%) and the Fire District (43%). The City receives 100% of the Emergency Medical Services revenues, including governmental reimbursement programs such as the GEMT and IGT. Each agency retains financial responsibility for its own buildings and vehicles. All City fire employees were transitioned to the Valley of the Moon Fire Protection District in 2012. The City is still required to pay the unfunded liability for the prior employees' PERS costs. For the purposes of this budget, the revenues and expenditures are the City's portion of the shared SVFRA budget fund. The chart below shows historical cost increases and revenues.

Fiscal Year	Total Contract Cost	Cost Increase	% Change	EMS Revenue	Net Fire/EMS Costs	Net % Change	Comment
21-22	5,455,749	78,438	1.4%	-	-	-	Proposed Budget
20-21	5,377,311	-102,147	-1.9%	-	-	-	COVID reductions
19-20	5,479,458	224,416	4.2%	\$2,375,871*	\$3,103,586	-3.5%	2 years COLA, +16% Health
18-19	5,255,042	85,435	1.7%	\$2,037,700	\$3,217,342	-0.5%	+ 2.5% ER retire
17-18	5,169,607	166,776	3.3%	\$1,937,000	\$3,232,607	2.9%	COLA, +EE 1.5% retire, + 20% WC, + health
16-17	5,002,831	166,197	3.4%	\$1,860,561	\$3,142,270	0.1%	COLA, +EE 1.5% retire; health, FC recruit
15-16	4,836,634	131,446	2.8%	\$1,690,788	\$3,145,846	2.1%	COLA, +EE pay 100% retire, +health, OT budget adj., REDCOM
14-15	4,705,188	96,526	2.1%	\$1,626,443	\$3,078,745	- 4.6%	COLA, +EE pay 2/3 retire, OT budget adj. + utilities, + health, CQI
13-14	4,608,662	130,209	2.9%	\$1,381,200	\$3,227,462	17.6%	COLA, SCERA + 3.7%, + EE pay 1/3 retire
12-13	4,478,453	331,977	8.0%	\$1,733,919	\$2,744,534	11.4%	Cost formula change from 53/47 to 57/43
11-12	4,146,476	-68,241	-1.6%	\$1,683,275	\$2,463,201	- 3.8%	Start of 5-year contract
10-11	4,214,717	-	-	\$1,654,250	\$2,560,467	-	Last year of JPA

*does not include GEMT reimbursements

FISCAL YEARS 2019 –2020 and 20-21 ACCOMPLISHMENTS:

- Awarded a \$3.3 million-dollar Safer Grant from FEMA and DHS to provide the third firefighter/paramedic to all FD engine companies.
- Following a consultant study, the District adopted a new EMS Fee Schedule that updated both billing rates and billing practices to current best practices. This has resulted in a dramatic increase in EMS revenues (over \$100,000 through 9 months) received by the City, even though transports were down by over 200 due to early COVID sheltering.
- Implemented the Contract for Services Agreement with Whittman Enterprises for EMS billing services.
- Updated our Infection Control Policy and established our Disease and Infection Control Officer.

- Sonoma Volunteer FF Association purchased a UTV for off road use in medical calls as well as rescues.
- Actively participated in and received approval from Cal OES as a Regional “Medium” Rescue with capabilities of Swiftwater, Confined Space and Technical Rescues.
- Received an Office of Traffic Safety grant for three complete sets of Rescue Tools (Jaws of Life)
- Took delivery of a new Command Vehicle.
- Received a \$28,000 grant from CalFire Volunteer Fire Assistance Grant for Wildland Personal Protective Equipment and Radios (Sta. 8 and 5)
- Received a \$20,000 grant from CalFire Volunteer Fire Assistance Grant for Structural Personal Protective Equipment. (Sta.8)
- Received a Department of Homeland Security grant of 60k for rescue equipment and rescue training.
- Took delivery of a new Type 6 engine for the Mayacamas Fire Station. Purchased through 100% donations from the citizens of the Mayacamas Community.
- Began an Unmanned Aerial Vehicle (UAV) program to assist in fire investigation, fire suppression, and search for missing subjects.
- Performed a remodel to Sta. 5 to include bedrooms and living quarters for the assigned crews.
- Participated in the Ground Emergency Medical Transport (GEMT) and the Inter-Governmental Transfer (IGT) reimbursement program.
- Applied for and was awarded \$411,584 from the Assistance to Firefighters Grant program (AFG) for the replacement of 64 SCBA (self-contained breathing apparatus) units.
- Took delivery of and placed into service a new Ambulance, Type 3 Wildland Engine, and utility pickup.
- Personnel participated in COVID Mass Vaccinations of first responders for a two- month period, delivering a total of 4000 vaccinations.
- Personnel also worked collaboratively with Sonoma Valley Mass Clinic for nine weeks, providing over 8000 Covid vaccinations throughout the Valley.
- Partnership with Sonoma Valley Health Center to deliver vaccinations. Presently vaccinating at La Luz.

FISCAL YEAR 2021 – 2022 GOALS:

- Identify long-term funding source for the 3 SAFER firefighters/paramedics.
- Consideration of a Fire Impact Fee for vehicle and facility improvements and replacement
- Take delivery of two new Type 1 fire engines, an ambulance and two Command vehicles.
- Take delivery of a new Type 6 engine purchased with 75% donations for Sta. 4 in Diamond A
- Continue regional participation as the President of the Sonoma County Fire Districts’ Association and as a member of the Fire Service Working Group and Chair of the County Chiefs EMS Section.
- Continue as REDCOM Board President, FASIS Vice President, and FDAC EBA Directors and with EMCC and DOAG as representatives.
- Continue to be actively engaged in the COVID pandemic.
- Seek and solicit additional grant funding opportunities whenever appropriate.
- Participate in both the GEMT and IGT reimbursement programs.
- Continue working with City Public Works on grant funding for Local Hazards Mitigation Plan.
- Continue efforts on after action items related to EOC, emergency management and preparation.
- Investigate staffing and funding options for sustainable emergency planning efforts.
- Continue to support our community outreach effort by being more participative and visible.

RECOMMENDED FY 21/22 BUDGET MODIFICATIONS

The City's portion of the historic SVFRA budget (57% of these costs are the City's per our contract with the Sonoma Valley Fire District) will increase by \$78,438 (1.4%) from the previous year's COVID reduced budget. Below are changes within the contract. The increase in contract amount is primarily the result of reinstating some of the critically important expenditures that were one-time COVID related cuts in 20/21. Below amounts are totals for the SVFRA contract, not the City's share.

- Reduction of \$81,574 in personnel costs due to the retirements of 4 long-term employees.
- A continued increase in worker's compensation insurance costs of \$58,957
- Reinstated \$31,500 to our Personal Protective Clothing budget for 40 Full-time and 31 volunteers that was reduced in 20/21. This funding is for the purchase of new and replacement PPE and for their inspection, maintenance, and repair by a certified provider. In alignment with NFPA 1851 national standard.
- Reinstatement of \$30,000 to our training budget for the 40 full-time and 31 volunteers in the SVFRA budget.
- Reinstatement of \$60,000 to the Fire and EMS equipment accounts that was reduced in the COVID budget.
- Increase of \$19,729 in REDCOM Dispatch fees.
- The Sonoma Valley Fire District is in negotiations with their labor unions and no labor or benefit enhancements are included in the FY 21/22 budget.

In addition, there other city costs associated with supporting the contract including:

- Employee benefits costs include increase for unfunded liability due to pensions from past employees (see Expenditure Summary for a cost breakdown).
- In accordance with [Senate Bill \(SB\) 523](#) (Chapter 773, Statutes of 2017), the Department of Health Care Services (DHCS) established the Ground Emergency Medical Transport (GEMT) Quality Assurance Fee (QAF) program to provide supplemental Medi-Cal payments to GEMT providers. Using data collected from GEMT providers, DHCS calculates an annual GEMT QAF rate that will be imposed on each emergency medical transport provided by each GEMT provider subject to QAF. The QAF collected is used to increase Medi-Cal reimbursement to GEMT providers by application of an add-on to the fee-for-services (FFS) fee schedule rate for the affected emergency medical transport billing codes. The QAF fee is billed to the District and the expense is paid by the City as the City receives all of the EMS Revenue. For FY 21/22 the annual QAF fee (estimated at \$84,000) has been added in as an expense. (In prior fiscal years it was posted as an offset to the EMS revenue.)
- The Wittman Billing Contract includes fees for service of \$90,000. These new fees are offset by an increase in EMS revenue.

RECOMMENDED FY 21/22 BUDGET

42201 - Fire						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
PERS UAL	\$ 328,042.00	\$ 394,282.00	\$ 446,032.00	\$ 446,032.00	\$ 446,032.00	\$ 487,845.00
Professional Svs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SVFRA Contract	\$5,255,042.00	\$5,470,908.00	\$5,377,311.00	\$5,377,311.00	\$5,377,311.00	\$5,550,749.00
EMS Billing Contract	\$ -	\$ -	\$ -	\$ 88,016.00	\$ 88,016.00	\$ 90,000.00
Operations	\$ 18,229.00	\$ 102,957.00	\$ 44,000.00	\$ 158,272.00	\$ 202,243.82	\$ 153,000.00
Supplies	\$ -	\$ 194.00	\$ -	\$ -	\$ 3,304.85	\$ -
Internal Service & Capital Prj	\$ 251,946.00	\$ -	\$ 123,851.00	\$ 123,851.00	\$ 123,851.00	\$ 242,326.00
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense Total	\$5,853,259.00	\$5,968,341.00	\$5,991,194.00	\$6,193,482.00	\$6,240,758.67	\$6,523,920.00
* Unaudited						



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BUDGET DETAIL COMMUNITY DEVELOPMENT

**PLANNING & COMMUNITY SERVICES
BUILDING & DEVELOPMENT SERVICES**

**Community Development Organization Chart:
Planning and Community Services Department
Building and Development Services Department**





CITY OF SONOMA

Planning & Community Services Department ***(100-43030)***

David A. Storer, AICP, Director of Planning and Community Services

The Department currently consists of the Director, two Associate Planners, a part-time limited term Sustainability Coordinator, and an unfilled Permit Technician position. Staff also would like to extend the term of the Sustainability Coordinator position to assist the City in meeting the requirements of AB 1383 that become effective January 2022. In terms of ongoing activities, the responsibilities of the Department are as follows:

Council/Commission Staffing: In addition to supporting the City Council with respect to planning and related matters, the Department provides staff support to the following commissions and committees: the Planning Commission (PC), the Design Review/Historic Preservation Commission (DRHPC), the Community Services and Environment Commission (CSEC), the Sonoma Valley Citizens Advisory Commission (as needed), the Traffic Safety Committee (as needed) and the City's internal Project Advisory Committee (PAC). Staff also provides support to various Ad Hoc Committees of the City Council (i.e., the Development Code).

Current Planning: The Department is responsible for processing applications for planning permits, such as Use Permits, Variances, Tentative Subdivision Maps and Tentative Parcel Maps through the Planning Commission, the Design Review/Historic Preservation Commission, and, if necessary, the City Council. This activity includes a range of projects, from home occupations to major subdivisions and large-scale commercial development. Staff also reviews referrals from the Sonoma County Planning Dept. for development proposals nearby.

Advanced Planning: The Department is responsible for maintaining and updating the Development (Zoning) Code and General Plan to be consistent with State law. This involves reviewing potential legislation and new laws that become effective each year and ensuring that the City is in compliance with the new statutes in practice and the written word. Staff also monitors housing policy matters related to the Housing Element of the General Plan, Annexation requests, the City's Growth Management Ordinance, and the City's Regional Housing Needs Allocation (RHNA).

Building Permit Plan Check: Review of Building Permits, including those not subject to other forms of planning review (e.g., Use Permit review or Design Review) to assure compliance with applicable codes and regulations.

Site Inspections: Site inspections are conducted to assure that conditions of approval for new development projects have been completed.

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

Affordable Housing Management: The City is responsible for managing affordable housing agreements. Work in this area includes annually reviewing rent levels, screening prospective tenants and homebuyers, and setting prices for the sale and resale of affordable ownership units.

Climate Action / Sustainability: The Department is responsible for the City's Climate Action Plan. The City of Sonoma instated its commitment to reducing greenhouse gas (GHG) emissions through the adoption of a municipal GHG reduction plan. It later expanded the program by adopting twenty-two measures from Climate Action Plan 2020.

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

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

Staff participates in regional activities/meetings with several organizations, including but not limited to the Association of Bay Area Governments (ABAG), the Regional Climate Protection Authority (RCPA), the Sonoma County Transportation Authority (SCTA) and the Sonoma County Community Development Commission (CDC).

CHALLENGES:

With continued increased economic activity, the number of private development projects going through the planning and entitlement process continues to be high. Additionally, Sonoma residents and neighbors are actively participating and monitoring key development projects resulting in a higher level of staff interaction and responsiveness and the processing of appeals from the Planning Commission to the City Council. Staff is also involved with assisting legal staff on three active cases.

FISCAL YEAR 2020 – 2021 ACCOMPLISHMENTS:

- Development Projects Processed
 - Use Permits granted for Verizon to install telecommunication facilities on new streetlights in Commercial zones.
 - Award of a Conditional Certificate to SPARC for a non-retail storefront commercial cannabis business.
 - Completion of Altamira (Alta Madrone) affordable housing project on Broadway.
 - Completion of Mockingbird Lane residential project.
 - During the pandemic, staff processed the following number of permits:
 - Use Permits: 12
 - Tentative Parcel Maps: 1
 - Design Review: 10
 - Exceptions: 1
 - Variances: 3
 - Signs: 6
 - Study Sessions: 2
 - Demolitions: 1
 - Banners: 2

- **Housing Opportunities and Affordable Housing Management**
 - Participated in the 6th Cycle Housing Element RHNA process at ABAG.
 - Submitted Annual Progress Report to HCD on time and provided missing data from 2015.
 - Retained a consultant to assist in the preparation of a new Housing Element.
 - Met RHNA for all four income groups and exceeded it in Very Low, Moderate and Above Moderate with two more reporting years to go in the 5th Cycle.
 - Changes to the SMC to facilitate the processing of ADU's and JADU's.
 - Assignment/distribution of GMO allocations.
 - Application and award of grant of \$65,000 for LEAP funding from HCD to assist in development of policies to increase the production of housing.
 - Submitted application to ABAG for REAP grants for affordable housing policy development.
- **Regulations, Ordinances and Special Projects**
 - Amendments to the SMC to allow a second retail storefront commercial cannabis business.
 - Preparation of Application Guidelines and Administrative Procedures for a second retail non-storefront commercial cannabis business.
 - Adoption of regulations regarding streamlining public notification requirements, a new definition for site coverage and updated indemnification provisions.
 - Adoption of ordinance to allow back-up generators during power outages.
 - Assistance in preparing four Measures for the ballot relating to the City's Urban Growth Boundary (UGB), a new Cannabis Tax, a Sales Tax extension and proposed SMC amendment authorizing commercial cannabis businesses in the City.
 - Adoption of an ordinance prohibiting the use and sale of disposable food service ware and other products containing polystyrene foam and perfluoroalkyl and polyfluoroalkyl substances (PFAS).
 - Coordinated the implementation of SB 1383 relating to short-lived climate pollutants.
 - Updated lease with T-Mobile at the Police Station to allow a back-up generator.
 - Updated lease with Sonoma Valley Historical Society for additional 25 years.
 - Adopted a resolution to increase appeal fees for development projects.
 - Updated lease with the Sonoma Ecology Center to include an additional acre of the Pauline Bond homestead.
- Assistance with litigation regarding land use approvals – the Cheese Factory, the Gateway and a hillside residential development project involving three lots.
- Staffed EOC in the City and assisted in Santa Rosa with County-wide operations.
- Assistance with Citywide business re-opening and recovery efforts.
- Preparation and staffing of 11 Planning Commission meetings, seven DRHPC meetings and five CSEC meetings, and including the reparation of minutes. Mostly all on Zoom.

FISCAL YEAR 2021 – 2022 GOALS

- General Plan (Housing Element) Update – Initiate process for Council discussion and direction on how to sequence and begin an update of the City's Housing Element Update of the General Plan This is a multi-year planning effort.
- Development Code – Staff has supported the City Council's Development Code Ad Hoc Committee and there have been amendments made to Title 19. It still needs additional changes and further direction will be given.
- Update of the City's Inclusionary Ordinance - Move forward for Council final approval to implement housing in-lieu fees by amending the City's inclusionary housing ordinance. Amendments to include increasing affordability requirements for rental and for sale units from 20% to 25%.
- Downtown Parking Study – Complete the downtown parking study and begin the process of designing implementation measures and an overall parking strategy for the downtown.

- Process “Doyle” annexation and pre-zoning request.
- Participate with LAFCO staff and its consultant in the preparation of an updated Municipal Services Review (MSR) for the City.
- Process Recirculated EIR for the Sonoma Hotel project.
- Process multiple entitlements for updates to the MacArthur Place hotel
- Monitor County proposal to Rezone 4 sites in the City’s UGB.
- Monitor County development proposals near the City, including but limited to the new Amazon facility to the south of the City.
- Sustainability and Climate Action – Develop prioritized work plan for the remaining term of the City’s sustainability coordinator.
- Sonoma Ecology Center Master Plan -- Assist in the approval of the SEC lease amendment.
- Housing Legislation -- Track and be responsive to implementing legislation regarding housing production efforts.
- Staff Selection and Training -- Recruitment for new Planning Technician position and continue efforts to support professional development of planning staff.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), and are allocated among City departments and funds based on staffing.

43030 - Planning						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 392,537.00	\$ 444,217.00	\$ 496,444.00	\$ 496,444.00	\$ 483,594.58	\$ 514,611.00
Employee Benefits	\$ 101,037.00	\$ 119,869.00	\$ 140,397.00	\$ 140,397.00	\$ 136,739.42	\$ 150,888.00
PERS UAL	\$ 50,661.00	\$ 28,767.00	\$ 60,030.00	\$ 60,030.00	\$ 60,030.00	\$ 66,790.00
Professional Svs	\$ 136,624.00	\$ 125,012.00	\$ 56,000.00	\$ 56,000.00	\$ 41,552.34	\$ 51,000.00
Cost Recovery	\$ -	\$ 443,260.00	\$ -	\$ -	\$ 85,000.00	\$ 85,000.00
Property Services	\$ 30,746.00	\$ 35,965.00	\$ 41,997.00	\$ 41,997.00	\$ 42,624.00	\$ 55,587.00
Operations	\$ 25,484.00	\$ 29,217.00	\$ 37,942.00	\$ 37,942.00	\$ 14,362.21	\$ 30,942.00
Supplies	\$ 5,140.00	\$ 2,286.00	\$ 2,500.00	\$ 2,500.00	\$ 1,161.19	\$ 3,000.00
Software & Equip	\$ -	\$ 116.00	\$ -	\$ -	\$ -	\$ 2,100.00
Internal Service & Capital Prj	\$ 18,058.00	\$ -	\$ 22,525.00	\$ 22,525.00	\$ 22,525.00	\$ 12,393.00
Expense Total	\$ 760,287.00	\$ 1,228,709.00	\$ 857,835.00	\$ 857,835.00	\$ 887,588.74	\$ 972,311.00
*Unaudited						



CITY OF SONOMA

Building & Development Services Department (100-43040)

Wayne Wirick, Development Services Director / Building Official

Through the issuance of building permits, the Building Department promotes the health, safety, welfare and sustainability of the built environment and the public by ensuring that structures and their components are accessible, energy efficient, “green” and safe for use and occupancy. The Building Department strives to provide professional and proficient plan review and inspection services to the public in a courteous and timely fashion. Most regulations enforced by the Building Department are mandated by state law or are otherwise adopted by local ordinances. New regulations increase the demands placed on Building Department staff which impacts the Building Department’s ability to continue to provide fast, effective and high quality services.

The FY 2021/22 Building Department budget reflects the maintenance of current Building Department staffing with 3.45 Full-Time Equivalent employees including the Development Services Director/Building Official, Plans Examiner, Building Inspector and a shared Development Services Supervisor. The Development Services Director/Building Official also coordinates and oversees the City’s management information services (MIS).

FISCAL YEAR 2020/21 ACCOMPLISHMENTS:

- Continued to maintain Building Department service levels without increasing staffing levels.
- Reviewed and updated all Building Department informational handouts, forms and policies to conform with the 2019 CA Building Standards Code.
- Participated in the Emergency Operations Center Working Group to help develop, prioritize and implement the Emergency Preparedness Work Plan.
- Helped to develop County-wide Guidelines for Temporary Tents, Canopies and Membrane Structures for Outdoor Business Operations.
- Participated as a member of City’s emergency management response team to the COVID-19 Pandemic and PSPS events.
- Coordinated emergency management training exercises and briefings.
- Participated in the City’s Business Recovery team efforts, including the development of City standards for parklets and sidewalk extensions.

FISCAL YEAR 2021/22 GOALS:

- Maintain our customer service levels.
- Continue to train the Building Inspector and the Development Services Supervisor on the vast array of regulations, policies and procedures applicable to Building Department activities.
- Investigate, evaluate and begin implementation of a cloud based permitting software system.
- Investigate, evaluate and begin implementation of a cloud based plan review system.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), and are allocated among City departments and funds based on staffing.

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

Added Overtime costs to maintain inspection services during unplanned absences of the building inspector.	\$1,500
Increase in Communications expense due to increase cellular data plan costs and for an added cellphone for the Plans Examiner.	\$650
Increase in Training and Conferences expense to facilitate needed training to meet Insurance Services Office training goals, etc.	\$3,100
Increase in Vehicle Replacement Transfer to bring back to normal level (only ½ of the annual transfer was made last Year due to economic impacts of the pandemic.)	\$3,500

43040 - Building

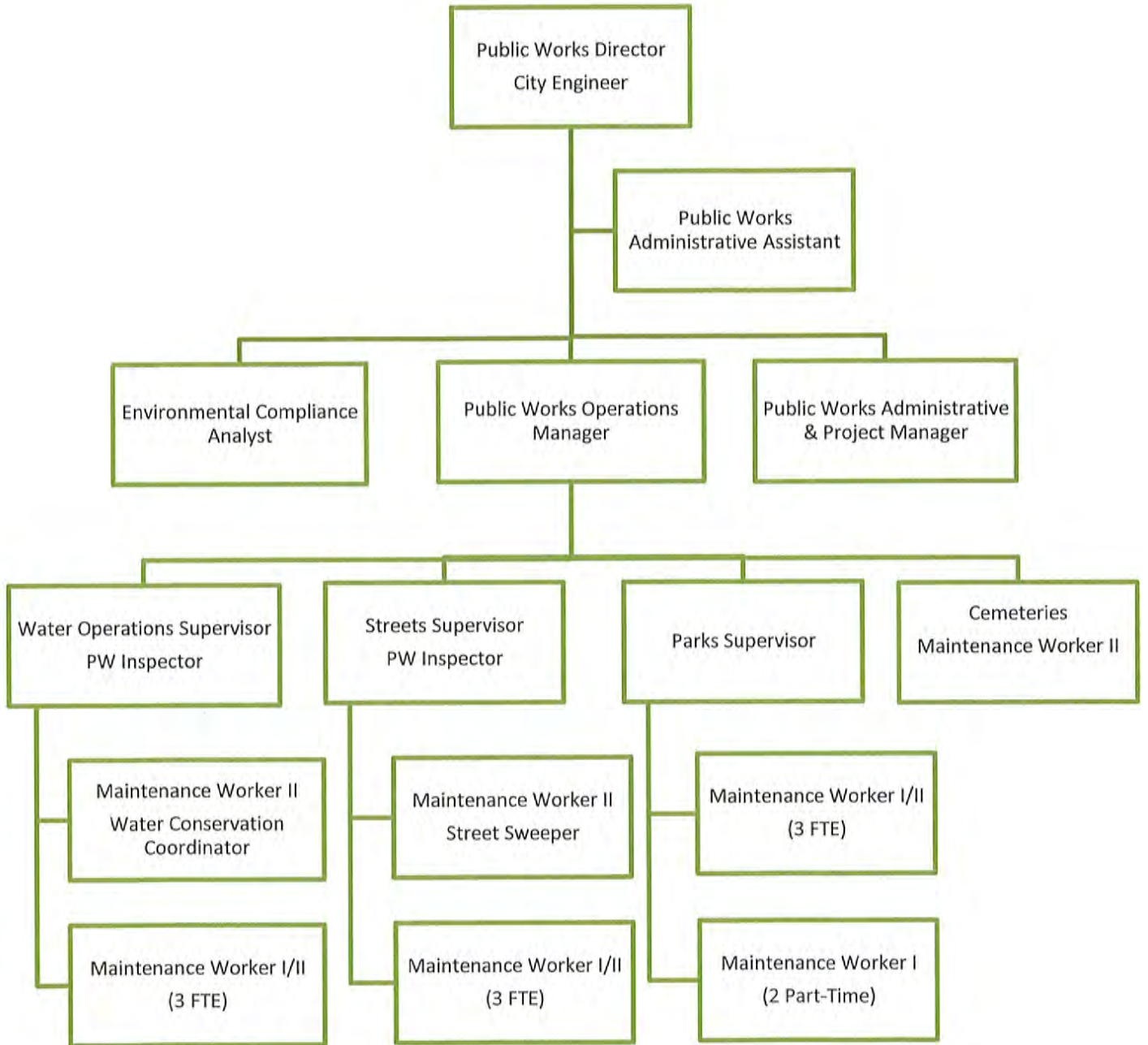
Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 330,450.00	\$ 349,603.00	\$ 396,689.00	\$ 396,689.00	\$ 391,268.58	\$ 419,330.00
Employee Benefits	\$ 92,890.00	\$ 105,339.00	\$ 124,502.00	\$ 124,502.00	\$ 123,940.92	\$ 126,677.00
PERS UAL	\$ 44,218.00	\$ 54,212.00	\$ 52,344.00	\$ 52,344.00	\$ 52,344.00	\$ 63,437.00
Professional Svs	\$ 93,987.00	\$ 24,574.00	\$ 18,000.00	\$ 18,000.00	\$ 14,237.45	\$ 21,000.00
Property Services	\$ 21,186.00	\$ 30,797.00	\$ 35,532.00	\$ 35,532.00	\$ 35,997.96	\$ 46,577.00
Operations	\$ 26,242.00	\$ 7,456.00	\$ 11,650.00	\$ 11,650.00	\$ 14,091.57	\$ 14,300.00
Supplies	\$ 2,262.00	\$ 4,709.00	\$ 3,090.00	\$ 3,090.00	\$ 563.74	\$ 2,650.00
Software & Equip	\$ 4,947.00	\$ -	\$ -	\$ -	\$ -	\$ 1,200.00
Internal Service & Capital Prj	\$ 6,414.00	\$ -	\$ 6,411.00	\$ 6,411.00	\$ 6,411.00	\$ 8,103.00
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense Total	\$ 622,596.00	\$ 576,690.00	\$ 648,218.00	\$ 648,218.00	\$ 638,855.22	\$ 703,274.00

*Unaudited

BUDGET DETAIL PUBLIC WORKS

**ADMINISTRATION & STORMWATER
PARKS OPERATIONS
STREET MAINTENANCE**

Public Works -- Organization Chart





CITY OF SONOMA

Public Works Department Administration & Stormwater (100-43020)

Colleen Ferguson, Public Works Director/City Engineer

The mission of the Public Works Department is to serve the needs of Sonoma's citizens by maintaining, operating, and improving the City's infrastructure, including: transportation, water distribution, well water supply, storm drainage, parks and trails, City-owned streetlights, City-owned buildings, and City-owned cemeteries. This public infrastructure is the foundation that connects the City's businesses, communities, and people; drives our economy; improves our quality of life; and ensures our public health and safety. The Department also serves a coordination role for special events, other utilities, and solid waste/recycling/compost collection services. Public Works has 21 full-time staff positions and 2 part-time positions. The Department cross-trains staff to maximize cross-functional resource sharing efficiencies across various programs.

In addition to supporting the City Council with respect to public infrastructure and related matters, the Public Works Department provides staff support to the Traffic Safety Committee. Staff represents the City on the following staff-level regional committees: Sonoma County Transportation Authority Technical Advisory Committee (SCTA TAC), Sonoma County Water Agency Water Contractors Technical Advisory Committee, Sonoma Valley Groundwater Sustainability Agency Working Group, the Sonoma County Water Agency Flood Protection Zone 3A Advisory Committee, and the Sonoma County Parks Measure M Technical Advisory Committee.

The **Storm Water Pollution Prevention program** works to protect local creeks and the bay from pollutants associated with storm water runoff. The three creeks receiving storm water runoff from the City of Sonoma are Nathanson Creek, Sonoma Creek, and Fryer Creek. Storm Water Pollution Prevention is a rapidly evolving function to comply with the State and Federal discharge requirements included in the Municipal Phase II Storm Water Permit. The Storm Water Pollution Prevention program also supports flood prevention efforts and competes for grant funding to address the City's storm water quality and quantity needs. This program is funded primarily through the City's General Fund.

The **Engineering Services program** provides engineering and technical support to various City departments, responds to citizen inquiries about public infrastructure and traffic concerns, performs development review and plan check, performs engineering and construction management of capital improvement projects, provides mapping and engineering records support, and seeks grant funding for capital projects.

FISCAL YEAR(s) 2019 – 2021 ACCOMPLISHMENTS

Coronavirus Pandemic

- Continued to provide public works operations and maintenance services while implementing extensive precautions to maintain staff and community safety during the long duration of the coronavirus pandemic

- Adapted to Public Works Administrative Assistant, Public Works Administrative and Project Manager, Environmental Compliance Analyst, and Street Supervisor (part of the time) working from home

Public Works Staffing

- Promoted internal candidate to Public Works Operations Manager position following an open recruitment process, after retirement of prior Operations Manager

Stormwater Pollution Prevention

- Storm Water Discharge Permit compliance activities, including: development review and inspection, public education, spill response, and water quality monitoring.
- In-kind match services – Clean Streams in Southern Sonoma County.

Engineering Services / Development / Traffic Safety

- Conducted Traffic Safety Committee meeting to discuss operation of the Lodge loading zone on Clay Street and options for relocating the bus stop on the east side of Broadway near the Clay Street intersection
- Managed contract with Moe Engineering for on-call development services.
- Provided City Engineer and inspection services for development projects and work performed in the City's right-of-way under encroachment permits.
- Responded to requests for outside service area connections to the City's water system.
- Responded to requests for lot line adjustments, lot mergers and deferred improvement agreements.

FISCAL YEAR 2021 – 2022 GOALS:

- Assist with Council goals related to parks, streets, cemetery, and water as outlined in the Council's strategic goals.
- Serve the needs of Sonoma's citizens by maintaining, operating, and improving the City's infrastructure, including City-owned buildings and storm drainage.
- Rebuild Public Works team after hiring new Public Works Operations Manager, Streets Supervisor, Parks Supervisor, Water Supervisor, Environmental Compliance Analyst, and Maintenance Workers
- Recruit and fill Public Works Administrative Assistant vacancy and integrate new staff member into Public Works team
- Continue to cross-train staff to maximize cross-functional resource sharing efficiencies across various programs.
- Serve in a coordination role for other utilities.
- Document development review and encroachment permit processes.
- In partnership with other regional agencies, develop a required Stormwater Resource Plan.

CHALLENGES:

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), and are allocated among City departments and funds based on staffing.

RECOMMENDED FY 21/22 BUDGET

43020 – Public Works Admin & Stormwater

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Proposed Budget
Salary & Wages	\$ 589,170.00	\$ 213,791.00	\$ 240,208.00	\$ 240,208.00	\$ 242,684.00	\$ 251,671.00
Employee Benefits	\$ 190,966.00	\$ 53,612.00	\$ 66,728.00	\$ 66,728.00	\$ 61,729.42	\$ 83,114.00
PERS UAL	\$ 50,359.00	\$ 22,596.00	\$ 24,633.00	\$ 24,633.00	\$ 24,633.00	\$ 41,303.00
Professional Svs	\$ 188.00	\$ 9,127.00	\$ 4,600.00	\$ 4,600.00	\$ 1,246.98	\$ 4,600.00
Property Services	\$ 227,605.00	\$ 149,169.00	\$ 20,637.00	\$ 20,637.00	\$ 104,489.87	\$ 31,140.00
Operations	\$ 60,942.00	\$ 24,017.00	\$ 25,300.00	\$ 25,300.00	\$ 13,813.79	\$ 25,750.00
Supplies	\$ 41,194.00	\$ 3,484.00	\$ 5,500.00	\$ 5,500.00	\$ 3,706.21	\$ 5,500.00
Internal Service & Capital Prj	\$ 35,065.00	\$ 1,117.00	\$ 13,112.00	\$ 13,112.00	\$ 13,112.00	\$ 12,492.00
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense Total	\$1,195,489.00	\$ 476,913.00	\$ 400,718.00	\$ 400,718.00	\$ 465,415.27	\$ 455,570.00
* Unaudited						



CITY OF SONOMA

Public Works Department **Streets Maintenance (100-43022)**

Colleen Ferguson, Public Works Director/City Engineer

Keeping Sonoma Moving Safely! The **Streets Maintenance program** maintains the City's streets, bridges, sidewalks, and right-of-way. There are 33.8 miles of streets, 11 bridges, 40 miles of storm drainage piping, 3 miles of roadside ditches, and 485 catch basins. Right-of-way code enforcement is a major responsibility that includes streets, sidewalks, drainage, trees, and signage. This program keeps the City right-of-way in a safe and functional condition for multi-modal circulation.

The **Streets Maintenance program** is funded by the General Fund. It contains employee costs and general maintenance expenses.

FISCAL YEAR(s) 2019 – 2021 ACCOMPLISHMENTS:

- Fiscal Years 2019/20 and 20/21 pothole patching, crack sealing, paving street surfaces, street marking, sign repairs, storm drain clearing, right-of-way management, and response to community requests on 34 miles of streets, 11 bridges, 4 miles of Class 1 bike paths, 40 miles of storm drainpipes, 485 drainage inlets, and 3 miles of roadside ditches.
- Supported business recovery activities through installation of traffic safety devices to support parklets, sidewalk extensions, short-term pickup zones, First Street East road closure south of East Napa Street and temporary Sonoma Promenade closure of First Street East south of East Spain Street
- Implemented extensive precautions to maintain staff and community safety, impacting street maintenance staff all day, every day, through the long duration of the coronavirus pandemic.
- Prepared for winter storms including cleaning storm drains and providing sand and sandbags for Sonoma residents, winterizing parklets, and being ready to respond to flash floods during the winter storm occurring January 26-28 and during a somewhat wetter winter last year.
- Developed scope of work and conducted field operations for annual contracts to preserve the City's pavement condition.
- Completed backlog of locations needing trench paving after water system repairs.
- Promoted internal candidate to Streets Supervisor following an open recruitment process, after retirement of prior Streets Supervisor.

FISCAL YEAR 2021 – 2022 GOALS:

- Continue to maintain the City's streets, bridges, sidewalks, street trees, and right of way.
- Continue to respond to community requests regarding the City's transportation system.
- Complete and implement minor traffic safety features identified in the City's Systemic Safety Analysis Report.
- Update the City's Pavement Management Plan, a grant-funded biennial activity, and prepare five-year paving plan.
- Manage contract for vegetation management in drainage ditches.

- Continue supporting the Council-appointed Traffic Safety Committee.
- Participate in storm preparedness and manage Public Works response plan with other agencies.

CHALLENGES:

The condition of the City’s streets and bridges degrade over time, which results in the need for additional repair and maintenance every year. City staff resources for streets maintenance are limited. Staff limitations to respond to community requests for street maintenance and flood response is an ongoing challenge.

RECOMMENDED FY 21/22 BUDGET

The Streets Operations budget includes very limited changes compared to the prior fiscal year. Salary changes include any step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes.

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

Communications technology improvements for continuity of operations during emergencies, more efficient team coordination, improved responsiveness, increased accountability, and transparency (including mobile broadband data, handheld devices, vehicle and equipment telemetry and citizen band radio devices and services)	\$4,170 (in addition to prior \$5,000 communications budget)
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43022 - Public Works Street Maintenance

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 370,485.00	\$ 359,378.00	\$ 398,984.00	\$ 398,984.00	\$ 352,068.17	\$ 381,396.00
Employee Benefits	\$ 112,920.00	\$ 101,684.00	\$ 127,861.00	\$ 127,861.00	\$ 110,891.08	\$ 130,190.00
PERS UAL	\$ 29,625.00	\$ 44,641.00	\$ 42,129.00	\$ 42,129.00	\$ 42,129.00	\$ 35,815.00
Professional Svs	\$ 37,722.00	\$ 91,120.00	\$ 30,600.00	\$ 30,600.00	\$ 14,267.23	\$ 29,600.00
Property Services	\$ 68,151.00	\$ 88,634.00	\$ 110,817.00	\$ 110,817.00	\$ 101,949.62	\$ 94,008.00
Operations	\$ 123,600.00	\$ 82,116.00	\$ 96,950.00	\$ 96,950.00	\$ 91,504.34	\$ 80,620.00
Supplies	\$ 37,197.00	\$ 50,045.00	\$ 46,000.00	\$ 46,000.00	\$ 45,168.69	\$ 46,000.00
Software & Equip	\$ -	\$ 26,656.00	\$ -	\$ -	\$ -	\$ 4,170.00
Internal Service & Capital Prj	\$ 72,873.00	\$ 2,376.00	\$ 60,015.00	\$ 60,015.00	\$ 60,015.00	\$ 113,800.00
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense Total	\$ 852,573.00	\$ 846,650.00	\$ 913,356.00	\$ 913,356.00	\$ 817,993.14	\$ 915,599.00
* Unaudited						



CITY OF SONOMA

Public Works Department **Parks Operations (100-43023)**

Colleen Ferguson, Public Works Director/City Engineer

Parks: Making Life Better! People of all ages enjoy Sonoma's 17 parks encompassing nearly 40 acres, nine play structures, two public restrooms, Class I bike trails, hiking trails, a duck pond, and a rose garden. Hikers also enjoy Sonoma's 142 acres of natural open space parks: Montini Preserve and Sonoma Overlook Trail. The **Parks program** strives to make all City parks safe, functional, and presentable to its citizens and visitors. The Parks staff also performs vandalism abatement and are closely involved in the planning of special events held in the Sonoma Plaza Park and Depot Park. The Parks program is funded through the City's General Fund.

FISCAL YEAR(s) 2019 – 2021 ACCOMPLISHMENTS:

- Posted and updated extensive signage in parks and along bike paths throughout Sonoma to protect the community during coronavirus pandemic
- Executed COVID-19 restroom cleaning protocols at the Plaza and Depot Park restrooms
- Implemented extensive precautions to maintain staff and community safety, impacting parks operations staff all day, every day, through the long duration of the coronavirus pandemic
- Mowing, trimming, clearing, tree and pond management, play equipment inspection and repairs, and response to community requests at Plaza Park, Depot Park, bike paths, and nine neighborhood parks.
- Provided partner support services at Sonoma Overlook Trail and Montini Preserve.
- Supported the art museum's temporary large art displays in Plaza Park.
- Contracted for Montini Preserve maintenance and management each year, including fuel reduction measures (mowing, grazing, etc.), community engagement, and support of the Sonoma Overlook Trail Stewards.
- Contracted for Nathanson Creek Oxbow and Demonstration Garden maintenance and management each year, including community engagement.
- Hired new Parks, Cemeteries and Facilities Supervisor following an open recruitment process, after retirement of prior Parks Supervisor.

FISCAL YEAR 2021 – 2022 GOALS:

- Assist with Council goals related to parks as outlined in the Council's strategic goals.
- Serve the needs of Sonoma's citizens by maintaining, operating, and improving the City's parks and trails.
- Integrate new Parks, Cemeteries and Facilities Supervisor into Public Works team
- Serve in a coordination role for special events and solid waste/recycling/compost collection services.
- Continue to cross-train staff to maximize cross-functional resource sharing efficiencies across various programs.
- Install two additional water bottle filling stations in the Plaza Park, adjacent to Carnegie Building.

- Contract with qualified arborist for Plaza Park Tree Assessment.
- Manage contract for Montini Preserve fuel reduction measures, hazard tree assessment, trail maintenance, invasive plant control, and restoration.
- Manage contract for Nathanson Creek Oxbow and Demonstration Garden maintenance.
- Develop concepts for neighborhood park improvements with new funding, including Parks Measure M funds and Quimby Act funds

CHALLENGES:

The Public Works Parks Division has several challenges, including: aging infrastructure, ADA compliance needs, tree safety hazards, limited staff resources, and additional complexity in overall State and federal regulations.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), and are allocated among City departments and funds based on staffing.

Other key changes between the FY 20/21 and the FY 21/22 budget are listed and described below:

Communications technology improvements for continuity of operations during emergencies, more efficient team coordination, improved responsiveness, increased accountability, and transparency (including mobile broadband data, handheld devices, vehicle and equipment telemetry and citizen band radio devices and services).	\$4,690 (in addition to \$3,000 prior communications budget)
Transfer to Vehicle & Replacement Fund 603 – Additional funds needed to replace Parks 2006 F-350 Flat Bed Truck with Lift Gate	\$20,000

43023 - Public Works Parks Operations

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 9,096.00	\$ 348,764.00	\$ 436,134.00	\$ 436,134.00	\$ 350,655.50	\$ 459,404.00
Employee Benefits	\$ 4,990.00	\$ 127,805.00	\$ 137,481.00	\$ 137,481.00	\$ 128,084.67	\$ 159,639.00
PERS UAL	\$ -	\$ 51,832.00	\$ 67,613.00	\$ 67,613.00	\$ 67,613.00	\$ 71,606.00
Professional Svs	\$ -	\$ 227.00	\$ 5,400.00	\$ 5,400.00	\$ 11,470.98	\$ 5,400.00
Property Services	\$ 533.00	\$ 138,029.00	\$ 198,565.00	\$ 198,565.00	\$ 165,972.26	\$ 234,828.00
Operations	\$ -	\$ 19,903.00	\$ 68,945.00	\$ 68,945.00	\$ 62,461.28	\$ 73,635.00
Supplies	\$ -	\$ 38,837.00	\$ 35,000.00	\$ 35,000.00	\$ 27,313.02	\$ 35,000.00
Software & Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,690.00
Internal Service & Capital Prj	\$ -	\$ -	\$ 19,471.00	\$ 19,471.00	\$ 19,471.00	\$ 60,053.00
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense Total	\$ 14,619.00	\$ 725,397.00	\$ 968,609.00	\$ 968,609.00	\$ 833,041.70	\$1,104,255.00
* Unaudited						

BUDGET DETAIL

MISCELLANEOUS

COMMUNITY ACTIVITIES NON-DEPARTMENTAL TRANSFERS

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CITY OF SONOMA

Community Activities (100-43101)

Dave Kiff, Interim City Manager

Community Activities represents services that benefit the entire community of Sonoma. For Fiscal Year 2021/22; the following programs are included in the recommended budget:

- FACILITY SUPPORT TO NON-PROFITS
 - Sebastiani Theatre -- Rental and associated costs (share of property tax and insurance) for the Sebastiani Theatre. This includes a small ADA contract to ensure renovation is done accurately and to have a consultant involved on the front end and back end of the project.
- SUPPORT FOR YOUTH
 - Sonoma Valley High School (SVHS) Support -- City contribution of \$4,500 towards the cost of Crossing Guard Services and \$500 to Grad Night at SVHS.
- SUPPORT FOR ECONOMIC DEVELOPMENT
 - Chamber of Commerce Contract -- Agreement with Chamber of Commerce for Business and Economic Vitality Services at an annual cost of \$125,000.
 - Sonoma Valley Visitor's Bureau Contract -- Agreement with the Sonoma Valley Visitor's Bureau (SVVB) at an annual cost of \$100,000. The Agreement with the SVVB is being renewed for a three-year term beginning July 1, 2021.
- SUPPORT FOR THE ARTS & SPECIAL EVENTS
 - Cultural and Fine Arts Commission (CFAC) – Funding of \$4,500 to provide programming for their activities – Treasure Artist and Student art award, etc.
 - Special Events – Senior Management Analyst/Events Manager coordinates, plans and oversees special events on the Plaza including Sonoma's Tuesday Night Market.
- FINANCIAL SUPPORT TO NON-PROFITS
 - Lease of the Veteran's Building -- The City has historically provided 15 days Veteran's Building use to other Community Organizations at an annual cost of \$15,000. This provides non-profits a reduced rate for using the Veteran's Building for fundraising or other activities.
 - Recreation and Community Services Fund Program – For decades, the City has supported recreation focused non-profits and help with key community events and activities. In 2017, the City Council reviewed and updated the Community Fund Program to create multi-year contracts with key non-profits that support recreation and community services. In addition, the Council approved fee waivers for heritage and community events.

FISCAL YEAR 2020-21 ACCOMPLISHMENTS:

In response to COVID-19, the City continued to work closely with our key community services providers as their programming evolved in response to COVID-19. A lot of effort was put into providing additional support to our community during this unprecedented time.

- Sonoma Ecology Center created a Volunteer Portal to assist with finding volunteers to assist with food service to Sonoma Valley residents. In addition, they opened up the Garden Park to small group outdoor activities like Yoga. They continued their youth programming and transitioned it to virtual learning.
 - Vintage House had to close their facility to the public for most of 2020, but repurposed staff to support the needs of Seniors who needed food and other resources delivered to their homes. Working with the City staff they coordinated outdoor activities/programs at Depot Park for their clientele. They coordinated and hosted multiple weekly food distributions programs that were open to the entire community.
 - The Sonoma Community Center played a big role in coordinating the HeARTS of Sonoma Art project bringing joy to the community through multiple installations of hearts through the Valley. They also converted to virtual learning and offer courses ranging from Ceramics to Culinary Arts.
 - The Boys and Girls Club of Sonoma Valley had to pivot when indoor activities closed, and schools were shut down. Partnering with the school district they hosted and staffed small group learning pods at multiple facilities, which allowed parents of young children the opportunity to go back to in-person essential services work. They also created a Virtual Club which provided some fun and educational programs directly to families while they sheltered in place.
- Provided \$10,000 in funds to Sonoma Valley Museum of Art to support a 3rd annual temporary public art program in the Plaza.
 - Provided \$20,000 in one-time funds to support the Recreation Task Force in the creation of a central repository of available recreational programs in Sonoma Valley.
 - Launched a modified essential Tuesday Farmers market, providing an additional food resource for the community.
 - Provided funding to Sonoma Overnight Support and began discussions regarding their strategic direction and services.
 - Participated in Sonoma Valley Homeless Facility Initiative project in partnership with Supervisor Gorin to bring a total of \$839,750 in funding to increase homeless services for the Sonoma Valley.

FISCAL YEAR 2021-22 GOALS:

- Update the City's banner policy and fees.
- Update the City's Film Permit ordinance and fees.
- Update the City's Special Event fees.
- Working with the Cultural and Fine Arts Commission to update the Public Art Policy to include a Temporary Art Policy which includes temporary art installations sites.
- Coordinate the implementation of Parks and Recreation Cloud based software that will provide the central repository of all recreational programs being offered in Sonoma Valley.
- Updates to the City's website to make it easier for the community to find the Recreation and Community services programs and Park information.
- Working with the Recreation Task Force hire a consultant to assist with the Parks and Recreation assessment, community outreach and creation of a Parks and Recreation multi-year strategic plan.

- Partnering with the SV Chamber of Commerce launch a successful Tuesday Night Market while navigating the evolving public health guidelines.
- Continue to work with Sonoma Overnight Support to seek a long-term strategic approach and solutions to homelessness in Sonoma.
- Continue to participate in the Sonoma Valley Homeless Facility Initiative project in partnership with Supervisor Gorin to monitor the \$839,750 in funding for F& 19/20 to increase homeless services for the Sonoma Valley.
- Continue the Community Fund Program with the following contracts and sponsorship:

FY 19/20	Total = \$241,906	90% = \$215,964 Core /Heritage Events 10% = \$24,191 Discretionary
FY 20/21	Total = \$185,874	90% = \$167,250 Core/Heritage Events 10% = \$18,857 Discretionary
FY 21/22	Total = \$207,097	90% = \$188,500 Core / Heritage Events \$55,000 Boys & Girls Club \$40,000 Community Center \$40,000 Vintage House \$25,000 Sonoma Ecology Center \$15,000 SV Field of Dreams \$13,500 Sonoma County Transit 10% = \$18,597 Discretionary

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), are allocated among City departments and funds based on staffing.

Other key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

In January of FY 20/21 the part-time Senior Management Analyst in the Community Activities department replaced the vacant Senior Management Analyst in the City Manager's department. The part-time Senior Management Analyst in this department was not refilled. For FY 21/22, a new management analyst is proposed for increased records imaging and cataloging for both the City Clerk and Building departments, alternate backup for the City Clerk, and other special projects. This position replaces a part-time Administrative Assistant in the City Clerk's department and the part-time Senior Management Analyst in the Community Activities department and reduces salaries and benefits by \$72,186.	(\$-72,186)
Increased funding for Community Fund Program due to projected revenue increases following Pandemic related revenue loss.	\$21,250
Added funding for consultant to assist with the Parks and Recreation Phase 3 – Parks Assessment and Creation of the Parks Plan (estimated)	\$20,000
Added Farmer's Market projected revenue - \$12,145 & expenses - \$14,700 with a net budget increase of \$2,555	\$2,555

43101 - Community Activities

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ -	\$ 73,622.00	\$ 64,531.00	\$ 64,531.00	\$ 61,386.00	\$ -
Employee Benefits	\$ -	\$ 3,907.00	\$ 7,395.00	\$ 7,395.00	\$ 6,425.25	\$ -
PERS UAL	\$ -	\$ -	\$ 260.00	\$ 260.00	\$ 260.00	\$ -
Property Services	\$ 317,712.00	\$ 362,819.00	\$ 338,294.00	\$ 338,294.00	\$ 331,811.74	\$ 358,721.00
Operations	\$ 257,534.00	\$ 233,203.00	\$ 190,474.00	\$ 200,474.00	\$ 195,067.91	\$ 292,562.00
Expense Total	\$ 575,246.00	\$ 673,551.00	\$ 600,954.00	\$ 610,954.00	\$ 594,950.91	\$ 651,283.00

*Unaudited



CITY OF SONOMA

Non-Departmental / Facility Maintenance (100-43200)

*Sue Casey, Assistant City Manager
Chris Pegg, Public Works Operations Manager*

Non-Departmental expenses represent functions that span the entire City organization with the majority of the costs related to facility maintenance. In these cases, instead of allocating expenses to a specific general fund department, the expenses are charged through this Non-Departmental budget. Non-Departmental expenses include: positions that help numerous departments (public information and records assistance), utilities on City buildings (gas, electric, water and sewer), custodial services, leases, communications, contract services (including videotaping of Council and Commission meetings), and repairs and maintenance required to maintain the properties and deliver service to the public. In addition, general supplies that are for the benefit of the entire City rather than a specific department are also included.

The **Facilities Maintenance program** maintains over 48,000 square feet of building space in eight facilities, which includes managing a janitorial contract and performing maintenance. Ongoing costs related to maintenance of the Bond Property (Sonoma Garden Park location) are borne by the City's General Fund.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), are allocated among City departments and funds based on staffing.

Other key changes between the FY 20/21 and the FY 21/22 budget are listed and described below:

- City permitting processes are currently paper based resulting in redundant work, inefficiencies, and customer service limitations. Electronic permitting will result in a vastly improved customer permitting experience. Costs for the system can be recovered through increased permit fees spread over a over a 15-year period, resulting in an added cost of \$95 per permit.
- City plan review processes are currently paper based resulting in redundant work, inefficiencies, and customer service limitations. Electronic plan review will result in a vastly improved and cost saving plan review process to both the City and the customer. Costs for the system can be recovered through increased permit fees spread over a over a 15-year period resulting in an added cost of \$38 per plan review hour.
- Request to implement an electronic cloud-based public records archive system. Move imaged document archives to a system that provides a public facing portal to allow the public to access certain archived public records from the Internet. This would help reduce Public Record Act requests and make record retrieval and research easier for the public and for city staff.
- Request to explore and possibly implement new Budgeting/Accounting/ERP software to upgrade current software.
- Transfer to MIS Internal Service Fund for Network & Data Cyber Security Vulnerability Reduction and Best Practices - Recommended by 2019 Network Security Review and Audit

Cloud-based records Archive Software	\$30,000	Upgrade records management/archive software which will include a public portal - Non-Departmental budget
Disaster Recovery and Cyber Security Software	\$75,588	Network & Data Cyber Security Vulnerability Reduction and Best Practices - Recommended by 2019 Network Security Review and Audit - transfer from General Fund to MIS Internal Service Fund
Cloud-based permitting/budgeting/accounting software	\$300,000	Implementation of new permitting/budgeting/accounting to replace manual permitting system and upgrade budgeting/accounting software - Non-Departmental budget

43200 - Non-Departmental

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 56,401.00	\$ 58,332.00	\$ 47,882.00	\$ 47,882.00	\$ 60,074.08	\$ 32,855.00
Employee Benefits	\$ 14,847.00	\$ 9,728.00	\$ 13,597.00	\$ 13,597.00	\$ 10,508.33	\$ 8,631.00
PERS UAL	\$ 1,950.00	\$ -	\$ 12,226.00	\$ 12,226.00	\$ 12,226.00	\$ 7,753.00
Professional Svcs	\$ 27,960.00	\$ 18,333.00	\$ 27,500.00	\$ 27,500.00	\$ 20,579.74	\$ 22,500.00
Property Services	\$ 251,018.00	\$ 271,394.00	\$ 272,431.00	\$ 272,431.00	\$ 216,199.15	\$ 196,830.00
Operations	\$ 76,708.00	\$ 74,306.00	\$ 109,540.00	\$ 109,540.00	\$ 199,241.23	\$ 129,430.00
Supplies	\$ 31,462.00	\$ 66,732.00	\$ 20,000.00	\$ 20,000.00	\$ 17,493.45	\$ 20,000.00
Software & Equip	\$ -	\$ -	\$ -	\$ -	\$ 2,694.13	\$ 330,000.00
Internal Service & Capital Prj	\$ 209,188.00	\$ -	\$ 136,165.00	\$ 136,165.00	\$ 136,165.00	\$ 287,817.00
Debt Service	\$ 68,181.00	\$ 68,181.00	\$ 68,182.00	\$ 106,030.00	\$ 106,030.00	\$ 68,182.00
Expense Total	\$ 737,715.00	\$ 567,006.00	\$ 707,523.00	\$ 745,371.00	\$ 781,211.12	\$1,103,998.00

*Unaudited



CITY OF SONOMA

Transfers - General Fund to Other Funds (100-43999)

Sue Casey, Assistant City Manager

Inter-fund transfers (General Fund to Other Funds) include transfers to debt service funds to pay General Fund debt service costs, the transfer of 1% TOT to the Housing Trust Fund, General Fund transfers to CIP and General Fund miscellaneous transfers to other funds for various projects and expenditures as described below. FY 21/22 General Fund's share of debt service is for the 2008 Clean Renewable Energy Bonds (CREBS), used for photovoltaic energy projects at the Police Station and the Corporation Yard. The 2012 Pension Obligation Bonds (POB), which were used to purchase unfunded pension liability and finance it at a lower cost than charged by PERS, was paid off in FY 20/21. The FY 21/22 budget also includes a transfer to the Cemetery Fund for a fiscal analysis, transfer of the 1% Transient Occupancy Tax to the Housing Trust Fund and a transfer to the Housing Trust Fund to repay ½ the Rental Assistance funding provided by FISH in FY 20/21. (The remaining ½ of the funding will be transferred to the Housing Trust Fund in FY 22/23.)

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

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

INTER-FUND TRANSFERS: GENERAL FUND TO OTHER FUNDS	FY 20/21	FY 21/22
Debt Service POB (Pension Obligation Bond)	\$412,300	\$0.00
Pension Obligation Bond Admin	\$1,500	\$0.00
Transfer to Cemetery Fund (Cemetery Fiscal Analysis)	\$0.00	\$30,000
Transfer 1% TOT to Housing Trust Fund	\$187,120	\$296,962
Transfer ½ FISH Rental Assistance Funding back to Housing Trust Fund	\$0.00	\$75,924
TOTAL GENERAL FUND TRANSFERS TO OTHER FUNDS:	\$642,669	\$484,249

INTER-FUND TRANSFERS: GENERAL FUND TO CIP	FY 20/21	FY 21/22
T-3 Annual Slurry Seal Projects		\$40,000
T-4 Citywide Sidewalk Inspection and Repair Program	\$5,000	\$10,000
T-10 Broadway Pedestrian Safety Project (Estimated)		\$232,000
BF-8 Depot Park Museum Roof and Solar		\$86,400
BF-8 Depot Park Museum Roof and Solar		\$60,000
TOTAL GENERAL FUND TRANSFERS TO CIP:	\$5,000	\$478,400

RECOMMENDED FY 21/22 BUDGET

43999 - Transfers Out

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Transfers Out - CIP	\$ 579,620.00	\$ 175,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 478,400.00
Transfers	\$ 588,653.00	\$ 638,975.00	\$ 454,049.00	\$ 641,169.00	\$ 657,562.00	\$ 444,635.00
Expense Total	\$1,168,273.00	\$ 813,975.00	\$ 459,049.00	\$ 646,169.00	\$ 662,562.00	\$ 923,035.00

*Unaudited

CAPITAL IMPROVEMENT PROGRAM

**Transportation
Creeks & Drainage
Water
Parks
Buildings & Facilities
Cemetery**



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City of Sonoma 2021-2026 Capital Improvement Program

The Capital Improvement Program (CIP) is a planning and budgeting document to support our safe, healthy, and vibrant community through investment in public infrastructure throughout the City. The CIP includes projects to improve the City's streets, sidewalks, bikeways, and storm drainage; water system; parks and open space; cemeteries; and City buildings. Due to the fiscal crisis associated with the coronavirus pandemic, the near-term CIP budget minimizes City general funds and reflects reduced estimates for other funding sources. Funding for projects in Year 1 of the CIP is part of the City's annual budget process. Projects with funding in years 2-5 of the CIP are approved on a planning basis only. City staff works with two on-call consulting engineering firms, GHD Inc. and Moe Engineering, and other consultants as needed, to deliver the City's projects. Extending GHD's and Moe Engineering's contracts for engineering services through Fiscal Year 2021-22 and authorizing the City Manager or designee to execute task orders under this contract consistent with the 2021-22 budget is recommended to provide staff with necessary resources to deliver the City's projects.

TRANSPORTATION: Keeping Sonoma Moving Safely

The City's transportation network provides the connection between different land uses, linking homes to shopping, jobs, and recreation. An efficient and integrated transportation system enables Sonoma residents to combine the benefits of small-town living with the job and recreation opportunities afforded by easy access to Sonoma Valley, Santa Rosa, Marin County, and San Francisco. The CIP proposes safety improvements, replacement of a degraded bridge, construction of a new pedestrian and bicycle bridge, and sidewalk repairs.

CREEKS & DRAINAGE: Reducing Flooding & Protecting Water Quality

Three creeks flow through the City: Nathanson Creek, Sonoma Creek, and Fryer Creek. Catch basins, roadside ditches, and storm drainage piping collect and convey storm water runoff to these creeks. CIP projects can protect local creeks and the bay from pollutants associated with storm water runoff, and can provide flood prevention for the City's transportation network, residents, and businesses. The ongoing challenge for storm water projects is complying with the stringent and costly State and Federal mandates that are largely unfunded.

WATER: Providing High Quality, Dependable Water

Residents, visitors, and businesses in Sonoma count on the City to deliver high quality, dependable water. The potable water system is critical infrastructure that provide water for a variety of community needs including consumption, irrigation, and fire protection. The CIP is based on the projects identified in the 2018 Water Master Plan Update to achieve supply reliability, well resilience, public safety, and cost-effective renewal and replacement of aging system components. It also includes work required by the Caltrans paving project.

PARKS: Making Life Better

The City's 17 parks encompass nearly 40 acres, nine play structures, two public restrooms, Class I bike trails, hiking trails, a duck pond, and a rose garden. The City also manages the Montini Preserve and the Sonoma Overlook Trail. The Plaza Park is the heart of Sonoma. The CIP includes "Parks for All" Measure M funds for Depot Park and Quimby Act funds for two neighborhood parks.

BUILDINGS & FACILITIES: Maintaining Critical Assets

The City maintains over 48,000 square feet of building space in eight facilities: City Hall, Carnegie Building, Police Building/City Council Chambers/Emergency Operations Center, Corporation Yard, Fire Station, Sonoma Valley Regional Library, Depot Park Restrooms, and Maysonnave Property. The CIP includes SOS building maintenance, Depot Park Museum HVAC replacement, roof and solar, and electric vehicle charging stations (grant pending).

CEMETERY: Preserving Sonoma's History

The City owns, maintains, and operates three cemetery properties, including: Mountain Cemetery, Valley Cemetery, and Veterans' Cemetery. The cemeteries encompass over 15 usable acres and actively provide the service of final disposition for our citizens' remains. This CIP does not include any cemetery projects.

Total Funding Request by Project for Fiscal Year 2021/22 Capital Improvement Program

CIP #	Project Name	FY 21-22 New Funding Request	Estimated Available Prior Funding	FY 21/22 Active Projects
TRANSPORTATION: Keeping Sonoma Moving Safely				
T-1	Chase Street Bridge Replacement Project	\$0	\$1,936,191	Construction in Summer 2021, pending availability of Federal grant funds
T-2	Fryer Creek Pedestrian & Bicycle Bridge Project	\$270,000	\$621,656	Proposed for construction Summer 2021
T-3	Biennial Slurry Seal Projects	\$265,858	\$198,609	
T-4	Citywide Sidewalk Inspection & Repair Program	\$60,000	\$5,229	Annual program
T-5	Ongoing Pavement Rehabilitation & Water Services Replacement Projects	\$0	\$40,101	Shovel ready for Federal infrastructure funds
T-6	Citywide Roadway Safety Improvement Projects	\$65,975	\$84,025	Pending design
T-8	Downtown Sonoma Parking Strategy & Implementation Project	\$0	\$40,000	
T-9	Citywide Bicycle & Pedestrian Improvement Projects	\$0	\$22,586	Pending design
T-10	Broadway (SR 12) Pedestrian Safety Project	\$232,000	\$0	
	SUBTOTAL	\$893,833		
CREEKS & DRAINAGE: Reducing Flooding & Protecting Water Quality				
WATER: Providing High Quality, Dependable Water				
W-2	Water System Condition Data- Phase 2	\$45,000	\$100,680	
W-8	Urban Water Management Plan & Minor Water Master Plan Update	\$30,000	\$63,941	Required in 2021
W-10	Water Meter System Upgrades	\$2,000,000	\$59,342	Ready for new Water Supervisor
W-12	Replacement of Valve Boxes with Caltrans Pavement Rehabilitation Project	\$169,533	\$0	Caltrans project need
	SUBTOTAL	\$2,244,533		
PARKS: Making Life Better				
P-2	Neighborhood Parks Reinvestment & Maintenance Plan	\$0	\$25,000	
P-6	Montini Trail Connection & Enhancement Project	\$0	\$190,006	Trail concept plan, environmental, design
P-7	Pinelli Park Improvement Project	\$32,755	\$0	
P-8	Olsen Park Improvement Project	\$80,166	\$0	
P-9	Depot Park Enhancements Project	\$193,000	\$0	
	SUBTOTAL	\$305,921		
BUILDINGS & FACILITIES: Maintaining Critical Assets				
BF-2	Public Works Safety & Facility Security at Corporation Yard	\$0	\$74,000	
BF-5	Fire Station #1 Improvements Project	\$25,000	\$25,000	
BF-6	Carnegie Building Repairs and Maintenance Upgrades Project	\$0	\$331,780	Construction pending with prior funds
BF-7	SOS Building Maintenance Project	\$75,000	\$0	
BF-8	Depot Park Museum HVAC Project	\$60,000	\$0	
BF-9	Depot Park Museum Roof and Solar	\$86,400		
BF-10	Electric Vehicle Charging Stations	\$70,000		Pending grant funding
	SUBTOTAL	\$316,400		
TOTAL CIP FOR FY 2021/22		\$3,760,687		

**Projected Funding Request by Source for
2021-2026 Capital Improvement Program**

Funding Type	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	5-Year TOTAL
TRANSPORTATION: Keeping Sonoma Moving Safely						
General Fund	\$332,000	\$50,000	\$295,000	\$275,000	\$270,000	\$1,222,000
Quimby Act	\$0	\$0	\$0	\$0	\$0	\$0
Gas Tax	\$235,975	\$200,000	\$245,000	\$250,000	\$330,000	\$1,260,975
RMRA: SB 1	\$225,858	\$190,000	\$190,000	\$190,000	\$190,000	\$985,858
Transportation Measure M	\$100,000	\$0	\$190,000	\$0	\$150,000	\$440,000
Grant Funds	\$0	\$0	\$0	\$0	\$0	\$0
Unfunded	\$0	\$0	\$0	\$1,100,000	\$0	\$1,100,000
SUBTOTAL	\$893,833	\$440,000	\$920,000	\$1,815,000	\$940,000	\$5,008,833
CREEKS & DRAINAGE: Reducing Flooding & Protecting Water Quality						
General Fund	\$0	\$298,400	\$256,800	\$196,800	\$196,800	\$948,800
Quimby Act	\$0	TBD	TBD	TBD	TBD	\$0
Gas Tax	\$0	TBD	TBD	TBD	TBD	\$0
Unfunded	\$0	\$0	\$4,180,000	\$0	\$0	\$4,180,000
SUBTOTAL	\$0	\$298,400	\$4,436,800	\$196,800	\$196,800	\$5,128,800
WATER: Providing High Quality, Dependable Water						
Water Fund	\$2,244,533	\$1,168,000	\$1,365,000	\$1,168,000	\$1,440,000	\$7,385,533
SUBTOTAL	\$2,244,533	\$1,168,000	\$1,365,000	\$1,168,000	\$1,440,000	\$7,385,533
PARKS: Making Life Better						
General Fund	\$0	\$0				
Quimby Act	\$112,921		\$0	\$0	\$0	\$112,921
Proposition 68	\$0	\$0	\$0	\$0	\$0	\$0
Parks Measure M	\$193,000	\$30,000	\$30,000	\$30,000	\$30,000	\$313,000
Grant Funds	\$0	\$0	\$0	\$0	\$0	\$0
Unfunded	\$0	\$200,000	\$0	\$0	\$0	\$200,000
SUBTOTAL	\$305,921	\$230,000	\$30,000	\$30,000	\$30,000	\$625,921
BUILDINGS & FACILITIES: Maintaining Critical Assets						
General Fund	\$146,400	\$80,000	\$570,000	\$0	\$0	\$796,400
Long Term Building Maint.	\$100,000	\$0	\$25,000	\$0	\$0	\$125,000
Grant Funds	\$70,000	\$0	\$25,000	\$0	\$0	\$95,000
Water Fund	\$0	\$40,000	\$280,000	\$0	\$0	\$320,000
SUBTOTAL	\$316,400	\$120,000	\$900,000	\$0	\$0	\$1,336,400
TOTAL 2021-2026 CIP	\$3,760,687	\$2,256,400	\$7,651,800	\$3,209,800	\$2,606,800	\$19,485,487



City of Sonoma Capital Improvement Program Funding Sources

Funding Source	Revenue Source	Restricted Uses	Maintenance of Effort (MOE) or Local Match?
General Fund	General taxes and fees	Unrestricted	No
Measure M Traffic Relief Act for Sonoma County	County-wide 1/4 cent sales tax for transportation. Ends in 2025 unless reapproved by the voters.	Maintenance of local streets and roads	Yes, MOE. 6.33% of local fund expenditures must be for transportation purposes. City is not currently meeting the MOE.
Gas Taxes	Revenue allocated by the State	Any street or road purpose. It is best practice to focus on maintenance and rehabilitation costs only.	No
Road Maintenance and Rehabilitation Account (RMRA): Senate Bill [SB] 1	Revenue allocated by the State	Road maintenance and rehabilitation, safety projects, "complete street" components, and traffic control devices	Yes, MOE. Must spend at least \$250,663 of General Fund annually for street, road, and highway purposes. City is not proposing to meet the MOE in FY20-21.
Water Fund	City water customers	Water system operations, maintenance, and infrastructure	No
Community Development Block Grant (CDBG)	Federal Housing and Urban Development through County of Sonoma	ADA Self-Evaluation, Transition Plan, and Implementation Project	Yes, local match of \$20,000 of General Fund.
Proposition 68: California Parks, Environment, and Water Bond	Per Capita Grant Program	Local park rehabilitation, creation and improvement	Yes, MOE. Generally, the City is required to not reduce the amount of funding otherwise available to be spent on parks based on the past three fiscal years.
Sonoma County Parks Improvement, Water Quality and Fire Safety Measure M	County-wide 1/8 cent sales tax for parks	Parks related maintenance and projects	Yes, MOE.
Quimby Act Funds	Development fees for park improvements	New and rehabilitation of existing parks and recreational facilities	No. Fees must be returned if not "committed" within 5 years.

Breakdown of Projected Funding by Project and Source for Fiscal Year 2021/22 Capital Improvement Program

CIP #	Project Name	General Fund 301-50000 Gen. 304-50000 P&F	Long Term Building Maint. 610-64520	Quilby Act 314-54000	Gas Tax 302-51001	RMRA: SB1 303-50000	Trans. Measure M 313-54000	Proposition 68 316-54000	Parks Measure M 315-54000	Water Fund 512-62010	Grant Funds	PROJECT TOTAL
TRANSPORTATION: Keeping Sonoma Moving Safely												
T-1	Chase Street Bridge Replacement Project	\$0	N/A	N/A	\$0	\$0	\$0	N/A	N/A	N/A	\$0	\$0
T-2	Fryer Creek Pedestrian & Bicycle Bridge Project	\$50,000	N/A	\$0	\$120,000	\$0	\$100,000	N/A	N/A	N/A	\$0	\$270,000
T-3	Biennial Slurry Seal Projects	\$40,000	N/A	N/A	\$0	\$225,858	\$0	N/A	N/A	N/A	\$0	\$265,858
T-4	Citywide Sidewalk Inspection & Repair Program	\$10,000	N/A	N/A	\$50,000	\$0	\$0	N/A	N/A	N/A	\$0	\$60,000
T-5	Ongoing Pavement Rehabilitation & Water Services Replacement Projects	\$0	N/A	N/A	\$0	\$0	\$0	N/A	N/A	See CIP 8W-4	\$0	\$0
T-6	Citywide Roadway Safety Improvement Projects	\$0	N/A	N/A	\$65,975	\$0	\$0	N/A	N/A	N/A	\$0	\$65,975
T-8	Downtown Sonoma Parking Strategy & Implementation Project	\$0	N/A	N/A	\$0	\$0	\$0	N/A	N/A	N/A	\$0	\$0
T-9	Citywide Bicycle & Pedestrian Improvement Projects	\$0	N/A	N/A	\$0	\$0	\$0	N/A	N/A	N/A	\$0	\$0
T-10	Broadway (SR 12) Pedestrian Safety Project	\$232,000	N/A	N/A	\$0	\$0	\$0	N/A	N/A	N/A	\$0	\$232,000
	SUBTOTAL	\$332,000	\$0	\$0	\$235,975	\$225,858	\$100,000	\$0	\$0	\$0	\$0	\$493,833
CREEKS & DRAINAGE: Reducing Flooding & Protecting Water Quality												
CD-1	Storm Water Trash Reduction Systems	\$0	N/A	N/A	\$0	N/A	N/A	N/A	N/A	N/A	\$0	\$0
CD-2	Brazil Street Neighborhood Drainage Improvements	\$0	N/A	N/A	\$0	N/A	N/A	N/A	N/A	N/A	\$0	\$0
CD-3	Broadway & Levee Road Flood Reduction & Trash Capture Project	\$0	N/A	N/A	\$0	N/A	N/A	N/A	N/A	N/A	\$0	\$0
CD-4	Olsen Park Detention & Trash Capture	\$0	N/A	N/A	\$0	N/A	N/A	N/A	N/A	N/A	\$0	\$0
	SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WATER: Providing High Quality, Dependable Water												
W-2	Water System Condition Data - Phase 2	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$45,000	\$0	\$45,000
W-3	Renewal & Replacement of Existing Pipelines	\$0	N/A	N/A	N/A	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	N/A	N/A	N/A	\$0	\$0	\$0
W-8	Urban Water Management Plan & Minor Water Master Plan Update	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$30,000	\$0	\$30,000
W-10	Water Meter System Upgrades	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,000,000	\$0	\$2,000,000
W-12	Replacement of Valve Boxes with Caltrans Pavement Rehabilitation Project	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$169,533	\$0	\$169,533
	SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,244,533	\$0	\$2,244,533
PARKS: Making Life Better												
P-2	Neighborhood Parks Reinvestment & Maintenance Plan	\$0	N/A	N/A	\$0	N/A	N/A	\$0	\$0	N/A	\$0	\$0
P-6	Montini Trail Connection & Enhancement Project	\$0	N/A	\$0	\$0	N/A	N/A	\$0	\$0	N/A	\$0	\$0
P-7	Finelli Park Improvement Project	\$0	N/A	\$12,755	\$0	N/A	N/A	\$0	\$0	N/A	\$0	\$12,755
P-8	Olsen Park Improvement Project	\$0	N/A	\$80,166	\$0	N/A	N/A	\$0	\$0	N/A	\$0	\$80,166
P-9	Depot Park Enhancements Project	\$0	N/A	\$0	\$0	N/A	N/A	\$0	\$193,000	N/A	\$0	\$193,000
P-10	Flaza Park Enhancements Project	\$0	N/A	\$0	\$0	N/A	N/A	\$0	\$0	N/A	\$0	\$0
P-11	Flaza & Depot Parks Connectivity Plan	\$0	N/A	\$0	\$0	N/A	N/A	\$0	\$0	N/A	\$0	\$0
	SUBTOTAL	\$0	\$0	\$12,921	\$0	\$0	\$0	\$0	\$193,000	\$0	\$0	\$195,921

CIP #	Project Name	General Fund 301-50000 Gen. 304-50000 P&F	Long Term Building Maint. 610-64520	Quimby Act 314-54000	Gas Tax 302-51001	RMRA: SB1 303-50000	Trans. Measure M 313-54000	Proposition 6B 316-54000	Parks Measure M 315-54000	Water Fund 512-62010	Grant Funds	PROJECT TOTAL
<i>BUILDINGS & FACILITIES: Maintaining Critical Assets</i>												
BF-2	Public Works Safety & Facility Security at Corporation Yard	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
BF-4	City Hall Emergency Power	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
BF-5	Fire Station #1 Improvements Project	\$0	\$25,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$25,000
BF-6	Carnegie Building Repairs and Maintenance Upgrades Project	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
BF-7	SOS Building Maintenance Project	\$0	\$75,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$75,000
BF-8	Depot Park Museum HVAC Project	\$60,000	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$60,000
BF-9	Depot Park Museum Roof and Solar	\$86,400	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$86,400
BF-10	Electric Vehicle Charging Stations	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$70,000	\$70,000
	SUBTOTAL	\$146,400	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000	\$186,400
TOTAL CIP FOR FY 2021/22		\$478,400	\$100,000	\$112,921	\$235,925	\$225,458	\$100,000	\$0	\$193,000	\$2,244,533	\$70,000	\$1,760,687

TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM

The City's transportation network provides the connection between different land uses, linking homes to shopping, jobs, and recreation. An efficient and integrated transportation system enables Sonoma residents to combine the benefits of small-town living with the job and recreation opportunities afforded by easy access to Sonoma Valley, Santa Rosa, Marin County, and San Francisco (per the Circulation Element of the City's General Plan). The transportation network includes facilities for pedestrians, bicyclists, transit riders, and motorists.

FISCAL YEAR 2019-20 –ACCOMPLISHMENTS:

- Completed the 2019 Sidewalk Trip Hazard Repair Program implementation project (Plaza area, remainder of Phase 8, Phase 9, and a portion of Phase 10), which repaired hundreds of trip hazards and reduced City liability exposure.
- Project was designed for the FY 2019/20 Street Rehabilitation and Water Services Replacement Project proposed for Seventh Street West between West Napa Street and West Spain Street and for Maple Street between Broadway and First Street West. Bidding documents including the Request for Proposals were completed, but due to the Pandemic, the project was placed on hold.
- Completed all but the construction phase of the Chase Street Bridge Replacement Project. Advertised and selected a Construction Management Firm to oversee construction of the project. Submitted an E-76 application for Construction funds to Caltrans. (No Federal funds available for the bridge project.)
- Completed the environmental and design phases of the Fryer Creek Pedestrian & Bicycle Bridge Project. Acquired the County of Marin's, Caltrans/FHWA approved, Right of Way Services to acquire Right of Way for the project.
- Continued the Broadway (SR 12) Streetscape Enhancements & Traffic Circulation Project.
- Submitted the 2019 Citywide Slurry Seal Project as the project for Fiscal Year 2019/20 funded by Senate Bill 1: The Road Repair and Accountability Act of 2017 by the deadline, after City Council action, securing an estimated \$236,338 in funding for City pavement. (The City Council approved the project; however, all bids were rejected due to cost.)

FISCAL YEAR 2020-21 ACCOMPLISHMENTS:

- Completed the 2020 Citywide Slurry Seal Project, which involved street surface treatment (slurry seal) for 5 street segments and included elements from the Finalized City's Systemic Safety Analysis Report (SSAR). The project replaced signs that did not meet the retroreflectivity standard of compliance, implemented traffic calming measures, installed a Radar Speed Feedback sign, additional crosswalk striping and signs & striping for the Bike Route that is a part of the Sonoma County Bicycle & Pedestrian Master Plan. (Funding from the 2019 Slurry Seal Project was used, as well as partnership funds from County of Sonoma Transportation and Public Works for their portion of the Sonoma County Bicycle & Pedestrian Master Plan.)
- Completed the design of the FY 2021/22 Citywide Slurry Seal Project.
- Completed the 2020 Sidewalk Trip Hazard Repair Program implementation project (Plaza area, Phase 9, Phase 10, and a portion of Phase 11), which repaired hundreds of trip hazards and reduced City liability exposure.
- Continued design discussions of the FY 2019/20 Street Rehabilitation and Water Services Replacement Project proposed for Seventh Street West between West Napa Street and West Spain Street and for Maple Street between Broadway and First Street West.
- Resubmitted an E-76 application for Construction funds to Caltrans for the Chase Street Bridge Replacement Project. (No Federal funds available for the bridge project.)

TRANSPORTATION: Keeping Sonoma Moving Safely

- Completed the Right of Way phase of the Fryer Creek Pedestrian & Bicycle Bridge Project. Advertised for a Construction Management Firm to oversee construction of the project.
- Completed the Broadway (SR 12) Streetscape Enhancements & Traffic Circulation Project. Outreach for the project was held and it was determined that the project would not move forward.
- Constructed the Depot Park First Street West Frontage Improvements project, alleviating a significant drainage problem on First Street West. There was a collapse of a corrugated metal pipe along Depot Park on First Street West during winter storms in 2019. Temporary repairs were made to keep the drainage flowing throughout the channel for the rest of the rainy season and including removal of large Eucalyptus trees along the drainage channel. The Depot Park First Street West Frontage Improvement Project removed the Eucalyptus roots, widened the vegetated drainage channel and revegetated it (in partnership with the Sonoma Ecology Center) to alleviate flooding in the area.
- Completed design for a new curb ramp at 2nd Street West and Napa Street West (Route 12). Initiated talks with Caltrans regarding their interest in constructing the 2nd Street curb improvements and other improvements along the Route 12 corridor during their Pavement Rehabilitation Project.
- Initiated design and cost discussions for Safety improvements on 5th Street West crossing at Studley Street and 5th Street West and the bike path between Linda Drive and Lasuen St/Claudia Dr.

Pavement Preservation Investment

- Pavement structures represent one of the largest capital investments for the City. The timing of pavement maintenance is critical, as the maintenance cost increases exponentially with time. It is far more economical to preserve roads than to delay repairs and reconstruct roads. As of October The City's Pavement Condition Index (PCI) is 72.

Goal: Through the use of Pavement Management Technical Assistance Program (P-TAP) 22 Funds, the City will rehabilitate several street segments.

FISCAL YEAR 2021-22 GOALS:

Transportation Safety

- The City's sidewalk system is a vital component of the transportation network. To help ensure the City's sidewalks are open and accessible to all persons, the City has been conducting a phased annual sidewalk inspection and repair program to minimize potential trip hazards caused by cracked and damaged sidewalks. Currently, the City has eleven phases. Within the budget available, the City has completed up to Phase 11 since 2013.
Goal: Complete Phase 11 and remainder of unfinished Phase segments and continue annual work in the Plaza area.
- In 2018, the City completed the Systemic Safety Analysis Report (SSAR), which provides cost-effective countermeasures to improve roadway safety for pedestrians, bicyclists, and motorists.
Goal: Continue to implement safety measures recommended by the SSAR, including development of conceptual plans to improve Fifth Street West between Curtin Lane and West Spain Street.
- Design of a new (replacement) curb ramp at 2nd Street West and Napa Street West (Route 12) has been completed.
Goal: Caltrans construction of a new curb ramp at 2nd Street West and Napa Street West (Route 12) as part of pavement rehabilitation project.
- Initiated design and cost discussions for Safety improvements on 5th Street West crossing at Studley Street and 5th Street West and the bike path between Linda Drive and Lasuen St/Claudia Dr.
Goal: Approve or reject design costs, if approved determine feasibility of initial design and construction costs for

TRANSPORTATION: Keeping Sonoma Moving Safely

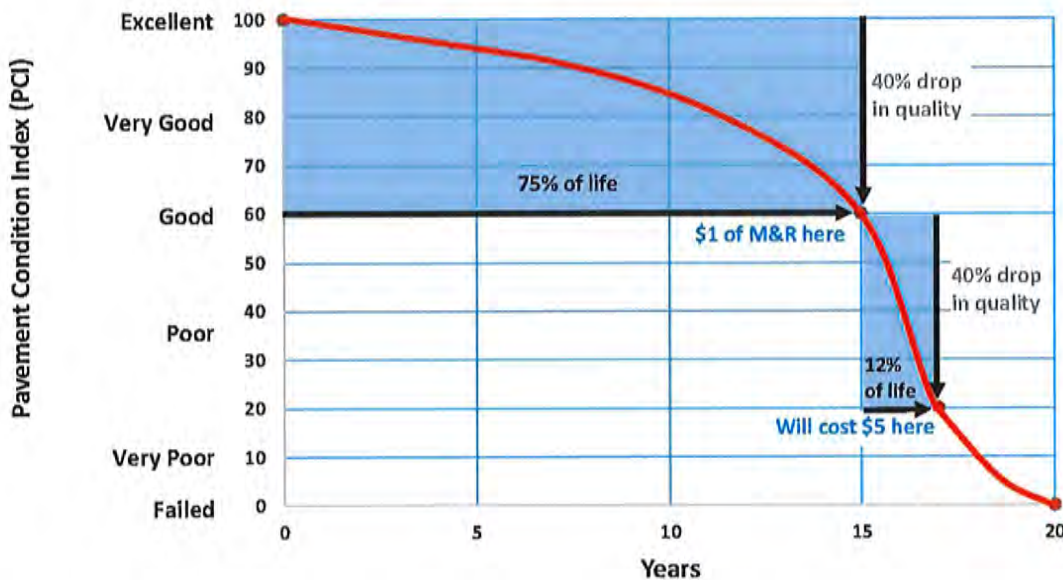
Safety improvements on 5th Street West crossing at Studley Street and 5th Street West and the bike path between Linda Drive and Lasuen St/Claudia Dr.

- The City's existing timber bridge at the Chase Street crossing over Nathans Creek, constructed in 1910, is structurally deficient. This Capital Improvement Program (CIP) is a federally grant-funded project. The replacement of this bridge is necessary so that people can continue to safely cross Nathanson Creek along Chase Street. The new bridge has been designed to improve safety for pedestrians, bicyclists, and motorists on Chase Street.

Goal: Resubmit E-76 application for Construction Funds. Seek alternative funding as the Federal Bridge Program is underfunded. Update permits that may be expiring.

Goal:

Pavement Life Cycle



Pavement Preservation Investment

- Pavement structures represent one of the largest capital investments for the City. The timing of pavement maintenance is critical, as the maintenance cost increases exponentially with time. It is far more economical to preserve roads than to delay repairs and reconstruct roads. This CIP continues the City's commitment to keeping the City's streets and multi-use pathways in a safe and functional condition for multi-modal circulation. As of October 2019, the City's Pavement Condition Index (PCI) was 72.

Goal: Complete construction of the FY 2021/22 Citywide Slurry Seal project that combines funding from Fiscal Years 20/21 and 21/22.

Transportation Enhancements

This CIP includes three projects that would improve the experience of getting around in Sonoma.

- The Broadway (SR12) Pedestrian Safety Project will improve the safety of pedestrians crossing Broadway at four locations
- Goal:** With approval from Caltrans, implement effective safety measures at Patten, France/Andrieux, Malet, and Traintown vicinity pedestrian crossings of Broadway.

TRANSPORTATION: Keeping Sonoma Moving Safely

- The Downtown Sonoma Parking Strategy and Implementation Project will address existing and future needs and better prepare the City to respond to downtown development proposals.
Goal: Casa Grande parking lot lease, public engagement, and City Council adoption of a Downtown Sonoma Parking Strategy.
- The federally grant-funded Fryer Creek Pedestrian & Bicycle Bridge Project will construct a new bicycle and pedestrian bridge/path and circulation/accessibility improvements along Newcomb Street and Fryer Creek Drive. This will improve access and connectivity for residents and students going to Adele Harrison Middle School and Sonoma Valley High School.
Goal: Construct Bridge Project.

CHALLENGES:

Funding continues to be a significant challenge for transportation projects especially due to the setback from the COVID Pandemic. The increased funding from the Road Maintenance and Rehabilitation Account will help to slow the decline in the City's pavement condition. Increased numbers of residents, businesses, and visitors put demands on all of the City's multi-modal transportation network. Funds are needed to maintain existing transportation infrastructure and to improve transportation networks for pedestrians, bicyclists, transit riders, and motorists. Existing local funds dedicated to transportation purposes are not sufficient to meet the needs. Federal and State grant funds are available for some of the City's existing and future transportation projects. These grants come with complex regulations that are very time-consuming to learn and follow. The City's limited staff needs assistance from a consultant with specialty grant expertise to successfully manage existing grant-funded projects and to seek additional grants to meet the community's need for an efficient and integrated transportation system throughout the City.

TRANSPORTATION: Keeping Sonoma Moving Safely

CIP #	Capital Budget by Project	Estimated Cumulative Prior Expenditures	Estimated 2020-21 Carryover	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total	Notes
T-1	Chase Street Bridge Replacement Project									
	Gas Taxes	\$76,834	\$218,713	\$0	\$0	\$0	\$0	\$0	\$0	
	Transportation Measure M	\$0	\$165,735	\$0	\$0	\$0	\$0	\$0	\$0	
	General Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Highway Bridge Program Federal grant		\$1,601,743	\$0	\$0	\$0	\$0	\$0	\$0	Federal grant through the Highway Bridge Program (HBP) in the amount of \$1,601,743
	SUBTOTAL	\$922,434	\$1,976,191	\$0	\$0	\$0	\$0	\$0	\$0	
T-2	Fryer Creek Pedestrian & Bicycle Bridge Project									
	Gas Taxes	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$120,000	
	Quimby Act	\$32,888	\$170,666	\$0	\$0	\$0	\$0	\$0	\$0	
	General Fund	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	
	Transportation Measure M	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	
	One Bay Area Grant (OBAG) 2 Federal grant	\$0	\$501,000	\$0	\$0	\$0	\$0	\$0	\$0	Federal grant utilizing Congestion Management and Air Quality (CMAC) funds in the amount of \$501,000 through the One Bay Area Grant (OBAG) 2 program - reimbursement in FY 2020-21 budget
	SUBTOTAL	\$32,888	\$671,666	\$270,000	\$0	\$0	\$0	\$0	\$270,000	
T-3	Biennial Slurry Seal Projects									
	RMRSBS Funding	\$204,552	\$198,609	\$225,858	\$190,000	\$190,000	\$190,000	\$190,000	\$615,858	Funded by Senate Bill 1: Road Maintenance and Rehabilitation Account
	General Fund	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000	\$0	\$120,000	
	SUBTOTAL	\$204,552	\$198,609	\$265,858	\$230,000	\$190,000	\$230,000	\$190,000	\$1,105,858	
T-4	Citywide Sidewalk Inspection & Repair Program									
	Gas Taxes	\$44,712	\$5,229	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	
	General Fund	\$5,000	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	
	SUBTOTAL	\$49,712	\$5,229	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000	
T-5	Ongoing Pavement Rehabilitation & Water Services Replacement Projects									
	Transportation Measure M	\$192,869	\$0	\$0	\$0	\$190,000	\$0	\$150,000	\$330,000	
	Gas Taxes	\$21,553	\$0,101	\$0	\$0	\$150,000	\$0	\$50,000	\$170,000	
	General Fund	\$0	\$0	\$0	\$0	\$110,000	\$50,000	\$210,000	\$370,000	
	SUBTOTAL	\$214,422	\$101	\$0	\$0	\$350,000	\$50,000	\$310,000	\$870,000	
T-6	Citywide Roadway Safety Improvement Projects									
	General Fund	\$114,164	\$0	\$0	\$0	\$145,000	\$75,000	\$20,000	\$254,000	
	Gas Taxes	\$84	\$84,025	\$65,975	\$150,000	\$45,000	\$300,000	\$230,000	\$669,975	
	Unfunded (Possibly Funded with Grant Funds)	\$0	\$0	\$0	\$0	\$0	\$1,300,000	\$2,000,000	\$3,300,000	
	SUBTOTAL	\$114,248	\$84,025	\$65,975	\$150,000	\$190,000	\$1,375,000	\$2,250,000	\$4,084,975	
T-8	Downtown Sonoma Parking Strategy & Implementation Project									
	General Fund	\$0	\$40,000	\$0	TBD	TBD	TBD	TBD	TBD	
	SUBTOTAL	\$0	\$40,000	\$0	TBD	TBD	TBD	TBD	TBD	
T-9	Citywide Bicycle & Pedestrian Improvement Projects									
	General Fund	\$0	\$0	\$0	\$0	\$30,000	\$100,000	\$30,000	\$160,000	
	Gas Taxes	\$44,677	\$22,584	\$0	\$50,000	\$0	\$0	\$0	\$50,000	
	SUBTOTAL	\$44,677	\$22,584	\$0	\$50,000	\$30,000	\$100,000	\$30,000	\$210,000	
T-10	Broadway (DR.32) Pedestrian Safety Project									
	General Fund	\$0	\$0	\$232,000	\$0	\$0	\$0	\$0	\$232,000	
	SUBTOTAL	\$0	\$0	\$232,000	\$0	\$0	\$0	\$0	\$232,000	
	TOTAL	\$2,146,654	\$2,948,397	\$883,833	\$480,000	\$920,000	\$1,815,000	\$2,940,000	\$7,058,833	

Project Name: Chase Street Bridge Replacement Project

CIP Number: T-1

Project Description: The City’s existing bridge at the Chase Street crossing over Nathanson Creek is structurally deficient and functionally obsolete, based on the California Department of Transportation (Caltrans) Bridge Inspection Reports that the City receives annually. Constructed in 1910, the Chase Street Bridge is located between Broadway and Austin Avenue. The bridge is a 23-foot wide, 24-foot long two-lane timber stringer structure with steel planks and asphalt concrete paved deck. The Chase Street Bridge Replacement Project (project) will replace the existing structurally deficient bridge with a single-span, 53-foot wide, 30-foot long concrete bridge with 12-foot high abutments. The City has been approved to receive Highway Bridge Program (HBP) grant funding in the amount of \$2,310,345 for the replacement of the existing bridge. This is a federal grant administered by Caltrans. The funding covers approximately 88.53% (reimbursement rate) of the cost of the engineering phase (including environmental), the right-of-way phase, and the construction phase. The City has completed the engineering and right-of-way phases to date. The project is “shovel ready” for construction as soon as Federal funds become available.



Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager

Estimated Construction: Summer 2022

Estimated Cumulative Prior Expenditures: \$972,434

Estimated 2020-21 Carryover: \$1,936,191

Total Estimated Project Funding: \$2,908,625

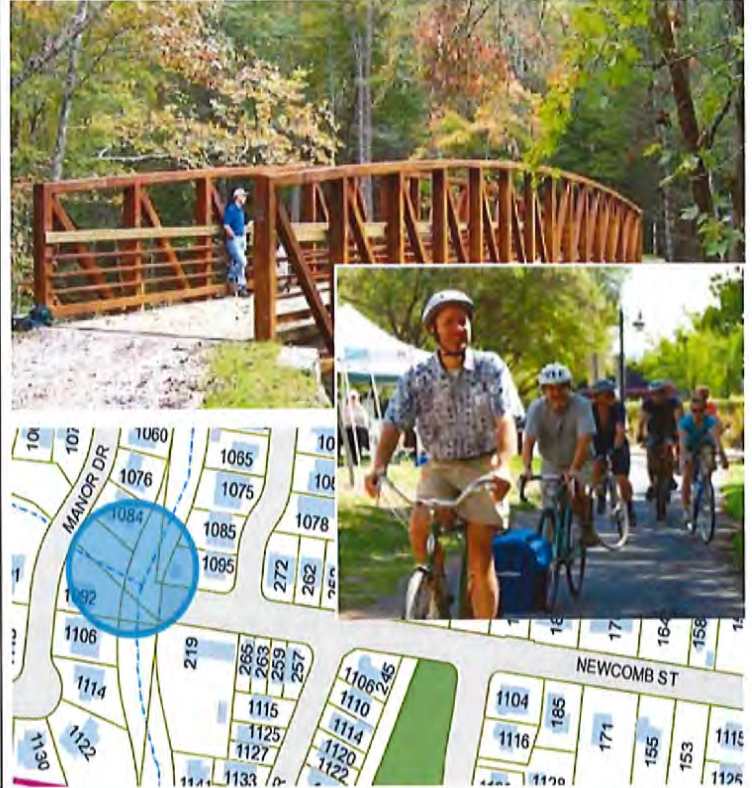
Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Gas Taxes	\$0	\$0	\$0	\$0	\$0	\$0
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
General Fund (reimbursed by HBP federal grant)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

Project Name: Fryer Creek Pedestrian & Bicycle Bridge Project

CIP Number: T-2

Project Description: The City’s Madera Park Trail extends north-south along Fryer Creek from Leveroni Road at the southwestern city limit and connects to 3rd Street West. The Fryer Creek Pedestrian & Bicycle Bridge will be constructed over Fryer Creek to connect Newcomb Street on the east and the existing Madera Park Trail and Manor Drive on the west. The project will provide new recreational facilities and include circulation/accessibility improvements along Newcomb Street and Fryer Creek Drive. A new 8-foot wide, 60-foot long paved bicycle and pedestrian path will extend from the eastern bridge approach to the existing residential driveway on the north side of Newcomb Street. A new sidewalk and associated curb and gutter will be constructed along Newcomb Street.

The Fryer Creek Bridge is a high priority project in the City’s Bicycle and Pedestrian Master Plan. The project was awarded a federal grant utilizing Congestion Mitigation and Air Quality (CMAQ) funds in the amount of \$501,000 through the One Bay Area Grant (OBAG) 2 program. The federal grant will partially fund the construction phase of the project, and is expected to be available in Fiscal Year 2021-22.



Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager

Estimated Construction: Summer 2021-Spring 2022

Estimated Cumulative Prior Expenditures: \$329,045

Estimated 2020-21 Carryover: \$621,656

Total Project Funding: \$1,220,701

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Gas Taxes	\$120,000	\$0	\$0	\$0	\$0	\$120,000
General Fund	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Transportation Measure M	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Total	\$270,000	\$0	\$0	\$0	\$0	\$270,000

TRANSPORTATION: Keeping Sonoma Moving Safely

Project Name: Biennial Slurry Seal Projects

CIP Number: T-3

Project Description: The biennial slurry seal projects are a part of the City’s commitment to keeping the City’s streets and multi-use pathways in a safe and functional condition for multi-modal circulation. The City maintains approximately 34 centerline miles of paved streets and 4 centerline miles of multi-use pathways. Maintaining pavements on the citywide system involves complex decisions about how and when to apply treatments to keep pavement performance operating cost at reasonable levels. The City’s Pavement Management Program (PMP) is updated on a regular basis to document and track pavement conditions. The PMP is utilized to conduct responsive preventative maintenance decisions on every other year, including examining the Pavement Condition Index (PCI), roadway classification, and/or pathway use and external factors.

The purpose of the biennial slurry seal projects is to extend service life of streets and pathways in “Good” condition or above (PCI ≥ 70). Project treatments include Type II slurry seal and crack seal. These projects are expected to utilize Road Maintenance and Rehabilitation Account (RMRA) funding received from Senate Bill 1: The Road Repair and Accountability Act of 2017 for slurry seal on roadways (estimated \$190,000 per year) and City general funds for slurry seal on multi-use pathways and for design.



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Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager
Estimated Construction: Every other year during Late Spring/Summer/Early Fall
Estimated Cumulative Prior Expenditures: N/A
Estimated 2020-21 Carryover: \$198,609
Total Project Funding: Ongoing – Biennial Project

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
SB 1: RMRA Funding	\$225,858	\$190,000	\$190,000	\$190,000	\$190,000	\$985,858
General Fund	\$40,000	\$40,000	\$0	\$40,000	\$0	\$120,000
Total	\$265,858	\$230,000	\$190,000	\$230,000	\$190,000	\$1,105,858

Project Name: Citywide Sidewalk Inspection & Repair Program

CIP Number: T-4

Project Description: This project continues annual sidewalk inspection and repair, implementing the City’s phased program. The City’s sidewalk system is a vital component of the public infrastructure. The California Streets and Highway Code 5610 et seq. and the City of Sonoma Municipal Code Chapter 12.12 require that owners of lots, or portions of lots, fronting on any portion of a public street shall maintain any sidewalk in such conditions that the sidewalk will not endanger persons or property, and will not interfere with the public’s use of those areas.

To help ensure the City’s sidewalks are open and accessible to all persons, the City Council adopted the Sidewalk Trip Hazard Repair Policy (Policy) in October 2013. This Policy was intended to use a multi-phased approach to minimize potential trip hazards caused by cracked and damaged sidewalks. The Policy’s implementation program includes eleven inspection and repair phases. The City has completed Phases 1 through 10 and has partially completed Phase 11 (the last phase) to date. For additional information regarding the Policy, please refer to the City’s website at:

<https://www.sonomacity.org/documents/sidewalk-trip-hazard->



Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager

Estimated Construction: Annually during Fall/Spring

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: \$5,229

Total Project Funding: Ongoing – Annual Project

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Gas Taxes	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
General Fund	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Total	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000

Project Name: Ongoing Pavement Rehabilitation & Water Services Replacement Projects
CIP Number: T-5

Project Description: The ongoing pavement rehabilitation and water services replacement projects are a part of the City’s commitment to keeping the City’s streets and multi-use pathways in a safe and functional condition for multi-modal circulation. The process of flexible (asphalt) pavement rehabilitation involves prioritization of pavements in need of rehabilitation utilizing the City’s Pavement Management Plan (PMP); development of feasible rehabilitation strategies; and selection of the most cost effective strategy given a set of constraints including service life, life-cycle costs, and other utilities and budgetary considerations.

The City’s pavement rehabilitation portion of the projects will involve milling and resurfacing of the existing pavement to mitigate against the effects of rutting, cracking, and other distresses and will include, at a minimum, accessibility upgrades to pedestrian curb ramps, crosswalks, signage, and pavement markings. The project will include water services replacement as needed (see CIP #W-4). These ongoing projects are expected to utilize a combination of funding sources including, but not limited to, Transportation Measure M sales tax, gas taxes, and City General Fund.



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Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager

Estimated Construction: Ongoing, during Summer/Early Fall

Estimated Cumulative Prior Expenditures: N/A

Estimated 2021-22 Carryover: \$40,101

Total Project Funding: Ongoing project (see CIP #W-4 for related Water Fund work)

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Transportation Measure M	\$0	\$0	\$190,000	\$0	\$150,000	\$340,000
Gas Taxes	\$0	\$0	\$150,000	\$0	\$50,000	\$200,000
General Fund	\$0	\$0	\$110,000	\$50,000	\$210,000	\$370,000
Total	\$0	\$0	\$450,000	\$50,000	\$410,000	\$910,000

Project Name: Citywide Roadway Safety Improvement Projects

CIP Number: T-6

Project Description: On December 17, 2018, the City Council accepted the City’s Systemic Safety Analysis Report (SSAR). The SSAR provides cost-effective countermeasures to improve roadway safety within the City. The SSAR revealed seven systemic roadway safety issues including school area safety, collisions at unsignalized crossings, left-turn collisions at signalized intersections, unsafe vehicle speed, driving or bicycling under the influence of alcohol or drugs, collisions involving motor vehicles and fixed objects, and collisions between motor vehicles and cyclists.

City staff is implementing some of the short-term projects identified in the SSAR, which includes infrastructure improvements (e.g. object markers and signs). Over the next few years, City staff is planning to continue with the medium-term projects, including: implementing Class II bike lanes, reconstructing intersections, implementing enhanced crosswalks, and others as identified in the SSAR. Project funding will also allow staff to respond to new safety issues that arise in Sonoma.



Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager

Estimated Construction: N/A – Annual Project

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: \$84,025

Total Project Funding: Ongoing

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	\$0	\$145,000	\$75,000	\$20,000	\$240,000
Gas Taxes	\$65,975	\$150,000	\$45,000	\$200,000	\$230,000	\$690,975
Unfunded (Possibly Funded with Grant Funds)	\$0	\$0	\$0	\$1,100,000	\$2,000,000	\$3,100,000
Total	\$65,975	\$150,000	\$190,000	\$1,375,000	\$2,250,000	\$4,030,975

Project Name: Downtown Sonoma Parking Strategy & Implementation Project
CIP Number: T-8

Project Description: Downtown Sonoma is a popular destination. Parking in the area is often in high demand. In 2016, the City commissioned a Downtown Sonoma Parking Study (Study) that assessed parking needs and deficiencies, conducted public outreach to identify and prioritize parking issues, evaluated spillover effects on surrounding neighborhoods, and developed recommendations for parking management goals. The Study needs to be updated and City staff plans to commence the update in Fiscal Year 2021-22.

A Downtown Sonoma Parking Strategy is needed to address existing and future needs and to better prepare the City to respond to downtown development proposals. Funding carried over from Fiscal Year 2018-19 provides for continued consultant expertise to update the Study.



Project Contact: David Storer, Planning and Community Services Director

Estimated Construction: To be determined (TBD)

Estimated Cumulative Prior Expenditures: \$15,000

Estimated 2020-21 Carryover: \$40,000

Total Project Funding: TBD

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	TBD	TBD	TBD	TBD	TBD
Total	\$0	TBD	TBD	TBD	TBD	TBD

TRANSPORTATION: Keeping Sonoma Moving Safely

Project Name: Citywide Bicycle & Pedestrian Improvement Projects

CIP Number: T-9

Project Description: The Sonoma Bicycle and Pedestrian Master Plan (Plan), adopted September 2008/updated May 2014, identified proposed bikeways, pedestrian projects, and project priorities. The primary emphasis of the Plan was to facilitate transportation improvements for bicyclists and pedestrians. The projects in the Plan received a preliminary feasibility evaluation. Engineering and environmental studies will be required prior to project implementation to determine project specific issues such as right-of-way impacts, traffic operations, parking impacts, and environmental issues. Projects identified as high priority in the Plan, and included in this 5-year CIP include:

Year 1 – Fryer Creek Pedestrian & Bicycle Bridge Project Construction (see CIP #T-2)

Year 2 – Fifth St West at Studley and Bike Path

Year 3 – Sassarini School Trail Class I Bicycle Pathway – School to Andrieux Street

Year 4 – Bike path/Sidewalk at Lomita Avenue

Year 5 – Minor High Priority Projects in Plan

For additional information, please refer to the City's website here:

<https://www.sonomacity.org/documents/sonoma-bicycle-pedestrian-master-plan/>

SONOMA BICYCLE AND PEDESTRIAN MASTER PLAN



Project Contact: TBD

Estimated Construction: N/A – Ongoing Project

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: \$22,586

Total Project Funding: Ongoing

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	See CIP #T-2	\$0	\$30,000	\$100,000	\$30,000	\$160,000
Gas Taxes	See CIP #T-2	\$50,000	\$0	\$0	\$0	\$50,000
Total	\$0	\$50,000	\$30,000	\$100,000	\$30,000	\$210,000

CREEKS & DRAINAGE: Reducing Flooding & Protecting Water Quality

CIP #	Capital Budget by Project	Estimated Cumulative Prior Expenditures	Estimated 2020 21 Carryover	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total	Notes
CD-1	Storm Water Trash Reduction Systems									
	General Fund			\$0	\$98,400	\$196,800	\$196,800	\$196,800	\$688,800	
	SUBTOTAL	<i>N/A</i>	<i>N/A</i>	\$0	\$98,400	\$196,800	\$196,800	\$196,800	\$688,800	
CD-2	Brasil Street Neighborhood Drainage Improvements									
	General Fund			\$0	\$0	\$60,000	\$0	\$0	\$60,000	
	SUBTOTAL	<i>N/A</i>	<i>N/A</i>	\$0	\$0	\$60,000	\$0	\$0	\$60,000	
CD-3	Broadway & Leverod Road Flood Reduction & Trash Capture Project									
	General Fund			\$0	\$200,000	\$0	\$0	\$0	\$200,000	
	Unfunded (Possibly Funded with Sonoma County Water Agency Flood Protection Zone 3A Funding)			\$0	\$0	\$565,000	\$0	\$0	\$565,000	
	Unfunded (Possibly Funded with Other Grant Funds)			\$0	\$0	\$565,000	\$0	\$0	\$565,000	
	SUBTOTAL	<i>N/A</i>	<i>N/A</i>	\$0	\$200,000	\$1,130,000	\$0	\$0	\$1,330,000	
CD-4	Olsen Park Detention & Trash Capture									
	Unfunded (Possibly Funded with Sonoma County Water Agency Flood Protection Zone 3A Funding)			\$0	\$0	\$0	\$1,525,000	\$0	\$1,525,000	
	Unfunded (Possibly Funded with Other Grant Funds)			\$0	\$0	\$0	\$1,525,000	\$0	\$1,525,000	
	SUBTOTAL	<i>N/A</i>	<i>N/A</i>	\$0	\$0	\$0	\$3,050,000	\$0	\$3,050,000	
	TOTAL			\$0	\$298,400	\$1,386,800	\$3,246,800	\$196,800	\$5,128,800	

Project Name: Storm Water Trash Reduction Systems

CIP Number: CD-1

Project Description: Storm water runoff conveys significant amounts of trash to local creeks, negatively impacting water quality and wildlife. In June 2017, the State Water Resources Control Board designated 23 municipalities in the northern portion of the San Francisco Bay Area, including Sonoma, as subject to trash reduction requirements included in the Statewide Trash Amendments. By December 1, 2018, the City was required to submit a trash reduction plan to the State Water Board. In subsequent years, trash reduction systems will need to be added to the City's storm drain network. The City will be required to retrofit its storm drain system to capture 100% of trash originating from designated priority land-uses over a ten-year period. The detailed trash reduction plan and proposed trash reduction system are being developed. Capital Improvement Program projects CD-3 and CD-5, if funded, would meet a portion of the City's trash reduction system requirements and reduce the overall cost of this project.



Project Contact: TBD, Environmental Compliance Analyst

Estimated Construction: 2023-2029

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$984,000 (Total Cost of 10-Year Compliance Strategy)

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	\$98,400	\$196,800	\$196,800	\$196,800	\$688,800
Total	\$0	\$98,400	\$196,800	\$196,800	\$196,800	\$688,800



CREEKS & DRAINAGE: Reducing Flooding & Protecting Water Quality

Project Name: Brazil Street Neighborhood Drainage Improvements
CIP Number: CD-2

Project Description: During intense storm events, runoff from the hillside above Brazil Street near Fourth Street East flows across Brazil Street and through properties south of Brazil Street. For many years, property owners have asked the City to improve the drainage system on the north side of Brazil Street to reduce flooding of their properties. City staff is not aware of any flooding of structures. Some of the existing driveway culverts in the area are partially blocked with debris. Some driveway culverts are too small. A portion of the drainage swale is undersized. This type of drainage problem often occurs at the interface between steeper and gentler hillside slopes. This project addresses the resultant nuisance flooding along Brazil Street and Fourth Street East through maintenance of 2 driveway culverts and replacement/upsizing of 5 driveway culverts and 1 roadside drainage swale.



Project Contact: TBD, Environmental Compliance Analyst

Estimated Construction: Summer 2024

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$60,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	\$0	\$60,000	\$0	\$0	\$60,000
Total	\$0	\$0	\$60,000	\$0	\$0	\$60,000



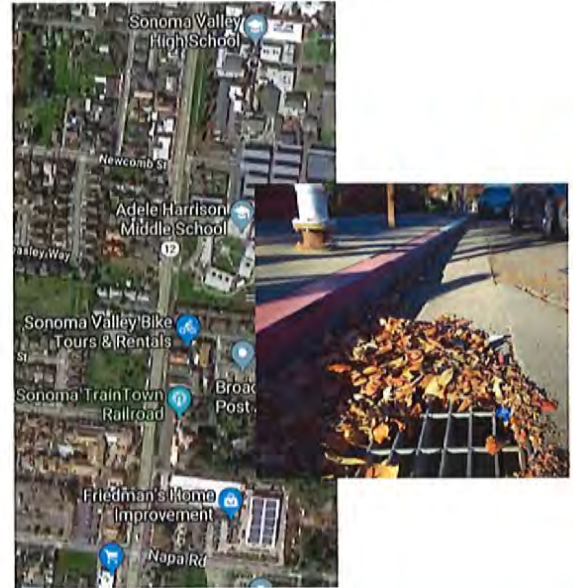
Project Name: Broadway & Leveroni Road Flood Reduction & Trash Capture Project

CIP Number: CD-3

Project Description: The Broadway/Leveroni Road area is the major southern gateway to Sonoma, but it is at risk of flooding during major storms and has documented trash and litter issues that are impacting nearby creeks.

The project reduces flooding along Broadway and surrounding areas by eliminating a constriction in the existing storm drain conduit just north of the Broadway/Leveroni Road intersection in Sonoma. This project component was identified in the 2011 Storm Drain Master Plan as Project CIP-6.

The project also removes trash from a large high-trash-generation area through installation of a large hydro-dynamic separator south of the Broadway/Leveroni Road intersection. Additionally, the project would include minor frontage improvements, including Low-Impact-Development features on the northeast and southeast corners of the intersection. These improvements would enhance pedestrian safety and provide treatment for runoff from the adjacent roadways.



Project Contact: TBD, Environmental Compliance Analyst

Estimated Construction: TBD

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$1,330,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	\$200,000	\$0	\$0	\$0	\$200,000
Unfunded (Possibly Funded with Sonoma County Water Agency Flood Protection Zone 3A Funding)	\$0	\$0	\$565,000	\$0	\$0	\$565,000
Unfunded (Possibly Funded with Other Grant Funds)	\$0	\$0	\$565,000	\$0	\$0	\$565,000
Total	\$0	\$200,000	\$1,130,000	\$0	\$0	\$1,330,000

Project Name: Olsen Park Detention & Trash Capture
CIP Number: CD-4

Project Description: Fryer Creek is subject to flooding during large storms and is negatively impacted by trash and litter that washes into it through the storm drain system when it rains.

This project reduces this flood risk by diverting stormwater from the existing storm drain system upstream of Fryer Creek into an underground detention basin beneath Olsen Park. After the detention basin is constructed, the park facilities will be replaced and upgraded. The flood reduction benefit of the underground detention basin will help offset incremental increases in downstream flows associated with the future completion of the 2011 Storm Drain Master Plan Project CIP-4.

The new drainage structure will also capture trash and litter that washes off of neighboring streets during storms, improving water quality in both Fryer Creek and Sonoma Creek and helping Sonoma comply with the Statewide Trash Amendments stormwater regulations.



Project Contact: TBD, Environmental Compliance Analyst

Estimated Construction: TBD

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$3,050,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Unfunded (Possibly Funded with Sonoma County Water Agency Flood Protection Zone 3A Funding)	\$0	\$0	\$0	\$1,525,000	\$0	\$1,525,000
Unfunded (Possibly Funded with Other Grant Funds)	\$0	\$0	\$0	\$1,525,000	\$0	\$1,525,000
Total	\$0	\$0	\$0	\$3,050,000	\$0	\$3,050,000

WATER CAPITAL IMPROVEMENT PROGRAM

As described in the 2018 Water Master Plan Update, the Sonoma community counts on the City to deliver high quality, dependable water for drinking, cooking, cleaning dishes, hygiene, landscaping, operating restaurants, hotels and other businesses, as well as dozens of other uses each and every day. People also count on the City to deliver water that the Sonoma Valley Fire & Rescue Authority needs to protect the lives, homes, and properties of the residents, visitors, and business owners in Sonoma and the surrounding area.

FISCAL YEAR 2019-20 ACCOMPLISHMENTS:

- Supported the water rate setting process which provides funds to replace aging water infrastructure, improve fire safety, reduce leaks and unplanned water shutdowns, and upgrade water meter system.
- Updated City's Geographic Information System (GIS) database with record information, completing Water System Condition Data – Phase 1 and 2.
- In cooperation with SCWA, conducted monitoring for the Aquifer Storage and Recovery Pilot Project at the City's Well 6 north of the Veterans Memorial Building parking lot, and initiated groundwater banking.
- Initiated design of 2020 Fire Flow Improvements – Upsizing AC Pipe and Unknown Pipe to 8" PVC

FISCAL YEAR 2020-21 ACCOMPLISHMENTS:

- Completed 2020 Urban Water Management Plan (UWMP) to replace the 2015 UWMP, as required every 5 years
- Completed design and initiated construction of 2020 Fire Flow Improvements – Upsizing AC Pipe and Unknown Pipe to 8" PVC

FISCAL YEAR 2021-22 GOALS:

The proposed water system improvement projects identified in the 2018 Water Master Plan Update, and included in this Capital Improvement Program (CIP), are tailored to achieve the objectives below.

- **PUBLIC SAFETY:** *Promote public safety by addressing system pressure and fire flow deficiencies.*
 - Complete construction of the 2020 Fire Flow Improvements – Upsizing smaller water lines to 8" PVC and connecting dead end sections of water line
- **SUPPLY RELIABILITY:** *Strengthen the City's ability to reliably supply potable water based on current and planned demand.*
 - Initiate and commence implementation of water meter system upgrades project.
- **CITY WELL RESILIENCE** *Protect the City's potable water supply against emergencies, drought, or natural disasters by bolstering potable water supply from City wells.*
 - Monitor Sonoma Valley Groundwater Sustainability Agency work for reconsideration of well construction and existing well rehabilitation as funding and information aligns. Pump testing for proposed new Well No. 9, recommended in the Water Master Plan Update, is not included due to groundwater sustainability planning work and potential impact on water rates. Consider need for increased local groundwater supply to supplement restricted aqueduct water supply during 2021 severe drought.
- **COST-EFFECTIVE RENEWAL AND REPLACEMENT** *Minimize life-cycle costs by planning for the cost-effective renewal and replacement of aging water system components.*
 - Fulfill requirements of water valves in Caltrans right-of-way by funding replacement of valve boxes as part of Caltrans pavement rehabilitation project.

WATER: Providing High Quality, Dependable Water

- Analyze data to prioritize aging pipelines for replacement, design and initiate construction of project to replace 2% of City's pipelines

CHALLENGES:

Water CIP challenges include: limited staff resources to implement CIP projects, evolving groundwater regulations, and lack of data regarding the condition of existing water facilities.

WATER: Providing High Quality, Dependable Water

Projects all funded by Water Fund

CIP #	Capital Budget by Project	Estimated Cumulative Prior Expenditures	Estimated 2020-21 Carryover	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total	Notes
W-2	Water System Condition Data - Phase 2	\$0	\$100,680	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000	Water Master Plan Update 2018
W-3	Renewal & Replacement of Existing Pipelines	\$0	\$0	\$0	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$4,400,000	Water Master Plan Update 2018 - delayed 2 years
W-4	Replacement of Water Services with Pavement Rehabilitation Projects	\$0	\$0	\$0	\$23,000	\$220,000	\$23,000	\$220,000	\$486,000	Best practice for pavement preservation
W-8	Urban Water Management Plan & Minor Water Master Plan Update	\$11,058	\$61,941	\$10,000	\$0	\$0	\$0	\$75,000	\$105,000	Water Master Plan Update 2018
W-10	Water Meter System Upgrades	\$40,658	\$59,342	\$2,000,000	\$0	\$0	\$0	\$0	\$2,000,000	Water Master Plan Update 2018 - delayed 1 year
W-12	Replacement of Valve Boxes with Caltrans Pavement Rehabilitation Project	\$0	\$0	\$169,533	\$0	\$0	\$0	\$0	\$169,533	Caltrans project. Impact
TOTAL		\$51,716	\$223,963	\$2,244,533	\$1,168,000	\$1,365,000	\$1,168,000	\$1,440,000	\$7,385,533	

Project Name: Water System Condition Data – Phase 2

CIP Number: W-2

Project Description: This project will update the City’s Geographic Information System (GIS) database further after Condition Data – Phase 1 (see CIP #W-1) adds information for pipe material and age. For Phase 2, factors to update into the database include the following: record drawings, pipe material details (i.e., class number or ASTM specifications), leak history, previous acoustic sounding information, data from a condition assessment of Asbestos Cement (AC) pipes, and preventative maintenance records.

This project also includes the improvement of the City’s Computerized Maintenance and Monitoring System (CMMS) for water activities. Planned outcomes for the CMMS effort include use of in-field computers to run an application that displays the GIS data and allows City operations staff to relate each of their maintenance or repair activities to a specific asset from GIS. The CMMS application will facilitate simultaneous multi-user read/write access to the water system database using industry-standard Relational Database Management System software.

This project was recommended for implementation in the City’s approved 2018 Water Master Plan Update.



WATER
UTILITY



Project Contact: Mike Brett, Water Conservation Coordinator & TBD, Environmental Compliance Analyst

Estimated Initiation: 2021

Estimated Cumulative Prior Expenditures: \$0

Estimated 2020-21 Carryover: \$100,680

Total Project Funding: Ongoing

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Water Fund	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000
Total	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000

Project Name: Renewal & Replacement of Existing Pipelines

CIP Number: W-3

Project Description: A majority of the City’s water mains were built in the 1970s with Asbestos Cement (AC) pipe. These pipes are now 40-48 years old, and the City should begin to renew or replace those pipes which can be reasonably anticipated to be in poor condition. After a proper condition assessment is implemented (see condition assessment CIP projects elsewhere in the 5-year CIP), the City plans to address a minimum of 2% of the City’s AC pipe every year based on the assessment, looking forward to replace 100% of the AC pipe over 50 years. The City will target locations where maintenance staff has experienced leaks, loss of pressure, etc. An asset management program will help organize priorities. AC pipelines will be replaced in coordination with other City projects, such as street rehabilitation, along with coordinating with other utilities. This should allow for cost efficiencies through the concurrent implementation of multiple projects. \$1,099,400 is allocated each year beginning in Fiscal Year 2021/22 and each subsequent fiscal year.

This project was recommended for implementation in the City’s approved 2018 Water Master Plan Update.



Project Contact: TBD, Water Supervisor

Estimated Initiation: Summer 2023

Estimated Cumulative Prior Expenditures: \$0

Estimated 2020-21 Carryover: \$0

Total Project Funding: \$1.1 million per year starting in Fiscal Year 2022/23 for 50 years (2% of AC pipe replaced each year)

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Water Fund	\$0	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$4,400,000
Total	\$0	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$4,400,000

Project Name: Replacement of Water Services with Pavement Rehabilitation Projects
CIP Number: W-4

Project Description: Water services are pipelines that transport water from the City’s water mains to water customers. Since each property has at least one water service, there is a vast network of water services under the City’s streets. When the City constructs street pavement rehabilitation projects, it is typically cost-effective to replace the water services under the street as part of the project. Replacing water services in coordination with pavement rehabilitation projects allows for multiple projects to be completed at a minimum cost. It also protects the City’s investment in new pavement by reducing the need for street cuts associated with water service repairs. Project funding and schedule is dependent on coordination with pavement rehabilitation projects, currently anticipated to be constructed biennially.



Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager

Estimated Construction: Ongoing with pavement rehabilitation projects (see CIP #T-5)

Estimated Cumulative Prior Expenditures: Ongoing

Estimated 2020-21 Carryover: \$0

Total Project Funding: Ongoing project (see CIP #T-5 for related pavement rehabilitation work)

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Water Fund	\$0	\$23,000	\$220,000	\$23,000	\$220,000	\$486,000
Total	\$0	\$23,000	\$220,000	\$23,000	\$220,000	\$486,000

Project Name: Urban Water Management Plan & Minor Water Master Plan Update
CIP Number: W-8

Project Description: An Urban Water Management Plan (UWMP) is required every five years. The 2025 UWMP will replace the City’s 2020 UWMP. The purpose of the UWMP is to evaluate whether the City can meet the water demands of its customers as projected over a 20- or 25-year planning horizon. Any municipal water supplier serving over 3,000 connections or 3,000 acre-feet per year is required to prepare a UWMP every five years under the California Urban Water Management Planning Act.

As part of a Water Master Plan Update, the City will need to incorporate water system projects that the City has completed since the current date, revise water supply and demand data consistent with the 2020 UWMP, and identify proposed water system improvement projects for inclusion in the City’s Capital Improvement Program (CIP).



Project Contact: TBD, Water Supervisor

Estimated Completion: 2021 (Ongoing)

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: Ongoing

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Water Fund	\$30,000	\$0	\$0	\$0	\$75,000	\$105,000
Total	\$30,000	\$0	\$0	\$0	\$75,000	\$105,000

Project Name: Water Meter System Upgrades
CIP Number: W-10

Project Description: Currently, the City uses mechanical meters, which are read once a month using a drive-by automatic meter reading system. The objectives for replacing the existing hybrid-mechanical system with Advanced Metering Infrastructure (AMI) are to: cost-effectively enhance customer service, improve water savings, and provide near real-time water usage data to the City’s water customers. AMI would improve water system operations and provide faster leak detection throughout the water distribution system.

An initial feasibility assessment and draft Request for Proposals has been developed. The AMI project needs long-term City water staff to be successful. After completion of the Water Supervisor recruitment process, the AMI project can move forward. Assuming a complete replacement, the total costs and benefits for a 15-year investment period are approximately \$2,493,000 in costs for \$5,357,000 in benefits, a benefit/cost ratio of over 2.



Project Contact: TBD, Water Supervisor
Estimated Construction: 2021-22
Estimated Cumulative Prior Expenditures: \$40,658
Estimated 2020-21 Carryover: \$59,342
Total Project Funding: \$2,100,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Water Fund	\$2,000,000	\$0	\$0	\$0	\$0	\$2,000,000
Total	\$2,000,000	\$0	\$0	\$0	\$0	\$2,000,000

Project Name: Replacement of Valve Boxes with Caltrans Pavement Rehabilitation Project
CIP Number: W-12

Project Description: The City is responsible for 162 water valves in State Route 12. In 2021, Caltrans is constructing a pavement rehabilitation project on State Route 12 (Broadway and West Napa Street) through Sonoma. Caltrans’ contractor will need to remove and replace the City’s valve boxes at the City’s expense to achieve pavement compaction at the water valve box locations. Compaction is critical for pavement longevity. The valve boxes to be installed by Caltrans’ contractor must meet Federal Buy America requirements. Costs include contractor’s unit price of \$850 each “Adjust Utility Cover to Grade” plus \$196.50 each for materials.



Project Contact: Michelle Fajardo, Public Works Administrative and Project Manager

Estimated Construction: 2021

Estimated Cumulative Prior Expenditures: \$0

Estimated 2020-21 Carryover: \$0

Total Project Funding: \$169,533.

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Water Fund	\$169,533	\$0	\$0	\$0	\$0	\$169,533
Total	\$169,533	\$0	\$0	\$0	\$0	\$169,533

PARKS CAPITAL IMPROVEMENT PROGRAM

The City's parks are vital to maintaining the quality of life in Sonoma. Parks contribute to the health of our citizens, and the economic and environmental well-being of our community. Daily maintenance of our urban parks is provided by City staff and a landscape contractor that performs mowing and trimming in neighborhood parks. The Sonoma Overlook Trail Stewards and the Sonoma Ecology Center care for the City's natural open space parks. Park needs that exceed the capacity of City and contract workers are included in this Capital Improvement Program (CIP).

In June 2018, Proposition 68: California Parks, Environment, and Water Bond (Prop 68) was passed and has become a new revenue source for parks related projects. The City is expected to receive \$177,952 in a one-time grant. The revenue will be allocated by the State.

In November 2018, Sonoma County voters approved Measure M, a one-eighth cent sales tax that supports Sonoma County's regional and city parks. In FY 2021/22, it is estimated that the City will receive \$141,113.

Quimby Act funding (described separately in the budget documents) is recommended for rehabilitating existing parks and recreational facilities that serve proposed subdivisions.

FISCAL YEAR 2019-20 ACCOMPLISHMENTS:

- Worked cooperatively with the Sonoma Overlook Trail Stewards volunteer group and the Sonoma Ecology Center to complete construction of a maintenance and rehabilitation project along the Sonoma Overlook Trail.
- Completed product selection and design of new recycling/waste receptacles for Plaza Park.

FISCAL YEAR 2020-21 ACCOMPLISHMENTS:

- Worked cooperatively with the Sonoma Overlook Trail Stewards volunteer group and the Sonoma Ecology Center to add monument signs at unsigned entrances to Sonoma Overlook Trail and Montini Preserve trails.
- Completed feasibility report for Montini Trail Connection.

FISCAL YEAR 2021-22 GOALS:

- Initiate construction of Depot Park Enhancements project and Plaza Park Enhancement project. Plaza Park will use Parks Prop 68 Per Capita Funds and Depot Park will use Parks Measure M Funds.
- Continue developing concept plan for loop trail connection on Montini Preserve.
- Improve Pinelli Park and Olsen Park using Quimby Act funds from recent subdivisions.

CHALLENGES:

Building community consensus regarding appropriate park investments is a challenge, and this CIP includes critical plan development as a tool for successful implementation of park enhancement ideas. Funding of park projects also continues to be a challenge, as park projects are generally funded by the City's limited General Fund. With the passage of Prop 68 and Sonoma County Parks Measure M, and the availability of Quimby funding from subdivision developments, the City will be able to fund more parks related projects.

PARKS: Making Life Better

CIP #	Capital Budget by Project	Estimated Cumulative Prior Expenditures	Estimated 2020-21 Carryover	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total	Notes
P-2	Neighborhood Parks Reinvestment & Maintenance Plan									
	Parks Measure M		\$15,000	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000	
	SUBTOTAL	N/A	\$25,000	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000	
P-6	Montini Trail Connection & Enhancement Project									
	Quimby Act	\$9,994	\$190,000	\$0	\$0	\$0	\$0	\$0	\$0	
	Unfunded (Possibly Funded with Other Grant Funds)			\$0	\$200,000	\$0	\$0	\$0	\$200,000	
	SUBTOTAL	\$9,994	\$190,000	\$0	\$200,000	\$0	\$0	\$0	\$200,000	
P-7	Pine Hill Park Improvement Project									
	Quimby Act	\$0	\$0	\$12,755	\$0	\$0	\$0	\$0	\$12,755	
	SUBTOTAL		\$0	\$12,755	\$0	\$0	\$0	\$0	\$12,755	
P-8	Olsen Park Improvement Project									
	Quimby Act	\$0	\$0	\$10,166	\$0	\$0	\$0	\$0	\$10,166	
	SUBTOTAL		\$0	\$10,166	\$0	\$0	\$0	\$0	\$10,166	
P-9	Depot Park Enhancements Project									
	Parks Measure M	\$0	\$0	\$193,000	\$0	\$0	\$0	\$0	\$193,000	
	SUBTOTAL	\$0	\$0	\$193,000	\$0	\$0	\$0	\$0	\$193,000	
P-10	Plaza Park Enhancements Project									
	Parks Measure M	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	
	Proposition 68: California Parks, Environment, & Water Bond	0	\$177,952	\$0	\$0	\$0	\$0	\$0	\$0	
	SUBTOTAL	\$0	\$237,952	\$0	\$0	\$0	\$0	\$0	\$0	
P-11	Plaza & Depot Parks Connectivity Plan									
	General Fund	\$0	\$0	\$0	\$10,000	TBD	TBD	TBD	\$10,000	
	SUBTOTAL	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000	
	TOTAL		\$452,958	\$305,921	\$250,000	\$30,000	\$30,000	\$30,000	\$613,166	

Project Name: Neighborhood Parks Reinvestment & Upgrade Plan
CIP Number: P-2

Project Description: The Neighborhood Parks Reinvestment & Upgrade Plan (project) will provide quality of life improvements in the City’s nine neighborhood parks. This will be accomplished through a combination of community engagement in the local parks and upgraded equipment to meet current needs in the parks.

The City’s neighborhood parks get extensive use by the local community. Park facilities are showing that use and will benefit from a needs assessment and implementation of plans to address the needs at each park. This project is a start to providing resources to review and improve all the City’s neighborhood parks over the next five years.

The City will begin this process by assessing the needs of the parks. Some parks require maintenance upgrades that are not visible. Major projects in neighborhood parks (e.g., playground replacement) will be presented as separate Capital Improvement Program projects.



Project Contact: TBD, Parks Supervisor
Estimated Initiation: Fall 2021
Estimated Cumulative Prior Expenditures: N/A
Estimated 2020-21 Carryover: \$25,000
Total Project Funding: Ongoing

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Parks Measure M	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000
Total	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000

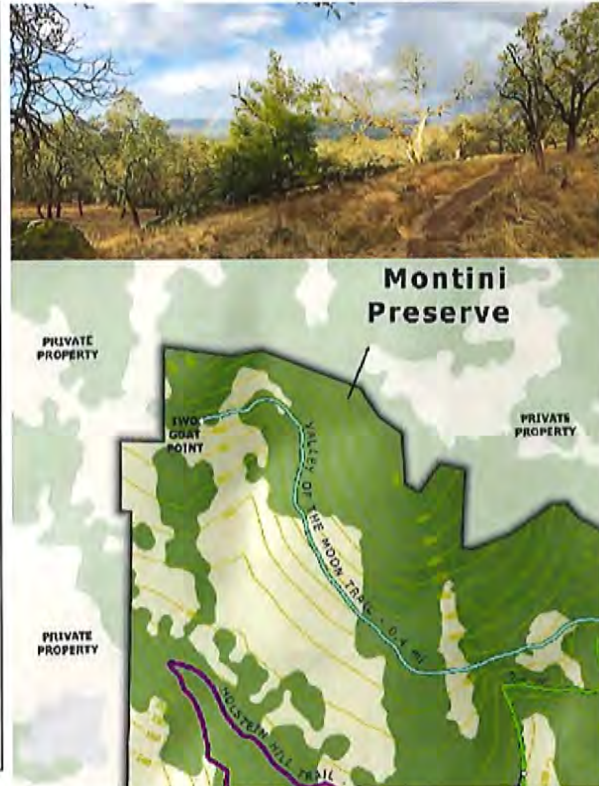
Project Name: Montini Trail Connection & Enhancement Project

CIP Number: P-6

Project Description: A new connection trail and enhancement of existing trails on the Montini Preserve will enhance the experience of hikers on the preserve and address a non-compliance issue.

The 98 acre Montini Preserve was transferred from the Sonoma County Agricultural Preservation and Open Space District (SCAPOS) to the City of Sonoma in 2014. The property features oak woodlands, grassland, and comprises the scenic backdrop to the City. A trail system was constructed prior to the transfer. One of the trails ends at Two Goat Point, with a lovely view of Sonoma Valley. Many hikers take an informal trail from the vista point to Holstein Hill trail. This informal trail brings hikers too close to the private property west of the Montini Preserve, in violation of the transfer agreement between the SCAPOS and the City.

In Fiscal Year 2020-21, project work included preparation of a feasibility report including analysis of alignment alternatives, cost estimates, environmental and regulatory requirements and preferred trail alignment. Next steps include public outreach, CEQA, permitting, and potential grant applications for construction funding for a new connection trail between Two Goat Point and Holstein Hill Trail.



Project Contact: TBD, Parks Supervisor

Estimated Construction: Summer/Fall 2023

Estimated Cumulative Prior Expenditures: \$9,994

Estimated 2020-21 Carryover: \$190,006

Total Project Funding: \$400,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Quimby Act	\$0	\$0	\$0	\$0	\$0	\$0
Unfunded (Possibly Funded with Grant Funds)	\$0	\$200,000	\$0	\$0	\$0	\$200,000
Total	\$0	\$200,000	\$0	\$0	\$0	\$200,000

Project Name: Pinelli Park Improvement Project
CIP Number: P-7

Project Description: Pinelli Park is a 0.5 acre park located on France Street at Fourth Street East. The park includes vegetation, picnic tables and a play structure. Quimby Act funds are available for rehabilitation of Pinelli Park due to a small subdivision in proximity to this park. The Quimby Act funds are required to be committed by 2025 and must be used for rehabilitation of park and recreational facilities. Quimby Act funds cannot be used for operation and maintenance of park facilities.

City staff will evaluate Pinelli Park and prioritize rehabilitation improvements to implement with the Quimby Act funds.



Project Contact: TBD, Parks Supervisor
Estimated Initiation: Summer 2022
Estimated Cumulative Prior Expenditures: N/A
Estimated 2020-21 Carryover: N/A
Total Project Funding: \$32,755

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Quimby Act	\$32,755	\$0	\$0	\$0	\$0	\$32,755
Total	\$32,755	\$0	\$0	\$0	\$0	\$32,755

Project Name: Olsen Park Improvement Project
CIP Number: P-8

Project Description: Olsen Park is a 2 acre park located on Linda Drive in northwestern Sonoma. The park includes vegetation, a basketball court, picnic tables and a play structure. Quimby Act funds are available for rehabilitation of Olsen Park due to a small subdivision in proximity to this park. The Quimby Act funds are required to be committed by 2026 and must be used for rehabilitation of park and recreational facilities. Quimby Act funds cannot be used for operation and maintenance of park facilities.

City staff will evaluate Olsen Park and prioritize rehabilitation improvements to implement with the Quimby Act funds.



Project Contact: TBD, Parks Supervisor

Estimated Initiation: Summer 2022

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$80,166

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Quimby Act	\$80,166	\$0	\$0	\$0	\$0	\$80,166
Total	\$80,166	\$0	\$0	\$0	\$0	\$80,166

Project Name: Depot Park Enhancements Project
CIP Number: P-9

Project Description: The Depot Park is a 4.6 acre park that is only a block from the Historic Sonoma Plaza. The park is located adjacent to a scenic Bike Path that runs through town. The current amenities include: Picnic Tables, Barbeque Area, Children’s Playground, Volleyball Courts, Bocce Ball and Petanque Courts, a Museum and Public Restrooms. Depot Park is located next to Arnold Field, home of the Sonoma Stompers baseball team. The popular Sonoma Valley Certified Farmers Market takes place year-round on Friday mornings in the Arnold Field parking lot. The Depot Park Enhancements Project includes improvements to the bathrooms, adding two water bottle filling stations, bike parking, trash/recycling receptacles and wayfinding signage connecting all the outdoor spaces. Restroom improvements include interior and exterior painting, new doors, additional lighting and ADA accessibility. Landscape and drainage enhancements (bioretention areas) will remove pollutants in storm water runoff, protect creeks, and promote groundwater infiltration. On March 10, 2021, the Community Services and Environment Commission recommended this project for Measure M “Parks for All” funding in the FY21/22 budget process. “Parks for All” Measure M is a one-eighth-cent sales tax to support county and city parks for 10 years.



Project Contact: Lisa Janson, Senior Management Analyst

Estimated Initiation: 2021-22

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$193,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Parks for All Measure M	\$193,000	\$0	\$0	\$0	\$0	\$193,000
Total	\$193,000	\$0	\$0	\$0	\$0	\$193,000



Project Name: Plaza Park Enhancements Project
CIP Number: P-10

Project Description: The Plaza is the heart of Sonoma, a very popular 8-acre park with national historic landmark status. Proposed enhancements at the Plaza may include new water bottle filling stations, trash/recycling receptacles, bicycle parking, temporary art installation/picnic table pads, and park rules signage at entrances (since signs will no longer be on trash receptacles). On October 19, 2019, the City Council authorized the City Manager to apply for California Proposition 68 Per Capita Grant Funds to fund elements of the Plaza & Depot Parks Enhancement & Connectivity Project. Those elements are now the Plaza Park Enhancements Project. The City is eligible to receive \$177,952 of Prop. 68 Per Capita funds. The Prop. 68 Per Capita funds require a 20% match of local funds. In Fiscal Year 2019-20, the City Council allocated the Prop. 68 Per Capita funds to this project. In Fiscal Year 2020-21, the City Council allocated \$60,000 of Parks Measure M Funds to meet the match requirement and provide additional funding for the project. The Prop. 68 timeline requires submittal of the grant application package by December 2021, contract execution by June 2022, project completion by December 2023, and submittal of the completion package by March 2024.



Project Contact: Lisa Janson, Senior Management Analyst

Estimated Initiation: 2021-22

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: \$237,952

Total Project Funding: \$237,952

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Parks Measure M	\$0	\$0	\$0	\$0	\$0	\$0
Proposition 68: CA Parks, Environment, & Water Bond	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

Project Name: Plaza & Depot Parks Connectivity Plan
CIP Number: P-11

Project Description: The Plaza is the heart of Sonoma, a very popular 8-acre park with national historic landmark status. The 4.6-acre Depot Park is also enjoyed by many, including train museum visitors and people passing through on the Sonoma City Trail. The two parks are approximately 820 feet apart, separated by a mix of newer and historical buildings, including historic structures at the Sonoma State Historic Park. The Plaza & Depot Parks Enhancement & Connectivity Plan would review, assess, and provide recommendations for improvements and connectivity between the Plaza Park and Depot Park.

The connectivity assessment would include crossing Spain Street and the Casa Grande Parking Lot. It would reference a Downtown Parking Study that is proposed for development. Coordination with State Parks would be essential, as much of the off-street walking route between Plaza and Depot Parks is on State Park property.

If funded, the Plaza & Depot Parks Connectivity Plan could be implemented in Fiscal Year 2023-24.



Project Contact: To be determined (TBD)
Estimated Initiation: Spring 2023
Estimated Cumulative Prior Expenditures: N/A
Estimated 2020-21 Carryover: N/A
Total Project Funding: Ongoing

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	\$20,000	TBD	TBD	TBD	TBD
Total	\$0	\$20,000	TBD	TBD	TBD	TBD

BUILDINGS & FACILITIES CAPITAL IMPROVEMENT PROGRAM

The City's buildings and facilities are critical assets where City and community business and activities are conducted. Daily maintenance of City buildings and facilities is provided by City staff, with assistance from specialty contractors. Routine maintenance projects are included in the City's Long-Term Building Maintenance Fund, described separately in the budget documents. Building and facility needs that exceed the capacity of City and contract workers or are larger and more comprehensive maintenance/capital projects are included in this Capital Improvement Program (CIP).

FISCAL YEAR 2019 – 2021 ACCOMPLISHMENTS:

- Defined needed maintenance work at the Haven.
- Completed feasibility analysis for an emergency power for City Hall.
- Investigated basement water intrusion at Carnegie Building.
- Developed floor plan for Public Works Safety building at Corporation Yard.

FISCAL YEAR 2021 – 2022 GOALS:

- Investigate, design, and construct Carnegie Building improvements.
- Complete SOS building maintenance project.
- Replace Depot Park Museum HVAC system consist with City Council greenhouse gas emission goals.
- In partnership with the Sonoma Valley Historical Society, replace Depot Park Museum roof and install solar panels on the new roof.
- Obtain grant funding and install electric vehicle charging stations at Depot Park and Community Center parking lots

CHALLENGES:

As with Long-Term Building Maintenance Fund projects, a challenge for building and facility CIP projects is limited staff capacity to initiate and implement projects and limited funding other than from the General Fund. Both Building and Public Works staff have other primary duties and facility projects often get pushed for more immediate or time sensitive City priorities.

BUILDINGS & FACILITIES: Maintaining Critical Assets

CIP #	Capital Budget by Project	Estimated Cumulative Prior Expenditures	Estimated 2020 21 Carryover	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total	Notes
BF-2	Public Works Safety & Facility Security at Corporation Yard									
	General Fund	\$16,000	\$74,000	\$0	\$80,000	\$570,000	\$35,000	\$0	\$685,000	
	Water Fund			\$0	\$40,000	\$280,000	\$15,000	\$0	\$335,000	
	SUBTOTAL	\$16,000	\$74,000	\$0	\$120,000	\$850,000	\$50,000	\$0	\$1,020,000	
BF-4	City Hall Emergency Power									
	Potential Grant		\$0	\$0	\$0	\$220,000	\$0	\$0	\$220,000	
	SUBTOTAL	N/A	N/A	\$0	\$0	\$220,000	\$0	\$0	\$220,000	
BF-5	Fire Station #1 Improvements Project									
	Long-Term Building Maintenance Fund		\$25,000	\$25,000	\$0	\$25,000	\$222,000	\$25,000	\$297,000	
	SUBTOTAL	\$25,000	\$25,000	\$25,000	\$0	\$25,000	\$222,000	\$25,000	\$297,000	
BF-6	Carnegie Building Repairs and Maintenance Upgrades Project									
	Long-Term Building Maintenance Fund		\$331,780	\$0	\$0	\$0	\$0	\$0	\$0	
	SUBTOTAL	N/A	\$331,780	\$0	\$0	\$0	\$0	\$0	\$0	
BF-7	SOS Building Maintenance Project									
	Long-Term Building Maintenance Fund		\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000	
	SUBTOTAL	N/A	\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000	
BF-8	Depot Park Museum HVAC Project									
	General Fund		\$0	\$60,000	\$0	\$0	\$0	\$0	\$60,000	
	SUBTOTAL	N/A	\$0	\$60,000	\$0	\$0	\$0	\$0	\$60,000	
BF-9	Depot Park Museum Roof and Solar									
	General Fund		\$0	\$86,400	\$0	\$0	\$0	\$0	\$86,400	
	SUBTOTAL	N/A	\$0	\$86,400	\$0	\$0	\$0	\$0	\$86,400	
BF-10	Electric Vehicle Charging Stations									
	Potential Grants		\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000	
	SUBTOTAL	N/A	\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000	
	TOTAL			\$316,400	\$120,000	\$1,095,000	\$272,000	\$25,000	\$1,828,400	

Project Name: Public Works Safety & Facility Security at Corporation Yard

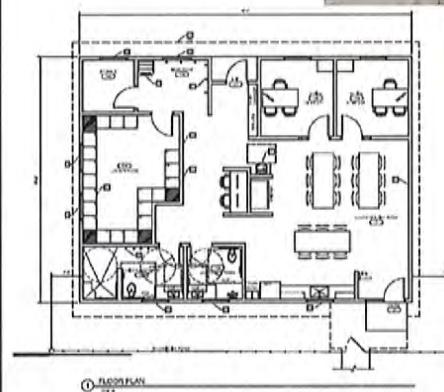
CIP Number: BF-2

Project Description: The City’s maintenance workers serve the community outdoors during cold winter storms and on hot summer days. Safety training is mandatory for the City’s maintenance workers. The City’s Corporation Yard does not have a comfortable indoor space for the City’s maintenance workers to be out of the heat and cold for safety training and breaks. Appropriate training and break room facilities and a hot shower need to be available to these emergency responders at the City’s Corporation Yard. The Corporation Yard also lacks security at the entrance gate. The Public Works Safety & Security at Corporation Yard Project will include:

Phase 1: Complete Design Phase for building \$190,000

Phase 2: Replace existing old Public Works office with a new, roughly 1,700 square foot building that will improve staff conditions and provide proper accessibility \$850,000

Phase 3: Signage and wayfinding that will improve citizen experience and safety; replace current yard gate with a rolling gate with access control that will improve security for the Corporation Yard, which currently has to be manually locked each day and is left open during the day; and site drainage improvements that will correct minor flooding at the Corporation Yard \$50,000



Project Contact: Colleen Ferguson, Public Works Director/City Engineer

Estimated Construction: 2024

Estimated Cumulative Prior Expenditures: \$16,000

Estimated 2020-21 Retention: \$74,000

Total Project Funding: \$1,110,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$0	\$80,000	\$570,000	\$35,000	\$0	\$685,000
Water Fund	\$0	\$40,000	\$280,000	\$15,000	\$0	\$335,000
Total	\$0	\$160,000	\$850,000	\$50,000	\$0	\$1,020,000

Project Name: City Hall Emergency Power
CIP Number: BF-4

Project Description: The historic Sonoma City Hall does not currently have a source of electricity during power outages or emergency power shutdowns. As part of their Emergency Wildfire Safety Program, PG&E now has a Public Safety Power Shutoff program so more frequent power outages are expected in the future.

The City has portable generators that could provide power to City Hall during an emergency if a power connection is made available. City Hall was included in a City of Sonoma Standby Generators Study completed in February 2020. A generator and transfer switch are recommended for City Hall.

The nearby Carnegie Building has an existing emergency power connection, for use with a portable generator. The Police Building (with the Emergency Operations Center and City Council Chambers) and the Corporation Yard (with Public Works offices) both have stationary backup generators. City Hall is a critical facility that needs to be available to provide service to the community, even during times when electrical power is disrupted.



Project Contacts: Chris Pegg, Public Works Operations Manager & Wayne Wirick, Development Services Director/Building Official

Estimated Installation: Spring 2024

Estimated Cumulative Prior Expenditures: \$10,000

Estimated 2021-22 Carryover: N/A

Total Project Funding: \$230,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
<i>Potential grant</i>	\$0	\$0	\$220,000	\$0	\$0	\$220,000
Total	\$0	\$0	\$220,000	\$0	\$0	\$220,000

Project Name: Fire Station #1 Improvements Project
CIP Number: BF-5

Project Description: This project consists of three separate improvements to Fire Station #1, which is located on Second Street West south of West Napa Street.

1) Parking and Driveway Pavement Repairs – The pavement at Fire Station #1 is beginning to fail in some areas. Based on the use and heavy equipment, the lot needs to be evaluated and improvements planned.

Design \$35,000 FY23/24

Construction \$197,000, FY24/25

2) New Station Alerting System – The new station alerting system will bring this critical component of our emergency response system into compliance with current standards for both alerting system effectiveness and firefighter health considerations. This upgrade to current standards will also increase and ensure long-term reliability of this system to alert firefighters to an incoming emergency. \$25,000 FY21/22

3) Interior Selective Painting \$50,000, FY24/25 & 25/26



Project Contact: Chris Pegg, Public Works Operations Manager

Estimated Construction: Fall 2024

Estimated Cumulative Prior Expenditures: \$25,000

Estimated 2020-21 Carryover: \$25,000

Total Project Funding: \$347,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund Designated (e.g. LTBM, IGT)	\$25,000	\$0	\$25,000	\$222,000	\$25,000	\$297,000
Total	\$25,000	\$0	\$25,000	\$222,000	\$25,000	\$297,000

Project Name: Carnegie Building Repairs and Maintenance Upgrades Project

CIP Number: BF-6

Project Description: The Carnegie Building Repairs and Maintenance Upgrades Project is a series of repairs and improvements necessary for the continued use, maintenance and operation of the Carnegie Building located in the Sonoma Plaza. The building is currently occupied by the Public Works Parks Division, City Finance Department and the Sonoma Valley Visitor’s Bureau. The project consists of the following:

- Carnegie – Basement Wall Re-Waterproofing (repair existing water intrusion) \$50,000
- Carnegie – Selective Flooring Replacement (replace flooring in main upstairs lobby and stairway) \$25,000
- Carnegie – Replace Lower Floor Double Entry Doors \$15,000
- Carnegie Public Restroom – Replace Partitions & Fixtures \$35,000
- Carnegie Building – Roof Replacement (replace existing leaking roof) \$140,000
- Project Management \$66,780



Project Contact: Chris Pegg, Public Works Operations Manager

Estimated Construction: Summer/Fall 2021

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: \$331,780

Total Project Funding: \$331,780

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund Designated (e.g. LTBM, IGT)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

Project Name: SOS Building Maintenance Project

CIP Number: BF-7

Project Description: Sonoma Overnight Support (SOS) is a critical provider of services such as laundry, meals, showers, and benefit and service navigation to people experiencing homelessness within Sonoma and the Sonoma Valley. In 2020-21, SOS provided these services to more and more individuals despite COVID-19, and added health navigation, testing, and vaccination coordination to SOS’ portfolio. SOS will also provide emergency beds (often via room vouchers) for those in need.

The City of Sonoma sees SOS as an important community partner. As SOS changes to address the needs of the current and future homeless or at-risk population, this allocation towards building and site improvements is needed to enable SOS to continue forward.



**SONOMA
OVERNIGHT
SUPPORT**

Project Contact: Chris Pegg, Public Works Operations Manager

Estimated Construction: Summer/Fall 2021

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$75,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund Designated (e.g. LTBM, IGT)	\$75,000	\$0	\$0	\$0	\$0	\$75,000
Total	\$75,000	\$0	\$0	\$0	\$0	\$75,000



BUILDINGS & FACILITIES: Maintaining Critical Assets

Project Name: Depot Park Museum HVAC Project
CIP Number: BF-8

Project Description: The Depot Park Museum is operated by the Sonoma Valley Historical Society under a lease agreement with the City. The existing heating, ventilation, and air conditioning (HVAC) had been served by a PG&E gas service line. That shallow gas line was tangled in eucalyptus tree roots and was severed as part of the First Street West Depot Park Drainage Improvements project. The City proposed to upgrade the HVAC system with new, all-electric, equipment. This improvement aligns with the City’s Climate Emergency Resolution passed by the City Council on 11/2/2020 that states a commitment to achieve a net zero carbon footprint.



Project Contact: Chris Pegg, Public Works Operations Manager

Estimated Construction: Summer/Fall 2021

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$60,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund Designated (e.g. LTBM, IGT)	\$60,000	\$0	\$0	\$0	\$0	\$60,000
Total	\$60,000	\$0	\$0	\$0	\$0	\$60,000

Project Name: Depot Park Museum Roof and Solar
CIP Number: BF-9

Project Description: The Depot Park Museum is operated by the Sonoma Valley Historical Society under a lease agreement with the City. The existing roof on the building is about 40 years old. Attic ventilation allows wind to build up pressure within the attic. Roof materials often blow off when its windy. The roof and skylights are not energy efficient.

The City plans to upgrade the heating, ventilation, and air conditioning (HVAC) with new, all-electric, energy efficient equipment. Replacing the Depot Park Museum roof and installing solar panels on the new roof would align with the City’s Climate Emergency Resolution passed by the City Council on 11/2/2020 that states a commitment to achieve a net zero carbon footprint. The reduced energy costs for power to the Depot Park Museum would also support ongoing operation of the museum by the Sonoma Valley Historical Society.



Project Contact: Chris Pegg, Public Works Operations Manager

Estimated Construction: Summer/Fall 2021

Estimated Cumulative Prior Expenditures: N/A

Estimated 2020-21 Carryover: N/A

Total Project Funding: \$86,400

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
General Fund	\$86,400	\$0	\$0	\$0	\$0	\$86,400
Total	\$86,400	\$0	\$0	\$0	\$0	\$86,400

Project Name: Electric Vehicle Charging Stations
CIP Number: BF-10

Project Description: The City’s publically accessible electric vehicle (EV) charging infrastructure is currently inadequate for residents, businesses, and visitors. At its November 16, 2020 meeting, the City Council established a goal of 12 additional, publically accessible charger ports over the next 3 years. Staff presented an implementation plan to meet this goal.

The City plans to add 6 new Level 2 (L2) EV charger ports at two locations: the Depot Park Parking Lot (4 ports) and the Community Center (2 ports). The Depot Park Parking Lot will require installation of EV charging infrastructure and the purchase or lease of 2, dual-port L2 chargers. This infrastructure will include a new or upgraded electric panel, conduit to the parking lot, 2 small concrete pads for the bollard-style stations, signage, and restriping of the parking stalls.

At the Community Center, infrastructure will already be established and the City would only need to purchase 2, single-port EV chargers.



Project Contact: Chris Pegg, Public Works Operations Manager
Estimated Construction: Summer/Fall 2021
Estimated Cumulative Prior Expenditures: N/A
Estimated 2020-21 Carryover: N/A
Total Project Funding: \$70,000

Funding Source	Requested Funding 2021-22	Anticipated Request 2022-23	Anticipated Request 2023-24	Anticipated Request 2024-25	Anticipated Request 2025-26	5-year Total
Potential Grants	\$70,000	\$0	\$0	\$0	\$0	\$70,000
Total	\$70,000	\$0	\$0	\$0	\$0	\$70,000

Enterprise Funds

Water Utility - Operating
Cemetery - Operating



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CITY OF SONOMA

Public Works Department **Water Utility (Fund 510)**

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 are the Sonoma County Water Agency (Sonoma Water) Aqueduct and local groundwater wells. The City's water system is a complex array of pumps, pipes, and tanks that distribute water to residences and businesses.

The City operates and maintains 4,505 water service connections/meters, 1,823 valves, 508 fire hydrants, six water tanks, eight wells, two booster pump stations, and 58 miles of underground water main pipes. In 2020, over 600 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 Sonoma Water 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 (SV GSA). The purpose of the SVGSA is to secure groundwater sustainability for the Sonoma Valley groundwater basin.

FISCAL YEAR(s) 2019 – 2021 ACCOMPLISHMENTS:

- Operation and maintenance of City water system.
- Implemented extensive precautions to maintain staff and community safety, impacting water operations staff all day, every day, through the long duration of the coronavirus pandemic.
- Staff recommendation to City Council to defer water rate increases for 6 months in response to coronavirus pandemic economic impacts to the City's water customers
- Contracted with waterTALENT for highly qualified interim Water Supervisor and maintenance worker/water operator pending filling vacancies in City's Water Division.
- Completed Urban Water Management Plan, including Water Shortage Contingency Plan.
- Completed America's Water Infrastructure Act Risk and Resilience Assessment.
- Continued water conservation community partnership activities.
- Responded to Grand Jury reports: *Emergency Water Shortages in Sonoma Valley The Situation has Worsened* and *Sonoma Valley Regional Water Resources Water for a Changing Future*.
- Participated in Sonoma Developmental Center (SDC) plan development and provided input regarding the importance of the SDC surface water supply for water resiliency in Sonoma Valley.

- Joined CalWARN mutual assistance agreement between water agencies.
- Partial use of City's Computerized Maintenance Management System (CMMS) for water system.
- Managed contract for No Discharge Water Main Flushing.
- Supported the Sonoma Valley Groundwater Sustainability Agency (SV GSA) and associated Advisory Committee, in compliance with the Sustainable Groundwater Management Act (SGMA).
- Hired a maintenance worker to fill a vacancy in the Water Division, following an open recruitment process.
- Completed the City's annual leak detection services.
- Recommended updated water rates for FY21-22 and FY22-23, for City Council action.

FISCAL YEAR 2021 – 2022 GOALS:

- Hire a qualified Water Supervisor
- Continue successful operation and maintenance of the City's water supply and distribution system.
- Respond to severe drought, including implementation of water shortage contingency plan, enforcement of mandatory water use restrictions, increased water production from City wells, and continued water conservation community partnership activities.
- Complete America's Water Infrastructure Act Emergency Response Plan.
- Comply with all monitoring and reporting requirements.
- Expand 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.
- Train new Water Division maintenance worker.
- Work on various capital improvement projects to enhance the water system.

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 and water supply regulations, and new staff learning about the City's water system and associated regulations.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), and are allocated among City departments and funds based on staffing.



Water Fund -510

Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Licences & Permits	10,690	2,374	15,000	52,848	52,848	1,000
Charges for Services	65,601	42,665	49,000	49,000	47,758	62,382
Water Sales And Services	4,958,525	5,846,976	5,576,398	5,576,398	5,868,208	6,003,325
Transfers	-	-	-	-	-	-
Other Revenues	8,573	-	-	-	126	-
Interest Revenue	818	1,046	30,000	30,000	30,000	30,000
Total Revenue	5,044,207	5,893,061	5,670,398	5,708,246	5,998,940	6,096,707
Salary & Wages	592,024	519,778	714,039	714,039	548,975	756,494
Employee Benefits	(339,998)	261,363	344,532	344,532	286,322	389,964
Professional Services	138,883	133,325	339,590	339,590	79,940	339,590
Property Services	101,533	164,357	160,468	160,468	407,213	184,530
Operations	231,579	159,389	191,615	191,615	126,723	237,305
Supplies	1,905,736	2,365,439	2,378,719	2,378,719	1,865,981	2,453,543
Software & Equipment	4,752	4,868	9,420	9,420	8,089	15,420
Internal Service & Capital Prj	125,818	98,598	635,934	635,934	635,934	631,336
Transfers Out - CIP	-	-	-	-	-	-
Transfers	615,042	632,923	651,328	651,328	651,328	669,459
Debt Service	47,921	120,727	117,803	117,803	117,802	117,803
Total Expense	3,423,290	4,460,767	5,543,448	5,543,448	4,728,306	5,795,444
Grand Total	1,620,917	1,432,294	126,950	164,798	1,270,634	301,263
Beginning Fund Balance	304,627	1,925,544	3,357,838	3,357,838	3,357,838	4,628,472
Ending Fund Balance	1,925,544	3,357,838	3,484,788	3,522,636	4,628,472	4,929,735
* Unaudited						
**Rate Stabilization Reserve	407,358	532,683			440,744	476,851
***Operating Reserve	581,959	758,330			803,812	985,225
Unassigned	936,226	2,066,824			3,383,916	3,467,658
**11% of annual volumetric charge revenue. Rate Stabilization Reserve will increase 1% annually until it reaches 15% of annual volumetric charge revenue.						
*** Two (2) months of annual expenditures 17%.						



CITY OF SONOMA

Public Works Department **Cemetery (Fund 501)**

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(s) 2019 – 2021 ACCOMPLISHMENTS:

- Continued to provide compassionate and respectful customer service to residents during stressful and emotional times.
- Trimmed substantial overgrowth of vegetation and improved sight lines throughout Mountain Cemetery.
- Performed tree maintenance as needed, including removal of three large fallen and/or dead trees in Mountain Cemetery and one in Valley Cemetery.
- Created three new full burial crypts in Mausoleum Five and two full burial plots at the Mountain Cemetery.

FISCAL YEAR 2021 – 2022 GOALS:

- Work with the City Council Ad-Hoc Committee on cemetery strategy and options for the future.
- Continue to provide compassionate and respectful customer service to residents during stressful and emotional times.
- Create more cremain niches inventory in the Valley and Veterans' cemeteries.
- Conduct a tree hazard assessment in all cemeteries.
- Review City cemetery services fee information.
- 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. All cemeteries are constrained by financial limitations.

RECOMMENDED FY 21/22 BUDGET

Salary changes include any cola and or step increases or minor position allocation changes as to how staff is allocated between departments. Benefit changes include vendor costs changes. If new positions are proposed, those positions are outlined below. Property and liability insurance costs increased by 34% in FY 21/22, (included in the expenditure category Property Services), and are allocated among City departments and funds based on staffing.

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

Transfer in from General Fund for Cemetery Fiscal Analysis	\$30,000
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501 - Cemeteries

Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Licenses & Permits	\$ 92,159.00	\$ 81,320.00	\$ 115,000.00	\$ 115,000.00	\$ 79,987.00	\$ 115,000.00
Charges For Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 87,980.00	\$ 88,929.00	\$ 89,903.00	\$ 89,903.00	\$ -	\$ 120,900.00
Other Revenues	\$ 133,745.00	\$ 108,926.00	\$ 135,000.00	\$ 135,000.00	\$ 82,517.00	\$ 135,000.00
Interest Revenue	\$ 420.00	\$ -	\$ 450.00	\$ 450.00	\$ -	\$ 450.00
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 314,304.00	\$ 279,175.00	\$ 340,353.00	\$ 340,353.00	\$ 162,504.00	\$ 371,350.00
Salary & Wages	\$ 142,702.00	\$ 141,458.00	\$ 153,352.00	\$ 153,352.00	\$ 144,690.00	\$ 159,474.00
Employee Benefits	\$ 85,672.00	\$ 69,883.00	\$ 79,133.00	\$ 79,133.00	\$ 78,773.50	\$ 80,187.00
Professional Svcs	\$ 28,384.00	\$ 17,535.00	\$ 25,000.00	\$ 25,000.00	\$ 27,251.74	\$ 25,000.00
Property Services	\$ 37,889.00	\$ 49,153.00	\$ 49,186.00	\$ 49,186.00	\$ 24,157.28	\$ 62,476.00
Operations	\$ 4,508.00	\$ 9,041.00	\$ 11,450.00	\$ 11,450.00	\$ 9,784.85	\$ 11,450.00
Supplies	\$ 9,216.00	\$ 5,503.00	\$ 8,500.00	\$ 8,500.00	\$ 5,202.38	\$ 8,500.00
Software & Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service & Capital Prj	\$ 42,178.00	\$ -	\$ 9,151.00	\$ 9,151.00	\$ 9,151.00	\$ 7,706.00
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$ 350,549.00	\$ 292,573.00	\$ 335,772.00	\$ 335,772.00	\$ 299,010.76	\$ 354,793.00
Cemetery Fund Operating Surplus (Deficit):	\$ (36,245.00)	\$ (13,398.00)	\$ 4,581.00	\$ 4,581.00	\$ (136,506.76)	\$ 16,557.00
Depreciation (Non Cash Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,000.00
Cemetery Fund Surplus (Deficit):						\$ (22,443.00)



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SPECIAL REVENUE FUNDS

COPS Grant

Gas Tax

Transportation Measure M

RMRA: SB 1

Proposition 68 – Parks

Parks Measure M

Quimby Act

IGT – Inter-governmental Revenue (EMS)

Cemetery - Endowment



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CITY OF SONOMA

COPS Grant (Fund 217)

Assistant City Manager, Sue Casey
Orlando Rodriguez, 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 21/22 BUDGET

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

Transfer to Vehicle Replacement Fund 603 – Additional funds needed to replace motorcycle	18,312
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217 - SLESF Cops Grant						
Description	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Other Revenues	120,318	122,791	100,000	100,000	111,452	100,000
Interest Revenue	2,618	2,000	-	-	2,000	2,000
Total Revenue	122,936	124,791	100,000	100,000	113,452	102,000
Software & Equipment	-	-	-	-	-	2,100
Transfers	100,000	100,000	100,000	100,000	100,000	118,312
Total Expense	100,000	100,000	100,000	100,000	100,000	118,312
Grand Total	22,936	24,791	-	-	13,452	(16,312)
Beginning Fund Balance	48,451	71,387	96,178	96,178	96,178	109,630
Ending Fund Balance	71,387	96,178	96,178	96,178	109,630	93,318
*Unaudited						



CITY OF SONOMA

Gas Tax Funding (Fund 302)

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 \$279,679 in FY 2021/22 that will supplement previous years' carryover funds. 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 CIP #T of each of these projects).

FY 21/22 Projects to be Funded -- <i>The CIP budget provides a description of listed projects.</i>	
\$228,713	Chase Street Bridge Replacement Project (CIP #T-1)
\$120,000	Fryer Creek Bicycle and Pedestrian Bridge (CIP #T-2)
\$50,000	Citywide Sidewalk Inspection & Repair Program (CIP #T-4)
\$40,101	Biennial Pavement Rehabilitation & Water Services Replacement Project (CIP #T-5)
\$150,000	Citywide Roadway Safety Improvement Projects (CIP #T-6)
\$22,586	Citywide Bicycle & Pedestrian Improvements (CIP #T-9)
\$611,400	TOTAL programmed

RECOMMENDED FY 21/22 BUDGET

302 - Gas Tax						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Property Taxes	227,289	257,308	279,679	279,679	250,820	279,679
Interest Revenue	8,167	-	-	-	-	-
Total Revenue	235,456	257,308	279,679	279,679	250,820	279,679
Salary & Wages	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Property Services	326	-	-	-	-	-
Operations	1,207	5,679	-	-	2,950	-
Supplies	-	-	-	-	-	-
Software & Equipment	-	-	-	-	-	-
Internal Service & Capital Prj	37,249	335,783	301,615	348,615	233,576	611,400
Transfers	-	-	-	-	-	-
Total Expense	38,782	341,462	301,615	348,615	236,526	611,400
Grand Total	196,674	(84,154)	(21,936)	(68,936)	14,294	(331,721)
Beginning Fund Balance	209,433	406,107	321,953	321,953	321,953	336,247
Ending Fund Balance	406,107	321,953	300,017	253,017	336,247	4,526
* Unaudited						



CITY OF SONOMA

Measure M Traffic Relief Act for Sonoma County (Fund 313)

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 \$96,400 of Measure M revenue in FY 2021/22 in addition to a projected rollover amount of \$119,405. Measure M funds from FY 2021/22 and funds remaining from prior fiscal years are proposed to be applied to the projects listed below and described in the Capital Improvement Program budget.

The Traffic Relief Act Measure M included a provision that local agencies maintain their existing commitment of local funds for transportation purposes. This provision is referred to as the Measure M Maintenance of Effort (MOE). For the City of Sonoma, the annual Measure M MOE for FY 2021/22 is \$832,076, thereafter, it is the average of the previous 3 years Transportation expenditures.

FY 21/22 Projects to be Funded -- The CIP budget provides a description of listed projects.	
\$105,735	Chase Street Bridge Replacement Project (CIP #T-1)
\$100,000	Fryer Creek Bicycle and Pedestrian Bridge (CIP #T-2)
\$205,735	TOTAL programmed

RECOMMENDED FY 21/22 BUDGET

313 - Measure M Funds						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Property Taxes	78,400	91,653	80,000	80,000	80,000	96,400
Interest Revenue	1,891	-	600	600	600	600
Total Revenue	80,291	91,653	80,600	80,600	80,600	97,000
Supplies	-	-	-	-	-	-
Internal Service & Capital Prj	-	4,117	80,000	80,000	150,882	205,735
Transfers	-	-	-	-	-	-
Total Expense	-	4,117	80,000	80,000	150,882	205,735
Grand Total	80,291	87,536	600	600	(70,282)	(108,735)
Beginning Fund Balance	21,859	102,150	189,686	189,686	189,686	119,405
Ending Fund Balance	102,150	189,686	190,286	190,286	119,405	10,670
* Unaudited						

313 - Transportation Measure M

REVENUES	FY 16-17 Projected Actuals*	FY 17-18 Projected Actuals*	FY 18-19 Adopted Budget	FY 18-19 Projected Actuals*	FY 19/20 Budget
Taxes	\$101,574	\$102,392	\$85,926	\$70,905	\$100,105
Other Revenues	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$1,142	\$2,485	\$600	\$600	\$600
Total Revenue	\$102,716	\$104,877	\$86,526	\$71,505	\$100,705
EXPENDITURES					
Professional Services	\$0	\$0	\$0	\$0	\$0
Property Services	\$0	\$0	\$0	\$0	\$0
Operations	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$259	\$0	\$0	\$0
Internal Service & Capital Projects	\$0	\$304,490	\$0	\$0	\$192,869
Transfers	\$0	\$0	\$0	\$0	\$0
Total Expense	\$0	\$304,749	\$0	\$0	\$192,869
Net Income (Loss)	\$102,716	(\$199,872)	\$86,526	\$71,505	(\$92,164)
Carryover/(Use of) or Transfer to Fund Balance	\$ 102,716	\$ (199,872)	\$ 86,526	\$ 71,505	\$ (92,164)

* unaudited



CITY OF SONOMA

Road Maintenance and Rehabilitation Act (RMRA: SB 1) (Fund 303)

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 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 fiscal 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 2021-22 budget would allow the City to meet the RMRA MOE. The City expects to receive \$225,858 of RMRA funds in FY 2021-22.

FY 21/22 Projects to be Funded -- <i>The CIP budget provides a description of listed projects.</i>	
\$218,256	20/21 Annual Slurry Seal Project (CIP #T-3)
\$225,858	21/22 Annual Slurry Seal Project (CIP #T-3)
\$444,114	TOTAL programmed

RECOMMENDED FY 21/22 BUDGET

303 - Road Maintenance SB1						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
State Grants & Other Revenues	12,844	12,991	-	-	-	-
Transfers	-	-	-	-	-	-
Fees	208,871	200,148	198,609	198,609	199,809	225,858
Interest Revenue	669	-	1,200	1,200	-	1,200
Total Revenue	222,384	213,139	199,809	199,809	199,809	227,058
Operations	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Internal Service & Capital Prj	184,406	204,552	198,609	198,609	-	424,467
Transfers	-	-	-	-	-	-
Total Expense	184,406	204,552	198,609	198,609	-	444,114
Grand Total	37,978	8,587	1,200	1,200	199,809	(217,056)
Beginning Fund Balance	25,919	63,897	72,484	72,484	72,484	272,293
Ending Fund Balance	63,897	72,484	73,684	73,684	272,293	55,237
* Unaudited						



CITY OF SONOMA

California Parks, Environment, and Water Bond (Proposition 68) (Fund 316)

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 Proposition 68 Per Capita Program allocates \$177,952 of one-time grant funds for the City 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.

Proposition 68 Per Capita Program Description:

- Funds are available for local park rehabilitation, creation, and improvement.
- Projects must be for recreational purposes, either acquisition or development.
- A project can only have one location.
- Multiple projects may be completed under one contract; each project requires a separate application.
- Projects in Sonoma require a 20% match of the total project cost (eligible match sources include Federal funds, local funds, private funds, in-house employee services, and volunteer labor).
- Per Capita grant funds must be used to supplement, not supplant, local revenues.
- Pre-construction costs may not exceed 25% of the project amount.
- Projects must be accessible, including an accessible path of travel to the project.
- Authorizing resolution approving filing of application(s) must be submitted before project application.
- Application packet must be submitted by December 31, 2021.
- Sign and Encumber Per Capita Contracts must be submitted by June 1, 2022.
- Projects must be completed by December 31, 2023.
- Repairs and maintenance are ineligible costs.

FY 19/20 Projects to be Funded -- The CIP budget provides a description of listed projects.	
\$177,952	Plaza Park Enhancements Project (CIP #P-10)
\$177,952	TOTAL Programmed

RECOMMENDED FY 21/22 BUDGET

316 - Parks Proposition 68 Fund:						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Property Taxes	-	-	-	-	-	-
State Grants & Other Revenues	-	-	200,000	200,000	-	200,000
Interest Revenue	-	-	-	-	-	-
Total Revenue	-	-	200,000	200,000	-	200,000
Supplies	-	-	-	-	-	-
Internal Service & Capital Prj	-	-	200,000	200,000	-	177,952
Transfers	-	-	-	-	-	-
Total Expense	-	-	200,000	200,000	-	177,952
Grand Total	-	-	-	-	-	22,048
Beginning Fund Balance	-	-	-	-	-	-
Ending Fund Balance	-	-	-	-	-	22,048
* Unaudited						



CITY OF SONOMA

Sonoma County Parks Improvement, Water Quality and Fire Safety (Measure M) (Fund 315)

Public Works Director, Colleen Ferguson

On November 6, 2018, Sonoma County voters approved Measure M, a one-eighth cent sales tax that supports Sonoma County’s regional and city parks. Approved by 72.6 percent of voters, the “Sonoma County Parks Improvement, Water Quality and Fire Safety Measure” went into effect in April 2019 and will provide dedicated funding for parks for 10 years. Parks Measure M will support Sonoma County and its cities with our long-term needs to maintain, protect and operate parks. The tax will generate an estimated \$11.5 million annually, with an estimated \$7.6 million a year going to Sonoma County Regional Parks and an estimated \$3.8 million a year going to the nine cities. The City of Sonoma expects to receive \$141,113 of Parks Measure M funds in FY 2021/22. Funds from prior years provide the balance of funding for proposed Parks Measure M projects in FY 21/22.

Measure M Funding Can Be Used To:

- Invest in maintenance of parks, trails, signs, buildings and other infrastructure;
- Improve playgrounds, sports fields, restrooms, picnic areas, and visitor centers;
- Improve access to parks by extending or building regional trails, bike paths, coastal trails, and river trails;
- Reduce wildfire risks through vegetation management;
- Open publicly owned parkland that is currently not accessible;
- Protect natural resources, including waterways and wildlife habitat; and
- Offer recreation, education, and health programs in parks.

The measure requires that revenue not be used to reduce existing funding for parks and recreation. The baseline year for “existing funding” is Fiscal Year 2017-18. A citizens’ oversight committee will regularly review how the revenue is spent and to ensure public transparency throughout the Measure’s 10-year life.

FY 21/22 Projects to be Funded -- <i>The CIP and Operating budgets provide a description of projects.</i>	
\$175,000	Depot Park Enhancements Project (CIP #P-9)
\$ 25,000	Neighborhood Parks Reinvestment & Maintenance Plan (CIP #P-2)
\$ 35,000	Montini Preserve & Overlook Trail Maintenance and Management (CIP #P-3)
\$235,000	TOTAL

RECOMMENDED FY 21/22 BUDGET

315 - Parks Measure M Funds						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Property Taxes	5,097	131,795	95,000	95,000	95,000	141,113
Interest Revenue	-	-	-	-	-	-
Total Revenue	5,097	131,795	95,000	95,000	95,000	141,113
Professional Services	-	-	-	-	-	-
Property Services	-	-	35,000	35,000	1,500	35,000
Supplies	-	-	-	-	-	-
Internal Service & Capital Prj	-	-	-	-	-	200,000
Transfers	-	90,000	-	-	-	-
Total Expense	-	90,000	35,000	35,000	1,500	235,000
Grand Total	5,097	41,795	60,000	60,000	93,500	(93,887)
Beginning Fund Balance	-	5,097	46,892	46,892	46,892	140,392
Ending Fund Balance	5,097	46,892	106,892	106,892	140,392	46,505
* Unaudited						



CITY OF SONOMA

Quimby Act Fees (Fund 314)

Public Works Director, Colleen Ferguson

Cities and counties in California have been authorized since the passage of the 1975 Quimby Act (California Government Code §66477) to pass ordinances requiring that developers set aside land, donate conservation easements, or pay fees for park improvements. Revenues generated through the Quimby Act cannot be used for the operation and maintenance of park facilities. The goal of the Quimby Act was to require developers to help mitigate the impacts of property improvements.

Pursuant to the Quimby Act, the City currently has a parkland dedication (exaction) requirement as a condition of approval for Tentative Subdivision Maps or Tentative Parcel Maps. The requirement is codified in Title 19 of the Development Code Section 19.69 – Dedications and Exactions. In summary, the code requires residential projects that require approval of a Tentative Subdivision Map (5 lots or more) or Tentative Parcel Map (4 lots or less) to either dedicate land, pay a fee in lieu of dedication, or both, for park or recreational purposes.

A developer can dedicate land and/or pay the fee as a result of a land use subdivision for 50 lots or more. For projects under 50 lots, a developer can only pay a fee and not be allowed to provide on-site land dedication. Any fee component must be established at the tentative map stage as a condition of approval and the City Planner establishes an amount for the fee based on a simple “fair market value” formula that calculates the amount of land required by the Code. If the developer opposes the amount of the fee, an appraisal can be provided at the cost of the developer.

The fees can only be used for new and rehabilitating existing parks and recreational facilities and must be reasonably related to serving the proposed subdivision. The fees must be “committed” within 5 years after payment, or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. Otherwise, the fees must be returned and distributed to the then record owners.

FY 21/22 Projects to be Funded -- <i>The CIP budget provides a description of listed projects.</i>	
\$32,755	Pinelli Park Improvements Project (CIP #P-7)
\$80,166	Olsen Park Improvements Project (CIP #P-8)
\$30,000	Overlook Trail Maintenance & Rehab (CIP #P-3) 19/20 & 20/21 Carryover
\$100,000	Montini Trail Connection & Enhancement (CIP #P-6) 19/20 & 20/21 Carryover
\$120,656	Fryer Creek Pedestrian & Bicycle Bridge (CIP #T-2) 19/20 & 20/21 Carryover
\$363,577	TOTAL programmed*

RECOMMENDED FY 21/22 BUDGET

314 - Parks-In-Lieu Fees/Quimby Act						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Parks Quimby Fees	-	552,755	520,000	520,000	40,083	-
Interest Revenue	-	-	-	-	-	-
Total Revenue	-	552,755	520,000	520,000	40,083	-
Internal Service & Capital Prj	-	127,315	32,755	32,755	61,704	363,577
Transfers Out - CIP	-	-	-	-	-	-
Total Expense	-	127,315	32,755	32,755	61,704	363,577
Grand Total	-	425,440	487,245	487,245	(21,621)	(363,577)
Beginning Fund Balance	-	-	425,440	425,440	425,440	403,819
Ending Fund Balance	-	425,440	912,685	912,685	403,819	40,242
* Unaudited						



CITY OF SONOMA

Intergovernmental Transfer (IGT) (Fund 796)

*Sue Casey, Assistant City Manager/Administrative Services 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. This means that the City “writes down” a portion of the Emergency Medical Service revenue each year. The IGT is a reimbursement payment that the City receives from the federal government as a partial backfill on these funds.

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 21/22 BUDGET

796 - IGT Fire						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Grants	\$1,121,435	\$ 990,607	\$ -	\$ -	\$1,124,094	\$ 500,000
Interest Revenue	\$ 13,614	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$1,135,049	\$ 990,607	\$ -	\$ -	\$1,124,094	\$ 500,000
Professional Services	\$ 423,710	\$ 485,465	\$ -	\$ -	\$ 404,674	\$ 410,739
Property Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software & Equipment	\$ 19,951	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 175,000	\$ 368,322	\$ 500,000	\$ 500,000	\$ 500,000	\$ 350,000
Total Expense	\$ 618,661	\$ 853,787	\$ 500,000	\$ 500,000	\$ 904,674	\$ 760,739
Grand Total	\$ 516,388	\$ 136,820	\$ (500,000)	\$ (500,000)	\$ 219,420	\$ (260,739)
Beginning Fund Balance	\$ 521,897	\$1,038,285	\$1,175,105	\$1,175,105	\$1,175,105	\$1,394,525
Ending Fund Balance	\$1,038,285	\$1,175,105	\$ 675,105	\$ 675,105	\$1,394,525	\$1,133,786
* Unaudited						



CITY OF SONOMA

Public Works Department Cemetery Endowment (Fund 504)

*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 21/22 BUDGET

504 - Cemetery Endowment						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ 37,690	\$ 41,201	\$ 40,500	\$ 40,500	\$ 32,849	\$ 40,500
Interest Revenue	\$ 1,140	\$ -	\$ 120	\$ 120	\$ -	\$ 120
Total Revenue	\$ 38,830	\$ 41,201	\$ 40,620	\$ 40,620	\$ 32,849	\$ 40,620
Transfers	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Total Expense	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Grand Total	\$ (11,170)	\$ (8,799)	\$ (9,380)	\$ (9,380)	\$ (17,151)	\$ (9,380)
Beginning Fund Balance	\$ 786,675	\$ 775,505	\$ 766,706	\$ 766,706	\$ 766,706	\$ 749,555
Ending Fund Balance	\$ 775,505	\$ 766,706	\$ 757,326	\$ 757,326	\$ 749,555	\$ 740,175
* Unaudited						



CITY OF SONOMA

Housing Trust Fund

(Fund 732)

David Storer, Planning and Community Services Director

The purpose of the City of Sonoma Housing Trust Fund, (hereinafter referred to as the HTF), is to assist in the creation and preservation of affordable housing in the City of Sonoma for the benefit of very low, low, and moderate-income households. The Housing Trust Fund was established by adoption of Resolution No. 18-2019 on May 20, 2019, the City Council establishes a trust fund for a special revenue account under the name of the "Housing Trust Fund".

Accumulated and future Moderate, Low or Very-Low Income Housing Fund In-Lieu Fee dedications under Chapter 19.44 of the Municipal Code are deposited directly into the HTF. In addition, 1% of the Transient Occupancy Tax is deposited into this fund. The Housing Trust Fund may also accept donations from individuals or organizations other than the City of Sonoma. Such donations may not be designated for a specific project or purpose and may be used for purposes as determined by the City Council either in the City of Sonoma or within Sonoma Valley.

Distributions from the HTF may be made to individuals and/or private or public, profit or non-for-profit entities. The types of investments the fund may make include gifts, grants, loan guarantees, letters of credit or other forms of credit enhancement, or other disbursements deemed necessary and appropriate to fulfill the purposes of the HTF.

RECOMMENDED FY 21/22 BUDGET

732 - Housing Trust Fund						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest & Rents	\$ 183	\$ -	\$ -	\$ -	\$ -	\$ 2,600
Transfers	\$ 25,000	\$ 184,726	\$ -	\$ 187,120	\$ 187,120	\$ 372,886
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 25,183	\$ 184,726	\$ -	\$ 187,120	\$ 187,120	\$ 375,486
Professional Svs	\$ -	\$ 100,000	\$ -	\$ -	\$ 51,849	\$ -
Operations	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 20,000
Total Expense	\$ -	\$ 100,000	\$ -	\$ -	\$ 56,849	\$ 20,000
Grand Total	\$ 25,183	\$ 84,726	\$ -	\$ 187,120	\$ 130,271	\$ 355,486
Beginning Fund Balance	\$ -	\$ 25,183	\$ 109,909	\$ 109,909	\$ 109,909	\$ 240,180
Ending Fund Balance	\$ 25,183	\$ 109,909	\$ 109,909	\$ 297,029	\$ 240,180	\$ 595,666
* Unaudited						

INTERNAL SERVICE FUNDS

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

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CITY OF SONOMA

Management Information Services - MIS (Fund 601)

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, equipment, 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 replacement needs and amortizing the replacement costs over a period of time.

The City contracts with a computer consulting business for its network administration, network security and help desk support. Numerous other software vendors provide support to specific applications. There is no City employee position that is dedicated solely to City management information services. MIS coordination is absorbed and fulfilled by the Development Services Director / Building Official.

It is typical within the MIS Fund 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 MIS software and hardware continue to evaluate new technologies that enhance customer service and further to improve staff efficiency and effectiveness.

FISCAL YEAR 2020/21 ACCOMPLISHMENTS:

- Completed Phase 1 of a two-phased project to enhance network security and implement selected network security recommendations identified in the 2019 network security assessment report.
- Hardened the City's Internet service reliability and speed by moving to fiber optic Internet service for the City's network.
- Acquired Notebook computers utilizing CARES act funding to support work-from-home initiative for City staff during the COVID-19 Pandemic.
- Upgraded file server software to support enhanced the City's geographic information system.
- Facilitated Corp Yard WiFi Expansion Project.

FISCAL YEAR 2021/22 GOALS:

- Continue to maintain the City's Information Management Services (MIS) systems including the scheduled replacement of MIS equipment and software.
- Complete Phase 2 of a two-phased project to enhance network security and implement selected network security recommendations identified in the 2019 network security assessment report.

Network Security

In February of 2019 the City’s computer network was successfully attacked by ransomware malware that encrypted most of the City’s network files. The City’s network consultant restored the encrypted files, but not before the disruption of City business operations. Subsequently, a third-party consultant was hired to conduct network vulnerability testing and to make recommendations for security improvements. Most of the high priority recommendations contained in the network security report are included in the 2-year plan shown below. The Phase I (FY 20/21) measures have been completed and Phase II measures are included in the FY 21/22 budget request.

2-Year Plan to Improve Priority 1 Network Security Issues					
FY	Project	Project Description	1st Year Project Costs	Following Years Recurring Costs	
PHASE I - FY 20/21	20/21	1	Establish process for adding systems to Inventory; Establish process for adding systems to Inventory; Automated patch management; Filter web content; Create (or update) and distribute an Acceptable Use Policy	\$9,440	\$5,280
	20/21	2	Document settings for A/V & other detection and protection tools; Deny local admin rights to users; All remote administration via secure channels; Include protection via AD and server security to critical and sensitive data & review sensitive data and provide visibility and separation from less sensitive data; Implement appropriate level of control of switch ports ; Limit console & remote control to approved secure connections; Create policy to change account info for all systems occasionally; Update out-of-date applications / software	\$10,744	\$0
	20/21	3	Employee security education	\$14,990	\$5,040
	21/22	4	Dual authentication for system access	\$14,640	\$250
	20/21	6	Run automated vulnerability scanning tools against all systems on network on a scheduled, routine basis (perform both anonymous and authenticated scans)	\$13,580	\$6,000
	Sub-Total 20/21 One-Time Project and 1st Year Costs			\$63,394	
Project Contingency @ 5%			\$3,170		
Total 20/21 One-Time Project and 1st Year Costs			\$66,564		
Future Ongoing Costs after Year 1				\$16,570	
PHASE II - FY 21/22	21/22	Added for 2021/22	Disaster Recovery - 4TB Cloud (offsite) Backup (includes KLH backup device) [Identified as Vulnerability in 2021 Insurance Cyber Security Survey]	\$25,388	\$20,388
	21/22	Added for 2021/22	Cyber Security Incident and Event Monitoring - Includes software and setup, log ingestion and retention. [Identified as Vulnerability in 2021 Insurance Cyber Security Survey]	\$21,000	\$18,000
	21/22	5	Create Response Process & Procedures to be taken to activate the Incident Response Team (IRT)	\$6,320	\$0
	21/22	7	Create Disaster Recovery (DR) and Business Continuity Planning (BCP) plan and perform periodic tests	\$15,800	\$1,800
	21/22	8	PenTest annually	\$7,080	\$1,600
	Total 21/22 One-Time Project and 1st Year Costs			\$75,588	
Future Ongoing Costs after Year 1				\$41,788	

FY 21/22 BUDGET MODIFICATIONS

It should be noted that all FY 2019/20 General Fund transfers into the MIS Fund were suspended due to the potential economic impacts of the COVID 19 pandemic. The cancelation of the transfers resulted in a loss of \$186,512 in the MIS fund, which will likely result in longer IT equipment and software replacement periods.

FY 2021/22 base budget transfers into the MIS fund reflects a decrease over the previous year of 6% [(\$-16,300)] due to normal cyclical variations.

The other key base budget expense changes are highlighted below.

Decrease on Professional Services to return to base level funding (excludes "above-base requests").	(\$51,200)
Increase in Repair and Maintenance to cover increases in software subscriptions, security measures and network administration and maintenance services	\$16,077
Increase of Capital Assets resulting from projected computer equipment spending and other cyclical equipment and software replacement needs.	\$6,506

RECOMMENDED FY 21/22 BUDGET

601 - Mgmt Information Service						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Charges For Services	-	-	-	-	-	-
Transfers	214,803	42,775	209,564	209,564	209,564	373,624
Interest Revenue	1,642	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
Total Revenue	216,445	42,775	209,564	209,564	209,564	373,624
Professional Services	1,084	1,299	52,700	52,700	5,181	123,816
Property Services	5,122	-	51,200	51,200	-	-
Operations	112,360	112,497	156,615	156,615	126,987	198,198
Supplies	351	116	500	500	-	500
Software & Equipment	-	-	-	-	-	-
Internal Service & Capital Prj	72,193	122,824	77,330	77,330	77,330	83,836
Transfers	-	-	-	-	-	-
Depreciation	-	-	-	-	-	17,000
Total Expense	191,110	236,736	338,345	338,345	209,498	423,350
Grand Total	25,335	(193,961)	(128,781)	(128,781)	66	(49,726)
Beginning Fund Balance	353,862	379,197	185,236	185,236	185,236	185,302
Ending Fund Balance	379,197	185,236	56,455	56,455	185,302	135,576
* Unaudited						



CITY OF SONOMA

Vehicle & Equipment Replacement (Fund 603)

Wayne Wirick, Development Services Director / Building Official

The purpose of the Vehicle Replacement Fund (VRF) 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). It is common to see significant increases and decreases in this budget fund due to varying amortization and replacement cycles.

The fund is calculated on an amortization schedule based on the estimated useful life and estimated replacement cost of the vehicle. There is an annual departmental 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.

In FY19/20 a mid-year budget resolution, approved by the City Council, canceled all FY19/20 budgeted General Fund VRF Transfers into the Vehicle Replacement Fund due to the potential economic impacts of the COVID 19 pandemic. In FY 20/21, only one-half of the General Fund VRF transfers were budgeted and transferred into the Vehicle Replacement Fund for the same reason. The resulting impact to the Vehicle Replacement Fund was that more than \$370,400 was not contributed into the VRF fund, thereby adding 1.5 years to the replacement amortization schedule for all City vehicles and equipment to be replaced with General Fund transfers. Vehicles that will be replaced with Water or Cemetery Fund transfers were not reduced or eliminated during FY 19/20 or FY 20/21 and therefore were not impacted.

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

Department	ID	Description of Vehicle/Equipment to be Replaced	Vehicle Replacement Funding
Police	98K29	Replace Kawasaki motorcycle with new motorcycle. Transferred \$18,312 in from COPS Fund #217 for purchase of \$43,312 proposed motorcycle.	\$43,312
Fire/EMS	A1 (306)	Replace 2003 Ford Ambulance Type III #A-1 (306) with New Ambulance. Transferred \$27,750 in from EMS Equip Replacement Fund #521 for purchase of the \$210,000 proposed ambulance.	\$210,000
Fire/EMS	U-6 (3344)	Replace 2001 Jeep Cherokee 4x4 SUV command vehicle. Transferred \$5,000 in from EMS Equip Replacement Fund #521 for purchase of the \$50,000 proposed command vehicle	\$50,000

Department	ID	Description of Vehicle/Equipment to be Replaced	Vehicle Replacement Funding
Streets	SW-23	Replace 2002 Wacker- Vibrating Roller & Trailer (Shared 50/50 with Water Fund)	\$51,000
Parks	P-02	Replace 2006 Ford F-350 - Flat Bed with Lift Gate with new 3500 w/ 9' Flatbed and Stake-Sides and Lift-Gate. (\$20,000 Parks GF augmentation of \$20,000 is required for purchase of the \$55,000 proposed vehicle.	\$20,000
Parks	P-03	Replace 2003 F350 Ford Utility Truck with lift gate with new 1500 w/ Utility Bed and Lift Gate	\$45,000
TOTAL			\$419,312

RECOMMENDED FY 21/22 BUDGET

603 - Vehicle & Equipment Replacement

Description	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Transfers	\$ 304,140	\$ 13,322	\$ 279,399	\$ 279,399	\$ 279,399	\$ 392,158
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Revenue	\$ 21,166	\$ 3,378	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 325,306	\$ 16,700	\$ 287,899	\$ 287,899	\$ 287,899	\$ 400,658
Software & Equipment	\$ -	\$ 417,611	\$ 35,000	\$ 35,000	\$ 35,000	\$ 454,312
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ 235,528	\$ 236,000	\$ -	\$ -	\$ 236,000	\$ 236,000
Total Expense	\$ 235,528	\$ 653,611	\$ 35,000	\$ 35,000	\$ 271,000	\$ 690,312
Grand Total	\$ 89,778	\$ (636,911)	\$ 252,899	\$ 252,899	\$ 16,899	\$ (289,654)
Beginning fund Balance	\$1,189,677	\$1,279,455	\$ 642,544	\$ 642,544	\$ 642,544	\$ 659,443
Ending Fund Balance	\$1,279,455	\$ 642,544	\$ 895,443	\$ 895,443	\$ 659,443	\$ 369,789

*Unaudted



CITY OF SONOMA

Long-Term Building Maintenance (Fund 610)

*Wayne Wirick, Development Services Director / Building Official
Chris Pegg, 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 of the challenges surrounding the maintenance of the City's facilities is the limited staff capacity to initiate and implement renovation or rehabilitation projects. Both Building Department and Public Works staff have other primary duties and facility maintenance often gets pushed aside for more immediate or time sensitive City priorities. Another area of future focus might be to hire 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 2019 – 2021 ACCOMPLISHMENTS:

- Defined needed maintenance work at the Haven.
- Completed feasibility analysis for emergency power for City Hall.
- Investigated basement water intrusion at Carnegie Building.
- Developed floor plan for Public Works Safety building at Corporation Yard.

FISCAL YEAR 2021 – 2022 GOALS:

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

RECOMMENDED BUDGET MODIFICATIONS

FY20/21 revenue transfers into the Long-Term Building Maintenance Internal Service Fund were reduced by 50% in response to City budget constraints associated with the coronavirus pandemic.

The recommended FY 21/22 expense budget for the Long-Term Building Maintenance Internal Service Fund is \$100,000 for the projects specified below. The projected estimated expenses are staff rough estimates and are not necessarily 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 FY 21-22 Expenses	Estimated Expenses FY 22-23	Estimated Total Project Cost
Fire Station #1 – Replace Control Panel	Improvement work	25,000	0	297,000
The Haven – Painting, Flooring, etc.	Improvement work	75,000	0	75,000
TOTAL		100,000	0	372,000

RECOMMENDED FY 21/22 BUDGET

610 - L/T Bldg Maint

Expenditure Category	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Charges For Services	\$ -	\$ -	\$ -	\$ -	\$ 15,320	\$ 314,635
Transfers	\$ 303,248	\$ -	\$ 322,247	\$ 322,247	\$ 314,927	\$ -
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Revenue	\$ 28,667	\$ -	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Total Revenue	\$ 331,915	\$ -	\$ 330,247	\$ 330,247	\$ 330,247	\$ 322,635
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service & Capital	\$ 29,823	\$ 23,756	\$ 269,000	\$ 269,000	\$ 269,000	\$ 305,000
Total Expense	\$ 29,823	\$ 23,756	\$ 269,000	\$ 269,000	\$ 269,000	\$ 305,000
Grand Total	\$ 302,092	\$ (23,756)	\$ 61,247	\$ 61,247	\$ 61,247	\$ 17,635
Beginning Fund Balance	\$1,713,289	\$2,015,381	\$1,991,625	\$1,991,625	\$1,991,625	\$2,052,872
Ending Fund Balance	\$2,015,381	\$1,991,625	\$2,052,872	\$2,052,872	\$2,052,872	\$2,070,507
* 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] (495-57109) 2011 Water Bond (In Water Fund 510-62001)

Sue Casey, Assistant City Manager

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.
- 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. In 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.
 - The Pension Obligation Bonds was paid off in FY 20/21,
- 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).

RECOMMENDED FY 21/22 BUDGET

495 - 2008 Creb Bonds

Expenditure Category	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Transfers	\$ 41,749	\$ 41,748	\$ 41,749	\$ 41,749	\$ 41,748	\$ 41,749
Total Revenue	\$ 41,749	\$ 41,748	\$ 41,749	\$ 41,749	\$ 41,748	\$ 41,749
Debt Service	\$ 41,749	\$ 41,748	\$ 41,749	\$ 41,749	\$ 41,748	\$ 41,749
Total Expense	\$ 41,749	\$ 41,748	\$ 41,749	\$ 41,749	\$ 41,748	\$ 41,749
Grand Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Unaudited

498 - 2012 Pension Oblig Bonds

Expenditure Category	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Transfers	\$ 412,100	\$ 412,500	\$ 412,300	\$ 412,300	\$ 412,300	\$ -
Interest Revenue	\$ 1,459	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 413,559	\$ 412,500	\$ 412,300	\$ 412,300	\$ 412,300	\$ -
Professional Svcs	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Debt Service	\$ 409,383	\$ 411,000	\$ 410,800	\$ 410,800	\$ 410,800	\$ -
Total Expense	\$ 410,883	\$ 412,500	\$ 412,300	\$ 412,300	\$ 412,300	\$ -
Grand Total	\$ 2,676	\$ -	\$ -	\$ -	\$ -	\$ -

* 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)

Dave Kiff, Interim Executive Director, Successor Agency

One of the most profound impacts to 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.

With the elimination of redevelopment, the City moved the cost of Economic Vitality Program with the Sonoma Valley Chamber of Commerce and Emergency Shelter Utilities to the General Fund. In addition, the City moved the expenses for the master lease and associated costs of the Sebastiani Theatre to the Community Activities Budget. These were costs that were covered by the City's prior redevelopment agency.

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. For FY 21/22 Sonoma's Successor Agency will receive \$50,000 in Administrative Costs Allowance.

The Successor Agency budget includes the following expenditures:

- Portion of staff costs including City Manager and the Deputy Finance Director
- Legal advice and any costs associated with potential litigation with the Department of Finance.

RECOMMENDED FY 21/22 BUDGET

Key changes between the FY 20/21 and the FY 21/22 budget are listed and described below.

Reduction in expenses based on Administrative Cost Reimbursement	-\$25,000
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43199 - Successor Agency

Expenditure Category	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20/21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Salary & Wages	\$ 95,560.00	\$ 91,946.00	\$ 53,998.00	\$ 53,998.00	\$ 82,684.33	\$ 34,037.00
Employee Benefits	\$ 20,289.00	\$ 20,899.00	\$ 10,665.00	\$ 10,665.00	\$ 14,280.50	\$ 8,711.00
PERS UAL	\$ 10,172.00	\$ 15,439.00	\$ -	\$ -	\$ 11,018.00	\$ -
Professional Svcs	\$ 18,743.00	\$ 1,053.00	\$ 10,337.00	\$ 10,337.00	\$ 943.66	\$ 7,252.00
Property Services	\$ 7,237.00	\$ 10,919.00	\$ -	\$ -	\$ 12,826.21	\$ -
Operations	\$ 21.00	\$ 22.00	\$ -	\$ -	\$ -	\$ -
Supplies	\$ 1,125.00	\$ 1,275.00	\$ -	\$ -	\$ 2,042.55	\$ -
Internal Service & Capital Prj	\$ 27,894.00	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense Total	\$ 181,041.00	\$ 141,553.00	\$ 75,000.00	\$ 75,000.00	\$ 123,795.26	\$ 50,000.00

*Unaudited



CITY OF SONOMA

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

Dave Kiff, Interim Executive Director, Successor Agency

One of the most profound impacts to 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 (RPTTF) and the Recognized Obligation Payment Schedule (ROPS) are part of the same action by the California Assembly Bill ABX1 26. Through this legislation, new guidelines were issued for the dissolution of the former redevelopment agency 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 RPTTF 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, RPTTF / ROPS Fund. The approved expenses include:

- Debt service costs which were previously funded by tax increment and that have an amortization schedule during the time of the dissolution of the RDA. These expenses will be paid using funds received under ROPS until the debt is fully paid according to the original schedule. 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 in the Non-Departmental budget.
- Other expenses approved by the Successor Agency RPTTF are primarily related to professional services such as legal services.

FY 21/22Goals:

- In October 2010, the Community Development Agency of the City of Sonoma (“Redevelopment Agency”) issued \$ 10,120,000 of 2010 Refunding Tax Allocation Bonds (“2010 Bonds”) to refinance redevelopment activities with respect to the Sonoma Redevelopment Project. In March 2011, the Redevelopment Agency issued \$15,750,000 of 2011 Tax Allocation Bonds (“2011 Bonds”) to finance redevelopment activities with respect to the Sonoma Redevelopment Project.
- The 2010 and 2011 Bonds (collectively, the “Outstanding Bonds”) are secured by the non-housing tax increment of the Redevelopment Agency. A summary of the Outstanding Bonds is provided in the following table:

	2010 Bonds	2011 Bonds	Total
Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt
Outstanding Par	\$5,825,000	\$14,275,000	\$20,100,000
Current Interest Rate	4.87%	7.11%	6.78%
Final Maturity	12/1/2030	12/1/2036	
Redemption	Any Date	12/1/2022	

- In FY 21/22 the Successor Agency to the Former Sonoma Community Development Agency (“Successor Agency”) has the opportunity to refinance the Outstanding Bonds with significant benefit for the City of Sonoma (“City”) and other taxing entities. Working with our Municipal Advisor (NHA Advisors, LLC) and Placement Agent (Hilltop Securities), bids would be solicited from a number of financial institutions to purchase the proposed 2021 Tax Allocation Refunding Bonds (“2021 Bonds”), which would be issued to refund and redeem the Outstanding Bonds.
- At present, the trustee for the 2011 Bonds is holding approximately \$8.3 million in funds that can be applied to the refinancing to reduce the principal amount of the 2021 Bonds. If approved under current market conditions, combined with these funds on hand with the trustee for the 2011 Bonds, the Outstanding Bonds can be refinanced and restructured to generate an estimated \$18.95 million of cash flow savings to all taxing entities and net present value savings of approximately \$7.28 million (36.2%). The savings would be divided among the taxing entities according to each agency’s residual allocation of the revenues; of which, the City would be expected to realize approximately \$2.34 million (12.38% of the savings) of cash flow through FY 2035-36 (\$901,000 on a present value basis).
- The Bond refinancing will be subject to approval by the Successor Agency Board and the County Oversight Board. If the refinancing is conditionally approved by the County Oversight Board, the State Department of Finance must also approve the transaction.
- In FY 21/22, the City will review its Last and Final Recognized Obligation (ROPS) payment schedule with 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 year.

RECOMMENDED FY 21/22 BUDGET

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						
Expenditure Category	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Property Taxes	\$ 3,460,260	\$ 3,373,978	\$ 3,313,048	\$ 3,313,048	\$ 1,628,929	\$ 3,313,048
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Reser	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Revenue	\$ 195,414	\$ -	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,655,674	\$ 3,373,978	\$ 3,358,048	\$ 3,358,048	\$ 1,628,929	\$ 3,358,048
Professional Svcs	\$ 154,550	\$ -	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
Property Services	\$ 290,800	\$ 280,000	\$ 134,788	\$ 134,788	\$ 15,000	\$ 110,488
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service & Capital Prj	\$ -	\$ (6,673)	\$ -	\$ -	\$ -	\$ -
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to County	\$ 20,788	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ 1,916,972	\$ 3,190,368	\$ 2,587,596	\$ 2,587,596	\$ 2,587,596	\$ 3,208,800
Total Expense	\$ 2,383,110	\$ 3,463,695	\$ 2,728,384	\$ 2,728,384	\$ 2,602,596	\$ 3,325,288
Grand Total	\$ 1,272,564	\$ (89,717)	\$ 629,664	\$ 629,664	\$ (973,667)	\$ 32,760
* Unaudited						

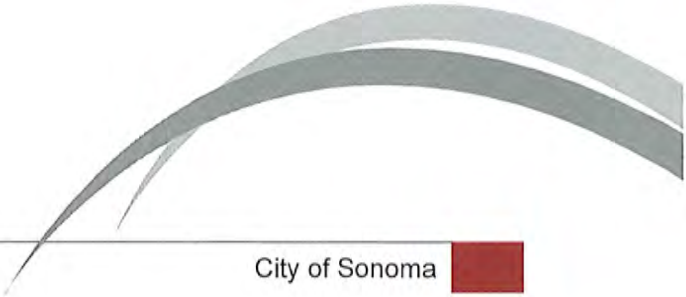


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GLOSSARY



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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.

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

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

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 UAL 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 2019-20

BUDGET RESOLUTION